

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0775-01
Bill No.: HB 275
Subject: Gambling
Type: Original
Date: February 25, 2019

Bill Summary: This proposal prohibits publishing of the names of lottery winners.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue Fund	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 313.303.1

Officials from the **Missouri Lottery Commission (LOT)** assume releasing the names of big winners ensures the integrity and transparency of our government operations, so the public knows the Lottery is not corruptly awarding prizes to friends, relatives, etc. The Missouri Lottery receives thousands of dollars in publicity value and exposure each year when winner stories appear in the media. Research has shown the more people hear about winners, the more likely they are to play the Lottery and the more money earned for public education.

The Missouri Lottery currently publicizes the names, home towns, prize amount and game name for winners of \$10,000 and more through news releases, on its website and on social media accounts. Winners up to \$50,000 have the option of placing themselves on a "no publicity" list on a per-win basis. For winners of \$50,000 and more, the Lottery releases the winner's name, home town, prize amount and game. Exceptions have been made if the winner expresses a security concern. We do not require winners of \$50,000 and higher to have their photo taken or for them to do media interviews or news conferences. We do not release their address or phone number to the media.

On prizes of \$1 million or more, the Lottery again releases the name, home town, prize amount and game. We do not require these million-dollar-plus winners to have their photo taken or do a news conference. We do not release their address or phone number to the media. News conferences are held only with those winners who are willing.

This legislation makes it unlawful to publish the name, address, or any other identifying information of any person who wins the state lottery. Not being able to publish winner names may adversely affect public perception of the Lottery and ultimately affect sales. There are currently only a few state lotteries that allow blanket anonymity; most lotteries do not.

Oversight assumes this proposal would not have a direct administrative impact on the Lottery Commission.

Oversight assumes any effect on sales (positive or negative) would be an indirect consequence of this proposal and beyond the scope of a fiscal note and therefore will not reflect a fiscal impact as a result of this proposal.

ASSUMPTION (continued)

For the purpose of the proposed legislation, and as a result of excessive caseloads, the **Office of the State Public Defender (SPD)** cannot assume existing staff will provide competent, effective representation for any new cases where indigent persons are charged with the proposed new crime of revealing the names of lottery winners - a new Class A Misdemeanor.. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized standards.

While the number of new cases may be too few or uncertain to request additional funding for this specific bill, the Office of the State Public Defender will continue to request sufficient appropriations to provide competent and effective representation in all cases where the right to counsel attaches.

Oversight notes over the last three fiscal years, the SPD has lapsed a total of \$152 of General Revenue appropriations (\$0 out of \$36.4 million in FY 2016; \$2 out of \$28.0 million in FY 2017; and \$150 out of \$42.5 million in FY 2018). Therefore, Oversight assumes the SPD is at maximum capacity and the increase in workload resulting from this bill cannot be absorbed within SPD's current resources.

Adding one additional Assistant Public Defender 1 (APD) with a starting salary of \$47,000, will cost approximately \$74,500 per year in personal service and fringe benefit costs. One additional APD II (\$52,000 per year; eligible for consideration after 1 year of successful performance at APD I) will cost the state approximately \$81,000 per year in personal service and fringe benefit costs. When expense and equipment costs such as travel, training, furniture, equipment and supplies are included, Oversight assumes the cost for a new APD could approach \$100,000 per year.

Oversight assumes the SPD cannot absorb the additional caseload that may result from this proposal within their existing resources and, therefore, will reflect a potential additional cost of (Less than \$100,000) per year to the General Revenue Fund.

Officials from the **Attorney General's Office**, the **Office of the State Courts Administrator**, the **Office of Prosecution Services** and the **Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have 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 these agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
<u>Cost - SPD</u> potential additional caseload	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<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.

FISCAL DESCRIPTION

This bill prohibits the lottery commission, state lottery, any contracted organization, or any of their employees from publishing the name, address, or identifying information of a lottery winner in printed or electronic form for distribution or sale to the public.

Any violation of these provisions is a class A misdemeanor.

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
Attorney General's Office
Department of Corrections
Office of the State Courts Administrator
Office of the State Public Defender
Office of Prosecution Services
Department of Public Safety
Missouri Highway Patrol



Kyle Rieman
Director
February 25, 2019

Ross Strope
Assistant Director
February 25, 2019