Louisiana Legislative	LEG	ISLATIVE FISCAL OFFICE Fiscal Note						
Fiscal Office Fiscal Notes	Fiscal Note On: SB Bill Text Version: ORIG Opp. Chamb. Action:				SLS	21RS	181	
		Proposed Amd.:						
		Sub. Bill For.:						
Date: May 3, 2021	8:16 PM	Α	uthor:	CORTE	Z			
Dept./Agy.: LA Gaming Contr	ol Board							
Subject: LA Sports Wagering Act		An	Analyst: Patrice Thomas					
GAMING Provides relative to the regulat	ion of sports w	OR INCREASE GF EX See Note agering. (See Act)				Page	1 of 2	

<u>Proposed law</u> enacts the LA Sports Wagering Act and authorizes the LA Gaming Control Board to regulate sports wagering, which includes issuing licenses as well as permits. In addition to the LA Lottery Corporation, <u>proposed law</u> authorizes no more than 20 licenses with first consideration going towards licensed riverboats, live horse racing tracks (with approval for LA State Racing Commission), and the land-based casino. After 1/01/2022, if licenses are still available, the board may consider licensed video poker establishments and fantasy sports operators. If applications exceed the number of licenses available, <u>proposed law</u> provides for a concealed bid process. <u>Proposed law</u> limits LA Lottery Corporation to only electronic wagering. <u>Proposed law</u> allows licensees to contract out for operation. <u>Proposed law</u> requires in-person registration before online betting, except with the Lottery. Under <u>proposed law</u>, only retail establishments with Class A permits can host wagering mechanisms.

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

EXPENDITURE EXPLANATION

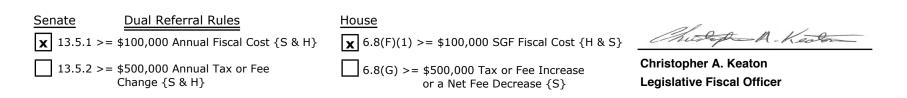
Proposed law, which provides for sports wagering in 55 parishes in the state, will increase State General Fund and Statutory Dedication expenditures by an indeterminable amount. Estimated costs within the Department of Public Safety could be \$2 M and approximately \$350,000 in the Department of Justice for the creation of new program activities to regulate sports wagering.

Department of Public Safety - State Police and LA Gaming Control Board. Expenditures in the Office of State Police and the LA Gaming Control Board are anticipated to increase by \$2,009,385 as the result of inspecting, ensuring compliance, and regulating sports wagering that includes issuing 60 new licenses. The department reports needing 18 positions in State Police and one position in the Gaming Control Board. The estimate includes salaries (\$1,034,493), related benefits (\$619,832), travel (\$47,500), maintenance (\$3,800), office supplies (\$5,225), professional services (\$6,835), telephone (\$5,700) as well as a one-time cost of computer and printer (\$60,800), office furniture (\$21,850), equipment such as radios, rifles, bulletproof vest (\$35,790), and automotive (\$167,560). To the extent the additional workload is less than what DPS anticipates, the additional workload may be absorbable, either wholly or partially, using existing staff and resources or may be achievable with fewer than 19 positions. Alternatively, if the sports wagering activity expands dramatically, DPS may require additional resources over the estimate provided. To the extent these costs are not fully funded by licensing fees deposited into the Sports Wagering Enforcement Fund created by HB 628, additional budgetary resources may be needed.

EXPENDITURE EXPLANATION Continues on Page 2

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The proposed law provides for the regulation of sports wagering. The companion bill HB 628 of the 2021 Regular Session establishes various fees on the various entities involved in offering sports wagering in the state.



