

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0880-10
Bill No.: HCS for SCS for SB 272
Subject: Capital Improvements; Cities, Towns and Villages; Gambling; Political Subdivisions; Taxation and Revenue.
Type: Original
Date: May 3, 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	\$0	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Gaming Commission** assume the proposal would have no impact on their agency.

The substitute appears to limit the application of limiting the amount of admission fee revenue and specifying the amount of revenue that may be utilized for things other than 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 2008. Oversight assumes this could result in a reduction of income to the City of St. Charles of an unknown amount, starting in FY 2008.

ASSUMPTION (continued)

Oversight also assumes the proposal could result in higher costs for St. Charles if they had been utilizing more than thirty percent of the admission fee revenue to pay for items that are not considered “capital, cultural, and special law enforcement purposes.” 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. This additional cost would start in FY 2010, which is outside the scope of this fiscal note.

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

<u>Loss</u> - reduced revenue from rolled back tax levies	<u>\$0</u>	<u>\$0</u>	\$0 to <u>(Unknown)</u>
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ESTIMATED NET EFFECT TO CITY OF ST. CHARLES	<u>\$0</u>	<u>\$0</u>	\$0 to <u>(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 2007. 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. Effective in FY 2010, revenue derived from admission fees to gaming boats, by a home dock city or county that goes toward expenses other than capital, cultural, and special law enforcement expenditures shall be limited to 30 percent. Effective in FY 2015 and each year thereafter, these expenditures for items other than capital, cultural and special law enforcement purposes shall be limited to 20 percent. 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.

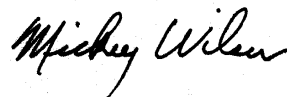
The substitute limits the effect of the legislation to only the Ameristar Casino in St. Charles.

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

Not Responding: City of St. Charles, St. Charles County



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Director
May 3, 2005