



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 2110   PRINTERS NO. 4308   PRIME SPONSOR: Benninghoff

### REVENUE INCREASE / (DECREASE)

FUND	FY 2014/15	FY 2015/16
General Fund	\$0	\$0
Lottery Fund	nominal	\$220,358,000

**SUMMARY:** House Bill 2110, Printer's Number 4308, amends the State Lottery Law further providing for definitions; powers and duties of the secretary; and for report.

**ANALYSIS:** Current law provides that for fiscal years beginning before July 1, 2015, no less than 27% of the total revenues from the sale of lottery tickets shall be dedicated to funding programs. For fiscal years beginning July 1, 2015, and thereafter, no less than 30% of the total revenues from the sale of lottery tickets shall be dedicated to funding programs.

This legislation amends the language regarding the profit margin of the Lottery Fund providing that for fiscal years beginning after June 30, 2014, no less than 25% of the total revenues from the sale of lottery tickets shall be dedicated to funding programs. Furthermore, language is added making the report submitted to the General Assembly a permanent report to be submitted by September 1 of each year and adds the Majority and Minority Chairmen of the Finance Committee in both the Senate and the House as recipients of the report.

Definitions of the terms "internet instant game" and "keno" are added and language is added prohibiting the Secretary of Revenue from authorizing the game of keno or an internet instant game unless specifically authorized by law. Furthermore, sales through the Lottery's Internet website or any Internet websites operated by licensed Lottery retailers of any Lottery game or any Internet instant game are prohibited unless specifically authorized by law. Finally, the Secretary or Revenue may not offer any Internet-based or monitor-based interactive Lottery game or simulated casino style Lottery game through the State Lottery including video poker, video roulette, slot machines or video blackjack.

The act shall take effect immediately.

**FISCAL IMPACT:** According to the Department of Revenue, enactment of this legislation will allow the department to continue to offer a diverse portfolio of Lottery games which is estimated to generate additional revenues for the Lottery Fund of \$220.358 million in FY2015-16 by reducing the profit margin relief to 25% from the 30% beginning July 1, 2015. Over the next five fiscal years this change is estimated to generate an additional \$978.378 million in total for the Lottery Fund.

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**DATE:** October 15, 2014

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*