

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6459H.01I
Bill No.: HB 2989
Subject: Gambling; Department of Public Safety; Entertainment, Sports and Amusements;
Lotteries; Boards, Commissions, Committees, and Councils
Type: Original
Date: January 27, 2026

Bill Summary: This proposal modifies provisions relating to gaming.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
State Lottery Fund (1682)	(\$129,576)	\$0*	\$0*
Lottery Enterprise Fund (1657)*	\$0	\$0	\$0
Lottery Proceeds Fund (1291) **	\$0	\$154,391,335	\$291,537,838
Compulsive Gamblers Fund (1249) ***	(\$401,478)	(\$373,781)	(\$373,781)
Criminal Records Fund (1671)			
Gaming for Education Proceeds Fund (1285)****	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
Gaming Commission Fund (1286)****	(Unknown)	(Unknown)	(Unknown)
Illegal Gaming Enforcement Fund*	\$0	\$0	\$0
Highway Fund (1644)	\$0	\$634,375	\$761,250
Attorney General's Office Fund	\$0	\$317,188	\$380,625
Missouri Prosecutors' Pensions Fund	\$0	\$317,188	\$380,625
Veterans Commission Capital Improvement Trust Fund (1304)	\$56,000,000	\$56,537,500	\$56,045,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$55,468,946	\$211,823,805	\$348,731,557

*Revenues and transfers net to \$0.

**Oversight reflects revenue tax of 31% imposed on adjusted gross gaming revenue due to §313.427(2) less administrative expenses and transfers.

***Oversight reflects the net difference between the cost of 1% of the license fee under §313.429.14 and compulsive gambling treatment on page 11 as specified by DMH.

****Per the MGC, the extent of the reduction in revenue in both state and local taxes from riverboat gaming and charitable bingo is unknown but could be significant.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Lottery Enterprise Fund (MLC)	24 FTE	27 FTE	27 FTE
Lottery Enterprise Fund (MHP)	0 FTE	20 FTE	20 FTE
Lottery Enterprise Fund (DPS-DO)	0 FTE	27 FTE	27 FTE
Total Estimated Net Effect on FTE	24 FTE	74 FTE	74 FTE

- ☐ 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 2027	FY 2028	FY 2029
Local Government	(Unknown)	Less than \$1,268,750	Less than \$1,522,500

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety – Director’s Office, Attorney General’s Office** and the **Missouri Veterans Commission** did not respond to **Oversight’s** request for fiscal impact for this proposal.

Oversight was unable to receive some of the agency responses in a timely manner. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

§§27.180, 43.050, 313.425, 313.427, 313.429, 313.431, 313.433, 313.435, 313.437, 313.438, 313.439, 313.440, 313.441, 313.442, 313.443, 313.444, 313.445, 313.820, 572.010, 572.020, 572.100 & 650.930 – Gaming Provisions

§27.180 – Illegal Gaming Enforcement Fund

Oversight notes this section of the proposal establishes the Illegal Gaming Enforcement Fund which shall consist of revenues received by the Missouri Lottery Commission pursuant to §§313.425 to 313.437.

Oversight assumes there will be no fiscal impact as a result of §27.180; therefore, Oversight will reflect a zero impact in the fiscal note for this section.

§43.050 - Missouri Highway Patrol Agreements

Oversight notes this section adds the Missouri Lottery Commission as an option for the Missouri Highway Patrol to enter agreements into in regard to the enforcement of any law, rule, or regulation, to conduct background investigations and the enforcement of regulations of licensed gaming activities.

Oversight assumes there will be no fiscal impact from this section.

§§313.425 to 313.445 – Missouri Video Lottery Regulatory Act

Officials from the **Missouri Lottery Commission (MLC)** assume the following regarding this proposal:

This legislation requires video lottery game operators to pay the Lottery an adjusted gross gaming revenue tax of 31%.

The Lottery shall retain an amount from the adjusted gross gaming revenue tax necessary to cover direct administrative expenses of the program not covered by license fees or reimbursements. All remaining funds after administrative expenses shall be appropriated equally to public elementary and secondary education and public institutions of higher education. Ten percent (10%) of such funds shall be appropriated to public institutions of higher education workforce development programs, and ten percent (10%) for construction and rehabilitation of public elementary and secondary education facilities.

Operators must also pay the Department of Revenue a 3% municipality and county administration tax to be remitted to the appropriate municipality/county.

§313.427(2)

An adjusted gross gaming revenue tax of 31% is imposed on adjusted gross gaming revenue.

§313.427(6)

A municipality and county administration tax of 3% is imposed on adjusted gross gaming revenue.

MLC assumes approximately \$0, \$17.2 million and \$30.9 million per year will be remitted to municipalities where video lottery establishments are located in 2027, 2028 and 2029, respectively, from the 3% municipality and county admin tax collected by the Department of Revenue.

§313.427(13)

Electronic gaming machines, with the exception of those operated under §313.800, shall be regulated by the Missouri Lottery Commission. All other forms of electronic gaming machines that are not regulated by the commission or bear the commission's seal are not legal under the definition of a slot machine in §572.010.

§313.429.1

The commission shall implement a system of video lottery game terminals and issue licenses to video lottery game manufacturers, video lottery game distributors, video lottery game operators, video lottery game handlers, and video lottery game retailers.

§313.429.2

Video lottery game terminals and games shall meet independent testing standards approved by the commission. The commission shall promulgate rules for minimum standards for video lottery game terminals, video lottery games, and redemption terminals. Video lottery game terminals and redemption terminals shall be connected to the central control system approved by the commission.

§313.429.2(15)

The commission shall adopt rules to identify the municipality of each video lottery game terminal and to maintain a list to provide to the department of revenue to ensure accurate taxation and reporting.

