

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0589S.04C
Bill No.: SCS for SB 272
Subject: Lotteries; Gambling
Type: Original
Date: April 5, 2021

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Lottery Proceeds (0291)*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

*Oversight notes this fiscal impact represents the loss of advertisement power from not publishing information about lottery winners. The Lottery Commission assumes a reduction in sales and revenue if this publishing ability is not available could exceed \$250,000.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§313.303 - Prohibits publishing the names of Lottery winners

Officials from the **Lottery Commission (LOT)** state releasing the names of big winners ensures the integrity and transparency of our 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 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. They do not require winners of \$50,000 and higher to have their photo taken or for them to do media interviews or news conferences. They 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. They do not require these million-dollar-plus winners to have their photo taken or do a news conference. They do not release their address or phone number to the media. The Lottery Commission only holds news conferences with the consent of the winning individual(s).

This legislation makes it unlawful to publish the name, address, or any other identifying information of any person who wins the state lottery. 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 version of the legislation allows a winner to authorize in writing the public disclosure of their name, address or any other identifying information. This revision does not change the negative impact of the proposal.

Oversight notes a small number of states allow winners of the Powerball or Mega Millions jackpots to remain anonymous. Those states include Delaware, Kansas, Maryland, North Dakota, Ohio, South Carolina, and Texas. There are also a few states that allow winners to remain anonymous if they win over a certain amount. Those states include Arizona, Georgia, and Virginia.

Oversight does not have any information contrary to that provided by the Lottery Commission. Therefore, Oversight will reflect Lottery Commission's fiscal impact concerns as a \$0 or (Unknown) to the Lottery Proceeds Fund.

For the purpose of the proposed legislation, and as a result of excessive caseloads, the **Missouri State Public Defender (SPD)** cannot assume existing staff will be able to provide competent, effective representation for any new cases where indigent persons are charged with the proposed new crime(s) under Chapter 313 concerning publishing the names of lottery winners as a class A misdemeanor. However, if this offense was classified as a class D misdemeanor, it would not qualify for public defender representation because it would be punishable by a fine only, and therefore there would be no impact on MSPD. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized standards. While the number of new cases may be too few or uncertain to request additional funding for this specific bill, the Missouri State Public Defender will continue to request sufficient appropriations to provide competent and effective representation in all cases where the right to counsel attaches.

Oversight assumes the SPD will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the SPD for fiscal note purposes.

Oversight notes the **Missouri Office of Prosecution Services**, the **Department of Public Safety - Missouri State Highway Patrol**, and the **Office of State Courts Administrator** have each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a previous version, officials from the **Attorney General's Office** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOTTERY PROCEEDS FUND (0291)			
<u>Cost - LOT</u> (§313.303) Potential loss of sales from no longer having imbedded advertisement from publishing names of lottery winners	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE LOTTERY PROCEEDS FUND	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This legislation could have an economic impact on the nearly 5,000 Lottery retailers who may lose sales.

FISCAL DESCRIPTION

This bill prohibits the Lottery Commission, state lottery, any contracted organization, or any of their employees from publishing the name, address, or identifying information of a lottery winner in printed or electronic form for distribution or sale to the public.

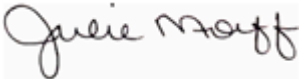
This bill allows a winner to authorize in writing the public disclosure of their name, address or any other identifying information.

Any violation of these provisions is a class A misdemeanor.

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

Attorney General's Office
Department of Public Safety - Missouri State Highway Patrol
Lottery Commission
Missouri Office of Prosecution Services
Office of State Courts Administrator
State Public Defender's Office



Julie Morff
Director
April 5, 2021



Ross Strobe
Assistant Director
April 5, 2021