

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6198-02  
Bill No.: HB 2320  
Subject: Gambling  
Type: Original  
Date: April 3, 2018

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Bill Summary: This proposal authorizes the Missouri Gaming Commission to establish standards and procedures for sports wagering in the state of Missouri.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Gaming Proceeds for Education Fund	\$0 or Up to \$39,781,668	\$0 or Up to \$39,790,008	\$0 or Up to \$39,790,008
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or Up to \$39,781,668</b>	<b>\$0 or Up to \$39,790,008</b>	<b>\$0 or Up to \$39,790,008</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Gaming Proceeds for Education	0 or 2	0 or 2	0 or 2
<b>Total Estimated Net Effect on FTE</b>	<b>0 or 2</b>	<b>0 or 2</b>	<b>0 or 2</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Gaming Commission (MGC)** state that as noted in the proposed legislation, implementation of sports betting in Missouri is contingent on a favorable United States Supreme Court decision which would allow states to begin accepting wagers. Based on the language in the bill, there are a number of variables that make it difficult to project revenues or resources/expenses that Missouri Gaming Commission would need to regulate this new law. The proposed legislation allows for riverboat gaming casinos, fantasy sports operators and lottery retailers to conduct sports wagering, but does not provide guidance on the amount of tax to be assessed.

As with other states that have drafted proposed legislation in anticipation of the United State Supreme Court decision, we could see additional tax revenue to range between \$30 million - \$40 million dollars. Also, dependent on the level of sports wagering that would require regulatory oversight by the commission, two FTEs and equipment/expenses would be needed for licensing, auditing and technical expertise.

Further, these projections are based on the assumption that all thirteen riverboat gaming casinos, all fantasy sports companies operating in Missouri, and a majority of the lottery retailers would participate in sports wagering.

Officials from the **Office of the Secretary of State** assume the proposal will have no fiscal impact on their organization.

Since implementation of sports betting in Missouri is contingent on a favorable United States Supreme Court decision, **Oversight** will reflect a revenue of \$0 (the Supreme Court does not rule in favor of sports betting in Missouri) or Up the MGC estimates.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>GAMING PROCEEDS FOR EDUCATION FUND</b>			
<u>Revenue</u> - MGC	\$0 or Up to	\$0 or Up to	\$0 or Up to
Tax on sports wagering	\$40,000,000	\$40,000,000	\$40,000,000
<u>Cost</u> - MGC			
Personal Service	\$0 or (\$137,912)	\$0 or (\$137,912)	\$0 or (\$137,912)
Fringe Benefits	\$0 or (\$62,536)	\$0 or (\$62,536)	\$0 or (\$62,536)
Equipment and Expense	\$0 or (\$17,884)	\$0 or (\$9,544)	\$0 or (\$544)
<u>Total Cost</u> - MGC	\$0 or (\$218,332)	\$0 or (\$209,992)	\$0 or (\$209,992)
FTE Change - MGC	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE
<b>ESTIMATED NET EFFECT TO THE GAMING PROCEEDS FOR EDUCATION FUND</b>	<b><u>\$0 or Up to</u> <u>\$39,781,668</u></b>	<b><u>\$0 or Up to</u> <u>\$39,790,008</u></b>	<b><u>\$0 or Up to</u> <u>\$39,790,008</u></b>
Estimated Net FTE Change to the Gaming Commission Fund	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE

FISCAL IMPACT - Local Government

FY 2019  
(10 Mo.)

FY 2020

FY 2021

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill allows the Missouri Gaming Commission to authorize and establish standards for licensed operators of excursion gambling boats and fantasy sports contest to also conduct sports wagering on professional and collegiate sports. This bill also allows the Missouri Lottery Commission to utilize sporting events in lottery games, to the extent permissible under the Missouri Constitution.

However, this bill does not allow any form of sports wagering until federal law is clear that states have the authority to regulate sports wagering.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Gaming Commission  
Office of the Secretary of State

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