

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1927-02
Bill No.: SB 478
Subject: Capital Improvements; Cities, Towns and Villages; Gambling; Political Subdivisions; Taxation and Revenue
Type: Original
Date: February 16, 2007

Bill Summary: This proposal limits the expenditure of revenues from gaming tax and boat admission fees.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0 to Unknown	\$0 or (Unknown)	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Gaming Commission (GAM)** state after reviewing our current FY 2007 and FY 2008 projections and estimates, statewide and by property, for admissions we are continuing to estimate admissions to remain flat over each of the two fiscal year periods (i.e. includes FY 2008 that is the starting year for the effectiveness of this proposal). FY 2006 actual admissions for Ameristar St. Charles in total were \$19,932,016, of which one-half or \$9,966,008 is due to St. Charles as their share of the admission fees. This amount is currently projected to remain flat for each of the next two fiscal years.

Officials from the **City of St. Charles** and **St. Charles County** did not respond to our request for fiscal impact.

Oversight assumes this proposal will not impact state funds. In the fiscal note for the original legislation that created this potential general revenue property tax reduction (SB 272 in 2005), Oversight reflected a \$0 to (Unknown) potential loss of revenue in FY 2008 to the city of St. Charles. This proposal moves that potential loss to FY 2009. Therefore, for purposes of this fiscal note, Oversight will reflect a \$0 or Unknown savings for the year 2008.

Oversight also assumes this proposal could result in higher costs for St. Charles in 2009 if they had anticipated 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 continued 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. Without this proposal, this increase in cost could have happened starting in 2010, however, this proposal moves it up to 2009. Therefore, Oversight will show a potential cost in FY 2009.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
CITY OF ST. CHARLES			
<u>Gain</u> - delay in potential reduced revenue from rolled back tax levies (put off from 2008 to 2009)	\$0 to Unknown	\$0	\$0
<u>Costs</u> - move up the date (from 2010 to 2009) in which St. Charles is limited in the percentage of admission fee revenue can be used for expenditures other than capital, cultural and special law enforcement purposes	\$0	<u>\$0 to (Unknown)</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO CITY OF ST. CHARLES	<u>\$0 to UNKNOWN</u>	<u>\$0 to (UNKNOWN)</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal limits the expenditure of funds derived from admission fees for St. Charles City and St. Charles County. The further limitation on the amount of expenditures other than public transportation systems, capital, cultural, and special law enforcement purpose expenditures is phased-in over a period of years based upon a percentage of the revenue received from excursion gambling boat admission fees in fiscal year 2008.

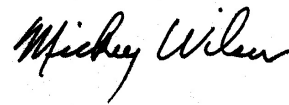
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Missouri Gaming Commission

NOT RESPONDING: City of St. Charles; St. Charles County

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial 'M' and 'W'.

Mickey Wilson, CPA
Director
February 16, 2007