

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 639** HLS 25RS 765

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 9, 2025	5:15 PM	Author: RISER
Dept./Agy.: Revenue and Gaming		Analyst: Mimi Blanchard
Subject: Dedication of Certain Gaming Revenues		

GAMING/REVENUE EN +\$34,700,000 SD RV See Note Page 1 of 2
Provides relative to taxation of online sports wagering and video poker and dedicates certain gaming revenues

Current law imposes a 15% tax on net gaming proceeds from online sports wagering conducted electronically within Louisiana and a 10% tax on net proceeds from onsite sports wagering, all occurring in Louisiana. Proposed law dedicates a portion of the proceeds of all sports wagering to various funds (listed on page 2) and uses with the remainder flowing to the state general fund.

Proposed law retains current law in regard to onsite sports wagering and dedications. Proposed law increases the online sports wagering tax rate from 15% to 21.5% of net proceeds. Proposed law dedicates 25% of the revenue from the mobile sports gaming tax to the Supporting Programs, Opportunities, Resources, and Teams (SPORT) Fund (created in the bill), distributed equally to NCAA Div. I athletic departments and student athletes at public universities by the Board of Regents. An additional 3% is dedicated to the Louisiana Post-secondary Inclusive Education Fund for disabled students.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW					
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	(\$6,230,333)	(\$6,230,333)	(\$6,230,333)	(\$6,230,333)	(\$6,230,333)	(\$31,151,665)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$34,739,667	\$34,739,667	\$34,739,667	\$34,739,667	\$34,739,667	\$173,698,335
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$28,509,334	\$28,509,334	\$28,509,334	\$28,509,334	\$28,509,334	\$142,546,670

EXPENDITURE EXPLANATION

Treasury requires certain resources to create and administer a statutory dedication, as in this bill. Should aggregate session action result in the creation of funds beyond that which can be absorbed within existing resources, additional funding may be required, which is assumed to be SGR in this fiscal note.

The Board of Regents will administer SPORT Fund distributions equally to qualifying NCAA Division I athletic departments with universities setting eligibility criteria and the Board promulgating rules. LFO believes the impact can be absorbed by existing staff, though additional compliance or reporting duties may create costs not currently identified.

The Department of Public Safety reports no additional costs as a result of proposed law.

REVENUE EXPLANATION

The bill is expected to decrease SGF revenue by about \$6.2 M due the increase in both existing and newly created statutory dedications, despite the rate increase to 21.5%. Existing statutory dedications are expected to increase by the amounts listed in the table on page 2.

While existing dedications receive a portion of onsite and online sports wagering proceeds, the two new dedications created in the bill only receive percentages of online sports wagering tax collections, with 25% to the Supporting Programs, Opportunities, Resources, and Teams (SPORT) Fund and 3% to the Louisiana Postsecondary Inclusive Education Fund, beginning in FY 26.

Based on the most recent REC forecast (5/21/2025), tax revenue from mobile and retail sports wagering is predicted to be \$70 M annually from FY 26 to FY 30. Applying the new 21.5% rate only to the mobile portion and leaving retail unchanged, total annual tax collections are estimated to increase to approximately \$98.5 M. The two new dedications are estimated to total approximately \$27.3 M annually (\$24.3 M to the SPORT Fund and \$2.9M to the Postsecondary Inclusive Education Fund). Actual impacts will vary depending on annual wagering activity and net proceeds.

REVENUE EXPLANATION CONTINUED ON Page 2

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Deborah Vivien
Chief Economist

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CONTINUED EXPLANATION from page one:

REVENUE EXPLANATION (Continued)

Fund	Current Law	Proposed Law	Dedication Changes
Behavioral Health & Wellness	\$1,400,000	\$1,970,187	\$570,187
LA Early Childhood Education	\$17,500,000	\$20,000,000	\$2,500,000
Sports Wagering Local Allocation	\$7,000,000	\$9,850,933	\$2,850,933
Sports Wagering Purse Supplement	\$1,750,000	\$2,462,733	\$712,733
Disability-Focused Disaster Preparedness & Response	\$500,000	\$500,000	\$0
Compulsive & Problem Gaming	\$2,100,000	\$2,955,280	\$855,280
Louisiana Equine Promotion & Research	\$500,000	\$500,000	\$0
* Supporting Programs, Opportunities, Resources, & Teams	\$0	\$24,330,833	\$24,330,833
* LA Postsecondary Inclusive Education	\$0	\$2,919,700	\$2,919,700
<u>SGF</u>	<u>\$39,250,000</u>	<u>\$33,019,667</u>	<u>(\$6,230,333)</u>
Total	\$70,000,000	\$98,509,333	\$28,509,333

* New dedication in the bill

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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