

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1037H.01I  
Bill No.: HB 402  
Subject: Lotteries; Gambling; Boards, Commissions, Committees, and Councils  
Type: Original  
Date: March 4, 2021

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Bill Summary: This proposal prohibits publishing of the names of lottery winners.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
<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 2022	FY 2023	FY 2024
Lottery Proceeds (0291)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

\*Oversight notes this fiscal impact represents the loss of advertisement power from not publishing information about lottery winners. The Lottery Commission assumes a reduction in sales and revenue if this publishing ability is not available that could exceed \$250,000.

Numbers within parentheses: () indicate costs or losses.

<b>STIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

**FORMCHECKBOX**

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§313.303 - Prohibits publishing the names of Lottery winners**

Officials from the **Lottery Commission (LOT)** state releasing the names of big winners ensures the integrity and transparency of our government operations so the public knows the Lottery is not corruptly awarding prizes to friends, relatives, etc. The Missouri Lottery receives thousands of dollars in publicity value and exposure each year when winner stories appear in the media. Research has shown the more people hear about winners, the more likely they are to play the Lottery and the more money earned for public education.

The Missouri Lottery currently publicizes the names, home towns, prize amount and game name for winners of \$10,000 and more through news releases, on its website, and on social media accounts. Winners up to \$50,000 have the option of placing themselves on a "no publicity" list on a per-win basis. For winners of \$50,000 and more, the Lottery releases the winner's name, home town, prize amount and game. Exceptions have been made if the winner expresses a security concern. They do not require winners of \$50,000 and higher to have their photo taken or for them to do media interviews or news conferences. They do not release their address or phone number to the media.

On prizes of \$1 million or more, the Lottery again releases the name, home town, prize amount and game. They do not require these million-dollar-plus winners to have their photo taken or do a news conference. They do not release their address or phone number to the media. The Lottery Commission only holds news conferences with the consent of the winning individual(s).

This legislation makes it unlawful to publish the name, address, or any other identifying information of any person who wins the state lottery. Not being able to publish winner names may adversely affect public perception of the Lottery and, ultimately, affect sales. There are currently only a few state lotteries that allow blanket anonymity; most lotteries do not.

**Oversight** notes a small number of states allow winners of the Powerball or Mega Millions jackpots to remain anonymous. Those states include Delaware, Kansas, Maryland, North Dakota, Ohio, South Carolina, and Texas. There are also a few states that allow winners to remain anonymous if they win over a certain amount. Those states include Arizona, Georgia, and Virginia.

**Oversight** does not have any information contrary to that provided by the Lottery Commission. Therefore, Oversight will reflect Lottery Commission's fiscal impact concerns as a \$0 or (Unknown) to the Lottery Proceeds Fund.

For the purpose of the proposed legislation, and as a result of excessive caseloads, the **Missouri State Public Defender (SPD)** cannot assume existing staff will be able to provide competent, effective representation for any new cases where indigent persons are charged with the proposed new crime(s) under Chapter 313 concerning publishing the names of lottery winners as a class A misdemeanor. However, if this offense was classified as a class D misdemeanor, it would not qualify for public defender representation because it would be punishable by a fine only, and therefore there would be no impact on MSPD. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized standards. While the number of new cases may be too few or uncertain to request additional funding for this specific bill, the Missouri State Public Defender will continue to request sufficient appropriations to provide competent and effective representation in all cases where the right to counsel attaches.

**Oversight** assumes the SPD will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the SPD for fiscal note purposes.

In response to a similar proposal from 2020 (HB 1563), officials from the **Missouri Office of Prosecution Services (MOPS)** assumed the proposal will have no measurable fiscal impact on MOPS. The creation of a new crime creates additional responsibilities for county prosecutors which may, in turn, result in additional costs, which are difficult to determine.

**Oversight** notes the **Attorney General's Office**, the **Department of Public Safety - Missouri State Highway Patrol**, and the **Office of State Courts Administrator** have each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<b>LOTTERY PROCEEDS FUND (0291)</b>			
<u>Loss - LOT</u> (§313.303) Potential loss of sales from no longer having imbedded advertisement from publishing names of lottery winners	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON THE LOTTERY PROCEEDS FUND</b>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This legislation could have an economic impact on the nearly 5,000 Lottery retailers if they lose sales.

FISCAL DESCRIPTION

This bill prohibits the Lottery Commission, state lottery, any contracted organization, or any of their employees from publishing the name, address, or identifying information of a lottery winner in printed or electronic form for distribution or sale to the public.

Any violation of these provisions is a class A misdemeanor.

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

Attorney General's Office

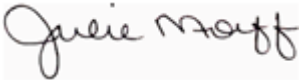
Department of Public Safety - Missouri State Highway Patrol

Lottery Commission

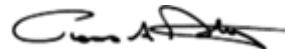
Missouri Office of Prosecution Services

Office of State Courts Administrator

State Public Defender's Office



Julie Morff  
Director  
March 4, 2021



Ross Strobe  
Assistant Director  
March 4, 2021