



February 3, 2020

SUMMARY OF ORIGINAL BILL: Changes, from March 1 to March 8, the date by which the Secretary of State (SOS) is required to annually submit the omnibus list of qualifying nonprofit organizations approved to conduct a charitable gaming event to the Clerk of both the Senate and House of Representatives. Authorizes, rather than requires, the SOS to create and distribute any forms and filing methods required to obtain approval to conduct a charitable gaming event.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (013785): Adds language to the original bill that authorizes volunteer fire departments, in continuous and active existence in this state for at least 10 years, and federally exempted as a nonprofit organization for at least two years, to apply for and host annual charitable gaming events. Authorizes nonprofit organizations to submit an annual charitable gaming event application to the Secretary of State (SOS) within five calendar days after March 9, 2020, for events to be held prior to June 30, 2021.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue –

\$1,000/FY19-20/Division of Charitable Solicitations
\$5,000/FY20-21/Division of Charitable Solicitations
\$3,000/FY21-22 and Subsequent Years/
Division of Charitable Solicitations

Assumptions for the bill as amended:

- The proposed legislation would provide five additional days for nonprofit organizations to file annual charitable gaming event applications with the SOS for events held prior to June 30, 2021.
- Based on a current roster of volunteer fire departments registered with the Department of Commerce and Insurance, 190 are in an active nonprofit status.

- An estimated 10 nonprofit volunteer fire departments will be eligible to conduct an annual charitable gaming event and apply with the SOS within five calendar days after March 9, 2020, to host such event prior to June 30, 2021.
- Approximately 10 additional organizations will apply with the SOS within five calendar days after March 9, 2020, to conduct an annual charitable event prior to June 30, 2021 as a direct result of this legislation.
- Pursuant to Tenn. Code Ann. § 3-17-104(c)(1) and (2), the SOS collects an annual event application fee, no more than \$700, based on the gross revenue of the annual event. An initial \$50 must be paid when the application is submitted. All application fees are reverted to the Division of Charitable Solicitations (Division).
- Pursuant to Tenn. Code Ann. § 3-17-106(a)(1), nonprofit organizations must pay the remainder of the application fee, minus the initial \$50, within 90 calendar days of the event's conclusion.
- An estimated 20 organizations will apply and pay the initial application fee within five days after March 9, 2020, to conduct an annual charitable event prior to June 30, 2021.
- A one-time increase in state revenue to the Division in FY19-20 of \$1,000 (20 applications x \$50 initial application fee).
- With the remainder of an organization's application fee due within 90 calendar days of the event conclusion, it is reasonably assumed that the remainder of the application fees from organizations applying to conduct an event in March 2020, to be held prior to June 30, 2021, will be paid in FY20-21.
- At an average cost of \$300 per application fee, the one-time increase in state revenue to the Division in FY20-21 is estimated to be \$5,000 [(\$300 application fee - \$50 initial fee) x 20 total organizations].
- It is assumed that no further volunteer fire departments, in addition to the 10 that will apply in March 2020 as a result of this legislation, will apply to conduct a charitable gaming event in FY20-21.
- The recurring increase in state revenue to the Division from volunteer fire departments applying for and conducting charitable gaming events is estimated to be \$3,000 (\$300 application fee x 10 departments) beginning in FY21-22.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/agr