

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0880-04
Bill No.: Perfected SCS for SB 272
Subject: Capital Improvements; Cities, Towns and Villages; Gambling; Political Subdivisions; Taxation and Revenue.
Type: Original
Date: April 11, 2005

FISCAL SUMMARY

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

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

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **State Tax Commission** and the **Missouri Gaming Commission** each assume the proposal would have no impact on their respective agencies.

The perfected version of this proposal seems to limit the application of limiting the amount of admission fee revenue and specifying the revenue be utilized solely for capital improvements to only the Ameristar Casino in St. Charles. According to the Gaming Commission's Annual Reports to the General Assembly, the home dock city of St. Charles 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. Charles (Ameristar)	\$ 6,159,431	\$9,903,354	\$10,551,002

Oversight does not know what percentage of gross revenue that the admission fees represent for the City of St. Charles. However, Oversight assumes the growth in admission fees revenue could be faster than the total of all other revenues realized by St. Charles, 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 City of St. Charles of an unknown amount, starting in FY 2007.

ASSUMPTION (continued)

Oversight also assumes the proposal could result in higher costs for St. Charles if they 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 St. Charles 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 St. Charles.

Officials from the **City of St. Charles** 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
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CITY OF ST. CHARLES

<u>Loss</u> - reduced revenue from rolled back tax levies	\$0	\$0 to (Unknown)	\$0 to (Unknown)
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<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)
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ESTIMATED NET EFFECT TO CITY OF ST. CHARLES	<u>\$0</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
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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. In the case of a new casino, the revenue from such casino will be limited to the average percentage of revenue attributable to admission fees for the first two fiscal years of the casinos operation. 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. Home dock cities or counties that have rolled back property tax rates to zero or do not levy a property tax are provided with the alternative to offset costs associated with providing certain services to taxpayers or to lower certain other tax rates.

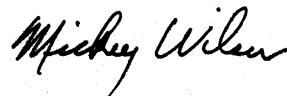
Senate Substitute amendment 1 limited the effect of the legislation to only the Ameristar Casino in St. Charles from the existing casinos in the state.

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
State Tax Commission

Not Responding: City of St. Charles



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Director
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