

Subject Lawful gambling organizations annual audits and report requirements modified

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Overview

This bill amends the requirements regarding annual audits and reports conducted by the commissioner of revenue and the attorney general for certain lawful gambling organizations.

Under current law, the commissioner of revenue is required to audit a lawful gambling organization that collects more than \$750,000 in gross receipts in a year. This bill removes this requirement.

Also under current law, a lawful gambling organization that collects more than \$750,000 in total revenue in a year is required to provide an audited financial statement to the attorney general. This bill clarifies that total revenue is determined by an organization's net receipts.

This bill is effective July 1, 2019.

Summary

Section	Description
1	<p>Commissioner required audits; annual certified inventory and cash count.</p> <p>This section removes the requirement that the commissioner of revenue audit a lawful gambling organization with gross receipts over \$750,000 in a given year.</p> <p>Instead, this section makes the audit optional on any lawful gambling organization that has failed to comply with certain regulatory requirements regardless of its gross receipts for the year.</p>
2	<p>Financial statement requirements; audited financial statements; exceptions.</p> <p>Under current law, lawful gambling organizations are required to submit an annual report, including a financial statement, to the attorney general. An organization with more than \$750,000 in total revenue must also provide an audited financial statement in its report.</p>

Section	Description
	This section specifies that the \$750,000 in total revenue is to be calculated based on net receipts (gross receipts minus prizes paid) instead of gross receipts.



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