

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 266 would change provisions regarding the State Racing Commission and horseracing. The bill would also adopt the Racetrack Gaming Act and provide for the regulation of racetrack gaming.

The implementation of the new language creating the Racetrack Gaming Act, which would regulate racetrack gaming in Nebraska, is contingent on the passage of a constitutional amendment; therefore LB 266 would have no fiscal impact for the biennium. However, the bill (Sec. 17) would require an expenditure for commissioner’s salaries of \$18,750 in FY11-12 and \$93,750 in FY12-13, even if the constitutional amendment failed.

A constitutional amendment that allows racetrack gaming will in all probability mean an increase in revenue to the state, the State Racing Commission, and the local political subdivisions where the racetracks are located. It is also just as probable that the Commission will incur increased expenses for staff, equipment, and other overhead. We are unable at this time to provide an estimate on the potential amount of revenue or cost because of the uncertainties surrounding implementation given current available information.

In summary the bill would do the following:

Section 1 provides that sections 1 – 16 shall be know as the Racetrack Gaming Act.

Section 2 states the purpose of the act and provides that the act applies to racetrack gaming when such gaming is permitted by the Constitution of Nebraska.

Section 3 provides that proceeds from racetrack gaming will be distributed as provided by Article III, Section 24 of the Nebraska Constitution; provides that no additional state taxes will be assessed on gross gaming revenue; provides that gross gaming revenue shall be credited to the Gaming Revenue Cash Fund to be allocated and appropriated consistent with the provisions in Article III, Section 24 of the constitution.

Section 4 provide definitions

Section 5 gives the State Racing Commission regulatory, administrative and enforcement authority over racetrack gaming.

Section 6 & 7 set forth license requirements, conditions, and fees.

Section 8 provides age restrictions on wagering and employment.

Section 9 sets requirements for how the racetrack gaming licensee shall keep books and records.

Sections 10 & 11 places additional requirements and restrictions on certain licensees.

Section 12 allows the Commission to utilize gaming agents to monitor racetrack gaming and assist the Commission in enforcing the act. Also provides that the salary and expenses of the gaming agent is to be paid by the racetrack gaming licensee.

Section 13 requires that each gaming device is connected to a central computer that has its base terminal at Commission offices. The racetrack gaming licensee is to pay a proportionate share of the cost of installation and maintenance of such computer.

Section 14 allows the Commission to require certain terms in the contracts between racetrack gaming licensees and their contractors.

Section 15 provides an exemption from the Uniform Disposition of Unclaimed Property Act.

Section 16 creates the Gaming Administration Cash Fund and the Gaming Revenue Cash Fund.

Sections 17 to 27 amend current State Racing Commission statutes and include increasing the period of a horseracing license from one year to five years and that a racetrack gaming or contract license may be up to five years; provides that beginning January 1, 2012 Commissioners will receive an annual salary of \$75,000 in addition to actual expenses; changes terms; increases the maximum amount of a fine the Commission may impose from \$5,000 to \$10,000; specifies who may apply for a racetrack gaming license; and adds new restrictions for members of a commissioner's immediate family regarding horseracing and racetrack gaming.

**IMPACT TO POLITICAL SUBDIVISIONS:**

There would be no fiscal impact at this time.