



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 401** HLS 21RS 997
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 2, 2021 2:40 PM	Author: GREEN
Dept./Agy.: Lottery Corporation	Analyst: Greg Albrecht
Subject: Authorize Internet Lottery Ticket Sales	

LOTTERY OR +\$6,100,000 SD RV See Note Page 1 of 1
 Provides relative to the purchase of lottery tickets

Proposed law authorizes lottery ticket sales through the internet, and requires the Lottery Board to promulgate rules & regulations regarding ticket sales through the internet.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$1,500,000	\$6,100,000	\$6,100,000	\$6,100,000	\$6,100,000	\$25,900,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$1,500,000	\$6,100,000	\$6,100,000	\$6,100,000	\$6,100,000	\$25,900,000

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. However, Lottery proceeds finance the Minimum Foundation Program, an expenditure mandate. Thus, to the extent greater lottery proceeds are available to fund a given MFP total cost, less general fund contribution has to be made.

REVENUE EXPLANATION


The Lottery Corp researched the 11 states currently selling lottery tickets over the internet. Of those states, the early periods of Kentucky and Georgia sales were chosen as a model for Louisiana since they offered prize structures (70% - 75% of gross sales) on their E-instant games comparable to what the Louisiana Lottery can provide with the 25% minimum transfer to the state requirement in current law. A per capita sales basis suggest La E-instant sales could be some \$17.7 million per year. The player base appears to differ enough between internet sale and sales through retail locations that E-instant sales are likely to be largely new incremental sales, with little shifting from retail location sales.

The per capita sales range for multi-state games of Poweball and Mega Millions is fairly wide through the internet. For those sales the Lottery Corp used average sales of the 10 states offering these games through the internet; resulting in estimated additional sales of \$6.6 million per year.

Combined additional sales could total some \$24.3 million per year. Transferring 25% to the state results in \$6.1 million per year of additional receipts to the Lottery Proceeds Fund. The Lottery Corp indicates rules & regulation promulgation, and game preparation and software installation would make the last quarter of FY22 the earliest the internet sales might be expected.

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}


Christopher A. Keaton
Legislative Fiscal Officer