



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 228** HLS 25RS 481
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: April 8, 2025	5:54 PM	Author: LAFLEUR
Dept./Agy.: Louisiana Lottery Corporation		
Subject: Online Lottery Ticket Purchasing		Analyst: Mimi Blanchard

LOTTERY OR INCREASE SD RV See Note Page 1 of 1
Provides for the purchase of certain lottery tickets through the internet

Current law authorizes the Louisiana Lottery Corporation (LLC) to conduct lottery games and requires the transfer of not less than twenty-five percent of gross revenues to the state treasury each year. Current law also defines and prohibits gambling and gambling by computer but does not include exceptions for the purchase of lottery tickets through the internet.

Proposed law authorizes the LLC to permit the purchase of lottery tickets through the internet (“iLottery”) and requires the LLC to adopt rules, including age verification methods to restrict purchases to individuals over twenty-one and location verification methods to restrict purchases to individuals physically located within Louisiana. Proposed law further requires the LLC to transfer at least twenty-five percent of gross revenues from internet lottery sales to the state treasury, consistent with existing requirements for other lottery operations.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

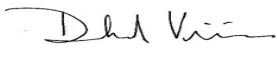
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	INCREASE	INCREASE	INCREASE	INCREASE	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION
There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION
Proposed law authorizes the Louisiana Lottery Corporation (LLC) to implement, administer, and regulate the purchase of lottery tickets over the internet ("iLottery"). Under this proposal, the LLC would be required to transfer no less than 25% of the gross revenues from internet lottery sales to the state treasury, consistent with current law governing traditional lottery operations. LLC intends to offer draw games including Lotto, Easy 5, Pick 3, Pick 4, Pick 5, Powerball, and Mega Millions, as well as electronic instant win tickets (“einstants”) over the internet.

LLC projects that net revenue from these games transferred to the state treasury will be roughly \$23 M per year (\$34M in gross revenue less about \$11M per year in costs) once the system becomes operational. Lottery Corp. estimates transfers to the state of \$23.0M in Year 1, \$23.5M in Year 2, \$23.9M in Year 3, \$24.1M in Year 4 and \$24.1M in Year 5. This estimate is based on projections from other states with iLottery programs. While sales vary depending on population and other factors, this projection reflects a cautious approach to anticipated performance in Louisiana. Typically, the revenue forecast does not incorporate gaming winnings until the mechanisms to receive those winnings are operational. It is expected that once funds begin to flow to the state, they will be incorporated into the forecast of available funds, which is why these figures are not included in the table above and are speculative as to the timing of fiscal year impacts.

Direct costs for the internet lottery are expected to be on a fixed percentage basis paid annually and include systems for age verification software, “know your customer” authentications, geo-fencing software, digital payment platforms, and game content and website software. Similarly to other lottery transfers, these funds will be dedicated to education through the Lottery Proceeds Fund (less \$500,000 to Compulsive Gaming Fund), which feeds into the Minimum Foundation Program.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input 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}	Deborah Vivien Chief Economist