Doug Gibbs January 24, 2013 402-471-0051

LB 273

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201	3-14	FY 20	14-15			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS		\$408,000		\$428,000			
CASH FUNDS		\$272,000		\$286,000			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		\$680,000		\$714,000			

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 273 amends the Nebraska County and City Lottery Act, Section 9-607.

The bill proposes to shorten the time between keno games from a minimum of five minutes to a minimum of three minutes.

The Department of Revenue estimates that as a result of LB 273 gross wagering on keno subject to tax will increase by \$34,005,757. This will increase revenue to the General Fund and the Charitable Gaming Operations Fund by the following amounts:

	General Fund:	Charitable Gaming:
FY2013-14:	\$408,000	\$272,000
FY2014-15:	\$428,000	\$286,000
FY2015-16:	\$450,000	\$300,000

With an increase in the number of games played, the Department estimates that the amount wagered per game will decrease. However, the increased number of games resulting from less time between games will compensate for the per-game amount decrease and allow for a 17% increase in keno gross proceeds.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact.

Fiscal Note 2013

State Agency Estimate								
State Agency Name: Department of Revenue Date Due LFA: 1/25/2013						1/25/2013		
Approved by: Douglas Ewald		Date Prepared:	1/24/2013		Phone: 471-5896			
FY 2013-2014		3-2014	FY 2014-2015		FY 2015-2016			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds		\$408,000		\$428,000		\$450,000		
Cash Funds		\$272,000		\$286,000		\$300,000		
Federal Funds								
Other Funds								
Total Funds		\$680,000		\$714,000		\$750,000		

State A man any Estimate

LB 273 amends the Nebraska County and City Lottery Act by reducing the minimum amount of time that must elapse between keno games from five minutes to three minutes.

The Department projects that the changes proposed by LB 273 will result in an increase in gross wagering subject to tax of \$34,005,757.

The bill is expected to increase General Fund revenue and Charitable Gaming Operations Fund revenue by the following:

	General Fund	Charitable Gaming
FY2013-14:	\$408,000	\$272,000
FY2014-15:	\$428,000	\$286,000
FY2015-16:	\$450,000	\$300,000

With an increase in the number of games played, the Department anticipates that the amount wagered per game will decrease. However, the increased number of games resulting from less time between games will more than compensate for the per-game decrease and allow for a 17% overall increase in keno gross proceeds.

LB 1067 (2012), as introduced, allowed a county, city, or village to reduce time between keno games from five minutes to not less than one minute. At that time, the Department projected an average time between games at 3.5 minutes and assumed a direct and proportionate correlation between the increased number of games and the amount of increased revenue. For instance, a 30% increase in the number of games played would correlate to a 30% increase in gross wagering.

Since LB 1067, the Department has gained an increased understanding of the correlation between increasing the number of games and increased wagering, and has taken a less literal interpretation. The Department projects that with more opportunities for wagering, wagering per game will decrease by 30% but overall wagering will increase by 17%.

Major Objects of Expenditure							
<u>Class Code</u>	Classification Title	13-14 <u>FTE</u>	14-15 <u>FTE</u>	15-16 <u>FTE</u>	13-14 <u>Expenditures</u>	14-15 <u>Expenditures</u>	15-16 <u>Expenditures</u>
Benefits							
Operating Costs							
Travel							
Capital Outlay							
Aid							
Capital Improvements							
Total							