

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0592-01  
Bill No.: HB 119  
Subject: Gambling  
Type: Original  
Date: March 12, 2019

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Bill Summary: This proposal establishes provisions relating to sports wagering.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>  |                |                |                |                                    |
|--|----------------|----------------|----------------|------------------------------------|
| <b>FUND AFFECTED</b>                                 | <b>FY 2020</b> | <b>FY 2021</b> | <b>FY 2022</b> | <b>Fully Implemented (FY 2024)</b> |
|  |                |                |                |                                    |
| <b>Total Estimated Net Effect on General Revenue</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>                         |

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 15 pages.

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |                                    |                                    |                                    |                                    |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <b>FUND AFFECTED</b>  | <b>FY 2020</b>                     | <b>FY 2021</b>                     | <b>FY 2022</b>                     | <b>Fully Implemented (FY 2024)</b> |
| Gaming Commission Fund (0286)                                 | (\$70,217)                         | (\$217,130)                        | (\$217,130)                        | (\$217,130)                        |
| Gaming Proceeds for Education Fund (0285)                     | \$1,929,386 to \$11,340,000        | \$1,929,386 to \$11,340,000        | \$1,929,386 to \$11,340,000        | \$1,929,386 to \$11,340,000        |
| Sports Wagering Fund  | \$0                                | \$65,000                           | \$65,000                           | \$195,000                          |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>\$1,859,169 to \$11,269,783</b> | <b>\$1,777,256 to \$11,187,870</b> | <b>\$1,777,256 to \$11,187,870</b> | <b>\$1,907,256 to \$11,317,870</b> |

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |                                    |
|---|----------------|----------------|----------------|------------------------------------|
| <b>FUND AFFECTED</b>  | <b>FY 2020</b> | <b>FY 2021</b> | <b>FY 2022</b> | <b>Fully Implemented (FY 2024)</b> |
|   |                |                |                |                                    |
|   |                |                |                |                                    |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>                         |

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |                |                |                |                                    |
|---|----------------|----------------|----------------|------------------------------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2020</b> | <b>FY 2021</b> | <b>FY 2022</b> | <b>Fully Implemented (FY 2024)</b> |
| Gaming Commission Fund (0286)                             | 2 FTE          | 2 FTE          | 2 FTE          | 2 FTE                              |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>2 FTE</b>   | <b>2 FTE</b>   | <b>2 FTE</b>   | <b>2 FTE</b>                       |

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                                 |                                 |                                 |                                    |
|--|---------------------------------|---------------------------------|---------------------------------|------------------------------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2020</b>                  | <b>FY 2021</b>                  | <b>FY 2022</b>                  | <b>Fully Implemented (FY 2024)</b> |
| <b>Local Government</b>                    | <b>\$214,376 to \$1,260,000</b> | <b>\$214,376 to \$1,260,000</b> | <b>\$214,376 to \$1,260,000</b> | <b>\$214,376 to \$1,260,000</b>    |

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Gaming Commission** estimate this proposal would increase total state revenue by approximately \$1.9 million annually. MGC bases those estimates off of comparison to Mississippi's Sports Betting experience for the past 4 months, Rubin Brown and an Oxford Study. Based on MGC calculations (Oxford and Ruben Brown study), adjusted gross receipts under this proposal could be approximately \$34 million. At a tax rate of 6.25%, revenues generated from the tax could be approximately \$2.1 million (distributed 90/10 between the state and local governments).

MGC states they annualized the state of Mississippi's Total Revenue from sports betting by taking their total revenue in September through December of 2018 dividing by four and multiplied by 12 ( $(\$14,530,610.51/4) \times 12 = \$43,591,831.53$ ). We then determined their sports betting revenue was 2% of their total gaming revenue. This was calculated by taking  $\$43,591,831.53$  and dividing by  $\$2,120,060,000$  ( $\$43,591,831.53/\$2,120,060,000 = .02$  or 2%). We then could assume Missouri's sports betting revenue would also be 2% of our total gaming revenue of  $\$1,715,010,000$  ( $\$1,715,010,000 \times 2\% = \$34,300,200$ ). We assumed the sports betting revenue would be 70% more if the law would allow mobile wagers to be placed ( $\$34,300,200 \times 170\% = \$58,310,340$ ). MGC based their estimated revenue from this bill off of an anticipated Adjusted Gross Receipts of \$34.3 million.

