

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5184-01
Bill No.: HB 2318
Subject: Gambling; Law Enforcement Officers and Agencies; Crimes and Punishment;
Fees
Type: Original
Date: February 24, 2020

Bill Summary: This proposal enacts provisions related to sports wagering.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 17 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
Gaming Proceeds to Education (0285)*	\$55,957 to \$128,233 or \$5,595,700 to \$12,823,313	\$67,148 to \$153,880 or \$6,714,800 to \$15,387,975	\$67,148 to \$153,880 or \$6,714,800 to \$15,387,975	\$67,148 to \$153,880 or \$6,714,800 to \$15,387,975
Sports Wagering	\$0	\$260,000	\$260,000	\$390,000
Gaming Commission (0286)	\$505,304	(\$704,090)	(\$724,721)	(\$767,455)
Total Estimated Net Effect on <u>Other</u> State Funds	\$561,261 to \$13,328,617	(\$376,942) to \$14,943,885	(\$397,573) to \$14,923,254	(\$310,307) to \$15,010,520

* There is confusion over whether the Adjusted Gross Receipts tax as described in §313.1021 is 6.75% or .0675%.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
Gaming Commission (0286)	2 FTE	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 FTE	2 FTE

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 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
Local Government*	\$6,218 to \$14,248 or \$621,800 to \$1,424,813	\$7,461 to \$17,098 or \$746,100 to \$1,709,775	\$7,461 to \$17,098 or \$746,100 to \$1,709,775	\$7,461 to \$17,098 or \$746,100 to \$1,709,775

* There is confusion over whether the Adjusted Gross Receipts tax as described in §313.1021 is 6.75% or .0675%.

FISCAL ANALYSIS

ASSUMPTION

§§313.800, 313.1000, 313.1002, 313.1004, 313.1006, 313.1008, 313.1010, 313.1012, 313.1014, 313.1016, 313.1018, 313.1021, and 313.1022 - Sports wagering

Officials from the **Missouri Gaming Commission (MGC)** estimate this proposal would increase total state gaming revenue by approximately \$35 million annually. MGC bases these estimates off of a comparison to Mississippi's Sports Betting experience for the past 12 months, Rubin Brown and an Oxford Study.

MGC states they annualized the state of Mississippi's Total Revenue from sports betting by taking their total revenue from November 2018 through October 2019. MGC then determined their sports betting revenue was 2% of their total gaming revenue. This was calculated by taking \$45,036,857 and dividing by \$2,141,840,000 ($\$45,036,857 / \$2,141,840,000 = .02$ or 2%). MGC then could assume Missouri's sports betting revenue would also be 2% of Missouri's total gaming revenue of \$1,754,470,000 ($\$1,754,470,000 \times 2\% = \$35,089,400$). Mississippi sports betting is limited to bets placed in person at the casinos. MGC assumes that allowing online wagering will significantly increase revenue. Based on the Oxford study and the experience in other states, including Pennsylvania and New Jersey, MGC made the assumption that the estimated \$35 million calculated for wagers placed in person at casinos would comprise approximately 30% of the adjusted gross receipts. Therefore, sports betting revenue would be comprised of 70% mobile wagering and 30% retail wagering if the law would allow mobile wagers to be placed ($(\$35,089,400 \times 70\%) / 30\% = \$81,875,266 =$ additional revenue). Per §313.1000 of this proposal, Adjusted Gross Receipts are calculated by taking total revenue less payouts. Note: MGC's analysis completed for this year is different from last year due to additional data being available.

At a tax rate of 6.75% of 1%, revenues generated from the tax could be approximately \$74,609 ($(\$110,531,610 - \text{Adjusted Gross Receipts} \times .01) \times .0675$) (distributed 90/10 between the state and local governments).

Oversight notes, according to a New York Times article dated April 16, 2019, sports betting revenue has only brought in half of what Tunica officials had expected. Since sports betting is a fairly new concept for Mississippi, Oversight notes the revenue used by MGC to calculate revenue generated from this proposal could be skewed. Oversight does not currently have the resources or ability to produce an independent estimate. Therefore, Oversight will reflect the AGR listed above as estimated by MGC.

