

FISCAL NOTE
HOUSE BILL NO. 1525
LC# 25.0798.02000
01/29/2025

1 - State Fiscal Effect

Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(2,000,000)		\$(2,000,000)
Expenditures			\$827,660		\$827,660	
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

HB 1525 moves the administration and regulation of gaming and lottery from the Attorney General; the administration of combative sports from the Secretary of State; and the administration of pari-mutuel racing from the Racing Commission to a Gaming Commission.

4 - Fiscal Impact Sections Detail

Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

The cost of establishing a gaming commission to complete the duties currently being performed by the Attorney General, the Secretary of State, and the Racing Commission cannot be determined. Areas of consideration would include:

- the cost of a location for gaming commission staff;

- the cost of completing and maintaining the gaming information system;
- the cost of a new location for the lottery division, or the renegotiation of a new lease in the current location;
- the cost of moving and maintaining the lottery division systems;
- fees collected by the Secretary of State for combative sports do not offset the cost of maintaining the program, the Secretary of State subsidizes the program from \$30,000 to \$50,000 per biennium, depending on how many events are scheduled; and
- it appears the Racing Commission would be eliminated as a state agency with the duties assumed by the executive director of the new gaming commission.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

The bill eliminates the quarterly transfer of lottery funds to the Multijurisdictional Drug Task Force Grant Fund resulting in a loss of \$2 million per biennium for the statewide drug task forces. Since we are unable to determine what the cost of a new gaming commission would be, it is unclear whether this would be an equal increase in the general fund transfer of lottery funds or if it would be less.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Several staff of the Office provide administrative assistance to the Gaming and Lottery divisions. The cost of this is allocated to the gaming and lottery funds. While the staff time will be filled with other Office duties, the biennial allocations will need to be replaced by the general fund - \$697,000. In addition, the loss of Lottery rent and utilities will need to be replaced by the general fund - \$130,660.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

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