LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On:	**HB**	**493**	HLS 14RS 29
Bill Text Version:	**ORIGINAL**		
Opp. Chamb. Action:			
Proposed Amd.:			
Sub. Bill For.:			

Date: March 18, 2014 1:21 PM	**Author:** HARRISON
Dept./Agy.:	
Subject: Re-dedicate Gaming Revenue	**Analyst:** Greg Albrecht

FUNDS/FUNDING   OR SEE FISC NOTE GF RV   Page 1 of 1

(Constitutional Amendment) Creates the Bet on Louisiana's Future Fund for the deposit of certain gaming proceeds

Current law allocates state gaming receipts to the state general fund, and various special funds and specified purposes.
Proposed law creates the new Bet on Louisiana's Future fund, to receive certain state gaming revenue. Affected transfers and remittances of gaming taxes and fees include those from the Lottery Corporation, the land-based casino, riverboat casinos, slots at racetracks, and video draw poker. Local taxes and fees are not included, nor is gaming revenue allocated to district attorneys or municipal and parish governing authorities.
Money in the Fund is subject to appropriation for FY 2015-16 and thereafter as follows: 75% to support education, allocated to public K-12 education (70% to the MFP and the SELF purposes), higher education universities (15% for TOPS, SELF, and institutions/programs), and community & technical colleges (15% for TOPS, SELF, and institutions/programs), and 25% to UAL payments (80%) and enforcement & treatment activities (20%) including the Compulsive & Problem Gaming Fund ($1 million) and the balance to the Gaming Control Board, the Racing Commission, State Police, and the Dept. of Justice.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	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**

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	$0	DECREASE	DECREASE	DECREASE	DECREASE	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$0	INCREASE	INCREASE	INCREASE	INCREASE	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**					**$0**

EXPENDITURE EXPLANATION

The bill contemplates a substantial reallocation of state budget spending priorities but does not directly change the total level of expenditures. This reallocation of spending is discussed below from the perspective of the changes in the revenue dedications proposed by the bill, and under assumptions of the bill's general intent, pending certain clarifications of language. The bill is assumed to become effective in its entirety with FY16 and no earlier in any particular aspect. All discussion revolves around fiscal years with no calendar year distinction considered. Existing local sheriff video poker allocations are assumed unaffected.

REVENUE EXPLANATION

Based on the 1/15/14 official REC revenue forecast for FY16, the bill dedicates $805.8 million of state gaming revenue to the Bet on Louisiana Fund, newly created by this bill. This amount includes $152 million from the Lottery, $79.3 million from the land-based casino, $367.8 million from riverboats, $61 million from racetrack slots, and $145.7 million from video poker (net of $5.4 million for District Attorneys and $43.2 million for local governments that are explicitly not affected by the bill).

Resources of the BET Fund are broadly allocated to education (75%) and to the UAL and gaming enforcement/treatment. The allocation to education ($604.4 million) is further subdivided to K-12 education: the MFP and the SELF teacher pay enhancement (70%, $423 million), and higher education: TOPS, SELF, and institutions/programs in the university systems (15%, $90.7 million) and the LCTCS (15%, $90.7 million). The allocation to UAL/Enforcement/Treatment ($201.5 million) is subdivided to UAL payments (80%, $161.2 million) and Enforcement/Treatment expenses (20%, 40.3 million), with $1 million explicitly allocated to the Compulsive & Problem Gaming Fund.

Under current law, the MFP and SELF will receive approximately $309.2 million from lottery, riverboat, and land-based gaming. This bill does not specify amounts to these programs, but allocates some $113.8 million more to them combined within the K-12 allocation, and also authorizes SELF to receive funds from the higher education allocation, as well.
Under current law, higher education only receives gaming revenue support via the SELF program, proposed at $45.1 million for FY15. This bill provides some $181.4 million to higher education in general for TOPS, SELF, and institutions & programs.
Under current law, Enforcement will receive approximately $33.1 million from riverboat, video poker, and slot machine gaming. This bill allocates as much as $39.3 million to enforcement, some $6.2 million more than currently allocated. However, treatment through the Compulsive & Problem Gaming Fund appears to receive $1.5 million less under this bill.
Under current law, State Police will use some $37.2 million of gaming revenue to support non-enforcement activities. This bill appears to preclude the availability of gaming revenue for those non-enforcement activities.
Under current law, about $28.4 million of gaming revenue would be used to support various other purposes such as the LAFA program, special parish funds, horse racing purse supplements, blind services, and various other entities. This bill would preclude the availability of gaming revenue for these purposes.
Under current law, some $395.4 million of gaming revenue would flow to the state general fund in support of the overall state budget. This bill would redirect these resources. These resources currently provide proportionate support to K-12 and higher education, so some offsetting financing may be possible. However, the bill prohibits supplanting of existing general fund support. Thus, the bill requires a net increase in the allocation of resources to education and to the UAL from the existing level of total state budget resources.

Senate	Dual Referral Rules	House	
		[x]	6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}
[x] 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}		[ ]	6.8(F)(2) >= $500,000 State Rev. Reduc. {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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