PREPARED BY: DATE PREPARED: PHONE: Keisha Patent February 23, 2022 402-471-0059

LB 1268

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)									
	FY 2022-23 FY 2023-24								
	EXPENDITURES	REVENUE	EXPENDITURES REVENUE						
GENERAL FUNDS									
CASH FUNDS		\$733,000		\$800,000					
FEDERAL FUNDS									
OTHER FUNDS									
TOTAL FUNDS		\$733,000		\$800,000					

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

LB 1268 amends provisions related to the sale of lottery tickets under the State Lottery Act to allow the sale of lottery tickets through a vending or dispensing device.

Revenue:

The Department of Revenue estimates that allowing sales of lottery tickets through vending or dispensing devices will increase sales of lottery tickets, resulting in increases to the cash funds who benefit from lottery proceeds, as follows:

	NE Education	NE Education NE		Compulsive	
	Improvement	Environmental NE State Fai		Gamblers	
	Fund	Trust Fund	Board	Assistance Fund	Total
FY22-23	\$326,333	\$326,333	\$73,333	\$7,333	\$733,332
FY23-24	\$356,000	\$356,000	\$80,000	\$8,000	\$800,000
FY24-25	\$366,680	\$366,680	\$82,400	\$8,240	\$824,000

For reference, in FY21, total lottery funds distributed to beneficiaries totaled \$48,178,938. The increase estimated by the department is less than 2%.

Expenditures:

The department estimates vending devices will not require capital outlay expenditures, as they will be paid for upon installation in the same manner as current equipment and related services as provided in the Lottery retailer contract. As such, there is minimal costs to the department to implement the bill.

There is no basis to disagree with these estimates.

	ADMINISTR	ATIVE SERVICES S	STATE BUDGET DIVIS	ION: REVIEW	OF AGENCY & POLT. SUB. RESPONSE				
LB:	1268	AM:	AGENCY/POLT.	SUB: Departme	ent of Revenue				
RE'	VIEWED BY:	Jacob Leaver	DATE:	2/24/22	PHONE: (402) 471-4173				
	COMMENTS: No basis to dispute with the Department of Revenue's estimated fiscal impact to the agency as a result with LB 1268.								

LB 1268 Fiscal Note 2022

State Agency Estimate									
State Agency Name: Department			Date Due LFO:						
Approved by: Tony Fulton	Date Prepared:	2/23/2022 Phone: 471-5896							
	FY 2022	FY 2022-2023		3-2024	FY 2024-2025				
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue			
General Funds	Minimal								
Cash Funds		\$ 733,333		\$ 800,000		\$ 824,000			
Federal Funds									
Other Funds									
Total Funds	Minimal	\$ 733,333		\$ 800,000		\$ 824,000			

LB 1268 would allow for the sale of lottery tickets via vending machine. LB 1268 becomes law three months following adjournment. The earliest vending machines could be implemented is August 2022.

Installation of Nebraska Lottery vending machines would be a multi-year process geared to locations with appropriate traffic and sales potential. There is no capital outlay involved as the vending devices will be paid for upon installation in the same manner as the current equipment and related services provided in the Lottery retailer contract. The projected net increase due to LB 1268 is sales of between \$3.3 million and \$3.9 million which would generate additional proceeds to be distributed in accordance with Neb. Rev. Stat. § 9-812 as follows:

	Nebraska Education Improvement Fund		Nebraska		Nebraska		Compulsive	
			Environmental		State Fair		Gamblers	
	шрго	vement rund	Trust Fund		Board		Assistance Fund	
FY 2022-23	\$	326,333	\$ 326,333		\$	73,333	\$	7,333
FY 2023-24	\$	356,000	\$	356,000	\$	80,000	\$	8,000
FY 2024-25	\$	366,680	\$	366,680	\$	82,400	\$	8,240

It is estimated that there will be minimal costs to DOR to implement this bill.

Major Objects of Expenditure									
Class Code	Classification Title	22-23 <u>FTE</u>	23-24 <u>FTE</u>	24-25 <u>FTE</u>	22-23 Expenditures	23-24 Expenditures	24-25 Expenditures		
Benefits				<u> </u>					
Operating Costs									
Capital Outlay									
Capital Improvements									