

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|-------------------|---------|-------------------|---------|
| | FY 2019-20 | | FY 2020-21 | |
| | 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 722 amends the Nebraska County and City Lottery Act to include provisions for gray devices. “Gray device” is defined as (1) any electronic gaming device, electro-mechanical gaming device, or video gaming device that accepts or requires currency, credit, coins, tokens, or other value in exchange for play; or (2) awards a monetary prize or credits, tickets, vouchers, or other items redeemable for a monetary prize in conjunction with the play of the device. Gray device also includes a device that plays, emulates, or simulates:

- Slot machines, coin pushers, roulette, craps, dice games, or wheel of fortune, or any other type of game ordinarily played in a casino;
- Any card game; or
- Keno, pickle cards, or bingo, or any similar activity, unless operated in accordance with the Nebraska Bingo Act, Nebraska County and City Lottery Act, or Nebraska Pickle Card Lottery Act; and
- Awards anything of value, except for an immediate, unrecorded, and nonexchangeable right of play.

The bill specifies a lottery under the Nebraska County and City Lottery Act does not include any gambling scheme using a gray device and provides for seizure of a gray device and a penalty of \$5,000 per day for any person operating or placing a gray device in service.

The Department of Revenue estimates a minimal increase to the General Fund and Charitable Gaming Operations Fund and a minimal cost to implement the bill. There is no basis to disagree with these estimates.

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| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
| LB: 722 | AM: | AGENCY/POLT. SUB: Nebraska Department of Revenue (016) |
| REVIEWED BY: Joe Wilcox | DATE: 03/13/2019 | PHONE: (402) 471-4178 |
| COMMENTS: No basis to dispute the Nebraska Department of Revenue estimate of potentially “minimal”, but undetermined General Fund and Cash Fund Revenue Impacts and Agency Fiscal Impact from LB 722. | | |