Officials from the **MGC** assume the following:

ASSUMPTION (continued)

Section 313.1000(1)

This proposed section defines “adjusted gross revenue” (AGR) for sports wagering as the total of all cash and cash equivalents received by a sports wagering operator from sports wagering minus the total of all cash and cash equivalents paid out as winnings, actual costs paid for property or services distributed as prizes, voided or cancelled wagers, free play or promotional credits, and uncollectible sports wagering receivables. This amount is used to calculate the amount of wagering tax imposed by section 313.1021. MGC does not have sufficient information to determine the amount of free play that would be offered.

Section 313.1000(1)(b)

This proposed section contemplates the amount of AGR on a gaming day to be a negative number. If that occurs, no sports wagering tax would be due for that gaming day. Instead, the negative AGR would be “carried over and calculated as a deduction on subsequent gaming days until the negative figure has been brought to a zero balance.”

Section 313.1006.2(2)

This proposed section imposes an initial application fee for a licensed applicant of \$50,000 to be paid to the MGC and deposited in the gaming commission fund and distributed according to section 313.835.

Section 313.1008.1

This proposed section requires the MGC to test sports wagering devices and forms, variations, and composites of sports wagering.

Section 313.1010.2 and 3

This proposed section imposes an initial application fee for an interactive sports wagering platform license of \$50,000 and an annual license renewal fee of \$20,000 to be paid to the MGC. This section does not, however, indicate the fund in which the fees will be deposited.

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

Section 313.1021.1

MGC states this proposed section imposes “a wagering tax of six and three-fourths of one percent,” which would result in a tax of 0.675 % on AGR received from sports wagering conducted by a certificate holder. Assuming the intent of this section was to tax AGR at the rate of 6.75 %, the language of this subsection should be amended. Revenues from this tax are to be deposited in the Gaming Proceeds for Education Fund and distributed pursuant to section 313.822.

ASSUMPTION (continued)

Section 313.1021.5(1)

This proposed section imposes an annual administrative fee of \$20,000 on certificate holders to be paid to the MGC. The funds received must be deposited in the sports wagering fund created by section 313.1021.5(3)(a).

Section 313.1021.5(2)

This proposed section requires a certificate holder to also pay a \$10,000 fee to the MGC to cover the costs of a full investigation of the certificate holder in the fifth year after the date on which the certificate holder begins offering sports wagering. This fee is to be paid every five years, thereafter. This fee is in addition to the annual administrative fee required to be paid by Section 313.1021.5(1) and must be deposited by the MGC into the “Sports Wagering Fund” created by section 313.1021.5(3)(a).

Section 313.1021.5(3)

This proposed section creates the “Sports Wagering Fund” to hold the fees collected pursuant to subsection 313.1021.5. Money held in this fund shall be used to pay for costs incurred to administer section 313.1021. The state treasurer is named the custodian of the fund and shall approve all disbursements.

The MGC recommends that the application, renewal, administrative, and reinvestigation fees be paid to the Gaming Fund and distributed pursuant to section 313.835. This recommendation eliminates a second dedicated fund for the MGC or the state treasurer to operate and allows it to be administered more efficiently.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this proposal will increase TSR and 18e calculations by imposing fees related to the regulation of legal sports betting and levying an adjusted gross receipts tax on sport wagers. Additional administrative fee revenues will be deposited into the newly created fund: the Sports Wagering Fund. Additional application fees for license applicants wishing to conduct sports wagering will be deposited in the Gaming Commission Fund. Additional gross receipts tax revenues will be deposited into the Gaming Proceeds for Education Fund. B&P defers to the MGC for an estimate of increased revenues.

Oversight notes the MGC and B&P have 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)

MGC estimates needing two FTE, one (1) Information Technology Specialist I and one (1) Public Safety Manager Band I if this bill passes. These FTE would result in an additional cost to the MGC of \$196,182 for FY 2021 (including salary, fringe, supplies, equipment, and travel/lodging related to job performance).

Besides the 2 FTE positions and additional costs reflected in the fiscal note, MGC also estimates an additional cost of approximately \$718,217 (which represents 2.5% of MGC existing budget) each year. This cost represents the average number of hours and expenses to cover the costs of current background investigators, financial investigators, compliance auditors and tax auditors needed to license and regulate sports wagering.

Oversight does not have any information contrary to that provided by MGC. Therefore, Oversight will reflect MGC's impact for fiscal note purposes to the Sports Wagering Fund.

