

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0880-02  
Bill No.: SB 272  
Subject: Capital Improvements; Cities, Towns and Villages; Gambling; Political Subdivisions; Taxation and Revenue.  
Type: Original  
Date: February 16, 2005

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Local Government</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Elementary and Secondary Education** assume the proposal would not fiscally impact their agency.

Officials from the **State Tax Commission** assume the proposal would not fiscally impact their agency, but may result in lower property tax bills for residents of certain cities/counties.

Officials from the **Office of Administration - Budget and Planning (BAP)** state the proposed language limits the amount a home dock city or county can collect from casino admission fees for FY 2007 and beyond to the percentage of revenue attributable to admission fees for Fiscal Year 2006. The proposal stipulates that if a home dock city or county receives admission fees above the stated cap, then a property tax levy rollback shall take place. This proposal does not impact the state portion of the admission fee. This proposal also does not impact BAP.

Officials from the **Missouri Gaming Commission (GAM)** assume the proposal would have no impact on their agency. The impact is local and GAM states they cannot determine the impact to the local governments.

ASSUMPTION (continued)

According to the Gaming Commission's Annual Reports to the General Assembly, the home dock cities/counties reported the following admission fee revenue for the last three fiscal years.

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
St. Louis (President)	\$ 4,232,438	\$3,851,361	\$ 3,659,048
St. Charles (Ameristar)	\$ 6,159,431	\$9,903,354	\$10,551,002
Riverside (Argosy)	\$ 3,832,570	\$3,421,705	\$ 4,284,623
St. Joseph/Buchanan Co. (St. Jo Frontier)	\$ 1,051,696	\$ 988,430	\$ 878,199
North Kansas City (Harrah's)	\$ 6,973,948	\$6,765,995	\$ 6,710,112
Caruthersville (Aztar)	\$ 794,440	\$ 760,347	\$ 751,524
Kansas City (Isle of Capri)	\$ 4,153,132	\$4,135,289	\$ 4,198,197
Kansas City (Ameristar)	\$ 8,511,231	\$8,884,491	\$ 9,134,586
Maryland Heights (Harrah's)	\$10,380,540	\$8,577,965	\$ 8,848,949
Boonville (Isle of Capri)	\$ 1,681,307	\$2,779,047	\$ 2,787,031
LaGrange (Mark Twain)	<u>\$ 1,079,240</u>	<u>\$1,097,682</u>	<u>\$ 1,030,413</u>
	\$48,849,973	\$51,165,666	\$52,833,684

**Oversight** does not know what percentage of gross revenue that the admission fees represent for the home dock cities or counties . However, Oversight assumes the growth in admission fees revenue could be faster than the total of all other revenues realized by the home docks, which would trigger a reduction in the property tax levy, starting in FY 2007. Oversight assumes this could result in a reduction of income to the home dock cities or counties of an unknown amount, starting in FY 2007.

**Oversight** also assumes the proposal could result in higher costs for the home dock cities / counties if the local governments had been utilizing any of the admission fee revenue to pay for items that are not considered capital improvements (such as police and fire personnel or maintenance). Therefore, Oversight will assume the home dock cities / counties will continue to employ these personnel or fund these maintenance projects, just from funds other than gaming revenues. Therefore, Oversight will assume this part of the proposal could increase costs to the general operating funds of the local governments.

Officials from the **City of North Kansas City**, **City of Maryland Heights**, **City of St. Charles** and the **City of Boonville** did not respond to our request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
<b>HOME DOCK CITIES / COUNTIES</b>			
<u>Loss</u> - reduced revenue from rolled back tax levies	\$0	\$0 to (Unknown)	\$0 to (Unknown)
<u>Costs</u> - increased cost to the local's General Operating Fund for expenditures that are not capital improvements and were previously funded from admission fee revenues	<u>\$0</u>	\$0 to (Unknown)	\$0 to (Unknown)
<b>ESTIMATED NET EFFECT TO HOME DOCK CITIES / COUNTIES</b>	<u>\$0</u>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

FISCAL IMPACT - Small Business

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

DESCRIPTION

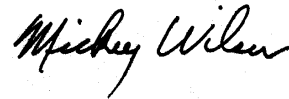
This proposal limits the amount of revenue derived from admission fees for gaming boats a home dock city or county may collect after fiscal year 2007 to the percentage of revenue attributable to admission fees for fiscal year 2006. All revenue derived from admission fees to gaming boats, by a home dock city or county, shall be used exclusively for capital expenditures. Any revenue collected in excess of the limitation provided in this act after fiscal year 2007, will have the effect of rolling back property tax rates.

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

Missouri Gaming Commission  
Department of Elementary and Secondary Education  
State Tax Commission  
Office of Administration - Budget and Planning

**Not Responding: City of North Kansas City, City of Maryland Heights, City of St. Charles  
and the City of Boonville**



Mickey Wilson, CPA  
Director  
February 16, 2005