

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 344** SLS 22RS 359

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 11, 2022	12:54 PM	<b>Author:</b> HENSGENS
<b>Dept./Agy.:</b> Gaming Control Board/Public Safety		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Dedication of a portion of electronic Sports Wagering funds		

GAMING RE -\$200,000 GF RV See Note  
Provides relative to the regulation of sports wagering. (8/1/22)

Page 1 of 2

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%, up to \$500,000, of retail and mobile sports wagering tax proceeds to the Louisiana Equine Promotion and Research Program annually. The bill contemplates the Department of Agriculture and Forestry to receive the funds by an unspecified mechanism and distribute them through the program and/or advisory board.

<b>EXPENDITURES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	DECREASE	<b>(\$800,000)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

The bill will forward to the Department of Agriculture and Forestry an estimated \$200,000 beginning in FY 23 and growing in the out years, to be distributed to the Louisiana Equine Promotion and Research Program for eligible expenditures under LA R.S. 3:2076 and 2077. The bill results in a redirection of SGF for a specific expenditure purpose (see **NOTE** on page 2).

New dedication in the bill:  
2.5% LA Equine Promotion and Research Program

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

**Expenditure Explanation continued on page two**

**REVENUE EXPLANATION**

The bill will redirect \$200,000 state general fund (see **NOTE** on page 2), which is the amount of 2.5% of net gaming proceeds from sports wagering as generated pursuant to the provisions of LA R.S. 27:625 as recognized by the Revenue Estimating Conference on May 9, 2022. Sports wagering taxes commenced collection in November 2021 and has not yet reached full capacity. However, sports wagering revenue was included in the official revenue forecast at the May 9, 2022, Revenue Estimating Conference at \$8 M per year beginning in FY 22, which was considered a conservative estimate due to the lack of observations. Thus, the calculation of the bill's fiscal impact is \$8 M \* 2.5% or \$200,000. This fiscal note shows a \$200,000 SGF impact throughout the currently forecasted revenue horizon, ending in FY 26, to match the REC and to indicate a dedication of these funds toward a specific expenditure purpose. However, at full capacity, the LFO assumes deposits will reach \$500,000 annually in a future fiscal year and potentially earlier than FY 27.

Senate  
 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}

*Alan M. Boxberger*

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**Interim Legislative Fiscal Officer**

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**CONTINUED EXPLANATION from page one:**  
**Expenditure explanation continued from page one**

**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 revenue explanation on the previous page.**

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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**Interim Legislative Fiscal Officer**