John Wiemer March 28, 2023 402-477-0051

LB 775

Revision: 01 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised per General File amendments

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2023	3-24	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 775 was amended by AM709. This amendment was then divided into AM856 and AM832. Each amendment will be discussed separately below.

AM856

Incorporates the provisions of LB 72

This amendment seeks to change the definition of gross proceeds under the Nebraska County and City Lottery Act so that gross proceeds do not include any admission costs collected at any location where the lottery is also available to the public free of any admission charge.

The Department of Revenue (DOR) estimates the changes made by this aspect of the amendment will have minimal impact on General Fund revenues and that there would be minimal costs to implement the bill. There is no basis to disagree with these estimates.

Political subdivisions could see some fiscal impact from this change in definition.

Keeps the original provisions of LB 775

This amendment also seeks to make changes to the Nebraska Racetrack Gaming Act (Act). The amendment changes the definition of racetrack enclosure to mean all real property licensed and utilized for the conduct of a race meeting, including the racetrack and any grandstand, concession stand, office, barn, barn area, employee housing facility, parking lot, and additional area designated by the Racing and Gaming Commission in accordance with the Constitution of Nebraska and applicable Nebraska law.

Additionally, this aspect of the amendment would add that the Commission is to recommend to the Governor and to the General Affairs Committee of the Legislature amendments to all laws administered by the Commission.

Finally, this aspect of the amendment creates the possibility of the Commission delegating to an adjudication subcommittee powers and duties of the Commission as necessary to carry out and effectuate the purposes of the Act and investigate and respond to violations of the Act. The adjudication subcommittee can impose a fine, not to exceed \$15,000, if it finds that the Act, or any rule or regulation adopted and promulgated under the Act has been violated. The fines collected would be distributed in accordance with Article VII, section 5, of the Constitution of Nebraska for distribution to schools.

The Commission estimates no fiscal impact to it from this aspect of the amendment.

There is no basis to disagree with this estimate.

Incorporates the provisions of LB 73

This aspect of the amendment would expand the use of the County Visitors Improvement Fund to allow the fund to be used on facilities that conduct parimutuel wagering if the facility is the site of the state fair or district or county agricultural society fair.

The Fund is an additional sales tax on hotel occupancy not to exceed 2%. The Fund is collected by the DOR and re-distributed to the counties of origin for administration by the governing body of counties with advice of the county Visitors Committee.

This aspect of the amendment would have no impact on revenues collected, and would only expand eligible use of the Fund. There may be a positive impact on the revenues of the State Fair Board, however the timing and amounts of such impact are unknown.

AM832

This amendment incorporates the provisions of LB 232 with some modification.

The amendment defines a 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, under LB775 AM832, 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 could be used to pay for tickets or wagers. Under the amendment, credit cards would not to be accepted for payment for any wager on keno. The lottery operator could also allow a participant to deposit prize money won from the lottery and refunds from the lottery to the account to be used for lottery play. The amendment differs from the original version of LB 232 in that a participant cannot deposit funds into the account to be used for lottery play from a debit card transaction if the total amount of funds from all such debit card transactions in that calendar day would exceed \$200.

The amendment also details the process for a lottery operator to provide digital-on-premises tickets. The operator must file with the 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 from this amendment would be minimal. Additionally, the DOR estimates minimal costs to implement the amendment.

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: 775	AM: 709	AGENCY/POLT. SUB: City of L	incoln			
REVIEWED BY:	Jacob Leaver	DATE: 3/20/2023	PHONE: (402) 471-4173			
COMMENTS: There is no basis to dispute the City of Lincoln's estimate of minimal fiscal impact to the city as a result of LB 775 AM 709. Technical Note: AM709 was divided into 3 separate amendments; AM856, AM832, and AM312. The						

