

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0513H.01I
Bill No.: HB 84
Subject: Gambling; Entertainment, Sports and Amusements; Licenses - Miscellaneous;
Taxation and Revenue - General
Type: Original
Date: March 11, 2025

Bill Summary: This proposal enacts provisions relating to gambling boat admission fees.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Gaming Commission Fund (0286)*	\$0	More or Less than \$574,200	More or Less than \$1,159,884
Veterans Commission Capital Improvement Fund (0304)*	More or Less Than \$48,333,333	More or Less Than \$59,160,000	More or Less Than \$60,343,200
Compulsive Gamblers Fund (0249)*	\$0	More or Less Than \$5,800	More or Less Than \$11,716
Total Estimated Net Effect on <u>Other</u> State Funds	More or Less Than \$48,333,333	More or Less Than \$59,740,000	More or Less Than \$61,514,800

*Oversight notes that the increased revenue is due to the increase in admission fees and CPI adjustments to excursion gambling boats.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- ☐ 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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government*	\$0	More or Less than \$580,000	More or Less than \$1,171,600

*Oversight notes that the increased revenue is due to the increase in admission fees and CPI adjustments to excursion gambling boats.

FISCAL ANALYSIS

ASSUMPTION

Section 313.820 – Gambling boat admission fee & CPI Increase

Officials from the **Missouri Gaming Commission (MGC)** assume that Section 313.820.1:

- Increases the casino admission fee from two dollars (\$2) (the current casino admission fee) to four dollars (\$4).
- The statute provides that the first two dollars (\$2) of the admission fee be split between the Missouri Gaming Commission Fund and the home dock city where the casino is located. This is not a change from the current statute.
- The additional two-dollar (\$2) admission fee added by the statute is designated for distribution to be paid to the Veterans Commission Capital Improvement Fund.

MGC assumes that Section 313.820.2:

- Provides for an annual adjustment to the new \$4 casino admission fee, in accordance with the federal Bureau of Labor Statistics consumer price index.

MGC assumes the proposal would have a minimal fiscal impact on the Missouri Gaming Commission, at least initially. Revenues to the MGC would increase with the annual adjustment to the admission fees. Currently, there is no annual adjustment to the admission fees. The Missouri Gaming Commission would anticipate the admission fees paid to the Missouri Gaming Commission Fund (with the monies split between the MGC and the home dock city) to increase by approximately thirty cents (\$.34) over the next five years. This would be an increase of \$9,747,469.30 (to be split between MGC and the home dock cities).

The repeal of the current section 313.820 and the enactment of the new statutory section would have an immediate fiscal impact on the Missouri Veterans Commission Capital Improvement Fund. In FY 2026, the Missouri Veterans Commission Capital Improvement Fund would see an immediate increase of \$58,000,000 in revenue. By fiscal year 2030, the Missouri Veterans Capital Improvement Fund would receive \$67,747,469.31 in annual revenue.

In determining the fee calculations MGC used, the admissions numbers were based upon the current admission numbers. MGC does not expect an increase in admissions over the next few years as the current rate of admissions has been stable.

The Consumer Price increase used (3.96%) was based upon the average consumer price increase from 2019 through 2023.

MGC notes that admissions were on a slow decline from 2013 to 2019. However, there was a significant drop resulting from COVID in 2020. Admissions have recovered slightly, but increases have not recovered to pre-COVID figures. MGC does not expect an increase in admissions over the next few years, as the current rate has been stable. Therefore, MGC is using 29 million for the admissions estimate.

Using this admission total, MGC assumes that it will collect \$116,000,000 each fiscal year, before annual CPI adjustments, from the \$4.00 admission fee authorized pursuant to the amended Section 313.820 to be distributed as follows:

\$29,000,000 to the Gaming Commission Fund (\$1.00)

\$29,000,000 to the Home Dock City or County (\$1.00)

\$58,000,000 to the Veterans Commission Capital Improvement Fund (\$2.00)

Officials from the **Department of Revenue (DOR)** state the following:

Under current law, an excursion gaming boat pays an admission fee of \$2 per person that enters the boat. The money is transferred to the Department where it is distributed \$1 to the gaming commission to cover their expenses and \$1 to the home dock city or county where the excursion boat is located.

