

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-2137/1	Introduction Number AB-0171				
Description paddlewheel raffles					
Fiscal Effect					
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around; font-size: small;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div>					
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts </div> </div>					
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Fund Sources Affected</td> <td style="width: 50%;">Affected Ch. 20 Appropriations</td> </tr> <tr> <td> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS </td> <td>20.505 (8)(j); 20.505 (8)(hm)</td> </tr> </table>		Fund Sources Affected	Affected Ch. 20 Appropriations	<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.505 (8)(j); 20.505 (8)(hm)
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Agency/Prepared By DOA/ Zolonda Eubanks (608) 266-6497	Authorized Signature Robin Malicki (608) 264-9576				
Date 4/9/2021					

Fiscal Estimate Narratives

DOA 4/9/2021

LRB Number	21-2137/1	Introduction Number	AB-0171	Estimate Type	Original
Description paddlewheel raffles					

Assumptions Used in Arriving at Fiscal Estimate

Proposed AB 171 makes changes to provisions regarding raffles under Class B licenses. Under current law, the Department of Administration, or Department, may issue a Class B license to any qualified organization that applies. The organization may conduct a multiple-container raffle or a plastic and rubber duck race if the winner in the raffle or race is determined by a drawing with all tickets having an equal opportunity to win.

The proposed legislation changes current statutory provisions to allow an organization to conduct a paddlewheel raffle. Paddlewheel raffle is a raffle in which a paddle is spun, and, after being spun the paddlewheel uses a pointer or marker to indicate any of the following: a winning number on the paddlewheel that matches a ticket purchased by a player; a prize to be awarded to the ticket purchaser whose turn it is, as determined by the organization conducting the raffle; and the ticket purchaser whose turn it is does not win a prize on the spin because the paddlewheel landed on a designated "lose a turn" section.

Statutory provisions regarding raffles are administered by the Department. The Department does not anticipate a change in the number of raffle licenses resulting from AB 171. However, the Department estimates that AB 171 would result in one-time nominal and indeterminate costs for printing to update the handouts for a Class B raffle license, which is anticipated to be absorbed within current Departmental authority.

Gaming compacts between each federally recognized Native American Tribe and the State set forth the rules, regulations, and conditions under which each Tribe may conduct Class III gaming, as defined in the Indian Gaming Regulatory Act of 1988, 25 U.S.C. sec. 2701. The compacts require each Tribe to make annual payments to the State based on a percentage of the Tribe's gaming revenue.

AB 171 would modify the currently authorized methods for determining raffle winners. This change could constitute a violation of the Native American Tribes' exclusive rights to conduct Class III gaming, thereby potentially resulting in a breach of Tribal/State gaming compacts. This violation could result in a significant loss of tribal gaming revenue for the State.

The Department currently estimates that it will receive tribal compact payments totaling approximately \$37.9 million and \$55.2 million in FY2020-21 and FY2021-22, respectively. The anticipated increase in tribal payments from FY2020-21 to FY2021-22 is based in part on the assumption that Native American casinos will resume operating at full capacity after significantly restricting their operations during the pandemic.

Long-Range Fiscal Implications

The Department anticipates a long-term significant loss of tribal payments of approximately \$55.2 million annually resulting from the potential breach of Tribal/State gaming compacts, as based on FY2021-FY22 estimates.