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

Section 313.1021

This proposed section states that a wagering tax of six and three-fourths percent is imposed on the adjusted gross receipts received from sports wagering conducted by a certificate holder under Sections 313.1000 to 313.1022. 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 twenty-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 313.1022, 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 this section.

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

ASSUMPTION (continued)

holder commences sports wagering operations under Sections 313.1000 to 313.1022 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 this section.

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 this section.

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 DOR utilized the Moderate Availability, due to the proposed legislation allowing sports wagering to occur in any of Missouri’s 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)

\$13,648,500-\$17,097,750 (6.75% tax imposed on AGR)

Breakout of the 6.75% per Section 313.822 RSMo.

\$13,648,500-\$17,097,750 (6.75% tax imposed on AGR)

10% to Dock Cities (Local) - \$1,364,850-\$1,709,775

90% to Gaming Proceeds for Education Fund- \$12,283,650-\$15,387,975

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 the “low” estimates of MGC to DOR’s estimate.

	MGC	DOR (low)	DOR (high)
	(at .0675%)	(at 6.75%)	(at 6.75%)
Sports Betting Adjusted Gross Receipts	\$110,531,610	\$202,200,000	\$253,300,000
6.75% tax (state portion - 90%)	\$67,148	\$12,283,650	\$15,387,975
6.75% tax (local portion - 10%)	\$7,461	\$1,364,850	\$1,709,775

ASSUMPTION (continued)

Bill as a Whole

Officials from the **Department of Mental Health (DMH)** assume the increase in gambling opportunities will increase the number of individuals who voluntarily seek treatment for a gambling problem. However, the bill does not mandate that any individual receive treatment and treatment will remain voluntary. Therefore, DMH assumes that expenditures cannot exceed the balance of the Compulsive Gamblers fund and no State General Revenue beyond that balance will be expended.

In FY19, DMH served approximately 118 consumers through compulsive gambling (CG) treatment services with an average cost of \$1,030 per consumer for a total of \$121,540.

If the number of consumers served triples, DMH estimates treatment for 354 consumers with an average cost of \$1,030 per treatment episode for a total treatment cost of \$364,620. Total cost to DMH would be estimated at \$445,850 in FY 21. For FY 22 and beyond, the amount would be \$535,020 or more based upon the need for compulsive gambling services. Currently, DMH has twelve certified compulsive gambling treatment providers; this number would likely need to increase over time along with the need for additional compulsive gambling counselors. DMH estimates 25 new compulsive gambling counselors will be needed throughout the state, with initial cost for training new counselors estimated at \$160 per person for a total of \$4,000 in FY 21. If additional advertising is needed, DMH anticipates annual cost for advertising with public service announcements for help with compulsive gambling at \$166,400.

Oversight notes the ending balance of the Compulsive Gamblers Fund (0249) was \$82,720 on December 31, 2019 and \$6,832 on June 28, 2019.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Office of the Secretary of State (SOS)** state 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

ASSUMPTION (continued)

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.

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 **Missouri Office of Prosecution Services (MOPS)** assume the proposal will have no measurable fiscal impact on MOPS. The creation of a new crime creates additional responsibilities for county prosecutors which may, in turn, result in additional costs, which are difficult to determine.

Oversight notes the **Department of Public Safety - Missouri State Highway Patrol**, the **Department of Social Services**, the **Office of State Courts Administrator**, the **State Public Defender's Office**, the **State Treasurer's Office**, and **State Technical College of Missouri** have each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other colleges and universities were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

Oversight notes the confusion over the adjusted gross receipts tax described in Section 313.1021 and will range the tax proceeds from the estimates provided by MGC to DOR, assuming .0675% or 6.75%.

This proposal could increase Total State Revenue.

