

For Immediate Release

March 29, 2007

SHARING A VIEW OF THE STATE

Issues and Comments – 33rd Senatorial District

Senator

Chuck Purgason

This past week was another long week in the Missouri Senate. On Tuesday the Senate went to Senate Bill 430. This bill would repeal the loss limits on gaming boats that were enacted by the voters back in 1992. The money raised from the elimination of the loss limits would go to raise money for college scholarships for Missouri students. It was an odd combination of gambling opponents and supporters that stalled legislation early Wednesday in a session that lasted until 4:00 in the morning.

Missouri law currently prohibits casino patrons from buying more than \$500 in slot-machine tokens or table-game chips every two hours. SB 430 would remove the loss limit --- resulting in a projected 17 percent revenue increase for casinos --- while imposing an additional 1 percent state tax on the top tier of casino revenues. The bill also would cap the number of casinos in Missouri.

A legislative financial analysis predicts the bill could generate as much as \$113 million annually in additional state casino taxes that would fund new college scholarships for Missouri high school graduates. The sponsor of the bill stated that loss limits don't really work, but it doesn't take a rocket scientist to look at the numbers and see that if lifting the limits results in a revenue increase of 17 percent for casinos then the loss limits do work and they result in many people being limited on the money that they lose.

Missourians approved casino gambling in 1992 for boats along the Mississippi and Missouri rivers. That ballot measure included the \$500 loss limit. In passing that legislation, I believe most people envisioned a riverboat sailing up and down the Mississippi and Missouri rivers with their giant paddle wheels, rolling along on a scenic two-hour cruise taking many back to the days of Tom Sawyer and Huckleberry Finn. Since then the boats have become floating barges built on the river or on the shore with river water circling the building in the fabled "boat in a moat" description.

But casinos — and the Missouri Gaming Commission that oversees them — have lobbied for years to repeal the loss limit on the grounds that it puts Missouri at a competitive disadvantage, especially with neighboring casino states such as Illinois. Supporters of the repeal also argue the loss limits have done little to deter problem gamblers.

Senator Charlie Shields of St. Joseph is pushing the bill more for its educational opportunities. The new Smart Start Scholarships could be used at both public and private colleges. Their amount would be set by the Department of Higher Education based on the number of applicants and the total amount of money available. Senator Shields estimates that each high school graduate could get \$2,000 spread over two years of college.

I have opposed the legislation for several reasons. First of all, I believe that the legislature should not reverse the provisions that the voters approved in 1992.

Second, I think it is bad policy to base access to scholarships on people losing money. The cost of people losing money shows up in our ever-growing social services budget that has to attempt to cover the costs that problem gambling imposes on our families across the state. I remember the testimony of ladies telling how problem gambling has resulted in the destruction of families and has forced these families to rely on the state for their daily needs such as food and shelter. If we think more scholarships are needed to send our kids to college, we need to finance them with our General Revenue fund and not rely on people losing money at casinos.

In all honesty, I don't think the bill has anything to do with scholarships or education. I believe it is more about the gaming industry in the state making deals with politicians to raise money for the next election cycle and the buying of votes and influence in the Missouri Senate.

I welcome your opinions and suggestions. You may reach me at 573-751-1882, e-mail to chuck.purgason@senate.mo.gov, or write to me at the Missouri Senate, State Capitol, Room 420, Jefferson City, MO 65101. If you would like to receive these newsletters electronically, please call or e-mail my office.

#####