



Senate Fiscal Agency
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House Bills 4823 and 4824 (as discharged)
Sponsor: Representative Julie Alexander (H.B. 4823)
Representative Kevin Hertel (H.B. 4824)
House Committee: Agriculture
Senate Committee: Agriculture (discharged)

CONTENT

House Bill 4823 and House Bill 4824 would amend the Lawful Internet Gaming Act and the Lawful Sports Betting Act, respectively, to eliminate caps on revenue collected and distributed to the Michigan Agriculture Equine Industry Development Fund (AEIDF) under each Act.

The Lawful Internet Gaming Act imposes on an internet gaming operator (except one that is an Indian tribe) a graduated tax on its annual adjusted gross receipts from all internet gaming it conducts. The Lawful Sports Betting Act imposes on a sports betting operator (except one that is an Indian tribe) a tax of 8.4% on its adjusted gross sports betting receipts. Under each Act, 5% of the revenue collected from each tax must be allocated to the AEIDF. However, if the allocation in question exceeds \$3.0 million, the excess amount must be allocated to the Internet Gaming Fund or the Internet Sports Betting Fund, as applicable. The bills would eliminate the caps under both Acts.

MCL 432.315 (H.B. 4823)
432.415 (H.B. 4824)

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bills would have no overall fiscal impact on the State or local unit of government. The bills could change the distribution from the AEIDF, which currently is capped at \$3.0 million. If the amount in the AEIDF exceeded \$3.0 million, the excess amount would be deposited into either the Lawful Internet Gaming Fund or the Lawful Sports Betting Fund. Any amounts remaining in those funds after administrative costs and the other distributions are deposited into the School Aid Fund. The bill would allow for increased balances in the AEIDF above \$3.0 million. If the balance increased over \$3.0 million, it would represent a decrease in the amount that could have otherwise been deposited into the School Aid Fund. Currently, the balance in the AEIDF is just over \$1.0 million and the balance is unlikely to exceed \$3.0 million in the next fiscal year.

Date Completed: 11-10-21

Fiscal Analyst: Bruce Baker
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