§313.429.3

The commission may impose license application fees, annual renewal fees and annual terminal administration fees. The terminal administration fees shall be distributed to the Missouri Highway Patrol, Attorney General's Office, Missouri Prosecutor's Pension Fund, Veterans Commission, and municipalities.

Oversight will reflect the revenues and costs as provided by the MLC. A detailed breakdown of revenue can be found on page 7 of the fiscal note. A detailed breakdown of costs can be found in the tables below.

Oversight notes this section also specifies:

- (a) One hundred dollars shall be transmitted to the Missouri state highway patrol for use in investigations and enforcement of §§313.425 to 313.445;
- (b) Fifty dollars shall be transmitted to the Missouri attorney general's office for use in illegal gambling enforcement;
- (c) Fifty dollars shall be transmitted to the Missouri prosecutors pension fund
- (d) Four hundred dollars shall be transmitted to the veterans commission; and
- (e) Two hundred dollars shall be transmitted to the municipality in which the video lottery game terminal is located, except that if a video lottery game terminal is located in an unincorporated area of a county, the two hundred dollars shall be transmitted to the county in which the video lottery game terminal is located.

MLC assumes the Department of Revenue will collect and remit the following to the Illegal Gaming Enforcement Fund from the \$1,000 annual per terminal administrative fee:

- \$761,250 for the Missouri State Highway Patrol
- \$380,625 for the Missouri Attorney General
- \$380,625 for the Prosecutors Pension Fund
- \$3,045,000 for the Veterans Commission
- \$1,522,500 per year to the municipality or county

In the third and fourth year, revenue will ramp up four times these amounts every year after a four-year ramp up period. The Department of Revenue will remit \$1,522,500 per year of the \$1,000 annual per terminal administrative fee to the Lottery in the third year and fourth year, ramping up to four times this amount every year after a four-year ramp up period.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect estimates provided by MLC. Oversight notes the legislation does not specify which fund the

Missouri State Highway Patrol funds should be transmitted to, therefore, oversight will reflect the revenue to the Highway Fund (1644).

Oversight cannot identify which funds the proposal refers to in regard to the Attorney General's Office and the Missouri Prosecutors' Pension Fund; therefore, Oversight will not provide a specific fund number on the fiscal note.

MLC assumes four (4) additional lead admin support assistant positions at a salary of \$38,888 each will be needed to process applications, renewals, annual terminal administration fees, and no chance game registration fees which includes completing background checks on owners and handlers and determining eligibility.

It is assumed revenues from initial application/administrative and registration fees will total \$37.4 million spread over a 4-year ramp up period, which will be offset by the cost of background checks for operators, manufacturers, distributors, retailers and handlers of approximately \$79,000 per year (fingerprint checks are estimated to be \$33.25 per person, and each operator, manufacturer, distributor and retailer is assumed to have at least two owners requiring a check, with each handler requiring one check). Cost of fingerprint checks beyond the fiscal note period will continue at approximately \$79,000 per year, with approximately \$9.3 million in revenues assumed from the first year of renewal/administrative fees, ramping up to approximately \$37.0 million in year 6 and beyond.

Oversight provides the following table to summarize the Lottery Commissions revenues from §313.429.13:

State Revenue Impact

Provision	FY26	FY27	FY28
Initial Application Fee	\$2,217,200	\$2,217,200	\$2,217,200
Annual Renewal and Terminal Admin Fees*	\$0	\$1,644,700	\$3,289,400
Lottery's Share of Per Terminal Admin Fee (\$200)	\$0	\$1,268,750	\$1,522,500
VLT Proceeds (State Portion, 31% of AGR)	\$0	\$177,953,421	\$319,777,812
Total State Impact	\$2,217,200	\$183,084,071	\$326,806,912

Local Revenue Impact

Provision	FY 2027	FY 2028	FY 2029
Municipality or County Share of Per Terminal Admin Fee (\$200)	\$0	\$5,075,000	\$6,090,000

MLC notes:

§313.429.7

Video lottery game terminals shall be inspected and approved by the commission. Redemption terminals shall meet independent testing standards.

§313.429.9

Operators shall allow players to be self-excluded from video lottery play.

§313.429.10

No operator shall operate more than eight video lottery terminals per location.

§313.429.11

No person under the age of twenty-one shall play video lottery game terminals. Operators shall have a video surveillance system where the video lottery game terminals are located. The commission shall adopt rules regarding the investigation and enforcement of violations which may include fines, suspension and revocation of licenses.

Nine (9) Lottery Security Specialists at an annual salary of \$61,940 each are needed to ensure the central control system uses industry protocols, to activate or deactivate terminals, to monitor and audit plays, and ensure operators are following requirements for plays and payouts, where terminals can be operated, number of terminals operated per establishment, advertising, posting age requirement and the problem gambling helpline, and surveillance of the gaming area, and assessing fines, license suspension and/or license revocation for noncompliance.

Four (4) additional Lottery Security Specialists at an annual salary of \$61,940 are needed to facilitate and document VLT investigations.

One (1) Responsible Gaming Public Relations Coordinator is needed at an annual salary of \$60,000 to educate operators and retailers on problem gambling and manage the self-exclusion program.

One (1) Human Resources Specialist is needed at an annual salary of \$65,083 to assist with hiring and training FTE to administer the program.

The cost of the central system is estimated to be \$13.9 million per year after a four-year ramp up period.

Advertising, promotions and point-of-sales costs associated with the program are estimated to be \$1,500,000 per year.

§313.429.13

Operators shall remit the municipality and county administration tax to the department of revenue. The department of revenue shall distribute such funds to the appropriate municipality or county.