Legislative	EGISLATIV Fis	E FISCAL (cal Note	OFFICE					
Office			Fiscal No	ote On: SB	202 SLS	21RS 1	.81	
Fiscal Office Fiscal Notes			Bill Text V	ersion: ORIGI	NAL			
INDIES			Opp. Chamb.					
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CONTINUED EXPLANATION from page one: Page 2 of 2 EXPENDITURE EXPLANATION Continued from Page 1 Page 2 of 2 DPS Projected Operating Budget Impact Page 2 of 2								
EXPENDITURES	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26			
Personnel (19 new positions)	\$1,034,496	\$1,055,183	\$1,076,287	\$1,097,812	\$1,119,768	3		
Related Benefits	\$619,832	<u>\$643,201</u>	<u>\$652,265</u>	<u>\$661,510</u>	<u>\$670,941</u>			
Personnel Sub-Total		\$1,698,384				9		
Operating Services	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800			
Supplies	\$5,225	\$5,225	\$5,225	\$5,225	\$5,225			
Professional Services	\$6,835	\$0 + 5 700	\$0 + 5 700	\$0	\$0 + 5 300			
IAT - Telephones	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700			
Acquisitions	<u>\$286,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$167,560</u>	<u>\$60,800</u>	•		
TOTAL T.O.	\$2,009,385 19	\$1,714,050 19	\$1,714,050 19	\$1,881,610 19	\$1,774,85 19			

Note: The personnel services category includes 18 new positions in State Police as follows: Auditor 1 - 6 positions, Gaming Tech Comp Spec 1 - 2 positions; Criminal Investigator 1 - 5 positions; Investigative Specialist 1 - 5 positions; and one (1) new position in LA Gaming Control Board - Executive Staff Office. In subsequent fiscal years, the fiscal note presumes a 2% increase in salaries and related benefits as well as acquisitions of replacement automobiles in FY 25 and computer equipment in FY 26.

Department of Justice (DOJ), Attorney General

Expenditures in the Department of Justice are anticipated to increase by \$327,873 as a result of legal services and regulatory expenses. In present law, the Department of Justice's Gaming Division serves as legal advisor/representative to all Louisiana gaming regulatory agencies. The department reports needing three (3) positions. The estimate includes salaries (\$192,000), related benefits (\$103,017), travel (\$3,000), office supplies (\$1,500), operating maintenance such as printing, maintenance, data processing (\$15,000) as well as a one-time cost of computers and printers (\$6,300) and office furniture (\$7,056). To the extent the additional workload is less than what DOJ anticipates, the additional workload may be absorbable, either wholly or partially, using existing staff and resources or may be achievable with fewer than 3 positions. Alternatively, if the sports wagering activity expands dramatically, DOJ may require additional resources over the estimate provided. To the extent these costs are not fully funded by licensing fees deposited into the Sports Wagering Enforcement Fund created by HB 628, additional budgetary resources may be needed.

DOJ Projected Operating Budget Impact

EXPENDITURES	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Personnel (3 positions)	\$192,000	\$199,680	\$207,667	\$215,974	\$224,613
Related Benefits	<u>\$103,017</u>	<u>\$107,370</u>	<u>\$111,909</u>	<u>\$116,62</u>	<u>\$121,576</u>
Personnel Sub-Total	\$295,017	\$324,519	\$356,971	\$392,668	\$431,934
Travel	\$3,000	\$3,060	\$3,121	\$5,570	\$5,681
Supplies	\$1,500	\$1,530	\$1,561	\$1,592	\$1,624
Operating Services	\$15,000	\$15,300	\$15,606	\$15,918	\$16,236
Acquisitions	\$13,356	\$2,000	\$2,200	\$2,420	\$2,541
TOTAL	\$327,873	\$328,940	\$342,064	\$358,115	\$372,272
Т.О.	3	3	3	3	3

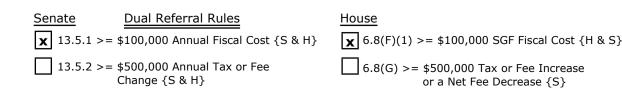
Note: The personnel services category includes 3 new positions as follows: Assistant Attorney General - 2 positions, and an Administrative Assistant - 1 position. In subsequent fiscal years, the fiscal note presumes a 4% increase in salaries and related benefits as well as general inflation on travel, supplies, operating services, and acquisitions.

LA State Racing Commission

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed law provides the Racing Commission the discretion to approve or not approve licensed racing facilities and licensed off-track wagering facilities to apply to become licensed for a sports book to conduct sports wagering. The Racing Commission reports proposed law does not impact expenditures.

LA Lottery Corporation

The LA Lottery Corporation estimates the administrative and licensing costs to be \$3.5 M in the first year, and \$2.5 M in subsequent years, plus \$16.4 million to obtain 1,000 sports wager terminals in the first year.



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Christopher A. Keaton Legislative Fiscal Officer