

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-3907/2	Introduction Number SB-528
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Description
 use of debit card for lottery purchase

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input checked="" type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	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
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS Lottery Fund	

Agency/Prepared By DOR/ Travis Arthur (608) 266-8565	Authorized Signature Jamie Adams (608) 266-6785	Date 11/4/2019
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Fiscal Estimate Narratives

DOR 11/4/2019

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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 on-hand 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

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Description use of debit card for lottery purchase			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		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 when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S (Lottery Fund)		14,100,000	
TOTAL State Revenues		\$14,100,000	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$14,100,000	\$
Agency/Prepared By		Authorized Signature	
DOR/ Travis Arthur (608) 266-8565		Jamie Adams (608) 266-6785	
		Date	
		11/4/2019	