## Fiscal Estimate - 2019 Session

$\boxtimes$	Original		Updated	Correc	ted	Suppleme	ental	
LRE	3 Number	19-3179/2	2	Introducti	on Number	AB-0586		
	c <b>ription</b> of debit card fo	r lottery purcha	ase					
Fisca	al Effect							
State	No State Fisco Indeterminate Increase I Appropria Decrease Appropria	e Existing tions Existing	☑Increase Ex Revenues ☑Decrease E Revenues		Increase Cost absorb within Yes	agency's bud		
Loca	No Local Go Indeterminat  1. Increas Permis 2. Decrea	e Costs sive Manda se Costs	3. Increase Re	Mandatory evenue	5.Types of Local Units Affected Towns Counties School Districts	Government Village Others WTCS Districts	Cities <u>0</u>	
Fund Sources Affected Affected Ch. 20 Appropriations								
	GPR 🔲 FE	D 🔲 PRO	PRS SEG	SEGS	Lottery Fund			
Age	ency/Prepared	Ву	Auti	horized Signa	ature		Date	
DO	R/ Travis Arthu	r (608) 266-85	65 Jam	ie Adams (608	8) 266-6785		11/12/2019	

## Fiscal Estimate Narratives DOR 11/12/2019

LRB Number 19-3179/2	Introduction Number	AB-0586	Estimate Type	Original				
Description								
use of debit card for lottery purchase								

## Assumptions Used in Arriving at Fiscal Estimate

According to Lottery research, there are over 2.5 million Lottery players in Wisconsin with purchasing frequencies that vary. A 2018 study conducted by Pew Research found that only about half of adult consumers have cash onhand on a regular basis. Furthermore, Lottery research shows that about half of Lottery players would prefer to pay for Lottery using a debit card if it were an option. Non cash-carrying consumers who would prefer to purchase Lottery with debit are likely resulting in forgone sales. Based on Lottery purchase frequency data and average spend per-purchase from a recent market study, the Lottery estimates annual forgone sales of approximately \$22.6 million per year, or about \$8 on average per day per retailer in sales revenue for Wisconsin businesses. This assumes that a consumer who is not carrying cash would opt to use debit to pay for Lottery purchases 40% of the time, versus waiting for another occasion when they did have cash on-hand. The actual impact may be greater to the extent non-cash carrying players opt to use debit to pay for lottery purchases.

Under the bill, the \$22.6 million sales increase will result an additional \$6.1 million in net proceeds for the lottery and gaming credit. The average lottery and gaming credit for December 2019 would have increased by \$4 from \$183 to \$187.

Long-Range Fiscal Implications

## **Fiscal Estimate Worksheet - 2019 Session**

Detailed Estimate of Annual Fiscal Effect

☑ Original ☐ Updated	Corrected	Supplemental			
LRB Number 19-3179/2	Introduction Numb	er <b>AB-0586</b>			
Description use of debit card for lottery purchase					
I. One-time Costs or Revenue Impacts for St annualized fiscal effect):	ate and/or Local Government	(do not include in			
II. Annualized Costs:	Annualized Fis	Annualized Fiscal Impact on funds from:			
	Increased Costs	Decreased Costs			
A. State Costs by Category					
State Operations - Salaries and Fringes	\$	\$			
(FTE Position Changes)					
State Operations - Other Costs					
Local Assistance					
Aids to Individuals or Organizations					
TOTAL State Costs by Category	\$	\$			
B. State Costs by Source of Funds					
GPR					
FED					
PRO/PRS					
SEG/SEG-S					
III. State Revenues - Complete this only whe (e.g., tax increase, decrease in license fee, e		crease state revenues			
	Increased Rev	Decreased Rev			
GPR Taxes	\$	\$			
GPR Earned					
FED					
PRO/PRS					
SEG/SEG-S	14,100,000				
TOTAL State Revenues	\$14,100,000	\$			
NET ANNUA	ALIZED FISCAL IMPACT				
	<u>State</u>				
NET CHANGE IN COSTS	\$				
NET CHANGE IN REVENUE	\$14,100,000	\$			
Agency/Prepared By	Authorized Signature	Date			
DOR/ Travis Arthur (608) 266-8565	Jamie Adams (608) 266-6785	11/12/2019			