§313.429.14

Up to one percent (1%) of license fees shall be deposited to the credit of the Compulsive Gamblers Fund. Up to one percent of license fees deposited to the Compulsive Gamblers Fund is estimated at \$38,000 per year.

Three (3) Senior Accounts Assistants are needed at an annual salary of \$46,188 each to collect license, renewal, administrative and registration fees, verify and collect the 31% adjusted gross gaming revenue tax, identify municipalities owed the municipality and county administration tax, and deposit amounts owed to the Compulsive Gamblers Fund.

Two (2) Data Analysts/Applications Developers are needed at an annual salary of \$63,391 to ensure the centralized system is accurately capturing data and to develop files, applications and reports to assist in the licensing, security and accounting of the program.

Oversight will reflect the one percent of license fees transferred from the Lottery Enterprise Fund (1657) to the Compulsive Gamblers Fund (1249) as estimated by the MLC.

§313.429.15

MLC notes the commission may contract with a state law enforcement entity to assist in conducting background investigations and for enforcement.

§313.429.16

The commission shall adopt rules for the implementation of the video lottery game system.

One (1) Paralegal at an annual salary of \$60,757 and one (1) Legal Assistant at an annual salary of \$62,579 are assumed to assist with additional legal work involved with promulgating rules and seeking prosecution of violations by the attorney general.

§313.431

The commission shall contract for the supply and operation of a central control system, make a form use agreement and form license applications available for manufacturers, distributors, operators, retailers and handlers, promulgate rules, establish a start date for when operators may begin soliciting use agreements with retailers, approve or deny applications, and establish and operational date by which the system of video lottery game terminals shall be operational.

One (1) VLT Manager is needed to manage and oversee the VLT program and related FTE at an annual salary of \$104,326. Fringe benefits for the twenty-seven (27) additional FTE are estimated to be \$1,100,000 per year.

Equipment, vehicle, and one-time telecommunication costs for the new FTE is estimated to be \$991,000. Annual office supplies, fuel, janitorial, utilities and ongoing IT cost for the new FTE is estimated to be \$213,000 per year.

The Lottery assumes 4,500 retailers will operate 30,450 terminals after a 4-year ramp up period.

Additional revenue to the Lottery from video lottery sales are anticipated to be \$0 in year one and grow to \$320 million in year three, offset by lost profits from Pull-Tabs and Keno of approximately \$12.2 million per year. Pull-Tab sales at fraternal are assumed to be completely cannibalized by video lottery sales; Keno sales are expected to be cannibalized by 31.3%.

Net effect of the above impacts on the Lottery Proceeds Fund is anticipated to be (\$130,000) in FY 2027, \$162.1 million in FY 2028 and \$299.4 million in FY 2029, reduced by Lottery's share of the cost of the Gaming Bureau within the Department of Public Safety.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the MLC.

Officials from the **Missouri Gaming Commission (MGC)** assume the bill provides for administrative fees to be paid by VLT operators and retailers, with such fees to be split among causes including the Missouri State Highway Patrol for investigations and enforcement of the new bill, the Missouri Attorney General's Office for use in illegal gambling enforcement, the Missouri Prosecutors Pension Fund, the Veterans' Commission, and the municipality or county where the VLT is located.

The bill also provides that the tax revenue generated shall be in addition to, and shall supplement, and shall not supplant, any education funding otherwise appropriated by the General Assembly. It also specifically provides that each city and county in which a VLT is operating, as determined in rules set forth by the Lottery Commission, shall receive ten percent (10%) of the gross gaming revenue tax collected, remitted, and assessed on the gross gaming revenue generated by the VLTs in that jurisdiction, with such funds to be used to provide services necessary for the safety of the public in visiting a VLT retail location.

It is assumed that video lottery terminals (VLTs) would be in direct competition with bingo and excursion gambling boats, resulting in a reduction in state gaming taxes to education. The extent to which these reductions will be offset by new revenue generated by VLTs is unknown.

This Act would also result in a reduction of state admission fees to excursion gambling boats. Such admission fees benefit Veterans, National Guard and Access Missouri programs. The extent to which these reductions would be offset by the administrative fees proposed by the bill is unknown.

The Act would likely also result in reductions in casino taxes and admission fees paid to local governments in home dock cities. The extent of the reduction in revenue in both state and local taxes from riverboat gaming and charitable bingo (and the potential offset associated with the administrative fees identified in the bill) is unknown, but significant, as evidenced in other states with legalized video lottery terminals.

Illinois, in particular, noted a 15% decline in state revenue in the first five years of legalized VLTs while VLT revenue grew nearly 900%.

That shift in revenue resulted in a significant decrease in the amount of funding going to the Education Assistance Fund during that same time period.

Officials from the **Department of Mental Health (DMH)** assume the increase in gambling opportunities will increase the number of individuals who voluntarily seek treatment for a gambling problem. However, the bill does not mandate that any individual receive treatment and treatment will remain voluntary. Therefore, DMH assumes that expenditures cannot exceed the balance of the Compulsive Gamblers fund and no State General Revenue beyond that balance will be expended.

In FY 2025, DMH served approximately 21 consumers through compulsive gambling (CG) treatment services with an average cost of \$624 per consumer for a total of \$13,102. These numbers are not reflective of the need for gambling treatment services in Missouri. The state has experienced a reduction of credentialed professionals (retirement, workforce shortages) that have resulted in fewer referrals.

A recent prevalence study conducted in Missouri in 2022 (Spare, K., Wiley, H. D., Mills, D. J., Lee, U., & Lewis, L. E. (2023). 2022 Missouri Gambling Prevalence Study) revealed that from a sample of 3,259 adults, 4.1% of the population or 200,000 adult Missourians met the criteria for a Gambling Disorder, and an additional 20.8% (or 1 million adult Missourians) were at risk for a gambling disorder. According to the journal *Addiction*, by the Society for the Study of Addiction, 1 in 5 people with problem gambling had sought help for problem gambling. Other more conservative research studies estimate 10% of individuals with a gambling disorder seek treatment.