DOR assumes that the provision is changing the fee from \$2 per person to \$4.00 per person starting August 28, 2025. The increased fee would be in effect for 10 months of FY 2026. The increased fee is to be transferred to the Veterans Commission Capital Improvement Fund.

Total Collection by Fund Type			
Fiscal Year	Gaming Comm.	Home Dock	Veterans
2026	\$0	\$0	\$56,462,282
2027	\$564,623	\$564,623	\$57,591,528
2028	\$1,140,538	\$1,140,538	\$58,743,358
2029	\$1,727,972	\$1,727,972	\$59,918,225

In order to determine the amount of future revenue that may be expected from the increased fee, the DOR notes that in 2024 excursion gaming boats, paid fees on 28,231,141 admissions bringing in \$56,462,282. Therefore, the Gaming Commission and home dock cities received \$28,231,141 each.

Total Collection by Future Revenue			
Fiscal Year	Gaming Comm. \$1.00	Home Dock \$1.00	Veterans \$2.00
2026	\$28,231,141	\$28,231,141	\$56,462,282
2027	\$28,795,764	\$28,795,764	\$57,591,528
2028	\$29,371,679	\$29,371,679	\$58,743,358
2029	\$29,959,113	\$29,959,113	\$59,918,225

This proposal requires the MGC to annually adjust the \$4.00 per person fee by the Consumer Price index. The inflated fee is to go into place in the following fiscal year. Using the Federal Reserve 2% inflation rate DOR shows the admission fee increasing (assuming the same number of admissions in all years of 28,951,407) the estimated amount of revenue that would be collected:

Total Collection by Admission Fee Increase			
Fiscal Year	Admission Fee	Estimated Collected	Difference
2025	\$2.00	\$56,462,282	
2026	\$4.00	\$112,924,564	\$56,462,282
2027	\$4.08	\$115,183,055	\$58,720,773
2028	\$4.16	\$117,486,716	\$61,024,434
2029	\$4.24	\$119,836,451	\$63,374,169

The DOR assumes they will need to update their computer programs for the new distribution of the funds. This is estimated to cost \$7,327.

Oversight assumes the DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to updating the necessary computer programs to ensure that the new distribution of the funds listed in this proposal is accurately calculated. If multiple bills pass which require additional staffing and duties at substantial costs, the DOR could request funding through the appropriation process.

Oversight notes the current \$2 admission fee splits \$1 to the Gaming Commission Fund (with a \$0.01 transfer to the Compulsive Gambling Fund) and \$1 to the local Home Dock City or County.

Oversight notes this proposal increases the gambling boat admission fee from \$2 to \$4. The increase of \$2 will be paid to the Veteran Commission Capital Improvement Trust Fund. In FY 2026, the Missouri Veterans Commission Capital Improvement Fund would see an immediate increase of \$58,000,000 in revenue as estimated by MGC.

Oversight notes each year this fee will be adjusted in accordance with the Federal Bureau of Labor Statistics consumer price index. For the purposes of this fiscal note, Oversight has calculated and will reflect a 2% CPI adjustment (based on the target inflation rate of the FOMC) annually beginning in FY 2027 as shown in the table below:

	Admissions	FY26 Fee	FY26 Revenue	FY27 Fee	FY27 Revenue	FY28 Fee	FY28 Revenue
Gaming Fund	29,000,000	\$1.00	\$29,000,000	\$1.02	\$29,580,000	\$1.04	\$30,171,600
Home Dock	29,000,000	\$1.00	\$29,000,000	\$1.02	\$29,580,000	\$1.04	\$30,171,600
Veterans Commission Capital Improvement Fund	29,000,000	\$2.00	\$58,000,000	\$2.04	\$59,160,000	\$2.08	\$60,343,200
TOTAL		\$4.00	\$116,000,000	\$4.08	\$118,320,000	\$4.16	\$120,686,400

*Fee values represented are rounded. Actual calculations are based on unrounded values.

