

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 640** HLS 23RS 892

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 5, 2023	4:13 PM	Author: STEFANSKI
Dept./Agy.: Louisiana Racing Commission		Analyst: Chris Henry
Subject: Historical Horse Racing Fees		

RACING/HORSE

OR +\$271,929 LF RV See Note

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Provides relative to historical horse racing fees

Proposed legislation decreases the maximum amount of the historical horse racing license fee charged by the Louisiana Racing Commission from not exceeding four percent (4%) to not exceeding two percent (2%) of the total amount wagered at offtrack facilities. Additionally, proposed legislation requires the commission to distribute ten percent (10%) of the fee collections to the sheriff's department in the parish where the activity takes place.

EXPENDITURES	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						
REVENUES	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$271,929</u>	<u>\$271,929</u>	<u>\$271,929</u>	<u>\$271,929</u>	<u>\$271,929</u>	<u>\$1,359,645</u>
Annual Total						

EXPENDITURE EXPLANATION

There will be an increase in SGR expenditures at the Louisiana Racing Commission (LRC) resulting from the proposed legislation to make distributions to the parish sheriffs. The LRC will see a marginal workload increase for its fiscal and audit staff to calculate the distributions to the sheriffs and monitor them for accuracy, but the precise level of this is indeterminable at this time. The agency is also researching technology solutions to enhance weekly reporting efficiency and automate processes to offset workload costs.

Currently there are sixteen facilities operating HHR in the parishes of Jefferson, Lafourche, St. Bernard, Terrebonne, St. John the Baptist, St. Tammany, St. Charles, St. Landry, St. Martin, and Madison. Sheriff's offices in these parishes would be eligible to receive 10% of the collections of the license fee in their respective parish. The LRC projects collecting \$2.7 M in HHR license fees in FY 2023-24, which would result in approximately \$272,000 distributed to the sheriffs. The amount to each sheriff's office will vary depending on the collections of their respective parish.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The license fee for HHR is currently set at 1% of wagers by the LRC. Lowering the ceiling to authorize a maximum of 2% of wagers will not impact current collections. Local revenue for parish sheriff's with HHR machines in their parish will increase by an estimated \$272,000 from the 10% distribution of HHR license fees, however, this will correspond to a reduced amount of available SGR operating funds for the LRC.

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}

Evan Brasseaux

Evan Brasseaux
Interim Deputy Fiscal Officer