



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 344** SLS 22RS 359
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 28, 2022 7:51 AM **Author:** HENSGENS
Dept./Agy.: Gaming Control Board/Public Safety **Analyst:** Deborah Vivien
Subject: Dedication of a portion of electronic Sports Wagering funds

GAMING EG DECREASE GF RV See Note Page 1 of 1
 Provides relative to the regulation of sports wagering. (8/1/22)

Current law authorizes sports wagering on electronic devices through website or mobile application and levies a tax of net gaming proceeds from sports wagering by consumers in the state under provisions of LA R.S. 27:625. A percentage of state proceeds are dedicated to various funds with the remainder flowing to the state general fund.

Proposed law retains current law and adds a dedication of 2.5% of electronic sports wagering tax proceeds to the Louisiana Equine Promotion and Research Program.

EXPENDITURES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The bill will reduce state general fund and increase statutory dedications (see **NOTE** below) in the amount of 2.5% of net gaming proceeds from sports wagering as generated pursuant to the provisions of LA R.S. 27:625. Sports wagering taxes commenced collection in November 2021 and has not yet reached full capacity. Additionally, gaming proceeds are not yet included in the official Revenue Estimating Conference forecast. From November, 2021, through March, 2022, almost \$7.4M has been collected, which at 2.5% would be \$185,000. Annualizing year to date collections would result in deposits in excess of \$440,000. At full capacity, the LFO assumes deposits will exceed \$500,000 annually. The impact of this bill is indeterminate but greater than zero and likely significant.

Current dedications that are retained in the bill include:

- 2% Behavioral Health and Wellness Fund (minimum \$500,000)
- 25% LA Early Childhood Education Fund (up to \$20M)
- 10% Sports Wagering Local Allocation Fund
- 2.5% Sports Wagering Purse Supplement Fund
- 2% Disability Affairs Trust Fund (maximum \$500,000)
- Remainder to the State General Fund

New Dedication in the Bill:

- 2.5% LA Equine Promotion and Research Program

NOTE: The La Equine Promotion and Research Program was created by Act 168 of the 2021 R.S. To achieve the purposes of the Program in current law, the commissioner of agriculture and forestry may accept and expend monies from any source, including gifts, contributions, donations, state appropriations, and federal grants and may accept and use services from individuals, corporations, and governmental entities. **There is no current mechanism, typically a statutory dedication, through which to effectuate the transfer of monies to the Louisiana Equine Promotion and Research Program and/or Advisory Board contemplated in proposed law. The LFO assumes either such a mechanism will be necessary or the legislature may provide a SGF appropriation to the Board by line item appropriation equal to 2.5% of net gaming proceeds as referenced in the first revenue explanation paragraph above.**

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}

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