Based on the recent prevalence study, if even 0.5% of the estimated total of Missourians meeting the criteria for a gambling disorder sought treatment, the number would be equal to 1,000 individuals. Based on their current numbers and in the event of serving 100 individuals with an average cost per consumer at \$624 for FY 2025, it would equate to \$62,400.

Currently, DMH has eight (8) certified compulsive gambling treatment providers; this number would likely need to increase over time along with the need for additional compulsive gambling counselors. DMH estimates 25 new compulsive gambling counselors will be needed throughout the state, with initial cost for training new counselors estimated at \$11,250 for FY 2027. If additional advertising is needed, DMH anticipates annual costs for a compulsive gambling treatment awareness campaign at \$350,000.

Total cost to DMH would be estimated at \$423,650 in FY 2027. For FY 2028 and beyond the amount would be \$412,400 or more based upon the need for compulsive gambling services.

Oversight will reflect the estimated cost provided by DMH and will also reflect the transfers of monies as required by §313.429.14.

Oversight notes §313.429.14 states “Subject to appropriation, up to one percent of such license fees deposited to the credit of the state lottery fund shall be deposited to the credit of the compulsive gamblers fund created under section 313.842.” One percent of license fees credited to the Compulsive Gamblers Fund is estimated by the Missouri Lottery Commission to be \$22,172 in FY 2027 and \$38,619 in FY 2027 and 2028.

The balance of the Compulsive Gamblers Fund (1249) was \$79,216 as of December 31, 2025.

Officials from the **City of Kansas City** assume the proposed legislation has an unknown fiscal impact. Video terminals may cannibalize taxes the city currently receives from casinos. In FY 2025 the city received \$5.5 million in admission fees and \$6.9 million in Gaming Tax, both which may be reduced if people forego visiting the casino and rely on video gaming terminals for their "entertainment."

Oversight assumes the implementation of video lottery in Missouri may have a negative impact on the utilization of Missouri’s casinos (patrons may choose to play video lottery instead of visiting a Missouri casino). Therefore, Oversight will reflect an Unknown amount of loss to the Gaming Commission Fund (0286), the Gaming Proceeds for Education Fund (0285) and local political subdivisions.

Officials from the **Department of Revenue** assume §§313.425 to 313.445 will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

§§313.820 – Admission Fees on Excursion Gambling Boats

Officials from the **Missouri Gaming Commission (MGC)** assume the following regarding this proposal:

§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 Missouri Veterans Commission.

In determining the fee calculations, 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.

Year	Admissions	Rate of Change
FY 2021	27,622,034	
FY 2022	29,760,042	
FY 2023	28,951,407	-0.027
FY 2024	28,230,141	-0.025
FY 2025	27,531,985	-0.026

MGC estimates 28,000,000 admissions in FY 2027, FY 2028 and FY 2029 resulting in a \$28,000,000 increase to the Veterans' Commission Capital Improvement Trust Fund.

Oversight does not have information to the contrary and therefore, Oversight will reflect the revenue increase to the Veterans' Commission Capital Improvement Trust Fund.

Officials from the **Department of Revenue (DOR)** assume the following regarding this proposal:

§313.820.1 Admission Fees to Casinos

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.

This provision is changing the fee from \$2 per person to \$4 per person starting August 28, 2026. The increased fee would be in effect for 10 months of FY 2027. The increased fee is to be deposited into the Missouri Veterans Commission Fund.

In order to determine the amount of future revenue that may be expected from the increased fee, DOR notes that in 2025 excursion gaming boats, paid fees on 27,531,985 admissions bringing in \$55,063,970. Therefore, the Gaming Commission and home dock cities received \$27,531,985 each.

For this proposal DOR will assume the same number of admissions in all years of 27,531,985 when estimating the amount of revenue that would be collected.

Fiscal Year	Admission Fee	Estimated Collected
2026	\$2.00	\$55,063,970
2027	\$4.00	\$110,127,940
2028	\$4.00	\$110,127,940
2029	\$4.00	\$110,127,940

Total Additional Revenue by Fund Type

Fiscal Year	Gaming Comm.	Home Dock	MO Veterans Comm
2027	\$0	\$0	\$45,886,642
2028	\$0	\$0	\$55,063,970
2029	\$0	\$0	\$55,063,970

DOR notes that these estimates are based on the same number of admissions as in 2025. DOR notes that the number of admissions has been decreasing each of the last several years; therefore, the estimate provided could be less than projected.

DOR will need to update their computer programs for the new distribution of the funds. This is estimated to cost \$7,547.

Oversight notes MGC used the average number of admissions (FY 2021 to FY 2025) to gambling boats in their estimates while DOR used the number of admissions from 2025. For fiscal note purposes, Oversight will utilize the estimates provided by MGC. Oversight will reflect 10 months of increased revenue for FY 2027 (effective date of August 28, 2026).

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

§§572.010, 572.020 & 572.070 – Gambling Provisions

Officials from the **Missouri Gaming Commission** state because no chance games are currently in direct competition with bingo and regulated excursion gambling boats, the impact of this definition change may result in an increase in state gaming taxes to education. The American Gaming Association estimates that the illegal and unregulated gaming industry costs the regulated gaming industry \$44.2 billion in revenue each year, resulting in an approximate loss of \$13.3 billion in tax revenue to state governments, Missouri included. While the exact impact is unknown, if no chance games are no longer permitted to operate in an unregulated manner, it may increase revenue for regulated gaming, which would result in increased funds for education and worthy causes in Missouri.

