



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |                              |                             |   |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government?                | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes?                      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families?                 | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

#### B. EFFECT OF PROPOSED CHANGES:

Currently, at least 50% of gross revenues from the sale of on-line lottery tickets is used for prizes. At least 38% of gross revenues from on-line ticket sales and other earned revenue must be deposited in the Educational Enhancement Trust Fund and the remaining money can be used for administrative expenses. At fiscal year's end, any unencumbered balance in the Administrative Trust Fund is transferred to the Educational Enhancement Trust Fund. Expenditures from the Educational Enhancement Trust Fund must be for educational enhancements. HB 1789, the General Appropriations Act, provides an administrative budget of 10.35%, totaling \$127.6 million.

When the Florida Lottery was launched in 1988, the required deposit to the Educational Enhancement Trust Fund was 35%. The share was increased to 37.5% in 1989 and to 38% in 1990. PCB AP 03-24 increases the required share to the Educational Enhancement Trust Fund to 39%.

#### C. SECTION DIRECTORY:

- Section 1. Amends s. 24.121, F.S., to increase the share of gross revenues for the sale of on-line lottery tickets to the Educational Enhancement Trust Fund.
- Section 2. Amends s. 1010.70, F.S., to make the parallel change in the section providing for deposits to the Educational Enhancement Trust Fund.
- Section 3. The effective date of the bill is July 1, 2003.

### II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: No change.

2. Expenditures:

The share of the gross revenues for the sale of on-line lottery tickets is adjusted so that at least 39% is transferred to the Educational Enhancement Trust Fund at least quarterly. That amount would result in an increase to the Educational Enhancement Trust Fund of \$16.7 million and a decrease of \$16.7 million in the Administrative Trust Fund, which can be used for the cost of operations.

This will expedite transfers rather than delaying to the next fiscal year to transfer excess cash from the Administrative Trust Fund.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

School districts would participate in sharing the additional \$16.7 million in available funds during the 2003-2004 fiscal year.

2. Expenditures: No change

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

D. FISCAL COMMENTS:

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

2. Other:

B. RULE-MAKING AUTHORITY:

C. DRAFTING ISSUES OR OTHER COMMENTS:

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**