first 2 amendments were adopted while AM 813 was placed on Select File.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 775	AM: 709	AGENCY/POLT. SU	JB: City of Omaha		
REVIEWED BY:	Jacob Leaver	DATE: 3/20/2	2023	PHONE: (402) 471-4173	
COMMENTS: There is no basis to dispute the City of Omaha's estimate of minimal fiscal impact to the city as a result of LB 775 AM 709. <u>Technical Note:</u> AM709 was divided into 3 separate amendments: AM856, AM832, and AM312. The					
first 2 amendments were adopted while AM 813 was placed on Select File.					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 775	AM: 709	AGENCY/POLT.	SUB: Lanc	aster County		
REVIEWED BY:	Jacob Leaver	DATE: 3/2	20/2023	PHONE: (402) 471-4173		
COMMENTS: There is no basis to dispute the Lancaster County's estimate of no fiscal impact to the county as a result of LB 775 AM 709. <u>Technical Note:</u> AM709 was divided into 3 separate amendments: AM856, AM832, and AM312. The first 2 amendments were adopted while AM 813 was placed on Select File.						

ADMINISTRA	ATIVE SERVICES ST	ATE BUDGET DIVISION: REVIEW	/ OF AGENCY & POLT. SUB. RESPONSE		
LB: 775	AM: 709	AGENCY/POLT. SUB: Net	oraska Association of County Officials		
REVIEWED BY:	Jacob Leaver	DATE: 3/20/2023	PHONE: (402) 471-4173		
COMMENTS: There is no basis to dispute the Nebraska Association of County Official's estimate of minimal fiscal impact to the city as a result of LB 775 AM 709. <u>Technical Note:</u> AM709 was divided into 3 separate amendments:					

AM856, AM832, and AM312. The first 2 amendments were adopted while AM 813 was placed on Select File.

LB 775 AM 832 AM 856

Fiscal Note 2023

State Agency Estimate							
State Agency Name: Department of	Revenue				Date Due LFO:		
Approved by: Glen White		Date Prepared:	03/28/2023		Phone: 471-5896		
	FY 202	3-2024	<u>FY 2024-2025</u> <u>FY 2025-2026</u>			5-2026	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds							
Cash Funds							
Federal Funds							
Other Funds							
Total Funds							

LB 775 AM 832 contains much of the original language from LB 232 while including a provision that prevents a retailer from selling more than \$200 in debit card purchases to an individual in a single calendar day. Specifically, the amendment updates provisions relating to the sale of digital tickets, the method of payment for purchase for tickets, and limitations on the purchasing of digital tickets.

LB 775 AM 856 incorporates the gross proceed definition change provided by LB 72 into LB 775, which contains changes to the definition of racetrack enclosure and modifies functions of the Racing and Gaming Commission.

It is estimated that both amendments will have minimal impact on General Fund revenues.

It is estimated that there are minimal costs to the Department of Revenue to implement either bill.

The operative date for each amendment is three months after adjournment.

Major Objects of Expenditure										
<u>Class Code</u>	Classification Title	23-24 <u>FTE</u>	24-25 <u>FTE</u>	25-26 <u>FTE</u>	23-24 <u>Expenditures</u>	24-25 <u>Expenditures</u>	25-26 <u>Expenditures</u>			
Benefits										
Travel	Travel									
Capital Outlay										
	ıts									
	Total									

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 775 AM 70)9			I	FISCAL NOTE
State Agency OR Political Su	ubdivision Name: ⁽²⁾	City of Lincoln			
Prepared by: ⁽³⁾ Claire (Oglesby	Date Prepared: ⁽⁴⁾	3/10/23	Phone: ⁽⁵⁾	402 441 8301
E	STIMATE PROVI	DED BY STATE AGEN	NCY OR POLITICAL	SUBDIVIS	ION
	FV	2023-24		FY 2024	-95
	EXPENDITURES	<u>REVENUE</u>	EXPENDITU		<u>REVENUE</u>
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS					
Explanation of Estimate:					

The change in the definition of gross proceeds may have minimal to no fiscal impact to the city.

	NUMBER OI	F POSITIONS	2023-24	2024-25
POSITION TITLE	<u>23-24</u>	<u>24-25</u>	EXPENDITURES	EXPENDITURES
			<u> </u>	
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				

Please complete \underline{ALL} (5) blanks in the first three lines.