Oversight notes the fiscal impact is speculative; therefore, Oversight will reflect a \$0 (people will not play regulated no chance games) to an Unknown increase to the Gaming Proceeds for Education Fund (1285).

Officials from the **Department of Revenue** assume these sections will have no fiscal impact on their organization and defer to the Missouri Gaming Commission. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Officials from the **Department of Corrections (DOC)** state as there were no new misdemeanor convictions under §572.020 from FY 2023 to FY 2025, the department estimates no impact from this proposed change in legislation.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

§650.930 – Missouri Gaming Bureau

Officials from the **Missouri Gaming Commission** state currently, the Missouri Gaming Commission has a memorandum of understanding with the Missouri State Highway Patrol to provide the resources necessary for the Gaming Division of the Highway Patrol. The current Gaming Division budgets for 125-member full-time equivalent (FTE) positions and 3 civilian FTE positions. It is presumed that this new section would eliminate the Gaming Division and create in its place the Gaming Bureau. It is anticipated that the Gaming Bureau would provide the same or similar investigatory services to the Gaming Commission as the Gaming Division currently provides. With that, the fiscal impact to the Missouri Gaming Commission will be negligible if there is an impact at all, as it is anticipated that the funds currently used for the Gaming Division and its duties will instead be paid to the Gaming Bureau.

In response to similar legislation, Perfected HCS for HB 970 (2025), officials from the **Department of Public Safety – Directors Office** assumed this proposal requires DPS to do investigations. DPS believes it will need 25 support staff (at \$68,712 annually) and 2 legal counsel (at \$93,366 annually). After discussions with lottery and MSHP, DPS-DO assumes the Directors Office will be providing administrative functions.

DPS - DO will need additional space to house 27 employees at any one time. Jefferson City leased space rate is \$18.00/square foot plus \$2.45/square foot for janitorial costs and \$2.48/square foot for utility expenses. OA FMDC estimates a need of 200 square feet per FTE/employee. A secure location in either a leased location or within a state-owned facility in Jefferson City covering 1,200 square feet will be needed.

In summary, DPS-DO assumes a cost of \$2,680,529 in FY 2026, \$3,147,611 in FY 2027 and \$3,202,036 in FY 2028 to the General Revenue Fund to provide for the implementation of the changes in this proposal.

Oversight will reflect DPS-DO's numbers from the prior legislative session. Oversight assumes FTE costs will begin in FY 2028.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** this proposal allows the Missouri Gaming Commission and Missouri Lottery Commission to contract with the Highway Patrol through the newly formed Missouri Gaming Bureau for assistance in criminal and regulatory investigations. The Gaming Commission already does this, but there will be new costs due to the Missouri Lottery Commission. There is projected to be a need for an additional 20 FTE to meet the Missouri Lottery Commission's need.

Oversight assumes this section creates the Missouri Gaming Bureau within the Department of Public Safety in which the Missouri Gaming Commission and the Missouri Lottery Commission may contract for assistance in criminal and regulatory investigations. For fiscal note purposes, Oversight will assume these two agencies will contract with the newly created Bureau.

Oversight notes this section states, "members of the Gaming Bureau shall be paid from funds designated as administrative within the State Lottery Fund and the Gaming Commission Fund". For fiscal note purposes, Oversight will reflect fiscal responsibility of the 20 requested FTE to be paid out of the Lottery Enterprise Fund.

Oversight assumes (after discussion with the Highway Patrol officials) that the Missouri Highway Patrol - Gaming Division would now be under the umbrella of the newly created Gaming Bureau. These employees are currently paid out of the Gaming Commission Fund, therefore, a transfer, or savings would not be reflected.

Oversight will show the FTE costs beginning in FY 2028.

Officials from the **Missouri Lottery Commission** defer to the Missouri Gaming Commission for the potential fiscal impact of this proposal.

Bill as a Whole

Officials from the **Office of Administration - Administrative Hearing Commission, Department of Elementary and Secondary Education, Department of Higher Education and Workforce Development, State Emergency Management Agency, Missouri Department of Transportation, Office of the State Treasurer, Office of the State Courts Administrator, Office of the State Public Defender and State Tax Commission** each assume the proposal will have no 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.

Officials from the **City of Osceola** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local political subdivisions and county circuit clerks were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
STATE LOTTERY FUND (1682)			
<u>Revenue Gain</u> (§313.429) Initial application Fees p.7	\$2,217,200	\$2,217,200	\$2,217,200
<u>Revenue Gain</u> (§313.429) Annual renewal fees & terminal admin fees p.7	\$0	\$1,644,700	\$3,289,400
<u>Revenue Gain</u> (§313.429) VLT proceeds (state portion 31% AGR) p.7	\$0	\$177,953,421	\$319,777,812
<u>Revenue Gain</u> (§313.429) MLC's share of per terminal admin fee (\$200) p.6	\$0	\$1,268,750	\$1,522,500
<u>Revenue Loss</u> – MLC (§313.429) Lost profits from Keno and Pull-Tab sales p.10	\$0	(\$10,174,337)	(\$12,209,204)
<u>Transfer Out</u> (§313.429) To Lottery Enterprise Fund	(\$2,346,776)	(\$18,518,399)	(\$23,059,870)
<u>Transfer Out</u> (§313.429) To Lottery Proceeds Fund	\$0	(\$154,391,335)	(\$291,537,838)
ESTIMATED NET EFFECT ON THE STATE LOTTERY FUND	<u>(\$129,576)</u>	<u>\$0</u>	<u>\$0</u>
LOTTERY ENTERPRISE FUND (1657)			
<u>Transfer In</u> (§313.429) From State Lottery Fund	\$2,346,776	\$18,518,399	\$23,059,870
<u>Cost</u> - MLC (§§313.325 – 313.345) p.7-10			
Personal Service	(\$793,351)	(\$1,610,468)	(\$1,642,677)
Fringe Benefits	(\$536,367)	(\$1,088,802)	(\$1,101,757)
Expense and Equipment	(\$994,886)	(\$746,555)	(\$444,525)
<u>Total Costs</u> – MLC	<u>(\$2,324,605)</u>	<u>(\$3,445,825)</u>	<u>(\$3,188,959)</u>
FTE Change - MLC	24 FTE	27 FTE	27 FTE

