

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 7481H.011
Bill No.: HB 3533
Subject: Gambling; Department of Public Safety; Fees; Historic Preservation; Department of Natural Resources; Boards, Commissions, Committees, and Councils
Type: Original
Date: April 21, 2026

Bill Summary: This proposal modifies provisions relating to the Missouri Gaming Commission.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2031)
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2031)
Gaming Commission Fund (1286)	\$41,539,424	\$57,316,518	\$74,440,554	\$85,670,650
Historic Preservation Revolving Fund (1430)*	Less than \$14,000,000	Less than \$14,470,400	Less than \$14,956,605	Less than \$15,978,575
Veterans' Commission Capital Improvement Trust Fund (1304)*	\$56,000,000	\$57,881,600	\$59,826,422	\$63,914,299
Division of Developmental Disabilities (TBD)*	\$28,000,000	\$28,940,800	\$29,913,211	\$31,957,149
Gaming Proceeds for Education Fund (1285)	\$248,300,000	\$248,300,000	\$248,300,000	\$248,300,000
Total Estimated Net Effect on Other State Funds	Less than \$415,839,424	Less than \$435,010,118	Less than \$455,390,003	Less than \$473,857,822

*Oversight notes MGC has indicated there may not be enough available funds for the transfers outlined in this proposal.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2031)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2031)
Total Estimated Net Effect on FTE	0	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 2027	FY 2028	FY 2029	Fully Implemented (FY 2031)
Local Government	\$0	\$840,000	\$1,960,000	\$3,920,000

FISCAL ANALYSIS

ASSUMPTION

§§313.805, 313.820, 313.823 & 313.835 – Missouri Gaming Commission

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

The repeal of §313.820 and the enactment of a new statutory section in lieu thereof, §313.820, would have minimal fiscal impact on the Missouri Gaming Commission. The new section would have an immediate and ongoing fiscal impact on the Department of Natural Resources, Missouri Veteran's Commission, and Department of Mental Health.

The Missouri Veterans Commission would see an immediate and ongoing increase of at least \$56,000,000 in revenue based on estimated annual admissions of 28,000,000 patrons.

The Department of Natural Resources Historic Preservation Revolving Fund would see an immediate and ongoing increase of at least \$14,000,000 based on estimated annual admissions of 28,000,000 patrons.

The Division of Developmental Disabilities would see an immediate and ongoing increase of at least \$28,000,000 based on estimated annual admissions of 28,000,000 patrons.

The enactment of new §313.823 would have minimal fiscal impact on the Missouri Gaming Commission but would have an immediate fiscal impact on total state tax revenue to be transferred to the director of revenue. The 13% increase would result in an additional \$248,300,000.00 in tax revenue from gambling games for the state of Missouri.

The enactment of new §313.823 would have minimal fiscal impact on the Missouri Gaming Commission but would have an immediate fiscal impact on total state tax revenue to be transferred to the director of revenue. The 24% additional tax would result in an immediate increase of \$6,084,066 in tax revenue from sports wagering for the state of Missouri, with annual additional revenue of \$17,308,093 in FY 2027, \$23,531,882 in FY 2028, \$30,200,231 in FY 2029, and \$32,752,664 in FY 2030.

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

MGC estimates 28,000,000 admissions in FY 2027, FY 2028 and FY 2029.

The proposed new section adjusts the \$5.50 admission fee annually for inflation. MGC used 3.36% as the rate of inflation for its estimates, as it is the average of the last five fiscal years with removal of FY 2022. Applying that percentage of increase led to the estimated admission fees in FY 2027, FY 2028, FY 2029, FY 2030, and FY 2031.

Year	Rate of Inflation
2021	5.1
2023	3.8
2024	2.7
2025	2.8
2026	2.4

*2022 was not included as it was an outlier year and would skew future date and future increases unnecessarily.

