

FISCAL NOTE
HB 1496 – SB 2074

February 19, 2007

SUMMARY OF BILL: Authorizes any person, partnership, unincorporated association, corporation, or other business entity with a license violation for unlawfully selling or providing a product or substance to a minor to become a lottery retailer if their sentence has been completed and their license restored.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – For each additional retailer authorized to sell lottery tickets as a result of this legislation, net lottery proceeds are expected to increase by approximately \$58,500 per year.

Assumptions:

- Approximately 4,700 retailers sell lottery tickets.
- Net lottery proceeds are estimated to be \$275.0 million in FY07-08.
- The average retailer is expected to contribute approximately \$58,500 in lottery proceeds for FY07-08 ($\$275,000,000 \div 4,700$ retailers = \$58,511).
- The increased number of retailers will not significantly reduce lottery ticket sales by other retailers.
- Current statute authorizes restored privileges to potential retailers when civil rights have been restored or when at least five (5) years have elapsed from the date of the completion of the sentence without a subsequent conviction.
- According to the Tennessee Education Lottery Corporation, permission has either been denied or revoked for 58 potential retailers since lottery inception for reasons specified in this bill.
- It is unclear as to how many retailers could be added to the retailer base because sentence completion and the restoring of business licenses vary from case to case.

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