

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 484** HLS 18RS 698

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|--|---------|-----------------------------|
| Date: April 25, 2018 | 8:47 AM | Author: TALBOT |
| Dept./Agy.: Dept. of Public Safety/Gaming Control Board | | Analyst: Ryan Guidry |
| Subject: Fantasy Sports Gaming | | |

GAMING RE SEE FISC NOTE SG EX See Note Page 1 of 1
Provides for a proposition election to authorize fantasy sports contests in Louisiana

Proposed law creates the "Louisiana Fantasy Sports Contests Act" and provides for a proposition election to be held on November 6, 2018, to determine whether fantasy sports contests shall be permitted. Proposed law provides definitions for "fantasy sports contests." Proposed law requires the LA Gaming Control Board to adopt rules necessary to implement, administer, and regulate fantasy sports contests if a majority of qualified electors voting approve the proposition in at least one parish. Upon enactment of laws and adoption of rules by the La. Gaming Control Board to provide for the licensing, regulation, and taxation of revenue relative to fantasy sports contests, proposed law will authorize fantasy sports contests in this state. Proposed law will go into effect only if the proposed statewide proposition as proposed in this bill is enacted and subsequently approved in at least one parish at a statewide election on 11/6/18. Proposed law provides "fantasy sports contests" shall not be permitted in any parish in which a majority of the qualified electors do not approve the statewide proposition.

| EXPENDITURES | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | SEE BELOW | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | SEE BELOW | \$0 | \$0 | \$0 | \$0 | \$0 |
| 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> | \$0 |
| Annual Total | | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 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 | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

Proposed law may increase expenditures for the Department of Public Safety (DPS), Gaming Control Board by an indeterminable amount in the event that the proposition for fantasy sports contests is approved by the voters.

Proposed law provides for a statewide proposition election on November 6, 2018. A statewide election is already scheduled for this date, and the Secretary of State's election budget contemplates multiple statewide ballot items. To the extent that space is available on the ballot, the secretary of state would be able to absorb the cost of adding this to the November 6, 2018 ballot within the existing recommended operating budget.

Proposed law requires the LA Gaming Control Board to adopt the rules necessary to implement, administer, and regulate fantasy sports contests if a majority of qualified electors voting approve the proposition in at least one parish. The LA Gaming Control Board indicates a significant workload increase would be required to research and develop the rules necessary to regulate this new form of gaming. As a result, SGR expenditures for the Gaming Control Board would increase by an indeterminable, but potentially significant short-term amount for rule promulgation. Additionally, DPS reports that new IT systems would be required for implementation and regulation of the industry. SGF expenditures for DPS would increase by an indeterminable, but potentially significant amount related to one-time upgrades to IT systems.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law requires the approval of the fantasy sports contests proposition by the voters in at least one parish before any law can be enacted for the taxation of revenue derived from fantasy sports contests. Any additional revenues would be predicated on future lawmaking and rulemaking.

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}

Evan Brasseaux
Evan Brasseaux
Staff Director