Under MGC's interpretation of the proposed bill, it is estimated that the Gaming Commission Fund will not see a measurable increase in admission fee revenue due to the deposits directed to other funds under the new admission fee structure. Specifically, the bill is interpreted such that \$14,000,000 in FY 2027 shall be deposited to the Historic Preservation Fund, \$56,000,000 shall be deposited to the Veterans Commission Capital Improvement Trust Fund, \$28,000,000 shall be deposited to the Gaming Commission Fund, \$28,000,000 shall be credited to the home dock cities and counties, and \$28,000,000 shall be transferred to the Division of Developmental Disabilities. In subsequent years, the \$1.00 directed to the Gaming Commission Fund will increase as adjusted by inflation, but it will not result in a significant increase to the Gaming Commission Fund from admission fees.

The bill adds a new transfer of funds from the Gaming Commission Fund in that it annually directs the fourth fifteen million dollars (\$15M) to the Missouri Department of Natural Resources before any remainder can be transferred to the Veterans Commission Capital Improvement Trust Fund. In FY 2025, the remainder after all administrative expenses of the commission and fund transfers was approximately \$6.2 million dollars, which was transferred to the Missouri Veterans Commission Capital Improvement Trust Fund in addition to the second three-million-dollar (\$3M) portion as outlined in §313.835.

There has been a steady decline in transfers to the Veterans Commission Capital Improvement Trust Fund with the steady decline in casino admissions. If this bill passes, it is anticipated that, depending on actual inflation rates, the new revenue to the Gaming Commission Fund generated from increasing admission fees may be insufficient to cover the \$15 million dollar transfer to the Department of Natural Resources. With an estimated increase in revenue to the Gaming Commission Fund from admission fees of approximately \$4 million dollars over the next five years, the additional revenue will likely be insufficient to provide for the proposed transfers outlined in the bill.

	Admissions	FY27 Fee	FY27 Revenue	FY28 Fee	FY28 Revenue	FY29 Fee	FY29 Revenue
Historic Preservation Revolving Fund	28,000,000	\$0.50	\$14,000,000	\$0.52	\$14,470,400	\$0.53	\$14,956,605
Veterans' Capital Improvement Trust Fund	28,000,000	\$2.00	\$56,000,000	\$2.07	\$57,881,600	\$2.14	\$59,826,422
Gaming Commission Fund	28,000,000	\$1.00	\$28,000,000	\$1.03	\$28,940,800	\$1.07	\$29,913,211
Home Dock Cities/Counties	28,000,000	\$1.00	\$28,000,000	\$1.03	\$28,940,800	\$1.07	\$29,913,211
Division of Developmental Disabilities	28,000,000	\$1.00	\$28,000,000	\$1.03	\$28,940,800	\$1.07	\$29,913,211
Total		\$5.50	\$154,000,000	\$5.68	\$159,174,400	\$5.88	\$164,522,660

	Admissions	FY30 Fee	FY30 Revenue	FY31 Fee	FY31 Revenue
Historic Preservation Revolving Fund	28,000,000	\$0.55	\$15,459,147	\$0.57	\$15,978,575
Veterans' Capital Improvement Trust Fund	28,000,000	\$2.21	\$61,836,590	\$2.28	\$63,914,299
Gaming Commission Fund	28,000,000	\$1.10	\$30,918,295	\$1.14	\$31,957,149
Home Dock Cities/Counties	28,000,000	\$1.10	\$30,918,295	\$1.14	\$31,957,149
Division of Developmental Disabilities	28,000,000	\$1.10	\$30,918,295	\$1.14	\$31,957,149
Total		\$6.06	\$170,050,622	\$6.27	\$175,764,321

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by MGC. Oversight notes, currently \$1 is deposited into the Gaming Commission Fund and \$1 is distributed to home dock cities and counties. This proposal increases the fee by \$3.50; however, the distribution into the Gaming Commission Fund and to home dock cities and counties remains the same except for the increase due to inflation. Therefore, Oversight will reflect only the inflationary amount for the Gaming Commission Fund and to home dock cities and counties beginning in FY 2028.

