

PREPARED BY: Austin Ligenza
 DATE PREPARED: January 11, 2022
 PHONE: (402)471-0050

LB 923

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 923 amends the Nebraska County and City Lottery Act (the Act).

LB 923 defines digital-on-premises ticket as a ticket purchased digitally at a verified location. Additionally, LB 923 specifies the payment options for tickets under the Act to include cash, coins, a debit card, or a direct link to an account under ownership of the player. This language prohibits the use of a credit card for purchasing tickets under the Act.

LB 923 adds section 7 to the Act, which details the process for a lottery operator to provide digital-on-premises tickets. The operator must file with the Department of Revenue, as well as provide controls associated with the sale of digital-on-premises tickets. These controls are subject to approval by the Department, and include location controls for monitoring a player’s location with respect to the premises, notifications for players that violate these location controls, and a method for players to submit complaints. The Department is also allowed to require further controls not described under the Act.

The Department of Revenue estimates the impact on General Fund revenues will be minimal. Additionally, the Department estimates minimal costs to implement LB 923. There is no basis to disagree with these estimates.

The impact to political subdivisions is likely to be minimal.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 923	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Jacob Leaver	DATE: 1/19/2022	PHONE: (402) 471-4173	
COMMENTS: No basis to dispute with the Department of Revenue’s estimate of minimal fiscal impact to the agency as a result of LB 923.			

State Agency Estimate

State Agency Name: Department of Revenue		Date Due LFO:			
Approved by: Tony Fulton		Phone: 471-5896			
Date Prepared: 1/19/2022					
<u>FY 2022-2023</u>		<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds	Minimal	Minimal	Minimal	Minimal	Minimal
Cash Funds					
Federal Funds					
Other Funds					
Total Funds	Minimal	Minimal	Minimal	Minimal	Minimal

LB 923 amends the County and City Lottery Act (Keno) as administered by the Department of Revenue (DOR). Section 3 adds the definition of “digital-on-premises ticket” to mean a digital ticket purchased in person on a mobile or other electronic device verified to be present at the location of the lottery.

Section 4 eliminates references to “paper tickets,” and states that tickets must be issued on paper, or digitally to a mobile or other device of a person verified to be present at the location of the lottery operator.

Section 5 adds the following methods of payments (in addition to cash): coins, a debit card, or a direct link to an account with a financial institution in the name of the player. Credit cards are not allowed.

Section 6 adds the requirement that the name of the sponsoring community be placed on every ticket.

Section 7 places limitations on the purchase of digital tickets:

- Require operators to inform DOR where such sales would be allowed. Keno operators are to use safeguards (approved by DOR) to limit the access to such purchases to those who are 19 or older.
- Operators will submit controls (to be approved by DOR) for the following:
 - procedures and the name of the technology partner used to full the requirements set forth by DOR;
 - any location detection procedures and require the boundaries be limited to the boundaries of the property;
 - any other controls designated by DOR;
 - a process to prominently display and impose limitation parameters relating to the purchase of a digital-on-premises ticket;
 - an easy and obvious method for a player to make a complaint to enable the player to notify DOR if the complaint has not been or cannot be addressed by the lottery operator.

It is estimated that this amendment will have minimal impact on General Fund revenues.

It is estimated that there are minimal costs to DOR to implement this bill.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>22-23</u>	<u>23-24</u>	<u>24-25</u>	<u>22-23</u>	<u>23-24</u>	<u>24-25</u>
		<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
	Benefits.....						
	Operating Costs.....						
	Travel.....						
	Capital Outlay.....						
	Capital Improvements.....						
	Total.....						

The operative date for this bill is three months after adjournment.