



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **SB 213** SLS 21RS 304
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date: April 24, 2021	3:13 PM	Author: HEWITT
Dept./Agy.: St. Tammany Parish		Analyst: Barbara Lively
Subject: Riverboat Gaming		

GAMING EG SEE FISC NOTE RV See Note Page 1 of 1
 Provides for a referendum election in St. Tammany Parish relative to riverboat gaming. (gov sig)

Purpose of the Bill: This bill provides for an election on October 9, 2021 (or at a later date as selected by the Parish Government) in St. Tammany Parish regarding the relocation and gaming authority of an existing licensed riverboat to St. Tammany Parish. For relocation to occur, approval must be granted by St. Tammany Parish voters and the Louisiana Gaming Control Board. The bill also allows the Parish to impose a fee of 5% on gaming revenue, and use the proceeds for drainage and recreation projects.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
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	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
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 a local election. According to the Secretary of State's Office, local costs would be \$259,000 if held on October 9, 2021. If the election were postponed until Congressional elections in 2022, the costs would be substantially lower, according to the Secretary of State's Office.

The total local costs related to recreation and drainage projects cannot be reasonably estimated at this time due to lack of specific plans and information for these projects.

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:

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).

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}

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