

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 516** SLS 20RS 932

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: **SB 332**

Date: May 11, 2020	6:58 PM	Author: PEACOCK
Dept./Agy.: Public Safety		Analyst: Greg Albrecht
Subject: Deduct Promotional Play From Gaming Tax Base		

GAMING OR -\$20,000,000 GF RV See Note Page 1 of 1
Provides for promotional pay wagers. (gov sig)

Present law defines gaming operator revenue subject to tax and fee levies for riverboat casinos, the land-based, and racetrack slot machines.

Proposed law provides that promotional play wagers are to be deducted from gaming operator revenue subject to tax and fee levies for riverboat casinos, the land-based casino, and racetrack slot machines.

Effective upon governor's signature.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	(\$20,000,000)	(\$23,000,000)	(\$26,000,000)	(\$26,000,000)	(\$26,000,000)	(\$121,000,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	(\$20,000,000)	(\$23,000,000)	(\$26,000,000)	(\$26,000,000)	(\$26,000,000)	(\$121,000,000)
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	(\$40,000,000)	(\$46,000,000)	(\$52,000,000)	(\$52,000,000)	(\$52,000,000)	(\$242,000,000)

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

State Police reports that promotional play wagers accounted for approximately \$251 million (10.2%) of gaming operator revenue in 2019. Exclusion of these wagers from state tax and fee levies in 2019 would have reduced total state gaming receipts by some \$52 million. Based on the official state revenue forecasts adopted May 11, 2020, reduced in response to the coronavirus pandemic, the loss of state gaming receipts attributable to the bill is estimated at \$40 million in FY21, with roughly half of this loss associated with the state general fund, and half associated with various statutory dedications (the SELF Fund, enforcement, and various other allocations). As gaming activity returns to normal over time state revenue losses increase as contained in the table above.

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

House
 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}

John D. Carpenter
Legislative Fiscal Officer