**Oversight** notes that estimates used to calculate revenue for this proposal differs greatly from a similar proposal from last year (SB 1013) (assumed AGR of \$141.6 million in 2018 versus \$58.3 million in 2019).

Officials from the **Missouri Gaming Commission (MGC)** state that the bill allows for a Certificate of Authority Application Fee (\$10,000, Section 313.1006), a Sports Wagering Platform License Application Fee (Initial/\$10,000, Section 313.1010) and an Annual Renewal fee for interactive sports wagering platform license (\$5,000, Section 313.1010) but the proposed legislation does not state where those moneys are to be deposited.

For fiscal note purposes, **Oversight** will reflect a revenue generated from these fees into the Gaming Commission Fund to stay consistent with how funds are appropriated in Chapter 313.

**Oversight** assumes the all other fees, Certificate Holder Administration Fee (\$5,000) and Certificate Holder Reinvestigation Fee (\$10,000 in the 5<sup>th</sup> year) will all be deposited into the Sports Wagering Fund.

ASSUMPTION (continued)

According to the **Missouri Gaming Commission (MGC)**, there are five parent companies, referred to as Class A Licensees, that own casinos in Missouri. Each Class A Licensee owns between one and five of the 13 Missouri casinos. Each casino will be the holder of a Certificate of Authority. MGC anticipates each Class A Licensee will select at least one Sports Wagering Platform Licensee to operate their sports wagering activities in the casinos that they own. Therefore, MGC anticipates issuing five Sports Wagering Platform Licenses. (Based on experience in other states, it is possible that each Class A Licensee may contract with up to four different Sports Wagering Platform Licensees, which would then increase the amount of license fees received accordingly.)

Since the number of casinos applying is unknown, **Oversight** will use the Missouri Gaming Commissions estimated number Sports Wagering Platform Licenses (5) and estimated number of licensed applicants and certificate holders of (13), but it should be noted that the number of applicants (and therefore revenues generated) could be different.

**Oversight** will reflect the revenue generated from the Certificate Holder Reinvestigation Fee starting in FY 24.

Officials from the **Office of Administration - Budget and Planning** assume this proposal will increase TSR by imposing fees related to the regulation of legal sports betting and levying an adjusted gross receipts tax on sport event wagers.

**Oversight** also notes that the Missouri Gaming Commission and the Office of Administration - Budget and Planning has stated the proposal will have a direct fiscal impact on total state revenue. Oversight does not currently have the resources or ability to produce an independent estimate. Therefore, Oversight will reflect the revenues listed below as estimated by MGC:

ASSUMPTION (continued)

| Provision  | State Impact - Estimated by MGC |                    |                    |                    |                    |                    |
|--|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | FY20                            | FY21               | FY22               | FY23               | FY24               | FY25               |
| Initial License Fee                                      | \$130,000                       | \$0                | \$0                | \$0                | \$0                | \$0                |
| Certificate Holder Admin Fee                             | \$0                             | \$65,000           | \$65,000           | \$65,000           | \$65,000           | \$65,000           |
| Certificate Holder Reinvestment Fee                      | \$0                             | \$0                | \$0                | \$0                | \$130,000          | \$130,000          |
| Interactive Sports Wagering Platform Initial License Fee | \$50,000                        | \$0                | \$0                | \$0                | \$0                | \$0                |
| Interactive Sports Wagering Platform Initial Renewal Fee | \$0                             | \$25,000           | \$25,000           | \$25,000           | \$25,000           | \$25,000           |
| AGR tax (90%)*   | \$1,929,386                     | \$1,929,386        | \$1,929,386        | \$1,929,386        | \$1,929,386        | \$1,929,386        |
| <b>Total State Impact</b>                                | <b>\$2,109,386</b>              | <b>\$2,019,386</b> | <b>\$2,019,386</b> | <b>\$2,019,386</b> | <b>\$2,149,386</b> | <b>\$2,149,386</b> |
| <u>Local Impact</u>                                      |                                 |                    |                    |                    |                    |                    |
| Dock*<br>Cities/Counties<br>(10% AGR tax)                | \$214,376                       | \$214,376          | \$214,376          | \$214,376          | \$214,376          | \$214,376          |