Oversight notes the following total CPI increases for each fund:

\$580,000 in FY 2027 and \$1,171,600 in FY 2028 to the Gaming Commission Fund

\$580,000 in FY 2027 and \$1,171,600 in FY 2028 to Home Dock City or County

\$1,160,000 in FY 2027 and \$2,343,200 in FY 2028 to the Veterans Commission Capital Improvement Fund

Oversight notes that CPI may vary from year to year and will reflect a “more or less than” to the net effect of each fund.

For fiscal note purposes, **Oversight** will only reflect the additional revenue generated as a result of this proposal. Oversight will reflect revenue generated from these fees into in the Gaming Commission Fund, Veterans Commission Fund, and to Home Dock City/Counties. Oversight will also show a transfer from the Gaming Commission Fund into the Compulsive Gamblers Fund.

Total Net Collection by Fund Type				
Fiscal Year	Gaming Commission Fund	Home Dock City/County	Veterans Commission Fund	Compulsive Gambler Fund
2026	\$0	\$0	\$48,333,333	\$0
2027	\$574,200	\$580,000	\$59,160,000	\$5,800
2028	\$1,159,884	\$1,171,600	\$60,343,200	\$11,716

Officials from the **Missouri Veterans Commission** feel there is probable positive fiscal impact to MVC but defer to the Gaming Commission for fiscal impact.

Officials from the **Office of Administration - Budget and Planning** did not respond to **Oversight's** request for fiscal impact for this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GAMING COMMISSION FUND (0286)			
<u>Revenue</u> - § 313.820 Excursion Boat Admission CPI adjustment p. 4	\$0	More or Less than \$580,000	More or Less than \$1,171,600
<u>Transfer Out</u> – to Compulsive Gamblers Fund (0304)	\$0	More or Less than (\$5,800)	More or Less than (\$11,716)
ESTIMATING NET EFFECT ON THE GAMING COMMISSION FUND	\$0	More or Less than \$574,200	More or Less than \$1,159,884
VETERANS COMMISSION CAPITAL IMPROVEMENT FUND (0304)			
<u>Revenue</u> - § 313.820 Excursion Boat Admission Fees & CPI adjustment p. 4	More or Less than \$48,333,333	More or Less than \$59,160,000	More or Less than \$60,343,200
ESTIMATED NET EFFECT TO THE VETERANS COMMISSION CAPITAL IMPROVEMENT FUND	More or Less than \$48,333,333	More or Less than \$59,160,000	More or Less than \$60,343,200
COMPULSIVE GAMBLERS FUND (0304)			
<u>Transfer In</u> – From Gaming Commission Fund (0286)	\$0	More or Less than \$5,800	More or Less than \$11,716

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
ESTIMATES NET EFFECT TO THE COMPULSIVE GAMBLERS FUND	<u>\$0</u>	<u>More or Less than \$5,800</u>	<u>More or Less than \$11,716</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue - § 313.820</u> Excursion Boat Admission – Home Dock City/County Fees - CPI adjustment p. 4	<u>\$0</u>	<u>More or Less than \$580,000</u>	<u>More or Less than \$1,171,600</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>More or Less than \$580,000</u>	<u>More or Less than \$1,171,600</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill increases the gambling boat admission fee from \$2 to \$4. The increase of \$2 will be paid to the Veteran Commission Capital Improvement Trust Fund. Each year, this fee will be adjusted in accordance with the Federal Bureau of Labor Statistics consumer price index.

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 Revenue
Missouri Gaming Commission
Missouri Veterans Commission



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March 11, 2025



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March 11, 2025