

# Department of Planning and Budget

## 2003 Fiscal Impact Statement

1. **Bill Number:** HB1564

**House of Origin**    ☐ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☒ Enrolled

2. **Patron:** Delegate Callahan

3. **Committee:** Passed both Houses

4. **Title:** Lottery; voluntary assignment of prizes or pledge as collateral

5. **Summary/Purpose:** This bill allows winners of the lottery to assign or pledge as collateral for a loan lottery prizes that are repayable in installments over time.

6. **Fiscal Impact Estimates are:** Final.

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2002-03	\$0	0.00	N/A
2003-04	\$90,000	0.00	NGF
2004-05	\$0	0.00	N/A

**6b. Revenue Impact:** The bill provides that the Lottery Department may establish a reasonable fee reflective of the direct and indirect costs of processing the assignment of lottery prizes and registration of prospective assignees or lenders. The Lottery Department estimates that the revenue impact of the fee will be minimal.

7. **Budget amendment necessary:** No.

8. **Fiscal implications:** The Lottery's computer system would require reprogramming to handle the information. It is estimated that the one-time cost of programming, user testing, and training, including documentation, is \$90,000. This cost can be absorbed within the current operating budget of the department. The bill provides that the Lottery may establish a reasonable fee to process the assignments, to receive, review, and file the registration required, and to confirm compliance with the registration requirements. This fee will reflect direct and indirect costs and will be paid by the assignor/borrower. However, the Lottery Department estimates that the revenue impact associated with any such fees will be minimal.

9. **Specific agency or political subdivisions affected:** State Lottery Department

10. **Technical amendment necessary:** No.

11. **Other comments:** None.

**Date:** 2/28/03 kbs

**Document:** G:\03FIS\HB1564er.Doc

cc: Secretary of Finance