FISCAL IMPACT -
State Government

	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
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**GAMING
 PROCEEDS FOR
 EDUCATION
 FUND (0285)**

Revenue - 90% of the .0675% (or 6.75%) tax imposed on AGR	\$55,957 to \$128,233 or \$5,595,700 to <u>\$12,823,313</u>	\$67,148 to \$153,880 or \$6,714,800 to <u>\$15,387,975</u>	\$67,148 to \$153,880 or \$6,714,800 to <u>\$15,387,975</u>	\$67,148 to \$153,880 or \$6,714,800 to <u>\$15,387,975</u>
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**ESTIMATED NET
 EFFECT TO THE
 GAMING
 PROCEEDS FOR
 EDUCATION
 FUND**

	\$55,957 to \$128,233 or \$5,595,700 to <u>\$12,823,313</u>	\$67,148 to \$153,880 or \$6,714,800 to <u>\$15,387,975</u>	\$67,148 to \$153,880 or \$6,714,800 to <u>\$15,387,975</u>	\$67,148 to \$153,880 or \$6,714,800 to <u>\$15,387,975</u>
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**SPORTS
 WAGERING**

Revenue - MGC
 §313.1021
 Certificate Holder
 Admin Fee p. 7

\$0	\$260,000	\$260,000	\$260,000
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Revenue - MCG p. 7
 §313.1021
 Certificate Holder
 Reinvestment Fee

\$0	\$0	\$0	\$130,000
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**ESTIMATED NET
 EFFECT TO THE
 SPORTS
 WAGERING
 FUND**

<u>\$0</u>	<u>\$260,000</u>	<u>\$260,000</u>	<u>\$390,000</u>
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<u>FISCAL IMPACT -</u> <u>State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
GAMING COMMISSION FUND (0286)				
<u>Revenue - MGC</u> §313.1006 Initial Application Fee p. 7	\$650,000	\$0	\$0	\$0
<u>Revenue - MGC p.</u> §313.1010 Sports Wagering Platform License App Fee p. 5	\$650,000	\$0	\$0	\$0
<u>Revenue - MGC p.</u> §313.1010 Sports Wagering Platform License Annual Renewal Fee p. 5	\$0	\$260,000	\$260,000	\$260,000
<u>Cost - MGC p. 8</u> Personal Services	(\$119,543)	(\$144,887)	(\$146,335)	(\$149,277)
Fringe Benefits	(\$58,900)	(\$71,157)	(\$71,638)	(\$72,615)
Equipment and Expenses	(\$17,739)	(\$11,874)	(\$12,171)	(\$12,786)
Investigators and auditors to license and regulate sports wagering	(\$598,514)	(\$736,172)	(\$754,577)	(\$792,777)
<u>Total Cost - MGC</u>	<u>(\$794,696)</u>	<u>(\$964,090)</u>	<u>(\$984,721)</u>	<u>(\$1,027,455)</u>
FTE Change - MGC	2 FTE	2 FTE	2 FTE	2 FTE
ESTIMATED NET EFFECT TO THE GAMING COMMISSION FUND	<u>\$505,304</u>	<u>(\$704,090)</u>	<u>(\$724,721)</u>	<u>(\$767,455)</u>

FISCAL IMPACT -
State Government

	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
GAMING COMMISSION FUND (0286) (continued)				

Estimated Net FTE
 Change on the
 Gaming
 Commission Fund

2 FTE	2 FTE	2 FTE	2 FTE
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FISCAL IMPACT -
Local Government

	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
LOCAL HOME DOCKS				

Revenue - 10% of
 the 6.75% tax
 imposed on AGR
 p. 7

\$6,218 to \$14,248 or \$621,800 to \$1,424,813	\$7,461 to \$17,098 or \$746,100 to \$1,709,775	\$7,461 to \$17,098 or \$746,100 to \$1,709,775	\$7,461 to \$17,098 or \$746,100 to \$1,709,775
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**ESTIMATED NET
 EFFECT TO THE
 LOCAL HOME
 DOCKS**

\$6,218 to \$14,248 or \$621,800 to \$1,424,813	\$7,461 to \$17,098 or \$746,100 to \$1,709,775	\$7,461 to \$17,098 or \$746,100 to \$1,709,775	\$7,461 to \$17,098 or \$746,100 to \$1,709,775
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FISCAL IMPACT - Small Business

This legislation could have an impact on small businesses that offer sports wagering.

FISCAL DESCRIPTION

This bill enacts new provisions relating to sport wagering.

The bill modifies the definition of "Games of skill" to include sports wagering (Section 313.800, RSMo).

The bill allows licensed facilities to offer sports wagering in person at the licensed facility or over the internet via an interactive sports wagering platform to persons physically located in this state.