\*6.25% of \$34,300,200 AGR

| Fund                               | Total State Impact by Fund - Estimated by MGC |                    |                    |                    |                    |                    |
|------------------------------------|---|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                    | FY20  | FY21               | FY22               | FY23               | FY24               | FY25               |
| GR Gaming Commission Fund          | \$0   | \$0                | \$0                | \$0                | \$0                | \$0                |
| Gaming Proceeds for Education Fund | \$180,000                                     | \$25,000           | \$25,000           | \$25,000           | \$25,000           | \$25,000           |
| Sports Wagering Fund               | \$1,929,386                                   | \$1,929,386        | \$1,929,386        | \$1,929,386        | \$1,929,386        | \$1,929,386        |
| Sports Wagering Fund               | \$0   | \$65,000           | \$65,000           | \$65,000           | \$195,000          | \$195,000          |
| <b>Total State Impact</b>          | <b>\$2,109,386</b>                            | <b>\$2,019,386</b> | <b>\$2,019,386</b> | <b>\$2,019,386</b> | <b>\$2,149,386</b> | <b>\$2,149,386</b> |

ASSUMPTION (continued)

Officials from the **Department of Revenue (DOR)** assume the following:

Section 313.1006

This proposed section states that sports wagering shall not be conducted except by an excursion gambling board licensed under this chapter.

In addition, this proposed section states the necessary actions of a licensed applicant who wishes to offer sports wagering under Sections 313.1000 to 313.1020 which includes submitting an application and paying an initial application fee of ten thousand dollars.

Section 313.1008

This proposed section states that the commission shall test new sports wagering devices and new forms, variations, or composites of sports wagering under the terms and conditions that the commission considers appropriate prior to authorizing a certificate holder to offer a new sports wagering device or a new form, variation, or composite of sports wagering.

Section 313.1010

An interactive sports wagering platform provider may offer sports wagering on behalf of a certificate holder only if the interactive sports wagering platform holds an interactive sports wagering platform license issued by the commission.

After making an announcement under Section 313.1006, the commission may begin accepting applications for an interactive sports wagering platform license from any provider that wishes to offer an interactive sports wagering platform to a certificate holder. The commission shall prescribe the form of the application.

Also, this proposed section states what an applicant for an interactive sports wagering platform license shall do.

Section 313.1018

This proposed section states that a sport's governing body may register with the commission if the sport's governing body is headquartered in the United States and it completes such registration form as the commission may require. Upon submission of a completed registration form to the commission, the eligible sport's governing body shall be deemed registered and shall be entitled to receive the royalty provided for in this section.

ASSUMPTION (continued)

Within thirty days of the end of each calendar quarter, a certificate holder shall remit to the commission a royalty of three-fourths of one percent of the amounts wagered on sporting events conducted by registered sports governing bodies.

Section 313.1019

This proposed section states that within thirty days of the end of each calendar quarter, a certificate holder shall remit to the commission a royalty of one-fourth of one percent of the amounts wagered on various events.

Section 313.1020

This proposed section states that a wagering tax of six and one fourth percent is imposed on the adjusted gross receipts received from sports wagering conducted by a certificate holder under Sections 313.1000 to 313.1020. If a third party is contracted with to conduct sports wagering at a certificate holders' licensed facility, the third party contractor shall fulfill the certificate holder's duties under this section.

This proposed section states that the revenues received from the tax imposed under subsection 1 of this section shall be deposited in the state treasury to the credit of the Gaming Proceeds for Education Fund, and shall be distributed as provided under Section 313.822.

