

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5053-01
Bill No.: HB 2172
Subject: Lotteries; Cities, Towns and Villages.
Type: Original
Date: April 1, 2002

FISCAL SUMMARY

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

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 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Lottery Commission (LOT)** state the new keno game is estimated to generate a new profit to the lottery proceeds for education fund of \$20.8 million in FY 2003 and \$21.6 million per year thereafter. This proposal may keep the state from receiving those net revenues. Therefore, LOT assumes a potential loss of revenue resulting from this proposal ranging from \$0 (no cities or counties prohibiting keno) to \$20.8 million (\$21.6 million in following years) if all political subdivisions in Missouri restrict or prohibit the new game.

In response to a similar proposal from this year, officials from the **Office of Administration - Budget and Planning (BAP)** stated the proposal should not result in additional costs or savings to their agency. BAP deferred to the Lottery Commission for the revenue estimate.

Officials from the **City of Springfield** assume this proposal would not have no fiscal impact on the City.

Oversight notes the Governor's budget request for FY 2003 includes \$20.8 million of projected net revenues to the Lottery Proceeds Fund from the new Quick Draw Lotto game in the Missouri Lottery. However, passage of this proposal may prevent the collection of these (or future) revenues from this game. Oversight assumes this proposal would not cause the loss of any current funding source, and therefore, Oversight assumes this proposal would have no fiscal impact to state funds.

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

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

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal allows cities and counties to restrict or prohibit keno games within their jurisdictions.

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 Lottery Commission
Office of Administration - Budget and Planning
City of Springfield

NOT RESPONDING: **Greene County, City of St. Joseph, City of Hannibal**



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Acting Director
April 1, 2002