The Missouri Gaming Commission (Commission) shall adopt rules to implement the provisions of the bill and all rules must comply with Chapter 536, RSMo. Rules adopted under this section include the standards and procedures to govern sports wagering conduct, standards for offering internet sports wagering to patrons physically located in Missouri, maintaining and auditing of books and financial records, and standards concerning the detection and prevention of compulsive gambling (Section 313.1003).

A person licensed to operate an excursion gambling boat in this state can apply to the Commission for a certificate of authority to conduct sports wagering. The applicant shall pay an application fee of \$50,000 (Section 313.1006).

Certificate holders shall ensure that the certificate holder's surveillance system covers all areas in which sports wagering is conducted, allow the Commission to be present through gaming agents during the hours sports wagering is conducted, ensure that individuals under the age of 21 are not making sports wagers, provide certain information to sports wagering patrons, and post a sign indicating the minimum and maximum amounts that may be wagered (Section 313.1004).

The Commission must test new sports wagering devices and new forms. Certificate holders shall designate an area within the licensed facility for conducting sports wagering. A certificate holder may contract with up to 3 branded interactive sports wagering platforms to conduct sports wagering at the certificate holder's licensed facility. Sports wagering may be conducted with negotiable currency. A certificate holder will determine the minimum and maximum wagers in sports wagering (Section 313.1008).

An interactive sports wagering platform, as defined, must apply to the Commission for authority to offer sports wagering on behalf of a certificate holder. Such interactive sports wagering platform shall submit an application fee of \$50,000. Each year after licensure, an interactive sports wagering platform shall submit an annual license renewal fee of \$20,000 (Section 313.1010).

FISCAL DESCRIPTION (continued)

A certificate holder must verify that individuals under the age of 21 are not making sports wagers. The Commission shall promulgate rules for a sports wagering self-exclusion program, as described in the bill. The Commission shall also promulgate rules to ensure that advertisements for sports wagering do not target minors or other persons who are ineligible to place wagers, problem gamblers, or other vulnerable persons (Section 313.1012).

The Commission shall conduct background checks on individuals seeking licenses under these sections. Such background checks shall include a search for criminal history and any charges or convictions involving corruption or manipulation of sporting events. The bill provides a list of individuals who are prohibited from engaging in sports wagering, including anyone that owns at least 5% of the sports governing body or member teams. Anyone with at least 5% ownership that places or accepts any wager for a member team is guilty of a class C misdemeanor.

The Commission and certificate holders must cooperate with investigations conducted by law enforcement agencies. A sports governing body may notify the Commission that it desires to restrict, limit, or exclude sports wagers, as defined in the bill, on its sporting events (Section 313.1014).

A certificate holder must maintain records of all bets and wagers placed through an interactive sports wagering platform, and all bets and wagers placed in person that exceed \$10,000 in a 24-hour period, including personally identifiable information of the bettor, the amount and type of bet, the time the bet was placed, the location of the bet, the outcome of the bet, and records of abnormal betting activity for at least three years after the sporting event occurs (Section 313.1016).

A wagering tax of six and three-fourths of one percent is imposed on the adjusted gross receipts received from sports wagering conducted by a certificate holder. Such tax shall be remitted one day prior to the last business day of each month. Revenues received from the tax shall be deposited in the "Gaming Proceeds for Education Fund".

A certificate holder shall also pay to the Commission an annual administrative fee of \$20,000. In addition to such administrative fee, a certificate holder shall pay to the Commission a fee of \$10,000 every five years for a reinvestigation of the certificate holder. Such fees shall be deposited into the newly created "Sports Wagering Fund" (Section 313.1021).

All sports wagers placed under this bill shall be deemed to be initiated, received, and otherwise made on the property of an excursion gambling boat in this state. The intermediate routing of electronic data shall not determine the location or locations in which such wager is initiated,

FISCAL DESCRIPTION (continued)

received, or otherwise made (Section 313.1022).

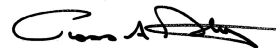
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety -
 Missouri Gaming Commission
 Missouri State Highway Patrol
Department of Revenue
Department of Social Services
Joint Committee on Administrative Rules
Missouri Office of Prosecution Services
Office of Administration - Budget and Planning
Office of State Courts Administrator
Office of Secretary of State
State Public Defender's Office
State Treasurer's Office
State Technical College of Missouri



Julie Morff
Director
February 24, 2020



Ross Strobe
Assistant Director
February 24, 2020