This proposed section states that a certificate holder shall pay to the commission an annual administrative fee of five thousand dollars. The fee imposed shall be due one year after the date on which the certificate holder commences sporting wagering operations under Sections 313.1000 to 313.1020, and on each annual anniversary date thereafter. The commission shall deposit the administrative fees received under this subsection in the sports wagering fund established under subsection 6 of section 313.1020.

In addition to the annual administrative fee required under this subsection, a certificate holder shall pay to the commission a fee of ten thousand dollars to cover the costs of a full reinvestigation of a certificate holder in the fifth year after the date on which the certificate holder commences sports wagering operations under Sections 313.1000 to 313.1020 and on each fifth year thereafter. The commission shall deposit the fees received under this subdivision in the sports wagering fund established under subsection 6 of section 313.1020.

This proposed section states that there is hereby established the "Sports Wagering Fund", to be administered by the commission. The fund shall consist of the fees deposited under subsection 5 of section 313.1020. The state treasurer shall invest the moneys in the fund not currently needed to meet the obligations of the fund in the same manner as other funds are invested.



ASSUMPTION (continued)

Any interest and moneys earned on such investments shall be credited to the fund. Notwithstanding the provisions of Section 33.080 to the contrary, the moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. Moneys in the fund shall be used by the commission to pay the costs incurred to administered Sections 313.1000 to 313.1020.

Methodology

Using the Oxford Economics report titled "Economic Impact of Legalized Sports Betting," the Department believes TSR will increase an estimated \$11.3-\$14.2 million. This report breaks out the possible revenue impacts into three categories. They are Limited Availability, Moderate Availability, and Convenient Availability. For the purpose of this fiscal note response, the Department utilized the Moderate Availability, due to the proposed legislation allowing sports wagering to occur in any of our casinos, and online. If online would have not been permitted, the Department would have used the Limited Availability number, and if it were to be treated like the lottery, Convenient Availability would have been used.

\$202,200,000 - \$253,300,000 (Moderate Availability AGR Estimate per Oxford report)  
 \$12,600,000 - \$15,800,000 (6.25% tax imposed on AGR)  
 Breakout of the 6.25% per Section 313.822 RSMo.  
 \$12,600,000 - \$15,800,000 (6.25% tax imposed on AGR)  
     10% to Dock Cities (Local) - \$1,260,000 - \$1,580,000  
     90% to Gaming Proceeds for Education Fund - \$11,340,000 - \$14,220,000

**Oversight** currently does not have the data or resources available to produce independent revenue projections, including an Economist to estimate the elasticity of demand for sports wagering in relation to other games of chance offered at casinos or the Missouri Lottery. Therefore, for purposes of this fiscal note, Oversight will range the anticipated revenue from MGC estimates to the “low” estimates of DOR.

|  | MGC          | DOR (low)     | DOR (high)    |
|--|--------------|---------------|---------------|
| Sports Betting Adjusted Gross Receipts | \$34,300,200 | \$202,200,000 | \$253,300,000 |
| 6.25% tax on AGR (state portion - 90%) | \$1,929,386  | \$11,340,000  | \$14,220,000  |
| 6.25% tax on AGR (local portion - 10%) | \$214,376    | \$1,260,000   | \$1,580,000   |

ASSUMPTION (continued)

Officials from the **Department of Public Safety - Missouri Gaming Commission (MGC)** state that the fees collected in the Gaming Fund (fund number 0286) for sports wagering based on the language in this Senate Bill are not sufficient to cover the expenditures of this proposal.

MGC estimates a cost of approximately \$705,000 (2.5% of MGC existing budget) each year. This cost is the average hours and expenses (current background investigators, financial investigators, compliance auditors and tax auditors) the MGC staff would spend on licencing and regulating sports wagering. MGC would need a revenue source to cover this allotment.

MGC notes that if more revenue is not collected for the purpose of sports wagering the admission fees collected from the riverboat casinos will be used to cover MGC's expenditures related to sports wagering and as a result the transfer to the Veteran's Commission Capital Improvement funds will be less.

