



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 235** SLS 24RS 358
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 26, 2024 12:12 PM	Author: HENSGENS
Dept./Agy.: Department of Public Safety/Agriculture	
Subject: Dedicates a portion of sports wagering revenue	Analyst: Deborah Vivien

GAMING OR -\$500,000 GF RV See Note Page 1 of 1
 Provides relative to the regulation of sports wagering. (8/1/24)

Current law authorizes sports wagering on electronic devices through website or mobile application and levies a tax of net gaming proceeds from sports wagering by consumers in the state under provisions of LA R.S. 27:625. A percentage of state proceeds are dedicated to various funds with the remainder flowing to the state general fund.

Proposed law retains current law and adds a dedication of 2.5%, up to \$500,000, of retail and mobile sports wagering tax proceeds to the Louisiana Equine Promotion and Research Program annually. The bill contemplates the Department of Agriculture and Forestry to receive the funds by an unspecified mechanism and distribute them through the program and/or advisory board. Proposed law adds permit renewal fees to the revenue stream for sports wagering.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW					
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$2,500,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The bill will forward to the Department of Agriculture and Forestry an estimated \$500,000 beginning in FY 25 and presumably remaining consistent in the out years, to be distributed to the Louisiana Equine Promotion and Research Program for eligible expenditures under LA R.S. 3:2076 and 2077. The bill results in a redirection of SGF for a specific expenditure purpose (see **NOTE** below).

New dedication in the bill:

2.5% LA Equine Promotion and Research Program

Current dedications that are retained in the bill include:

- 2% Behavioral Health and Wellness Fund (minimum \$500,000)
- 25% LA Early Childhood Education Fund (up to \$20M)
- 10% Sports Wagering Local Allocation Fund
- 2.5% Sports Wagering Purse Supplement Fund
- 2% Disability Affairs Trust Fund (maximum \$500,000)
- Greater of 3% or \$500,000 to Compulsive and Problem Gaming Fund
- Remainder to the State General Fund

NOTE: The La Equine Promotion and Research Program was created by Act 168 of the 2021 R.S. To achieve the purposes of the Program in current law, the commissioner of agriculture and forestry may accept and expend monies from any source, including gifts, contributions, donations, state appropriations, and federal grants and may accept and use services from individuals, corporations, and governmental entities. There is no current mechanism, typically a statutory dedication, through which to effectuate the transfer of monies to the Louisiana Equine Promotion and Research Program and/or Advisory Board contemplated in proposed law. The LFO assumes either such a mechanism will be necessary or the legislature may provide a SGF appropriation to the Board by line item appropriation equal to 2.5% of net gaming proceeds as referenced in the revenue explanation on the previous page.

REVENUE EXPLANATION

The bill will redirect \$500,000 state general fund (see **NOTE** in expenditure explanation above), which is the amount of 2.5% of net gaming proceeds from sports wagering as generated pursuant to the provisions of LA R.S. 27:625 as recognized by the Revenue Estimating Conference (for this note, on December 14, 2023). Sports wagering taxes commenced collection in November 2021 and are projected to maintain \$35 M per year throughout the fiscal note horizon (assuming FY 29 continues on trend).

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}

Alan M. Boxberger
 Alan M. Boxberger
 Legislative Fiscal Officer