

Department of Finance and Administration

Legislative Impact Statement

Bill: SB488

Bill Subtitle: TO PROVIDE GRANTS FOR PROGRAMS AND SERVICES IN GAMBLING DISORDER PREVENTION, TREATMENT, COUNSELING, AND EDUCATION; AND TO DECLARE AN EMERGENCY.

Basic Change :

Sponsor: Senator A. Clark

The bill would provide grants to organizations for programs and services related to gambling disorder prevention, treatment, counseling and education with funds to support the programs being transferred from existing state revenue sources.

The bill provides that the first \$6,000,000 of privilege fees currently collected by the Department of Finance and Administration (DFA) and deposited as State General Revenues would be deposited as "Special Revenues" to the "Gambling Disorder Fund". In addition, \$6,000,000 of Arkansas Scholarship Lottery proceeds would also be transferred to the fund on an annual basis.

The "Gambling Disorder Fund" would be used by the Department of Health to provide grants to public and nonprofit private entities for gambling disorder prevention, treatment, counseling, and education. Programs and services would include mental health and substance abuse prevention and treatment and the establishment of toll-free helpline telephone numbers that would provide information and referral services. The programs would be provided free of charge to those using the programs. The proposal has an emergency clause and would be effective on the date approved by the Governor.

Revenue Impact :

FY2017

\$12,000,000 Deposit to the Gambling Disorder Fund.

 \$6,000,000 Transfer from State General Revenues

 \$6,000,000 Transfer from Arkansas Scholarship Lottery proceeds

The bill has an emergency clause with an effective date of approval by the Governor. As drafted, the initial fund transfers would occur during the current fiscal year.

Taxpayer Impact :

None.

Resources Required :

None.

Time Required :

None.

Procedural Changes :

Change accounting procedures for transfer of funds to the Gambling Disorder Fund.

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Other Comments :

The bill needs clarification as to the first year of fund transfers if the intent is for the first transfers to occur in FY2018 versus FY2017. Additional clarification is also needed to specifically provide if the transfers are to be annual transfers or a one-time transfer of funds.

Legal Analysis :

SB488 sets aside \$6,000,000 as special revenue from each of: (1) the privilege fees from electronic games of skill, and (2) lottery proceeds. Current law requires all such funds to be designated as general revenue.

The bill would also establish a Gambling Disorder Fund to be used by the Department of Health through grants, programs, and services. It will be funded by the privilege fees and lottery proceeds listed above.

The bill allows the Department of Health to promulgate rules regarding the distribution of grants but is otherwise silent on any standards or requirements the department must follow. The bill requires that all programs and services offered pursuant to the fund be free of charge to their recipients.

There is an Emergency Clause that makes the bill effective immediately on passage and approval.