Additional Taxes

For the additional 13% tax to casino gambling games, MGC used an estimated adjusted gross revenue (AGR) of \$1.91 billion, which is the average AGR over the years from 2022 to 2025.

	Tax Rate	AGR (in billions)	Share of Revenue	Recipient	Tax Distribution
Gaming Tax (§313.822)	21%	\$1.91	10% 90%	Home Docks Education	\$40,110,000 \$360,990,000
Added Tax (§313.823)*	13%	\$1.91			\$248,3000,000

*It is unclear as to the recipient of the additional 13% gaming tax.

For fiscal note purposes, **Oversight** will reflect the additional 13% gaming tax being deposited into the Gaming Proceeds for Education Fund as indicated in §313.822(2).

MGC notes for the additional 24% tax on sports wagering, MGC utilized the AGR as estimated in its fiscal impact response to initiative petition 24-160, which passed as Amendment 2. With only two months of sports wagering revenue thus far, it is too early to adjust what was estimated in MGC's response to 24-160.

	Tax Rate	FY 2026 Sports Betting AGR	1 st Year	FY 2027Sports Betting AGR	2 nd Year
Sports Wagering Tax (Article III, Section 39(g))	10%	\$60,840,661	\$6,084,066	\$173,080,934	\$17,308,093
Added Tax (§313.823)*	24%			\$173,080,934	\$41,539,424
Total Estimated Tax on AGR			\$6,084,066		\$17,308,093

	Tax Rate	FY 2028 Sports Betting AGR	3 rd Year	FY 2029 Sports Betting AGR	4 th Year	FY 2030 Sports Betting AGR	5 th Year
Sports Wagering Tax (Article III, Section 39(g))	10%	\$235,318,823	\$23,531,882	\$302,002,310	\$30,200,231	\$327,526,642	\$32,752,664
Added Tax (§313.823)*	24%	\$235,318,823	\$56,476,518	\$302,002,310	\$72,480,554	\$327,526,642	\$78,606,394
Total Estimated Tax on AGR			\$23,531,882		\$30,200,231		\$32,752,664

*It is unclear as to the recipient of the additional 24% gaming tax.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the MGC. For simplicity, Oversight will reflect the additional 24% tax

being deposited into the Gaming Commission Fund as the proposal does not indicate how the additional tax is to be distributed.

In regards to §313.820.2, **MGC** notes this provision is not currently legal; therefore, **Oversight** will not reflect an additional \$35 million transfer to the Historic Preservation Revolving Fund as a result of a remote wagering fee.

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

Section 313.805 Annual Inflation Rate

This proposal would require an annual inflation adjustment to the admission fee at a casino.

Under current law, an excursion gaming boat pays an admission fee of \$2 per person that enters the boat. The money is transferred to DOR 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.

Section 313.820.1 Admission Fees to Casinos

With the addition of the requirement to annually inflate the admission fee rate, this provision also increases the current fee from \$2 to \$5.50, states the fee must be paid for each person in the boat every 2 hours and modifies the fee's distribution.

The provision in Section 313.820.2 also adds a remote wagering access fee, in lieu of the admission fee.

The Missouri Gaming Commission would be responsible the calculation of the admission fee amount and the wagering fee. DOR defers to them for the fiscal impact.

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

Section 313.823 Tax on Adjusted Gross Receipts

This provision creates additional adjusted gross receipts taxes on gambling games and sports wagering. These taxes are to be paid to the Missouri Gaming Commission and transferred to DOR for deposit. DOR defers to the Missouri Gaming Commission for calculating the fiscal impact.

DOR assumes that they will work with the Missouri Gaming Commission to have these funds collected and distributed similarly to the admission fees DOR already collects. DOR will need to update their computer program to establish these new taxes. That is estimated to cost \$20,000.

