

**FISCAL NOTE**  
**HB 981 - SB 1096**

March 5, 2007

**SUMMARY OF BILL:** Prohibits any low-income person who receives state or federal economic or medical assistance due to indigency from claiming a Tennessee lottery prize.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Decrease in net lottery proceeds exceeding \$2,500,000 in FY07-08. In addition, unclaimed prizes will increase by an amount exceeding \$50,000 in FY07-08.**

Assumptions:

- As this group of individuals becomes aware that prizes will not be awarded to them, a decrease in lottery ticket sales would occur.
- Net ticket sales for FY06-07 are estimated to be \$994.67 million.
- No data could be found to determine or extrapolate a reliable percentage of players who would meet the criteria of indigency as proposed.
- However for every 1% of current players who would meet the criteria of indigency as proposed, the decrease to net ticket sales is estimated to be approximately \$9,947,000 ( $\$994,670,000 \times 1\% = \$9,946,700$ ).
- After all expenses, the state is expected to receive approximately 27.0% of net ticket sales in FY06-07. This is the portion that would be dedicated to higher education scholarships or other authorized purposes.
- The decrease to net lottery proceeds is estimated to exceed \$2,500,000 in FY07-08 ( $\$9,947,000 \times 27.0\% = \$2,685,690$ ).
- Any prize arising from the claim of a person who receives state or federal economic or medical assistance due to indigency shall constitute an unclaimed prize. Determining a precise estimate for any increase to unclaimed prizes is difficult due to chance. However, this amount is estimated to exceed \$50,000 in FY07-08.
- 100% of unclaimed prize monies are earmarked for after-school programs.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director