

# State of Wisconsin

SENATE CHAIR  
**Howard Marklein**

316 East, State Capitol  
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Madison, WI 53707-7882  
Phone: (608) 266-0703



ASSEMBLY CHAIR  
**Mark Born**

308 East, State Capitol  
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Madison, WI 53708-8953  
Phone: (608) 266-2540

## Joint Committee on Finance

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Howard Marklein  
Representative Mark Born

Date: September 28, 2022

Re: Lottery and Gaming Credit Passive Review

Pursuant to s. 79.10(11), Stats., The Committee is authorized to revise the DOA estimate and may do so at a meeting that takes place before October 16, 2022, as specifically required in statute. If the Committee chooses to accept the DOA estimate, as submitted in its letter dated September 28, 2022, no Committee action is required and the amount available for the 2022(23) Lottery and Gaming Credit would be certified.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Thursday, October 13, 2022**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

HM:MB;jm



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Kathy Blumenfeld, Secretary-designee

September 28, 2022

SEP 28 2022  
*St. Finance*

The Honorable Howard Marklein, Co-Chair  
Joint Committee on Finance  
316 East, State Capitol  
Madison, WI 53702

The Honorable Mark Born, Co-Chair  
Joint Committee on Finance  
308 East, State Capitol  
Madison, WI 53702

Dear Senator Marklein and Representative Born:

Under s. 79.10(11), Wisconsin Statutes, the Department of Administration must submit to the Joint Committee on Finance its estimate of the total funds available for distribution under the lottery and gaming credit.

Total funds available equal net lottery proceeds and interest plus net racing and bingo proceeds less the amounts expended for gaming enforcement and lottery credit administration. A 2 percent reserve of estimated gross revenues is also required under s. 20.003(5), Wisconsin Statutes.

The department estimates \$319,854,879 will be available for distribution in December 2022. A more detailed calculation of this estimate is attached for your review.

Following the Committee's approval or revision of the estimate, the department will inform the Department of Revenue of the total amount available for the lottery and gaming credit. The Department of Revenue will then calculate the estimated fair market value necessary to distribute the total amount of revenue available.

Sincerely,

DocuSigned by:  
*Kathy Blumenfeld*  
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Kathy K. Blumenfeld  
Secretary-designee

Enc.

cc: Members, Joint Committee on Finance  
Peter Barca, Secretary of Revenue

**Lottery Fund Condition Statement**

Last Update: 9/14/2022

	ACTUAL 2021-22	PROJECTED 2022-23
<b>FISCAL YEAR OPENING BALANCE</b>	\$ 80,466,559	\$ 39,715,126
<b>GROSS REVENUES - OPERATING</b>		
Ticket Sales		
Scratch Games	\$ 637,777,252	\$ 643,557,245
Pull-Tab Games	\$ 1,128,015	\$ 1,277,507
Lotto Games	\$ 248,915,588	\$ 267,282,451
<b>Total Ticket Sales</b>	<b>\$ 887,820,854</b>	<b>\$ 912,117,203</b>
Retailer Fees & Miscellaneous Revenue	\$ 189,658	\$ 262,800
<b>TOTAL GROSS REVENUES - OPERATING</b>	<b>\$ 888,010,512</b>	<b>\$ 912,380,003</b>
<b>EXPENDITURES</b>		
Prizes	\$ 556,857,563	\$ 578,747,532
Retailer Compensation - SEG	\$ 7,732,216	\$ 12,366,807
Retailer Compensation - GPR	\$ 52,046,700	\$ 51,999,600
Vendor Fees - SEG	\$ 4,146,353	\$ 3,483,012
Vendor Fees - GPR	\$ 20,828,300	\$ 20,875,400
General Program Operations	\$ 19,212,168	\$ 20,203,400
Lottery Credit Administration	\$ 293,183	\$ 316,900
Gaming Law Enforcement	\$ 460,200	\$ 457,200
Banking Fees & Misc Expenses	\$ 365	\$ 200
Program Reserves		\$ 142,600
<b>TOTAL EXPENDITURES - GPR</b>	<b>\$ 72,875,000</b>	<b>\$ 72,875,000</b>
<b>TOTAL EXPENDITURES - SEG</b>	<b>\$ 588,702,050</b>	<b>\$ 615,717,651</b>
<b>NET SEG PROCEEDS</b>	<b>\$ 299,308,462</b>	<b>\$ 296,662,352</b>
Interest Earnings	\$ 134,715	\$ 2,575,000
Gaming Revenue Transfer In	\$ -	\$ -
<b>TOTAL AVAILABLE FOR TAX RELIEF</b>	<b>\$ 379,909,736</b>	<b>\$ 338,952,479</b>
<b>APPROPRIATIONS FOR TAX RELIEF</b>		
Lottery and Gaming Credit	\$ 339,353,799	\$ 319,854,879
Late Lottery & Gaming Credit Applications	\$ 840,811	\$ 850,000
Farmland Tax Relief Credit	\$ -	\$ -
<b>TOTAL APPROPRIATIONS FOR TAX RELIEF</b>	<b>\$ 340,194,610</b>	<b>\$ 320,704,879</b>
Gross Closing Balance	\$ 39,715,126	\$ 18,247,600
Reserve (2% of Gross Revenues-Operating)	\$ 17,760,200	\$ 18,247,600
<b>NET CLOSING BALANCE</b>	<b>\$ 21,954,926</b>	<b>\$ -</b>