Section 313.835 Distribution of Gaming Commission Funds

This proposal would allow some of the Gaming Commission funds to be transferred to the Department of Natural Resources for the funding of historic preservation. This provision will not fiscally impact DOR, and DOR defers to the Missouri Gaming Commission for fiscal impact.

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.

Officials from the **Department of Natural Resources (DNR)** assume the following regarding this proposal:

§313.820.1(1)(a)a: The fiscal impact to fund a three-year bicentennial commemoration for Jefferson City is unknown because of the undetermined scope of such a commemoration.

§313.820.1(1)(a)b: The fiscal impact to construct a facility to acquire and preserve riverboat artifacts is unknown because the size of such a facility is not specified.

§313.835.2 (2)(d): Preserving and protecting collections of historic artifacts would require expansion of the existing Curatorial Building at Rock Bridge Memorial State Park for additional curation space, but exact square footage is undetermined. Current square footage of curation space at the Curatorial Building is 2,400 square feet but that space is shared with the Missouri Department of Transportation. An addition of 2,400 square feet with a specialized temperature and humidity system would cost an estimated \$1,320,000 (2,400 sq. ft. x \$550 square foot).

The fiscal impact associated with operating and administrative costs of managing an additional collection of artifacts is unknown.

The language of the bill appears to contradict the provisions that govern allowable uses of the Historic Preservation Revolving Fund, which may lead to unknown litigation costs.

Oversight does not have information to the contrary and therefore, Oversight will reflect unknown costs to DNR for the provisions set forth in this proposal. Oversight assumes these costs could exceed \$250,000.

Officials from the **Office of Administration - Budget and Planning, Department of Mental Health** and **Department of Public Safety - Missouri Veterans Commission** defer to the Missouri Gaming Commission for the potential fiscal impact of this proposal.

Officials from the **Missouri Lottery Commission** 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, local political subdivisions 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.

<u>FISCAL IMPACT –</u> <u>State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2031)
GAMING COMMISSION FUND (1286)				
<u>Revenue Gain</u> (\$313.820) Increase in gambling boat admission fees (\$3.50)	\$98,000,000	\$101,292,800	\$104,696,238	\$111,850,023
<u>Revenue Gain – MGC</u> (\$313.820) Increase in gambling boat admission fees (inflation)	\$0	\$840,000	\$1,960,000	\$3,920,000
<u>Revenue Gain – MGC</u> (\$313.823) Additional 24% tax on sports wagering	\$41,539,424	\$56,476,518	\$72,480,554	\$81,750,650
<u>Transfer Out</u> (\$313.820) Increase in gambling boat admission fees to be distributed to various state funds	(\$98,000,000)	(\$101,292,800)	(\$104,696,238)	(\$111,850,023)
ESTIMATED NET EFFECT ON THE GAMING COMMISSION FUND	<u>\$41,539,424</u>	<u>\$57,316,518</u>	<u>\$74,440,554</u>	<u>\$85,670,650</u>

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2031)
HISTORIC PRESERVATION REVOLVING FUND (1430)*				
<u>Transfer In – DNR</u> (§313.820) Increase in gambling boat admission fees	\$14,000,000	\$14,470,400	\$14,956,605	\$15,978,575
<u>Cost – DNR (§313.820)</u> Commemorating the bicentennial	(Unknown)	(Unknown)	(Unknown)	\$0
<u>Cost – DNR (§313.820)</u> Contract for construction of a facility for the acquisition and preservation of artifacts related to Missouri’s riverboat heritage	\$0	\$0	\$0	(Unknown)
ESTIMATED NET EFFECT ON THE HISTORIC PRESERVATION REVOLVING FUND	<u>Less than \$14,000,000</u>	<u>Less than \$14,470,400</u>	<u>Less than \$14,956,605</u>	<u>Less than \$15,978,575</u>
VETERANS’ COMMISSION CAPITAL IMPROVEMENT TRUST FUND (1304)*				
<u>Transfer In – MVC</u> (§313.820) Increase in gambling boat admission fees	<u>\$56,000,000</u>	<u>\$57,881,600</u>	<u>\$59,826,422</u>	<u>\$63,914,299</u>

