

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

LRB # 1910/1

INTRODUCTION # AB-949

Admin. Rule #

Subject

Requiring Indian gaming compacts to mandate that a sign stating what the expected loss per hour is.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues

Decrease Costs

Local: No local government costs

- 1. Increase Costs
 - Permissive
 - Mandatory
- 2. Decrease Costs
 - Permissive
 - Mandatory

- 3. Increase Revenues
 - Permissive
 - Mandatory
- 4. Decrease Revenues
 - Permissive
 - Mandatory

5. Types of Local Governmental Units Affected:
- Towns
 - Villages
 - Cities
 - Counties
 - Others _____
 - School Districts
 - WTCS Districts

Fund Sources Affected

- GPR
- FED
- PRO
- PRS
- SEG
- SEG-S

Affected Ch. 20 Appropriations

20.505(8)(h)

Assumptions Used in Arriving at Fiscal Estimate:

This bill requires that Indian gaming compacts contain a provision requiring that signs stating the expected loss per hour of play for each denomination that may be played on the machine, as determined by the director of Indian gaming, be displayed on all gambling devices authorized by the compact.

According to Gaming Laboratories International (GTI), the primary testing laboratory of gaming machines, the cost to develop a program that would determined the expected loss per hour of play would be "astronomical". Any program developed for this purpose would have to be able to determine the payout percentage programmed into every gaming machine computer chip. In addition, the program would need to factor in the amount of play, which varies by individual, and the number of coins that are played per pull. Finally, if there is any level of skill involved, such as in electronic games of blackjack and poker, the player's skill and knowledge of the game will affect the return.

Due to the complexity of gaming machine technology and the number of other variables, it is not possible to estimate the fiscal impact of this bill at this time but the potential cost is likely to be substantial.

Long-Range Fiscal Implications:

Unknown

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