



THE STOUFFER REPORT

Senator Bill Stouffer
Capitol Building, Room 332

Senate District 21
Jefferson City, MO 65101

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Missouri Gaming Dollars: Where Do They Go?

Gambling is a popular form of entertainment for some adults. Just driving around the state, you can see casinos dot the landscape. One such casino is located in my district, and it's obvious to see that many are attracted to these places. Various games of chance provided by the Missouri Lottery are another popular gaming activity in our state. The casino industry and Missouri Lottery are highly regulated and controversial; laws have been implemented that direct funds from these forms of entertainment to go back into the state.

In 1991, the Missouri General Assembly adopted a measure which allowed the issue of riverboat gambling to be decided by voters. On November 3, 1992, Missourians approved the measure by a 63 percent majority. November 3, 2006 marked the 14th anniversary of our state's approval of riverboat gambling. According to the Missouri Gaming Commission, the thriving industry currently holds 12 licenses at 11 casinos and employs approximately 10,900 people.

Forty-three states, including the District of Columbia, currently operate a lottery. Missouri voters overwhelmingly approved the Missouri Lottery by passing Amendment 5 on November 6, 1984. The measure repealed a section of our state's constitution prohibiting a lottery, making the Missouri Lottery the 23rd lottery in the nation.

Some may wonder where these gaming dollars go. According to the Missouri Gaming Commission, casino admission fees, totaling \$108 million, support dock cities (such as Boonville) as well as other state agencies.

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Distributions from Fiscal Year 2007 admission fees include: Veterans, \$6 million; National Guard, \$4 million; College Guaranty, \$5 million; Early Childhood Development, \$27.5 million; and the Compulsive Gambler Fund, \$300,000. The adjusted gross receipts tax, which yields nearly \$300 million per year, goes directly into an educational fund. The total state gaming taxes distributed to Missouri schools since 1994 amounts to more than \$2.5 billion.

Lottery funds help support a variety of programs, including early childhood and special education, computer networking, construction of college and university buildings, library acquisitions, and educational scholarships. When the Lottery began in 1986, proceeds from tickets sales went to the Missouri State General Revenue Fund. In August 1992, Missouri voters passed a measure designating proceeds from ticket sales to go toward public education. Through the budget process each year, the Legislature determines how this money will be allocated.

Some would argue the additional funds from gaming did not translate to the same full addition to schools, i.e. the gross and net gains were not equal. It is common for Missourians to think this type of “shell game” resulted in replacing funds allocated from the state’s general revenues with those from gaming. I have also been told by friends in the district that “God won’t bless anything that appears evil.”

If you have any questions or comments about gaming in Missouri or how our state gaming dollars are spent, you can visit www.molottery.com or www.mgc.dps.mo.gov. If you have other questions or comments about any other topic, please call my office toll free (866) 768-3987 or send me an e-mail at bstouffer@senate.mo.gov.

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