

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 165** HLS 26RS 34
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 5, 2026	6:18 PM	Author: HEBERT
Dept./Agy.: Lottery		Analyst: Mimi Blanchard
Subject: Lottery Dedications for Veterans		

LOTTERY RE +\$500,000 GF EX See Note Page 1 of 1
 (Constitutional Amendment) Provides relative to lottery proceeds benefitting veterans

Current Constitution requires that net proceeds from lottery operations be deposited into the Lottery Proceeds Fund, and only allows appropriations from the fund for the purposes of the minimum foundation program (no set amount) and \$500,000 to compulsive and problem gaming.

Proposed Constitution annually appropriates \$500,000 from the Lottery Proceeds Fund to the Veterans Service Grant Fund.

Effective upon voter approval on November 3, 2026.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed constitutional amendment, if approved by the electors of the state on November 3, 2026, directs the treasurer to transfer \$500,000 annually from the Lottery Proceeds Fund to the Veterans Service Grant Fund.

Monies in the Lottery Proceeds Fund are currently dedicated to the Compulsive and Problem Gaming Fund, in a fixed amount of \$500,000 per year, with the balance dedicated to the Minimum Foundation Program (MFP). Because the MFP is a constitutional funding mandate, a \$500,000 reduction to the Lottery Proceeds Fund in proposed law will result in a matching increase in SGF expenditures to finance the MFP.

The Secretary of State may incur minimal ballot processing costs associated with this measure. As a regular practice, the Secretary of State typically budgets for up to 10 constitutional amendments and statewide propositions for the fall statewide elections. To the extent the ballot includes more than 10 constitutional amendments and statewide propositions, the Secretary of State may require additional SGF resources for the November 3, 2026, statewide election. Any expenditure impact would be realized in FY 27.

REVENUE EXPLANATION

The proposed constitutional amendment directs the treasurer to transfer \$500,000 annually from the Lottery Proceeds Fund to the Veterans Service Grant Fund (assumed to be the statutory dedication created in HB 175). Because both Funds are Statutory Dedications, the net revenue impact shown in the table above is \$0.

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}

Alan M. Boxberger
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Legislative Fiscal Officer