The Missouri Gaming Commission will be able to use two current allocated vacant FTE positions to fill the FTE this proposal will require. (Information Technology Specialist II (\$71,726/annually) and a Public Safety Manager Band 1 (\$65,976/ annually). It is estimated that the fees would cover the initial investigative expenses but not cover the on-going costs to MGC relating to interactive sports wagering platform approval, testing devices, adopting rules, and regulating sports wagering operators. As a result, the MGC need to request an additional \$50,040.87 in spending authority the first year and \$41,954.37 thereafter.

**Oversight** assumes an annual direct fiscal impact of \$137,702 plus fringes and notes MGC has stated they are reallocating \$87,661 and 2 FTE of excess existing appropriation authority and are only requesting \$50,041 for this program in the FY 2020 budget.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Officials from the **Office of the State Treasurer** assume the proposal will have no fiscal impact on their organization.

**Oversight** notes that the Office of the State Treasurer has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for that office.

| <u>FISCAL IMPACT -<br/>State Government</u>                               | FY 2020<br>(10 Mo.)      | FY 2021                   | FY 2022                   | Fully<br>Implemented<br>(FY 2024) |
|---|--------------------------|---------------------------|---------------------------|-----------------------------------|
| <b>GAMING<br/>COMMISSION<br/>FUND</b>                                     |                          |                           |                           |                                   |
| <u>Revenue</u>  |                          |                           |                           |                                   |
| Initial License Fee<br>§313.1006  | \$130,000                | \$0                       | \$0                       | \$0                               |
| Sports Wagering<br>Platform License<br>Application Fee<br>§313.1010       | \$50,000                 | \$0                       | \$0                       | \$0                               |
| Sports Wagering<br>Platform License<br>Renewal Fee<br>§313.1010           | <u>\$0</u>               | <u>\$25,000</u>           | <u>\$25,000</u>           | <u>\$25,000</u>                   |
| <u>Total Revenue</u>  | <u>\$180,000</u>         | <u>\$25,000</u>           | <u>\$25,000</u>           | <u>\$25,000</u>                   |
| <u>Cost - MGC</u>   |                          |                           |                           |                                   |
| Salaries  | (\$137,702)              | (\$137,702)               | (\$137,702)               | (\$137,702)                       |
| Fringe Benefits   | (\$62,474)               | (\$62,474)                | (\$62,474)                | (\$62,474)                        |
| Equipment and<br>Expense  | <u>(\$50,041)</u>        | <u>(\$41,954)</u>         | <u>(\$41,954)</u>         | <u>(\$41,954)</u>                 |
| <u>Total Cost - MGC</u>   | <u>(\$250,217)</u>       | <u>(\$242,130)</u>        | <u>(\$242,130)</u>        | <u>(\$242,130)</u>                |
| FTE Change -<br>MGC   | 2 FTE                    | 2 FTE                     | 2 FTE                     | 2 FTE                             |
| <b>ESTIMATED NET<br/>EFFECT TO THE<br/>GAMING<br/>COMMISSION<br/>FUND</b> | <b><u>(\$70,217)</u></b> | <b><u>(\$217,130)</u></b> | <b><u>(\$217,130)</u></b> | <b><u>(\$217,130)</u></b>         |
| Estimated Net FTE<br>Change to the<br>Gaming<br>Commission Fund           | 2 FTE                    | 2 FTE                     | 2 FTE                     | 2 FTE                             |

