

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5254-01
Bill No.: SB 1171
Subject: Gambling; Licenses
Type: Original
Date: February 26, 2008

Bill Summary: This proposal places a two year moratorium upon the issuance of new licenses to operate excursion gambling boats.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Gaming Proceeds for Education	(Unknown)	(Unknown)	(Unknown)
Gaming Commission	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Gaming Commission (GAM)** state the two year moratorium as drafted would preclude the licensing of the Pinnacle South County Project when it is completed within the next 12-15 months. The value of that pending project, that has already begun construction, is on the order of \$400 million. The project is part of the two-part obligation they have undertaken to develop properties in the St. Louis area. That commitment was originally made in 2005 as a multiple location single project with each property being licensed upon completion of the individual project. The first project, Lumiere Place, in downtown St. Louis was licensed and opened December 19, 2007. Pinnacle also owns the President casino.

The amount of lost tax revenues that might be attributable to the South County project at the time of completion, and final licensing, is indeterminate at this point in time. However, the recent market study completed for MGC estimated that the Lemay-South St. Louis County project would be in the range of 2.9% - 4.7% of the St. Louis regional market place revenues, and a 2.3% - 3.6% patrons/admissions of the regional market.

Based upon the actual construction of a new gaming facility in St. Louis County that is scheduled to be licensed and opened in twelve to fifteen months, **Oversight** will assume an unknown loss of potential revenue both in FY 2009, FY 2010 and FY 2011 (moratorium ends August 28, 2010).

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GAMING PROCEEDS FOR EDUCATION FUND			
<u>Loss</u> - Potential loss of 18% AGR tax revenue from the inability of the new St. Louis property from acquiring a gaming license and opening to the public.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT TO THE GAMING PROCEEDS FOR EDUCATION FUND	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>

FISCAL IMPACT - State Government
(continued)

FY 2009
(10 Mo.)

FY 2010

FY 2011

GAMING COMMISSION FUND

Loss - Potential loss of \$1 per admission fee revenue from the inability of the new St. Louis property from acquiring a gaming license and opening to the public.

(Unknown)

(Unknown)

(Unknown)

ESTIMATED NET EFFECT TO THE GAMING COMMISSION FUND

(UNKNOWN)

(UNKNOWN)

(UNKNOWN)

FISCAL IMPACT - Local Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

HOME DOCK CITIES/COUNTIES

Loss - Potential loss of 2% AGR tax revenue from the inability of the new St. Louis property from acquiring a gaming license and opening to the public.

(Unknown)

(Unknown)

(Unknown)

Loss - Potential loss of \$1 per admission fee revenue from the inability of the new St. Louis property from acquiring a gaming license and opening to the public.

(Unknown)

(Unknown)

(Unknown)

ESTIMATED NET EFFECT TO HOME DOCK CITIES/COUNTIES

(UNKNOWN)

(UNKNOWN)

(UNKNOWN)

FISCAL IMPACT - Small Business

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

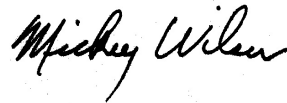
FISCAL DESCRIPTION

This proposal places a two year moratorium (until August 28, 2010) upon the issuance of new licenses to operate excursion gambling boats.

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



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