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<u>Cost - MLC (§§313.325 – 313.345)</u> Maintenance of VLT centralized communication system p.7-10	\$0	(\$5,788,672)	(\$10,419,609)
<u>Cost - MLC (§§313.325 – 313.345)</u> Advertising, promotions and point-of- sale p.7-10	\$0	(\$1,500,000)	(\$1,530,000)
<u>Cost - MHP (§650.930) p.16</u>			
Personal Services	\$0	(\$2,205,761)	(\$2,249,876)
Fringe Benefits	\$0	(\$1,943,055)	(\$1,981,916)
Other Cost	\$0	(\$448,855)	(\$448,855)
<u>Total Costs – MHP</u>	\$0	(\$4,597,671)	(\$4,680,648)
FTE Change – MHP	0 FTE	20 FTE	20 FTE
<u>Cost – DPS-DO (§650.930) p.15</u>			
Personal Services	\$0	(\$1,942,624)	(\$1,981,476)
Fringe Benefits	\$0	(\$1,204,988)	(\$1,220,560)
Other Cost	\$0	\$0	\$0
<u>Total Costs – DPS-DO</u>	\$0	(\$3,147,611)	(\$3,202,036)
FTE Change – DPS-DO	0 FTE	27 FTE	27 FTE
<u>Transfer Out (§313.429.13) To</u> Compulsive Gamblers Fund p.11-12	(\$22,172)	(\$38,619)	(\$38,619)
ESTIMATED NET EFFECT ON THE LOTTERY ENTERPRISE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE change to the Lottery Enterprise Fund	24 FTE	74 FTE	74 FTE
LOTTERY PROCEEDS FUND (1291)			
<u>Transfer In (§313.429) From State Lottery Fund</u>	<u>\$0</u>	<u>\$154,391,335</u>	<u>\$291,537,838</u>

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
ESTIMATED NET EFFECT ON THE LOTTERY PROCEEDS FUND	<u>\$0</u>	<u>\$154,391,335</u>	<u>\$291,537,838</u>
COMPULSIVE GAMBLERS FUND (1249)			
<u>Transfer In</u> (§313.429) From Lottery Enterprise Fund	\$22,172	\$38,619	\$38,619
<u>Cost</u> - DMH (§313.429.14) Administrative cost for treating additional consumers p.11-12	<u>(\$423,650)</u>	<u>(\$412,400)</u>	<u>(\$412,400)</u>
ESTIMATED NET EFFECT TO THE COMPULSIVE GAMBLERS FUND	<u>(\$401,478)</u>	<u>(\$373,781)</u>	<u>(\$373,781)</u>
ILLEGAL GAMING ENFORCEMENT FUND			
<u>Revenue Gain</u> (§313.429) Per terminal admin fees p.7	\$0	\$5,075,000	\$6,090,000
<u>Transfer Out</u> (§313.429) To MHP for per terminal admin fees (\$200) p.6	\$0	(\$634,375)	(\$761,251)
<u>Transfer Out</u> (§313.429) To AGO for per terminal admin fees (\$50) p.6	\$0	(\$317,188)	(\$380,625)
<u>Transfer Out</u> (§313.429) To MO Prosecutors' Pension Fund for per terminal admin fees (\$50) p.6	\$0	(\$317,188)	(\$380,625)
<u>Transfer Out</u> (§313.429) To Veterans' Commission Capital Improvement Fund for per terminal admin fees (\$50) p.6	\$0	(\$2,537,500)	(\$3,045,000)

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
Transfer Out (§313.429) To Municipality or County for per terminal admin fees (\$200) p.6	<u>\$0</u>	<u>(\$1,268,749)</u>	<u>(\$1,522,499)</u>
ESTIMATED NET EFFECT TO THE ILLEGAL GAMING ENFORCEMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
HIGHWAY FUND (1644)			
<u>Transfer In</u> (§313.429) From Illegal Gambling Fund p.6	<u>\$0</u>	<u>\$634,375</u>	<u>\$761,250</u>
ESTIMATED NET EFFECT ON THE HIGHWAY FUND	<u>\$0</u>	<u>\$634,375</u>	<u>\$761,250</u>
MISSOURI ATTORNEY GENERAL’S OFFICE			
<u>Transfer In</u> (§313.429) From Illegal Gambling Fund p.6	<u>\$0</u>	<u>\$317,188</u>	<u>\$380,625</u>
ESTIMATED NET EFFECT ON THE MISSOURI ATTORNEY GENERAL’S OFFICE	<u>\$0</u>	<u>\$317,188</u>	<u>\$380,625</u>
MISSOURI PROSECUTORS’ PENSION FUND			
<u>Transfer In</u> (§313.429) From Illegal Gambling Fund p.6	<u>\$0</u>	<u>\$317,188</u>	<u>\$380,625</u>
ESTIMATED NET EFFECT ON THE MISSOURI PROSECUTORS’ PENSION FUND	<u>\$0</u>	<u>\$317,188</u>	<u>\$380,625</u>