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2031)
ESTIMATED NET EFFECT TO THE VETERANS COMMISSION CAPITAL IMPROVEMENT TRUST FUND	<u>\$56,000,000</u>	<u>\$57,881,600</u>	<u>\$59,826,422</u>	<u>\$63,914,299</u>
DIVISION OF DEVELOPMENTAL DISABILITIES FUND (TBD)*				
<u>Transfer In – DMH (\$313.820) Increase in gambling boat admission fees</u>	<u>\$28,000,000</u>	<u>\$28,940,800</u>	<u>\$29,913,211</u>	<u>\$31,957,149</u>
ESTIMATED NET EFFECT ON THE DIVISION OF DEVELOPMENTAL DISABILITIES FUND	<u>\$28,000,000</u>	<u>\$28,940,800</u>	<u>\$29,913,211</u>	<u>\$31,957,149</u>
GAMING PROCEEDS FOR EDUCATION FUND (1285)				
<u>Revenue Gain – (\$313.822) Increase in casino gaming tax (additional 13%)</u>	<u>\$248,300,000</u>	<u>\$248,300,000</u>	<u>\$248,300,000</u>	<u>\$248,300,000</u>
ESTIMATED NET EFFECT ON THE GAMING COMMISSION FUND	<u>\$248,300,000</u>	<u>\$248,300,000</u>	<u>\$248,300,000</u>	<u>\$248,300,000</u>

*Oversight notes MGC has indicated there may not be enough available funds for the transfers outlined in this proposal.

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2031)
LOCAL POLITICAL SUBDIVISIONS				
<u>Revenue Gain</u> – Home Docks (\$313.820) Increase in gambling boat admission fees	\$0	\$840,000	\$1,960,000	\$3,920,000
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0	\$840,000	\$1,960,000	\$3,920,000

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill gives the State Gaming Commission the power to annually adjust the admission fee imposed under Section 313.820, RSMo, for inflation.

The bill changes the current fee of \$2 to \$5.50 for every two hours that the person is within the gambling area of each gambling facility and specifies how the admission fee will be distributed. Within the first two months of each calendar year, the Commission will determine what the new admission fee will be for the new fiscal year. Such fee shall be calculated initially on the Consumer Price Index for All Urban Consumers for the Midwest Region, as defined and recorded by the United States Department of Labor, for the remainder of fiscal year 2027 and for the next 10 complete fiscal years.

In all present and future forms of remote wagering, an excursion gambling boat licensee must pay a remote wagering access fee of 1.5% of the total wagers in a month in lieu of an admission fee. The proceeds of this fee will be deposited to the Gaming Commission Fund. This Fund will be distributed according to the Commission, except that the first \$35 million will be deposited to the Department of Natural Resources Historic Preservation Revolving Fund.

This bill also imposes additional taxes on gross receipts from gambling games and sports wagering. There will be a tax imposed on the adjusted gross receipts received from certain gambling games at 13%, and there will be a tax imposed on the adjusted gross receipts from sports wagering at 24%.

The taxes imposed will be returned to the Commission in accordance with the Commission's rules and regulations, who will then transfer those taxes to the Director of the Department of Revenue.

Current law specifies how certain portions of remaining net proceeds in the Gaming Commission Fund can be transferred, accounting for the first \$12 million. This bill provides that the next \$15 million will be transferred to the Missouri Department of Natural Resources Historic Preservation Revolving Fund for the purpose of preserving and protecting collections of historic artifacts.

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
 Missouri Veterans Commission
Missouri Lottery Commission
Office of Administration - Budget and Planning
Department of Revenue
Department of Natural Resources
Department of Mental Health



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