



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 438 HLS 18RS 929
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Table with metadata: Date: March 29, 2018 5:11 PM; Author: PUGH; Dept./Agy.: Gambling/Riverboat; Subject: Tangipahoa Parish Riverboat Gaming Election; Analyst: Elizabeth Caillier

GAMBLING/RIVERBOAT OR SEE FISC NOTE Page 1 of 1
Provides for a referendum election in Tangipahoa Parish regarding riverboat gaming

Purpose of Bill: This bill authorizes a referendum election in Tangipahoa Parish regarding the relocation and gaming authority of an existing licensed riverboat to Tangipahoa Parish. (Note: We were informed that the licensed riverboat may be moving from Bossier City.)

Provides for the addition of a portion of the Tangipahoa River south of Interstate 12 to the designated rivers and waterways upon which gaming activities may be conducted.

Table with 7 columns: EXPENDITURES, REVENUES, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

There may be an increase in state general fund and local fund expenditures as a result of this measure. The net expenditure impact on general funds and local funds in Tangipahoa, Bossier, and surrounding parishes relating to infrastructure, public safety, tax collections cost, etc., can not be reasonably estimated at this time.

However, an official with the Department of Public Safety (State Police Gaming Division) was able to provide some estimates of potential state general fund expenditures as follows. These expenditures are related to the regulation of the riverboat in a new market and amounts include salaries for 2 state troopers, an auditor, a Gaming Technical Compliance Specialist, and costs for 2 vehicles (and other operating expenses): Fiscal Year 2018-2019 = \$590,174; Fiscal Year 2019-2020 = \$264,084; Fiscal Year 2020-2021 = \$264,084; Fiscal Year 2021-2022 = \$378,780; Fiscal Year 2022-2023 = \$264,084.

The bill provides for a local election. According to the Secretary of State's Office, local costs could range from \$33,500 to \$134,000, depending upon when the election is held (statewide election vs. purely local election).

REVENUE EXPLANATION

The impact on state general fund and local fund revenues is indeterminable due to the uncertainty this bill will have on the overall gaming market. The net revenue impact on the general fund and local funds in Tangipahoa, Bossier, and surrounding parishes relating to gaming taxes, sales taxes, hotel taxes, property taxes, etc., cannot be reasonably estimated at this time.

However, officials with Bossier City and Tangipahoa parish were able to provide the following revenue estimates:

Bossier City estimates that local governmental revenues could decrease by \$1.8 million, including sales tax, hotel tax, property tax, and local gaming tax.

Tangipahoa Parish Government estimates that local governmental revenues could increase by \$3.2 million from gaming taxes, beginning in late 2019, assuming gaming revenue of \$91 million/year and a 3.5% local gaming tax rate.

Senate Dual Referral Rules
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
[X] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Signature of Michael G. Battle
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