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
VETERANS' COMMISSION CAPITAL IMPROVEMENT TRUST FUND (1304)			
<u>Revenue Gain</u> – MVC (§313.820) Increase in gambling boat admission fees p.13	\$56,000,000	\$56,000,000	\$56,000,000
<u>Transfer In</u> (§313.429) From Illegal Gambling Fund p.6	<u>\$0</u>	<u>\$2,537,500</u>	<u>\$3,045,000</u>
ESTIMATED NET EFFECT TO THE VETERANS COMMISSION CAPITAL IMPROVEMENT TRUST FUND	<u>\$56,000,000</u>	<u>\$56,537,500</u>	<u>\$56,045,000</u>
CRIMINAL RECORDS SYSTEM FUND (1671)			
<u>Revenue Gain</u> - MHP (§) Criminal history request fees p.13	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON THE CRIMINAL RECORDS SYSTEM FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
GAMING COMMISSION FUND (1286)			
<u>Revenue Loss</u> – MGC (§§313.425 – 313.445) Loss of revenue resulting from video lottery competition p.10	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE GAMING COMMISSION FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GAMING PROCEEDS FOR EDUCATION FUND (1285)			
<u>Revenue Gain</u> (§§572.010, 572.020 & 572.070) Potential increase due to the regulation of no chance games p.15	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Revenue Loss</u> - MGC (§§313.425 – 313.445) Loss of revenue resulting from video lottery competition p.10	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON THE GAMING PROCEEDS FOR EDUCATION FUND	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Transfer In</u> (§313.429) From the Lottery Enterprise Fund - \$200 of annual per terminal admin fee p.6	\$0	\$1,268,750	\$1,522,500
<u>Loss</u> – Cities and Counties (§§313.425 – 313.445) Loss of gaming revenue from video lottery competition** p.10	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	(Unknown)	Less than \$1,268,750	Less than \$1,522,500

**Per the MGC, the extent of the reduction in revenue in both state and local taxes from riverboat gaming and charitable bingo is unknown, but significant.

FISCAL IMPACT – Small Business

This legislation will impact fraternal and veteran organizations, truck stops, and establishments that sell liquor by the drink who become video lottery retailers, as well as video lottery manufacturers, operators, and distributors.

In addition to revenue generated by license application fees, renewal fees, and fines for non-compliance, the proposed legislation taxes the adjusted gross receipts of video lottery terminal operators and directs revenue to the State Lottery Fund.

FISCAL DESCRIPTION

ILLEGAL GAMING (Sections 27.108 and 43.050, RSMo.)

This bill establishes the "Illegal Gaming Enforcement Fund", which will consist of a portion of moneys generated from an administrative fee imposed on video lottery terminals. Moneys in the fund will be used by the Attorney General, prosecutors, and law enforcement to investigate, enforce, charge, and prosecute illegal gaming in this state.

Current law authorizes the superintendent of the Highway Patrol to enter into an agreement with the Missouri Gaming Commission to enforce laws relating to gaming. This bill authorizes the superintendent to also enter into such an agreement with the Missouri Lottery Commission.

VIDEO LOTTERY GAMING (Sections 313.425-313.445)

This bill establishes the "Missouri Video Lottery Regulatory Act", which will provide additional funding for Missouri education programs and additional resources for Missouri municipalities and counties.

This bill requires the State Lottery Commission to implement a system of video lottery game terminals and to issue licenses to video lottery game manufacturers, distributors, operators, handlers, and retailers. The Commission must not allow a single vendor or licensee to be responsible for implementing the program.

Video lottery game terminals must be connected to a central control system developed or procured by the Commission. No video lottery game terminal will be placed in operation without first being connected to the centralized computer system, and the terminal must remain connected at all times. Video lottery game terminals must meet all applicable standards, as specified in the bill.

The Commission must impose a non-refundable application fee, as specified in the bill. The initial license will be for a period of one year. Thereafter, the license renewal period will be four years with the applicable license renewal fee paid for each year the license is renewed, as specified in the bill. In addition to license fees, video lottery game operators must pay the

Department of Revenue an annual administrative fee of \$1,000 for each video lottery game terminal placed in service. A license will not be issued to any person who has been convicted of a felony or of a crime involving illegal gambling.

Video lottery game operators and video lottery game retailers must enter into a use agreement for the placement of video lottery game terminals, as specified in the bill. The agreement must specify an equal division of net terminal income after adjustments for taxes and administrative fees are made. Video lottery game operators and video lottery game retailers are prohibited from offering anything of value other than the percentage of adjusted gross receipts for the placement of video lottery terminals.

Video lottery game operators will pay winning tickets using a video lottery game ticket redemption terminal, which must be located within the video lottery game retailer's establishment in direct proximity of where the video lottery games are offered. Unredeemed video lottery game tickets expire after 180 days of issue.

The price of video lottery game terminal credits will be determined by the Commission, and the maximum wager played per video lottery game must not exceed \$4. Any cash award for the maximum wager played on any individual lottery game cannot exceed \$1 less than the maximum amount allowable by Federal law before tax withholding is required.

Each Operator must not operate more than eight terminals at any one video lottery game retailer location. A person under the age of 21 cannot play video lottery games and the retailer is responsible for preventing anyone under age from playing. Video lottery game operators must have a video surveillance system within the immediate area of the retailer's establishment where video lottery game terminals are located and must maintain the footage for 30 days. The video operator must also post a warning sign that gambling can be addictive and a sign with the problem gambling helpline, as specified in the bill.

Video lottery game operators must pay to the Commission 31% of the video lottery game adjusted gross gaming revenue. The Commission will retain an amount necessary to cover administrative expenses, and the remainder will be appropriated equally to public elementary and secondary education and public institutions of higher education, as specified in the bill.

Video lottery game operators must pay to the Department of Revenue an additional "municipality and county administration tax", as defined in the bill, of 3% of the video lottery game adjusted gross gaming revenue. The Department will distribute the funds to the cities and counties where the video lottery gaming terminals are located.

