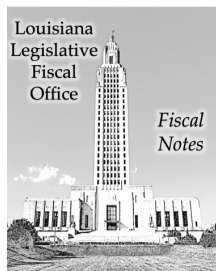


**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **HB 1074** HLS 26RS 2237
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 6, 2026	3:18 PM	Author: ADAMS
Dept./Agy.: Lottery		Analyst: Mimi Blanchard
Subject: Lottery Courier Services		

LOTTERY OR INCREASE GF EX See Note Page 1 of 2
 Provides relative to the sale and order of lottery tickets through lottery courier services

Proposed law authorizes the sale of lottery tickets through lottery courier services, limited to draw and scratch games available at licensed retail locations, and provides that the ordering and fulfillment of such tickets via the internet shall not be considered gambling or gambling by computer. Proposed law defines a courier service as a person or entity that purchases and stores lottery tickets on behalf of customers and delivers the ticket or prize for a fee. Proposed law requires the Louisiana Lottery Corporation (LLC) Board to establish a base retailer commission of 5% of gross sales, subject to annual increases based on sales growth, with a maximum of 7%. Proposed law further provides that sales to courier services receive a base commission that is 1% lower than the standard retailer commission, with the retained 1% distributed pro rata to retailers that do not participate in courier sales. Proposed law also allows courier services to charge a separate service fee to customers and directs the corporation to review and update processes to expand the availability and increase the denominations of scratch tickets.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

EXPENDITURE EXPLANATION

The Louisiana Lottery Corporation (LLC) may incur indeterminable costs associated with the implementation and oversight of lottery courier services, including vendor management, compliance monitoring, and system integration. These expenses would be paid from lottery operating revenues prior to the transfer of net proceeds to the state and are therefore reflected as Other Funds in the table above.

EXPENDITURE EXPLANATION CONTINUED ON PAGE 2

REVENUE EXPLANATION

Proposed law will result in a net decrease of approximately \$12.0 M to \$12.8 M annually to the Lottery Proceeds Fund and subsequently to the MFP, reflecting increased retailer commissions partially offset by limited gains from courier-facilitated sales. Proposed law provides for incremental increases in retailer commissions of 0.25% for each \$8 M increase in sales, up to a maximum base commission of 7%. For informational purposes, the Louisiana Lottery Corporation (LLC) reports that its current retailer commission is 5.3%. LLC reports that using FY 25 sales as a baseline and assuming the maximum allowable increase in commissions, the corresponding reduction in net transfers to the state is approximately \$12.9 M annually. *NOTE: LFO assumes sales growth is sufficient to trigger the maximum allowable increase in retailer commissions under proposed law. To the extent sales do not reach these thresholds, the reduction in transfers may be less.

LLC further reports that authorization of lottery courier services would primarily shift existing lottery sales rather than generate new lottery activity. Courier-facilitated sales are estimated to represent approximately 0.07% to 0.50% of total sales, and based on comparisons to New Jersey and Idaho, net transfers to the state are estimated to range from approximately \$133,000 to \$936,000 annually. To the extent that courier activity represents substitution rather than new demand, any associated revenue gains may be minimal, and the net impact of proposed law would more closely reflect the reduction associated with increased retailer commissions.

Additionally, proposed law requires review of higher denomination scratch-off ticket offerings. LLC indicates that higher price point games require increased prize payout percentages, and because LLC is currently operating at an optimized payout level of approximately 70% to maintain its statutory 25% transfer requirement, any increase in prize payouts may further reduce transfers to the state, resulting in an indeterminable additional decrease in Lottery Proceeds Fund revenues and subsequently to the MFP.

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}

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CONTINUED EXPLANATION from page one:
CONTINUED EXPENDITURE EXPLANATION

Monies in the Lottery Proceeds Fund are currently dedicated to the Compulsive and Problem Gaming Fund, in a fixed amount of \$500,000 per year, with the balance dedicated to the Minimum Foundation Program (MFP). Because the MFP is a constitutional funding mandate, any reduction to the Lottery Proceeds Fund will result in a matching increase in SGF expenditures to finance the MFP.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
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 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
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