PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs January 31, 2017 402-471-0051

## **LB 470**

Revision: 00

## **FISCAL NOTE**

## **LEGISLATIVE FISCAL ANALYST ESTIMATE**

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201	7-18	FY 2018-19				
	EXPENDITURES	REVENUE	EXPENDITURES REVENUE				
GENERAL FUNDS		\$181,000		\$293,000			
CASH FUNDS	\$51,474	\$121,000	\$47,054	\$195,000			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	\$51,474	\$302,000	\$47,054	\$488,000			

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

LB 470 amends the Nebraska County and City Lottery Act.

The Act is amended to allow, beginning January 1, 2018, the use of an electronic keno ticket.

A lottery operator who uses electronic tickets is required by the bill to take "reasonable measures to prevent participation" by a person outside the licensed premises. This can include geofencing that blocks access to participation.

In addition, the required time between keno games (the numbers selection) is reduced from five minutes to four minutes.

The bill also allows a player to pay for participation in a keno game using a debit or prepaid card in addition to cash. Credit cards are not included in the "cash equivalent" definition and specifically not allowed.

The Department of Revenue estimates the following fiscal impact as a result of the provisions of LB 470:

		Charitable Gaming Op	perations		
Fiscal Year:	General Fund:	Fund:	Total	Total	
2017-18:	\$ 181,000	\$ 121,000	\$ 302,000		
2018-19:	\$ 293,000	\$ 195,000	\$ 488,000		
2019-20:	\$ 316,000	\$ 211,000	\$ 527,000		
2020-21:	\$ 341,000	\$ 228,000	\$ 569,000		

The Department of Revenue indicates that cost to implement the provisions of LB 470 will include 1.0 FTE Revenue Agent to monitor the anticipated increase in activity. PSL will be \$34,943 for FY17-18 and \$35,379 for FY18-19.

We have no basis to disagree with the Department of Revenue's estimate of fiscal impact or cost.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB:470 AM: AGENCY/POLT. SUB: Department of Revenue					
REVIEWED	BY: Lyn Heaton	DATE: 2/2/2017	PHONE: (402) 471-4181		
COMMENTS: No basis upon which to disagree with the Dept. of Revenue's analysis.					

LB 470 Fiscal Note 2017

State Agency Estimate							
State Agency Name: Department	of Revenue				Date Due LFA:	02/02/2017	
Approved by: Tony Fulton		Date Prepared:	01/31/2017		Phone: 471-5896		
	-2018	FY 2018	-2019	FY 201	9-2020		
	<b>Expenditures</b>	Revenue	Expenditures	Revenue	<b>Expenditures</b>	Revenue	
General Funds		\$181,000		\$293,000		\$316,000	
Cash Funds	\$51,474	\$121,000	\$47,054	\$195,000	\$47,760	\$211,000	
Federal Funds							
Other Funds							
Total Funds	\$51,474	\$302,000	\$47,054	\$488,000	\$47,760	\$527,000	
	•				<u> </u>		

LB 470 would allow "electronic" keno tickets beginning January 1, 2018. Current law requires a paper ticket. The bill would also lower the minimum amount of time between keno games from five minutes to four minutes. The bill removes the requirement that keno wagers be placed with cash. Beginning on January 1, 2018, wagers could be paid for with cash or a "cash equivalent," which includes a debit card, but would not include a credit card.

Enactment of LB 470 would increase the amount of keno play significantly. It is estimated that LB 470 would impact General Fund revenues and the Charitable Gaming Operations Fund as follows:

Fiscal Year	General Fund	Charitable Gaming	Total
FY 17-18	\$ 181,000	\$ 121,000	\$ 302,000
FY 18-19	\$ 293,000	\$ 195,000	\$ 488,000
FY 19-20	\$ 316,000	\$ 211,000	\$ 527,000
FY 20-21	\$ 341,000	\$ 228,000	\$ 569,000

The bill will require the addition of one full time Revenue Agent to monitor the anticipated increased activity associated with these changes.

Major Objects of Expenditure							
		17-18	18-19	19-20	17-18	18-19	19-20
Class Code	Classification Title	FTE	<b>FTE</b>	FTE	<b>Expenditures</b>	<b>Expenditures</b>	<b>Expenditures</b>
X29222	Revenue Agent	1.0	1.0	1.0	\$34,943	\$35,379	\$35,910
Benefits					\$11,531	\$11,675	\$11,850
Operating Costs							
Capital Outlay					\$5,000		
Aid							
Capital Improvem	ents						
Total					\$51,474	\$47,054	\$47,760