

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5525-01
Bill No.: HB 1941
Subject: Gambling; Athletics
Type: Original
Date: February 3, 2016

Bill Summary: This proposal excludes any fantasy contest from gambling or advance gambling activity.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Lottery Commission** assume this proposal will have an unknown negative fiscal impact on their organization.

The proposal legalizes fantasy sports betting which competes with the sale of Lottery products. Lottery proceeds net of prizes and administrative expenses are currently appropriated solely for public institutions of elementary, secondary and higher education. Individuals who might otherwise play the Missouri Lottery but choose to play fantasy sports instead divert Lottery proceeds funding away from elementary, secondary and higher education. The resulting shortfall in elementary, secondary and higher education funding would have to be absorbed with General Revenue funding, negatively impacting Total State Revenue.

Officials at the **Department of Public Safety - Gaming Commission** assume this proposal will have an unknown negative fiscal impact on their organization.

As a new form of entertainment, it is assumed that fantasy contests would be in direct competition with state sanctioned gaming resulting in a potential reduction in revenue. The fiscal impact to regulate is unknown because it is unclear which governmental agency if any would have regulatory authority for this activity.

Oversight will not show a fiscal impact for this proposal. Currently, fantasy sports (DarftKings, FanDuel, etc.) are currently legal in Missouri and this proposal codifies the current statutes.

Officials at the **Office of State Courts Administrator, Attorney General's Office, State Public Defender's Office** and **Office of Prosecution Services** each assume this proposal will not have a fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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.

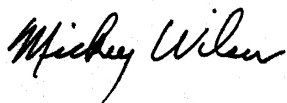
FISCAL DESCRIPTION

This bill exempts certain fantasy sports contests, which may have entry fees and prizes, from gaming laws if they are based on statistical aggregates of player performance across different games and not upon individual Department of Public Safety - Gaming Commission scores or individual player performance.

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 - Gaming Commission
Lottery Commission
Office of State Courts Administrator
Attorney General's Office
State Public Defender's Office
Office of Prosecution Services



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