

March 7, 2011

The Honorable Brenda Landwehr, Chairperson
House Committee on Health and Human Services
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Landwehr:

SUBJECT: Fiscal Note for HB 2340 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2340 is respectfully submitted to your committee.

HB 2340 would exempt from the statewide smoking ban any bar that is authorized to sell lottery tickets under the Kansas Lottery Act.

The Kansas Lottery is unable to estimate a precise fiscal effect of the bill, however, the Lottery indicates that it has experienced a decline in revenue from its online games, and considers this decline to be caused by the implementation of the statewide smoking ban. Should HB 2340 pass, and bars are exempted from the smoking ban, the Lottery estimates there could be a rebound of approximately 10.0 percent in game revenue of up to \$5.0 million per year. In addition, passage of the bill could encourage more bars to begin selling lottery tickets which would allow them to re-institute smoking in their establishments. The number of bars who would choose to sell lottery tickets for this reason is unknown. Any fiscal effect resulting from the enactment of HB 2340 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Stephen Durrell, Stephen Durrell, Lottery
Don Cawby, KRGC
Christi Nowak, KRGF