149th GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**SENATE SUBSTITUTE NO. 1 TO SENATE BILL NO. 144**
AS AMENDED BY:	**HA 2**
SPONSOR:	**Senator Bushweller**
DESCRIPTION:	**AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO LOTTERIES.**

Assumptions:

1. This Bill becomes effective upon signing by the Governor. Sections 1, 3, 4, and 7 take effect July 1, 2018 (Fiscal Year 2019). Sections 2, 5 and 6 take effect July 1, 2019 (Fiscal Year 2020).

2. This Bill adjusts the State's lottery revenue sharing model in the following ways:

    a. Reduces the State's share of gross slot machine revenues from 43.5% to 42.5% or 42.5% to 41.5%, as applicable, with additional reductions of 2% possible for each video lottery agent starting with the fiscal year beginning July 1, 2019, based on qualified capital expenditures reaching 3% of video lottery net proceeds

    b. Reduces the State's percentage of gross table game revenue from 29.4% to 15%.

    c. Suspends the table game license fee due June 1, 2019, and continues to suspend the fee in subsequent fiscal years if each agent increases expenditures on marketing, wages, and benefits by its pro rata share of the license fee.

    d. Increases purses for horsemen by 0.6%, phased-in over two years.

3. This Bill further allows video lottery operations during the Christmas and Easter holidays and encourages marketing and casino investment in activities that will grow video lottery and table games revenues.

4. Estimates for revenue losses are based on Department of Finance and Casino Industry revenue forecasts for Fiscal Years 2018, 2019, and 2020. Fiscal Year 2021 estimates make no additional assumptions on revenue growth.

Revenue Loss:

FY 2019: $11.4 million
FY 2020: $16.8 million
FY 2021: $16.8 million

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