

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3885-01
Bill No.: SB 949
Subject: Gambling; Fees; Education, Elementary and Secondary.
Type: Original
Date: February 12, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Gaming Commission Fund	\$0	\$0	\$0
Early Childhood Development, Education and Care *	\$81,117,343	\$97,340,812	\$97,340,812
Total Estimated Net Effect on <u>All</u> State Funds	\$81,117,343	\$97,340,812	\$97,340,812

* **Subject to appropriation**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Gaming Commission (GAM)** state this proposal, if passed, would have no affect on the operation of the Gaming Commission. GAM estimates, based on annual admissions of 47,661,299, this proposal would result in increased deposits of \$95,322,598 to the Gaming Commission Fund annually. GAM estimates the impact in FY 2003 (10 months) would be \$79,435,500 ($\$95,322,598 / 12 \text{ months} \times 10 \text{ months}$).

Officials from the **Office of Administration - Budget and Planning** state the proposal would raise approximately \$96 million in its first full year of effect (FY 2004). It would increase total state revenue.

Officials from the **Department Elementary and Secondary Education (DES)** states this bill raises the admission fee from \$2 to \$4 per person embarking on an excursion gambling boat. DES cannot estimate the amount of money that will be raised from the increased admission fee and assumes the Gaming Commission will provide such estimate. The increased \$2 is to be deposited in the Gaming Commission Fund. Section 313.835 specifies the allocation of the money in the fund. The last allocation is to the Early Childhood Development, Education and Care Fund which is used to improve preschool opportunities for families. DES states it is likely that most of the increased admission fee would find its way into this Early Childhood fund.

DES also states that an increase in funding to the Early Childhood Development, Education and Care Fund will mean more funds available at the local level for improvement of preschool opportunities for families.

Officials from the **Department of Social Services - Division of Family Services** states they would expect that the Early Childhood appropriation would increase the amount currently allocated under state law and defer to the Office of Administration for the calculation of the revenues.

In response to a similar proposal from this year that included a \$2 admission fee increase, GAM estimated an increase of \$97,340,812 in revenue per year. Therefore, **Oversight** will use this estimate for fiscal years 2004 and 2005. For FY 2003, Oversight assumes ten months of the new fee increase, or \$81,117,343. Oversight also assumes the additional fee will not have an impact on the number of patrons visiting the riverboat casinos. Oversight also assumes the additional fee revenue will be distributed according to section 313.835, resulting in all of the additional revenue ultimately being transferred to the Early Childhood Development, Education and Care Fund, subject to appropriation.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GAMING COMMISSION FUND			
<u>Income</u> - Additional \$2 admission fee	\$81,117,343	\$97,340,812	\$97,340,812
<u>Transfer Out</u> - to the Early Childhood Development, Education and Care Fund *	<u>(\$81,117,343)</u>	<u>(\$97,340,812)</u>	<u>(\$97,340,812)</u>
ESTIMATED NET EFFECT TO THE GAMING COMMISSION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

* Subject to appropriation

EARLY CHILDHOOD DEVELOPMENT, EDUCATION AND CARE FUND

<u>Transfer In</u> - from the Gaming Commission Fund *	<u>\$81,117,343</u>	<u>\$97,340,812</u>	<u>\$97,340,812</u>
ESTIMATED NET EFFECT TO THE EARLY CHILDHOOD DEVELOPMENT, EDUCATION AND CARE FUND	<u>\$81,117,343</u>	<u>\$97,340,812</u>	<u>\$97,340,812</u>

* Subject to appropriation

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

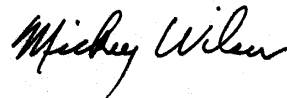
This proposal raises the admission fee paid by excursion boat licensees for each person embarking on an excursion gambling boat from two dollars to four dollars. Three dollars of each admission fee would be deposited into the Gaming Commission Fund.

The section which governs the Gaming Commission Fund has not been revised. As a result, the proceeds from this proposed admission fee increase will be assigned to the Early Childhood Development, Education and Care Fund.

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
Office of Administration - Budget and Planning
Department of Elementary and Secondary Education
Department of Social Services



Mickey Wilson, CPA
Acting Director
February 12, 2002