



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 493** HLS 22RS 942
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 17, 2022 7:16 AM	Author: JOHNSON, TRAVIS
Dept./Agy.: Public Safety, LA Gaming Control Board	
Subject: Increases Maximum Number of Video Draw Poker Devices	Analyst: Patrice Thomas

GAMBLING/VIDEO POKER OR +\$124,862 SD EX See Note Page 1 of 1
 Provides relative to the maximum number of video draw poker devices at certain establishments

Proposed law increases the maximum number of video draw poker devices from three (3) to nine (9) at the following: (1) establishments licensed to sell alcoholic beverages for consumption on the premises, and (2) establishments permitted as a Class A-General retail or a Class A-Restaurant that sell alcoholic beverages for consumption on the premises of a restaurant, bar, tavern, cocktail lounge, or club, or an establishment located within a hotel or motel.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$124,862	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$124,862
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>	<u>\$0</u>
Annual Total	\$124,862					\$124,862

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will result in a one-time expenditure of \$124,862 in the Department of Public Safety (DPS), Office of State Police, Gaming Enforcement Program. The proposed law increases the number of maximum video draw poker devices from three (3) machines to nine (9) machines at establishments licensed to sell alcoholic beverages.

As of January 2022, there were 1,258 establishments licensed that sold alcoholic beverages for consumption on the premises (i.e. bars, restaurants, and hotels), and all had a maximum number of 3 video draw devices. The fiscal note assumes all 1,258 establishments will increase the number of devices under this measure. According to DPS, an additional two hours are needed for troopers to perform gaming operations (i.e. process paperwork and perform enrollment) associated with increasing the number of video gaming devices for a total cost of \$114,862 (1,258 establishments x 2 hours x \$45 per hour average trooper salary = \$113,220 x 1.45% Medicare). Also, the department reports a technical support cost of \$10,000 for updating the central computer system hard drive and storage to accommodate the increase of video gaming devices.

The LFO anticipates an increase in franchise fees generated from the increased number of video poker devices under this measure will be deposited in the statutorily dedicated Video Draw Poker Fund and will be utilized by the State Police to cover one-time and ongoing expenditures related to implementing this proposed law including audit and enforcement

REVENUE EXPLANATION

Proposed legislation is anticipated to increase revenue by an indeterminable, yet significant, amount from franchise fees imposed on video draw poker devices (percentage of net device revenue) that are deposited into the Video Draw Poker Device Fund. The proposed law increases the number of video draw devices allowed in 1,258 establishments already licensed. The LFO anticipates an increased number of devices will result in an indeterminable increase in franchise fee revenue. In FY 21, the actual revenue collection from video draw poker was \$244.6 M.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
 Interim Deputy Fiscal Officer