

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5265-02
Bill No.: HCS for SB 888
Subject: Lotteries
Type: Original
Date: May 6, 2016

Bill Summary: This proposal prohibits the publishing of the names of lottery winners.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Lottery** assume releasing the names of big winners ensures the integrity and transparency of government operations, so the public knows the Lottery is not corruptly awarding prizes to friends, relatives, etc. The Missouri Lottery receives thousands of dollars in publicity value and exposure each year when winner stories appear in the media. Research has shown the more people hear about winners, the more likely they are to play the Lottery and the more money that will be earned for public education.

The Missouri Lottery currently publicizes the names, home towns, prize amount and game name for winners of \$10,000 and more through news releases, on its website and on social media accounts. Winners up to \$50,000 have the option of placing themselves on a "no publicity" list on a per-win basis. For winners of \$50,000 and more, the Lottery releases the winner's name, home town, prize amount and game. Exceptions have been made if the winner expresses a security concern. We do not require winners of \$50,000 and higher to have their photo taken or for them to do media interviews or news conferences. We do not release their address or phone number to the media.

On prizes of \$1 million or more, the Lottery again releases the name, home town, prize amount and game. The Lottery does not require these million-dollar-plus winners to have their photo taken or do a news conference. The Lottery does not release their address or phone number to the media. News conferences are held only with those winners who are willing.

This legislation prohibits publishing of winner names without written consent of the winner. Not being able to publish winner names may adversely affect public perception of the Lottery and ultimately affect sales. There are currently only a few state lotteries that allow blanket anonymity; most lotteries do not.

This legislation will have an unknown negative impact on Lottery sales, which in turn will negatively impact proceeds for education.

Oversight assumes the proposal would not have a direct fiscal impact on the state lottery sales. Oversight considers this to be indirect impact of the proposal and will not reflect it in this fiscal note.

In response to a previous version, officials at the **Office of the Secretary of State** assumed no fiscal impact from this proposal to their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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.

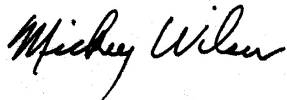
FISCAL DESCRIPTION

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.

SOURCES OF INFORMATION

Office of the Secretary of State
Missouri Lottery



Mickey Wilson, CPA
Director
May 6, 2016

Ross Strobe
Assistant Director
May 6, 2016