

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4122-01
BILL NO.: SB 902
SUBJECT: Gambling; Minorities.
TYPE: Original
DATE: February 14, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(unknown)	(unknown)	(unknown)
Total Estimated Net Effect on <u>All</u> State Funds	(expected to be less than \$100,000)	(expected to be less than \$100,000)	(expected to be less than \$100,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Gaming Commission (GAM)** state this proposal would change, clarify, and improve language in the riverboat gambling act. The GAM assumes they will not be fiscally impacted by this legislation.

Officials from the **Lottery Commission (LOT)** state although the statutory requirements mandating 10% of lottery contracts go to minority-owned businesses and 5% to women-owned business expired on January 1, 2000, they have continued to work to meet those goals. The Lottery spends approximately \$3,200,000 annually with minority-owned businesses and \$1,600,000 with women-owned businesses. The LOT assumes no fiscal impact as they continue this program.

The **Office of the State Public Defender (SPD)** states this proposal creates the crime of assisting a person less than 21 years of age to make a wager or to enter a gambling boat. The SPD assumes that existing staff could provide representation for those 25-50 cases arising where indigent persons were charged. However, they state, passage of more than one similar bill would require the State Public Defender System to request increased appropriations to cover cumulative costs of representing the indigent accused in the additional cases.

Officials from the **Department of Corrections (DOC)** state supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed that the impact would be \$0, or a minimal amount.

Officials from the **Missouri Highway Patrol**, the **Office of the State Courts Administrator** and the **Office of Prosecution Services** assume this proposal will not fiscally impact their respective agencies.

Oversight assumes GAM will seek prosecution where applicable and the impact of this proposed legislation is unknown, but should be less than \$100,000 per year due to supervision or incarceration costs to the Department of Corrections for the few expected offenders. Oversight also assumes the electronic tokens will not increase gambling boat admissions or winnings.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
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(10 Mo.)

GENERAL REVENUE FUND

Costs - Department of Corrections
Supervision or incarceration
of convicted offenders

(unknown)	(unknown)	(unknown)
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DESCRIPTION (continued)

The coverage provided by a surety bond posted by a licensed gaming facility is expanded to guarantee that a licensee will complete any proposed modifications to the facility within 4 years of August 28, 2000 or within a time period specified to the Gaming Commission. Failure to complete any proposed modifications to the facility may result in non-renewal of a gaming license.

In current law, a tax of 20% is imposed on the adjusted gross receipts of a licensed gambling facility. If the Gaming Commission has reason to believe that there may be some disparity between the amount due and the payment made by a licensee, then the amount due may be adjusted to reflect the payment due as determined by the Commission. This act extends the amount of time available to a licensee to appeal the adjustment made by the Commission from 10 to 20 days.

This act prohibits anyone under 21 years of age from wagering at a licensed gaming facility. This act also prohibits assisting a person under 21 to make a wager, and permitting anyone under 21 to make a wager. Anyone violating this law for the first time is guilty of a class "B" misdemeanor. Second and subsequent offenses constitute 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

Missouri Gaming Commission
Missouri Lottery Commission
Office of Prosecution Services
Office of the State Public Defender
Office of the State Courts Administrator
Missouri Highway Patrol
Department of Corrections



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Director
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