The Commission must procure a centralized computer system no later than 90 days following the effective date of this bill, and establish start and operational dates no later than 365 days following the effective date of the bill.

Participation in the state lottery will not be construed to be a lottery or gift enterprise in violation of Article III, Section 39 of the Constitution of Missouri.

This bill allows any municipality or county to adopt an ordinance prohibiting video lottery game terminals within 90 days after the effective date of the bill and the Commission must be notified within seven days of the passage of the ordinance. If a municipality or county later passes an ordinance allowing video lottery game terminals, it is not allowed to adopt any ordinance prohibiting video lottery game terminals in the future.

An applicant for licensure must not be denied a license because of the applicant's operation, handling, leasing, licensing, servicing, or placing of machines or devices for amusement purposes. However, the applicant must attest that the video lottery game retailer does not own or possess any illegal gambling devices. This bill also preempts local jurisdictions that enact or enforce a law or regulation on taxes, fees, or conduct in the use of video lottery games.

This bill requires the Commission to prescribe an application form for licensure, which includes certain information, as specified in the bill. The Commission must require every licensee to post a bond, a bonding fee, or a letter of credit in an amount determined by the Commission. Licenses granted by the Commission are nontransferable. The Commission must revoke a license upon certain findings, as specified in the bill. A person who knowingly makes a false statement on an application is guilty of a class A misdemeanor.

A licensee will be subject to penalties, suspension, or revocation of a license for an act that is injurious to public health or welfare. The types of acts or omissions committed by the licensee that may be grounds for discipline are specified in the bill. The Commission may also refuse to issue a license. The applicant or licensee must be notified in writing by the Commission with the reasons for the refusal or discipline. The applicant or licensee has 30 days to file a request for a hearing with the administration hearing commission.

The Commission may file a complaint with the administrative hearing commission against any applicant or holder of a license or any person who has failed to renew or surrender their license. If the administrative hearing commission finds that the grounds for disciplinary action are met, the Commission will determine the disciplinary action, as specified in the bill.

The Commission will have the power and authority to adopt and enforce certain rules and regulations to regulate video lottery games, as specified in the bill. The provisions found within Sections 313.425 to 313.445 are severable, whereby an individual section that is subsequently found to be unconstitutional shall mean that the remaining provisions are nevertheless deemed valid.

EXCURSION GAMBLING BOAT ADMISSION FEE (Section 313.820)

Current law requires excursion gambling boat licensees to pay an admission fee of \$2 per person, with \$1 deposited to the Gaming Commission Fund and the remaining \$1 paid to the home dock city or county.

This bill increases the fee to \$4 per person and allocates the additional \$2 to the Missouri Veterans Commission.

CRIMINAL PROVISIONS FOR GAMBLING (Sections 572.010-650.930)

The bill modifies the definition of "advance gambling activity" by stating that the owning, operating, supplying, or servicing of video lottery game terminals under the provisions described above does not constitute advancing gambling activity.

This bill modifies the definition of "contest of chance" by stating that the outcome of a gambling contest is determined by any element of chance.

The bill modifies the definition of "gambling" by stating that gambling does not include any licensed activity or persons participating in such licensed activity, licensed video lottery game terminals, or video lottery games.

This bill repeals the current definition of "gambling device".

The bill modifies the definition of "slot machine", as described in the bill.

Currently, if a person commits the offense of gambling, he or she is guilty of a Class C misdemeanor.

This bill changes the offense to a Class E felony. The provisions found within Sections 313.425 to 313.445 are non-severable, whereby an individual section that is subsequently found to be unconstitutional shall mean that the remaining provisions are similarly held to be invalid. The provisions of this section shall not be enforceable before August 28, 2027, or during the pendency of any litigation concerning Sections 313.425 to 313.445, if such litigation is initiated before August 28, 2027.

Currently, a person commits the offense of possession of a gambling device if the person makes certain use of a slot machine. This bill adds the use of a gambling device to these provisions.

The provisions found within Sections 313.425 to 313.445 are non-severable from each other and Sections 572.010, 572.020, 572.070, and 572.100; therefore, if an individual section is subsequently found to be unconstitutional, the remaining provisions are similarly held to be invalid.

The provisions of Sections 572.010, 572.020, 572.070, and 572.100 will not be enforceable before August 28, 2027, or during the pendency of any litigation concerning Sections 313.425 to 313.445 if such litigation is initiated before August 28, 2027.

Currently, the state preempts any local jurisdiction in the criminalization of gambling.

This bill states that the term "gambling" does not include the licensed activities and provisions under Sections 313.425 to 313.437. The Commission will have concurrent authority and jurisdiction to investigate and enforce and seek prosecution of these criminal violations.

This bill establishes the "Missouri Gaming Bureau", which will be housed within the Department of Public Safety. The Director of the Bureau must be a uniformed member of the Highway Patrol, and the Bureau may contract with the Missouri Gaming Commission and the Missouri Lottery Commission for criminal and regulatory investigations involving excursion gambling boats and video lottery gaming. Members of the Bureau will be paid from funds designated as administrative within the State Lottery Fund.

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

SOURCES OF INFORMATION

Missouri Lottery Commission
Missouri Gaming Commission
Office of Administration - Administrative Hearing Commission
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Corrections
Department of Revenue
Department of Public Safety
 State Emergency Management Agency
 Director's Office
 Missouri Highway Patrol
Missouri Department of Transportation
Office of the Secretary of State
Joint Committee on Administrative Rules

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January 27, 2026

Office of the State Treasurer
State Tax Commission
City of Osceola



Julie Morff

Director

January 27, 2026



Jessica Harris

Assistant Director

January 27, 2026