

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. House Bill 2110

PRINTER'S NO. 4308

AMOUNT

FY 2015-16: \$6,240,000

FUND

State Lottery Fund

DATE INTRODUCED

March 18, 2014

PRIME SPONSOR

Representative Benninghoff

DESCRIPTION AND PURPOSE OF BILL

House Bill 2110, as amended, amends the State Lottery Law (Act 91 of 1971) further providing for definitions, for powers and duties of the secretary and for a report.

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.

House Bill 2110 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. The amended legislation requires the report to include the impact the change in profits has had on instant games and other lottery games.

As amended, House Bill 2110 adds the new definitions of "Internet instant game" and "keno" to the State Lottery Law. An Internet instant game is defined as a lottery game in which, by the use of a computer, tablet computer or other mobile device, a player removes the covering from randomly generated numbers or letters which reveal whether the instant ticket is a winning ticket or selects number picks for a lottery or powerball drawing. Keno is defined as a lottery game in which multiple players receive or select numbers on a prepared form and winning numbers are determined from a random drawing and displayed on a monitor.

The amended legislation amends section 303 of the State Lottery Law (relating to powers and duties of secretary) by providing that the Secretary of Revenue may not approve regulations authorizing an Internet instant game or keno unless specifically authorized by the General Assembly.

The act shall take effect immediately.

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FISCAL IMPACT:

According to information provided by the Department of Revenue, enactment of this legislation will allow the State Lottery to continue to offer a diverse portfolio of Lottery games, which is estimated to generate additional revenues for the Lottery Fund of \$6.2 million in fiscal year 2015-16.