PREPARED BY: DATE PREPARED: PHONE: John Wiemer February 9, 2023 402-471-0051

LB 232

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2023-24		FY 2024-25			
	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 232 amends the Nebraska County and City Lottery Act (Act).

LB 232 adds the definition of digital-on-premises ticket. A digital-on-premises ticket would be a digital ticket purchased in person on a mobile or other electronic device verified to be present at the location of the lottery operator or an authorized sales outlet location. Additionally, LB 232 adds debit cards, the cash balance of a payment application, a transfer from a deposit account at a financial institution, or an account established in the name of the player with the lottery operator that can be used to pay for tickets or wagers. The bill adds that a credit card is not to be accepted for payment for any wager or keno.

LB 232 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 (DOR) as well as provide controls associated with the sale of digital-on-premises tickets. These controls are subject to approval by the DOR.

The DOR estimates that the impact on General Fund revenues will be minimal. Additionally, the DOR estimates minimal costs to implement LB 232. 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: 232	LB: 232 AM: AGENCY/POLT. SUB: Department of Revenue					
REVIEWED BY:	Jacob Leaver	DATE: 2/10/2023	PHONE: (402) 471-4173			
COMMENTS: The Department of Revenue's estimate of minimal fiscal impact to the agency as a result of LB 232 seems reasonable.						

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State Agency Estimate						
State Agency Name: Department	t of Revenue				Date Due LFO:	
Approved by: Glen White	Date Prepared: 02/08/2023 Phone: 471-5			Phone: 471-5896		
	FY 2023-2024		FY 2024-2025		FY 2025-2026	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	Minimal	Minimal	Minimal	Minimal	Minimal	Minimal
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	Minimal	Minimal	Minimal	Minimal	Minimal	Minimal
	•				•	

LB 232 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 provides for additional payment methods, which include debit cards, the cash balance of a payment application, a transfer from a deposit account at a financial institution, or an account established in the name of the player with the lottery operator and funded as provided in subsection (2) of §9-646.01. Credit cards are explicitly not accepted for payment. A lottery operator may allow players to create an account to be used for funding and playing. They may be funded in the same manner as described above. Additionally, players are able to deposit prizes won and refunds into the same account. The account may not be funded over \$500. The DOR is given the power to adjust this number from time to time considering inflation and other competitive and economic factors.

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:
 - o procedures and the name of the technology partner used to full the requirements set forth by DOR;
 - o any location detection procedures and require the boundaries be limited to the boundaries of the property;
 - o any other controls designated by DOR;

Major Objects of Expenditure							
Class Code	Classification Title	23-24 <u>FTE</u>	24-25 <u>FTE</u>	25-26 <u>FTE</u>	23-24 Expenditures	24-25 Expenditures	25-26 Expenditures
Danasta							
Operating Costs	Benefits						
Travel							
Capital Improvements							

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o a process to prominently display and impose limitation parameters relating to the purchase of a digital-on-premises ticket;

o 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.

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