LB ⁽¹⁾ 775 AM 709			FISCAL NOTE
State Agency OR Political Subdivision Name: ⁽²⁾	City of Omaha		
Prepared by: ⁽³⁾ Jeff Roh	Date Prepared: ⁽⁴⁾	3-16-23 Phone:	(5) 402-444-5451
ESTIMATE PROV	IDED BY STATE AGEN	NCY OR POLITICAL SUBDI	VISION
FY	2023-24	FY 20	024-25
EXPENDITURES		EXPENDITURES	REVENUE
GENERAL FUNDS			
CASH FUNDS			
FEDERAL FUNDS			
OTHER FUNDS			
TOTAL FUNDS			
Explanation of Estimate:			

There would be minimal fiscal impact.

	BRE	AKDOWN BY MAJ	OR OBJECTS C	DF EXPENDITURE	
POSITION TITLE 23-24 24-25 EXPENDITURES EXPENDITURES Benefits.	Personal Services:				
Benefits Operating Travel. Capital outlay Aid.		NUMBER OF	F POSITIONS	2023-24	2024-25
Operating	POSITION TITLE	<u>23-24</u>	<u>24-25</u>	EXPENDITURES	EXPENDITURES
Operating					
Operating					
Operating					
Travel					
Capital outlay	Operating				
Aid	Travel				
Aid	Capital outlay				
Capital improvements					
	Capital improvements				
TOTAL	TOTAL				

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 775, AM70	9				FISCAL NOTE
State Agency OR Political Su	bdivision Name: (2)	Lancaster County			
Prepared by: ⁽³⁾ Dennis Meyer		Date Prepared: ⁽⁴⁾	3-16-23	Phone: (5)	402-441-6869
E	<u>STIMATE PROVI</u>	<u>DED BY STATE AGEN</u>	ICY OR POLITICAL	<u>SUBDIVIS</u>	ION
	FYS	2023-24		<u>FY 2024</u>	-25
-	EXPENDITURES	<u>REVENUE</u>	<u>EXPENDITU</u>	RES	<u>REVENUE</u>
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS					
Explanation of Estimate:					

No fiscal impact to Lancaster County.

BREAL	KDOWN BY MAJ	OR OBJECTS C	<u> DF EXPENDITURE</u>	
Personal Services:				
DOCITION TITLE	NUMBER OF POSITIONS		2023-24 EXPENDITUDES	2024-25
POSITION TITLE	23-24	<u>24-25</u>	EXPENDITURES	<u>EXPENDITURES</u>
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				

2023

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 775 – 2	AM709				FISCAL NOTE				
State Agency OR Poli	itical Subdivision Name: ⁽²⁾	Nebraska Association of County Officials (NACO)							
Prepared by: ⁽³⁾	Elaine Menzel	Date Prepared: ⁽⁴⁾	3/15/2023	Phone: (5)	402.434.5660				
ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION									
	<u>FY 2</u> EXPENDITURES	2023-24 <u>REVENUE</u>	<u>FY 2024-25</u> EXPENDITURES <u>REVENUE</u>						
GENERAL FUNDS CASH FUNDS	; 								
OTHER FUNDS TOTAL FUNDS									

Explanation of Estimate:

AM709 to LB775 makes various changes to the Nebraska County and City Lottery Act, including excepting gross proceeds from admission costs collected at any location where the lottery is also available to the public free on any admission charge. Such provision would have an unknown positive fiscal impact to counties where a lottery is available to the public.

AM709 to LB775 would also allow the County Visitors Promotion Fund dollars to be used to improve a facility in which parimutuel wagering is conducted if such facility also serves as the site of a county agricultural society fair. There is not a revenue related fiscal impact.

BREAKI	DOWN BY MAJ	OR OBJECTS O	F EXPENDITURE	
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS <u>23-24</u> <u>24-25</u>		2023-24 <u>EXPENDITURES</u>	2024–25 <u>EXPENDITURES</u>
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				