| ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates) |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| FY 2017-18 |  |  | FY 2018-19 |  |
|  | URES | REVENUE | URES | 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 Operations |  |
| :--- | :--- | :--- | :--- |
| Fiscal Year: | General Fund: | Fund: | 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.

| State Agency Estimate |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | Date Due LFA: 02/02/2017 |  |
| State Agency Name: Department of RevenueApproved by: Tony Fulton |  | Date Prepared: | 01/31/2017 |  | Phone: 471-5896 |  |
|  | FY 2017-2018 |  | FY 2018-2019 |  | FY 2019-2020 |  |
|  | Expenditures | Revenue | Expenditures | Revenue | Expenditures | 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 |

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 <br> Year | General Fund |  | Charitable <br> 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 | $\$ \quad 341,000$ | $\$ 228,000$ | $\$$ | 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 |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Class Code | Classification Title | $\begin{gathered} \hline \hline \text { 17-18 } \\ \text { FTE } \end{gathered}$ | $\begin{aligned} & \hline 18-19 \\ & \text { FTE } \end{aligned}$ | $\begin{aligned} & \hline \hline \text { 19-20 } \\ & \text { FTE } \end{aligned}$ | $\begin{gathered} 17-18 \\ \text { Expenditures } \end{gathered}$ | 18-19 Expenditures | $19-20$ Expenditures |
| X29222 | Revenue Agent | 1.0 | 1.0 | 1.0 | \$34,943 | \$35,379 | \$35,910 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Benefits.. |  |  |  | ...... | \$11,531 | \$11,675 | \$11,850 |
| Operating Costs. |  |  |  |  |  |  |  |
| Travel............ |  |  |  | ....... |  |  |  |
| Capital Outlay... |  |  |  |  | \$5,000 |  |  |
| Aid. |  |  |  |  |  |  |  |
| Capital Improven |  |  |  |  |  |  |  |
| Total... |  |  |  |  | \$51,474 | \$47,054 | \$47,760 |

