

**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

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SF 2330 - Touch Play Machines (LSB 5993 SV)  
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Fiscal Note Version - New

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**Description**

Senate File 2330 prohibits the Iowa Lottery from authorizing the use of monitor vending machines. The Bill provides that any retailer that has acquired a monitor vending machine prior to the effective date of this Bill may only continue to offer the use of the machine for 30 days after enactment. The Bill takes effect upon enactment.

**Background**

As of March 1, 2006, there were approximately 6,000 monitor vending machines called Touch Play Machines, in use in retail establishments in Iowa. Among the most prevalent establishments using these machines are bars, restaurants, fraternal organizations with liquor licenses, truck stops, convenience stores, grocery stores, and bowling alleys. The Iowa Lottery's contracts with the manufacturers of the Touch Play Machines specify that the Lottery will receive 24.0% of the net receipts in FY 2006, 27.0% in FY 2007, 30.0% in FY 2008, and 34.0% in FY 2009.

**Assumptions**

The Lottery has revised its estimates and now anticipates the machines will generate \$40.0 million in new revenues for FY 2006, \$60.0 million in FY 2007, and \$77.8 million in FY 2009.

**Fiscal Impact**

Estimated generated revenue in FY 2006 will be \$30.0 to \$40.0 million while forgone revenue to the State General Fund from the prohibition of Touch Play Machines is estimated to be up to \$10.0 million in FY 2006, \$60.0 million in FY 2007, and \$77.8 million by FY 2009.

**Source**

Iowa Lottery

/s/ Holly M. Lyons

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March 10, 2006

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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