| <u>FISCAL IMPACT -</u><br><u>State Government</u><br>(continued)                          | FY 2020<br>(10 Mo.)                           | FY 2021                                       | FY 2022                                       | Fully<br>Implemented<br>(FY 2024)             |
|---|---|---|---|---|
| <b>GAMING<br/>PROCEEDS FOR<br/>EDUCATION<br/>FUND</b>                                     |   |   |   |   |
| Revenue<br>90% of the 6.25%<br>Wagering Tax<br>§313.1020.1                                | \$1,929,386 to<br><u>\$11,340,000</u>         | \$1,929,386 to<br><u>\$11,340,000</u>         | \$1,929,386 to<br><u>\$11,340,000</u>         | \$1,929,386 to<br><u>\$11,340,000</u>         |
| <b>ESTIMATED NET<br/>EFFECT TO THE<br/>GAMING<br/>PROCEEDS FOR<br/>EDUCATION<br/>FUND</b> | <b>\$1,929,386 to<br/><u>\$11,340,000</u></b> | <b>\$1,929,386 to<br/><u>\$11,340,000</u></b> | <b>\$1,929,386 to<br/><u>\$11,340,000</u></b> | <b>\$1,929,386 to<br/><u>\$11,340,000</u></b> |
| <b>SPORTS<br/>WAGERING<br/>FUND</b>   |   |   |   |   |
| <u>Revenue</u>  |   |   |   |   |
| Certificate Holder<br>Admin Fee<br>§313.1020  | \$0   | \$65,000                                      | \$65,000                                      | \$65,000                                      |
| Certificate Holder<br>Reinvestigation Fee<br>§313.1020                                    | <u>\$0</u>                                    | <u>\$0</u>                                    | <u>\$0</u>                                    | <u>\$130,000</u>                              |
| <u>Total Revenue</u>  | <u>\$0</u>                                    | <u>\$65,000</u>                               | <u>\$65,000</u>                               | <u>\$195,000</u>                              |
| <b>ESTIMATED NET<br/>EFFECT TO THE<br/>SPORTS<br/>WAGERING<br/>FUND</b>                   | <b><u>\$0</u></b>                             | <b><u>\$65,000</u></b>                        | <b><u>\$65,000</u></b>                        | <b><u>\$195,000</u></b>                       |

| <u>FISCAL IMPACT -</u><br><u>Local Government</u>      | <u>FY 2020</u><br><u>(10 Mo.)</u>                       | <u>FY 2021</u>  | <u>FY 2022</u>  | <u>Fully</u><br><u>Implemented</u><br><u>(FY 2024)</u>  |
|--|---|---|---|---|
| <b>LOCAL HOME DOCKS</b>                                |   |   |   |   |
| Revenue - Home Dock City or County<br>10% of the 6.25% |   |   |   |   |
| Wagering Tax §313.1020.1                               | <u>\$214,376 to</u><br><u>\$1,260,000</u>               | <u>\$214,376 to</u><br><u>\$1,260,000</u>               | <u>\$214,376 to</u><br><u>\$1,260,000</u>               | <u>\$214,376 to</u><br><u>\$1,260,000</u>               |
| <b>ESTIMATED NET EFFECT TO THE LOCAL HOME DOCKS</b>    | <b><u>\$214,376 to</u></b><br><b><u>\$1,260,000</u></b> | <b><u>\$214,376 to</u></b><br><b><u>\$1,260,000</u></b> | <b><u>\$214,376 to</u></b><br><b><u>\$1,260,000</u></b> | <b><u>\$214,376 to</u></b><br><b><u>\$1,260,000</u></b> |

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill defines the term "sports wagering" and authorizes the Missouri Gaming Commission to implement regulations governing sports wagering, including standards for the conduct of sports wagering and holders of certificates for sports wagering.

The bill provides that sports wagering shall not be conducted except by an excursion gambling boat licensed under Chapter 313, RSMo. The bill further provides that sports wagering shall be conducted according to specific statutory criteria. The commission is required to test new sports wagering devices and forms of sports wagering. The commission may also issue a certificate for an interactive sports wagering platform. The bill establishes specific recording keeping requirements of all bets and wagers placed.

A wagering tax of 6.25% is imposed on gross receipts received from sports wagering which shall be deposited in the "Gaming Proceeds for Education Fund." Certain royalties for college athletics and other sports governing bodies shall be remitted by the certificate holder. The bill creates a "Sports Wagering Fund" to be used by the commission to administer the provisions of this bill.

FISCAL DESCRIPTION

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

Department of Public Safety  
Missouri Gaming Commission  
Department of Revenue  
Office of the State Treasurer  
Office of the Secretary of State  
Office of Administration  
Budget and Planning



Kyle Rieman  
Director  
March 12, 2019

Ross Strobe  
Assistant Director  
March 12, 2019