

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1787-01
Bill No.: HB 869
Subject: Gambling
Type: Original
Date: March 28, 2019

Bill Summary: This proposal creates the Steamboat Legacy Fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Steamboat Legacy Fund	\$31,809,403	\$38,171,284	\$38,171,284
Total Estimated Net Effect on <u>Other</u> State Funds	\$31,809,403	\$38,171,284	\$38,171,284

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

☐ 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 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 313.820

Officials from the **Department of Public Safety - Missouri Gaming Commission (MGC)** state that the Missouri Gaming Commission audits the collection of admission fees paid by the excursion gambling boat licensees ensuring the home dock city or county and the gaming commission fund both receive their appropriate amount based on the two dollar per two hour admission fee. The Missouri Gaming Commission assumes the MGC will be responsible for ensuring the correct payment of the additional one dollar to the "Steamboat Legacy Fund".

In FY 18 the Missouri Gaming Fund collected \$39,559,834 in admission fees to the gaming commission fund. However, there has been a decline of admissions over the past several years and MGC is estimating a decrease in admissions again in FY 19. YTD MGC is seeing a decrease of 3.1% over the same period in FY 18 and estimating a 3.51% decrease by the end of FY 19. Assuming the 3.51% decrease and then the admissions staying the same year over year afterwards the Steamboat Legacy Fund could collect approximately \$38,171,284 each fiscal year ($\$39,559,834 * (1 - .0351) = \$38,171,284$).

Oversight notes according to annual reports of the Missouri Gaming Commission, the following amounts of admission fees were collected and paid to the state (similar amounts were also paid to the home dock cities/counties):

FY 2016	\$42,510,171;
FY 2017	\$40,894,623; and
FY 2018	\$39,760,202.

According to the **Missouri Gaming Commission (MGC)**, the annual report reflects dollar amounts provided by the casinos to the MGC - Tax Division. After an audit has been completed on the admission fees, dollar amounts can change; therefore, MGC has reflected dollar amounts that have been entered into SAM II for purposes of this fiscal note.

Oversight will use the MGC estimates based in SAM II and reflect \$38,171,284 of revenue generated by the additional \$1 fee to the Steamboat Legacy Fund. Oversight will reflect ten months of impact in FY 2020.

Officials from the **Office of the State Treasurer** and the **Department of Natural Resources** each assume the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Officials from **Jefferson City** and **Cole County** did not respond to our request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
STEAMBOAT LEGACY FUND			
<u>Revenue - MGC</u> \$1 of the excursion boat admission fee	<u>\$31,809,403</u>	<u>\$38,171,284</u>	<u>\$38,171,284</u>
ESTIMATED NET EFFECT TO THE STEAMBOAT LEGACY FUND	<u>\$31,809,403</u>	<u>\$38,171,284</u>	<u>\$38,171,284</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Currently, the law requires excursion gambling boat licensees to pay the Missouri Gaming Commission an admission fee of \$2 for each person embarking on an excursion gambling boat. This bill increases such admission fee to \$3, with the additional \$1 deposited in the newly created "Steamboat Legacy Fund."

Moneys in the fund can be used solely for the construction, maintenance, and operation of a facility to be located in Jefferson City that will house books, maps, artifacts, and other material related to the significance of the steamboat era in the history of Missouri and the construction, maintenance, and operation of a facility that will be a part of the Missouri State Museum.

FISCAL DESCRIPTION (continued)

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

Department of Public Safety
Missouri Gaming Commission
Office of the State Treasurer
Department of Natural Resources

Kyle Rieman
Director
March 28, 2019



Ross Strobe
Assistant Director
March 28, 2019