

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5408-03  
Bill No.: Truly Agreed To and Finally Passed SS for SB 741  
Subject: Gambling  
Type: Original  
Date: May 14, 2014

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Bill Summary: This proposal authorizes gaming establishments to provide lines of credit.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>       |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2015</b> | <b>FY 2016</b> | <b>FY 2017</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 2015</b> | <b>FY 2016</b> | <b>FY 2017</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 2015</b> | <b>FY 2016</b> | <b>FY 2017</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 FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2015</b> | <b>FY 2016</b> | <b>FY 2017</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</b>       |

- 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).

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2015</b> | <b>FY 2016</b> | <b>FY 2017</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

## FISCAL ANALYSIS

### ASSUMPTION

#### §§ 313.800, 313.812, 313.817 and 313.830 - Gambling Boat Lines of Credit:

Officials at the **Missouri Gaming Commission** assume the proposal has an unknown fiscal impact. The impact is unknown because it is impossible to estimate the additional revenue potential for attracting major players to Missouri casinos. Regarding the cost to regulate, the fiscal impact is unknown because it is unclear which governmental agency if any would have regulatory authority for this legislation.

Officials at the **Office of Administration - Budget and Planning** assume the proposal could potentially increase gaming revenues which would also increase total state revenues by an unknown amount. Budget and Planning defers to the Missouri Gaming Commission for the estimate.

Officials from the **Department of Higher Education (DHE)** state by allowing individuals to use credit for gaming, additional losses may occur for those individuals, a portion of which would become state revenue.

DHE assumes it is unknown how much additional revenue might result, but assumes the proposal would not result in a direct fiscal impact to DHE.

**Oversight** notes that it is unable to measure the impact of establishing lines of credit at Missouri gambling boats. This proposal could increase the number of people attending a Missouri casino or the amount of money gambled by patrons. Any potential increase in gaming revenue would impact the gaming taxes collected, therefore increasing total state revenue; however, **Oversight** considers this an indirect impact and will not reflect it in the fiscal note.

Officials at the **Department of Insurance, Financial Institutions and Professional Registration**, the **Missouri Veterans Commission**, and **St. Louis County** each assume no direct fiscal impact to their respective agencies.

In response to a previous version of the proposal, officials from the **City of Kansas City** assumed no direct fiscal impact to their agency.

| <u>FISCAL IMPACT - State Government</u> | FY 2015<br>(10 Mo.) | FY 2016    | FY 2017    |
|---|---------------------|------------|------------|
|   | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |
| <u>FISCAL IMPACT - Local Government</u> | FY 2015<br>(10 Mo.) | FY 2016    | FY 2017    |
|   | <u>\$0</u>          | <u>\$0</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

The proposed legislation appears to have no direct fiscal impact.

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  
Department of Higher Education  
Office of Administration - Division of Budget and Planning  
Department of Insurance, Financial Institutions and Professional Registration  
Missouri Veterans Commission  
St. Louis County  
City of Kansas City



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