



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 497** HLS 21RS 826
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date: April 26, 2021	11:59 AM	Author: DUBUISSON
Dept./Agy.: St. Tammany Parish		Analyst: Barbara Lively
Subject: Riverboat Gaming		

GAMBLING/RIVERBOAT OR SEE FISC NOTE RV See Note Page 1 of 1
 Provides for a referendum election in St. Tammany Parish regarding riverboat gaming

Purpose of the Bill: This bill provides for a referendum election that may be called by St. Tammany Parish governing authority to consider whether riverboat gaming operations will be allowed in St. Tammany Parish. If approved by the electors, gaming licensees shall seek approval from the Louisiana Gaming Control Board to conduct gaming operations or activities. If approved by the Gaming Board, St. Tammany shall call an election to consider whether a specified riverboat licensee shall be allowed to conduct gaming operations or activities in St. Tammany Parish. St. Tammany Parish may call a separate election for each licensee or one election for all licensees. The bill also allows the Parish to impose a fee of 5% on gaming revenue to be established by a "Community Agreement" between the St. Tammany Parish Development District and the riverboat licensee.

EXPENDITURES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

There may be an increase in the statutorily dedicated fund expenditures and local fund expenditures as a result of this measure.

An official with the State Police provided estimates of potential expenditures. These expenditures are related to the regulation of the riverboat in a new market and amounts include salaries for 3 State Troopers, an Investigative Specialist, and costs for 3 vehicles (and other operating expenses). They estimated costs could increase in the initial year of operations by approximately \$601,000 and by approximately \$400,000 thereafter.

In addition, this bill provides for the possibility of local elections. According to the Secretary of State's Office, local costs could be \$259,000 for each election, if held solely as a local election. If the election(s) were included in the Congressional elections in 2022, the costs would be substantially lower, according to the Secretary of State's Office.

REVENUE EXPLANATION

There may be an increase in state general fund, statutorily dedicated funds, and local fund revenues as a result of this measure. The total revenue impact on the state general fund, statutorily dedicated funds, and local funds in St. Tammany and surrounding parishes relating to gaming taxes, sales taxes, hotel taxes, property taxes, etc., cannot be fully estimated at this time due to a lack of specific plans and information. However, we provided the following to illustrate potential impacts based on one riverboat coming to St. Tammany Parish:

An official with St. Tammany Parish estimated local revenue increases as follows: For FY 21-22 and FY 22-23, \$4.25 million in sales tax revenue on the construction of casino/hotel assuming \$100 million taxable over an 18 month construction period. For FY 23-24 and thereafter, the parish is estimating \$7.5 million in revenue assuming \$150 million in gaming revenue and a 5% local gaming fee. Also, the official estimated an increase of \$4.8 million in property tax revenue on casino and hotel property and \$1.8 million in sales tax revenue from the operations of the casino and hotel.

Based on numbers from St. Tammany above, state general fund and statutorily dedicated fund revenues may increase as follows: annual franchise taxes may increase by \$32 million (\$150 million in gaming revenue x 21.5%) and annual sales tax revenues may increase by similar amounts as noted by St. Tammany above (due to similar tax rates).

<p><u>Senate</u></p> <p><input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p>	<p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p>
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