

February 17, 2014

The Honorable Ralph Ostmeyer, Chairperson
Senate Committee on Federal and State Affairs
Statehouse, Room 136-E
Topeka, Kansas 66612

Dear Senator Ostmeyer:

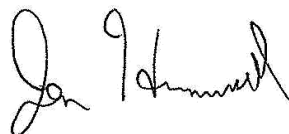
SUBJECT: Fiscal Note for SB 375 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 375 is respectfully submitted to your committee.

Under current law, the Kansas Lottery is prohibited from advertising at amateur athletic or sporting events, including events located at the colleges and universities under control of the Board of Regents. SB 375 would eliminate this prohibition but would prohibit the Kansas Lottery from advertising at sporting events where the majority of participants are under the age of 18. The bill would allow the Kansas Lottery to sell its own products.

The Kansas Lottery indicates SB 375 has the potential to increase lottery ticket sales by allowing the agency more flexibility in using its advertising dollars. The agency indicates that it currently advertises on radio and television broadcasts for colleges and university sporting events. Allowing the Kansas Lottery to advertise at these sporting events would enhance the effectiveness of its overall advertising efforts and potentially allow the agency to spend more of its advertising dollars with colleges and universities. However, the increase in additional lottery ticket sales is estimated to be negligible. Allowing the Kansas Lottery to sell its own products at special events would reduce administrative costs and would save the agency from paying commissions to outside retailers for lottery ticket sales at special events; however, the cost savings are estimated to be negligible. The Board of Regents indicates the bill would have no fiscal effect on the Board of Regents or any Kansas postsecondary institution. Any fiscal effect associated with SB 375 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Stephen Durrell, Lottery
Kelly Oliver, Regents