COMMITTEE ON LEGISLATIVE RESEARCH OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.:4343-01Bill No.:SB 1176Subject:Higher Education; Gambling.Type:OriginalDate:February 27, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS					
FUND AFFECTED	FY 2003	FY 2004	FY 2005		
General Revenue *	(\$50,000)	\$0	\$0		
Total Estimated Net Effect on <u>All</u> State Funds *	(\$50,000)	\$0	\$0		

* Subject to appropriation.

ESTIMATED NET EFFECT ON FEDERAL FUNDS					
FUND AFFECTED	FY 2003	FY 2004	FY 2005		
None					
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0		

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2003	FY 2004	FY 2005	
Local Government	\$0	\$0	\$0	

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Gaming Commission (GAM)** state this proposal would have no fiscal impact on their agency. GAM states, however, that the proposed legislation directs the university to conduct a comprehensive legal and factual study of gambling in this state. GAM states that it is difficult to imagine that this type of study could be conducted with an appropriation of no more than \$50,000.

In response to similar legislation from last year (SB 485), officials from the **University of Missouri** estimated that a period of eight to twelve months will be required to complete the study. Estimates are based on a recognition of the complexity of gaming, gambling regulation, and problem gambling, and the fact that the impact of gambling on the various levels of government, assessing the relationship between gambling and crime, gambling industry contributions and influences on public policy, and assessing the effectiveness of existing practices as a deterrent cannot be determined in a straightforward, direct manner, but will instead require creative research methods.

Staff:	 Faculty Researcher @ .25 FTE for 8 months Faculty Researcher @ .25 FTE for 6 months Faculty Researcher @ .15 FTE for 8 months Faculty Researcher @ .15 FTE for 6 months Senior Policy Analyst @ .50 FTE for 8 months Junior Policy Analyst @ .50 FTE for 8 months Fringe Benefits for Staff (@ 25% of staff costs) 	\$12,000 9,000 7,200 5,400 19,000 12,000 16,150
Related Expe	nses:	
	Consultants on Addictions, Addictive Behaviors, Compulsive Behaviors	7,500
	Intra-state travel to hold hearings	5,000
	Office equipment and telephone charges	750
	Charges for computer hookups, data sharing, and computer time	2,500
	Graphics, copying, binding, mailing, etc. for 300 copies of final report @ \$7.50 per	2,250
	Total Estimated Costs	\$98,750

ASSUMPTION (continued)

Officials from the **Missouri Lottery Commission** assumes no fiscal impact from this proposed legislation.

In response to a similar proposal from last year, officials from the **Department of Mental Health (DMH)** assumed the study to be conducted by the University of Missouri Public Policy Institute will not be funded from DMH's appropriations, and therefore, assume no fiscal impact from this proposal.

FISCAL IMPACT - State Government			FY 2005
GENERAL REVENUE	(10 Mo.)		
<u>Costs</u> - Study on gambling to be conducted by University of Missouri *	<u>(\$50,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$50,000)</u>	<u>\$0</u>	<u>\$0</u>
* Subject to Appropriation			
FISCAL IMPACT - Local Government	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<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.

DESCRIPTION

RS:LR:OD (12/01)

This proposal authorizes the University of Missouri-Columbia to conduct a comprehensive study of the gambling industry in Missouri, including a study of:

- 1. The economic and societal aspects and effects of gambling;
- 2. The influence of gambling businesses on the regulation of gambling;
- 3. The relationship between gambling and crime; and
- 4. The effectiveness of gambling-related law enforcement and regulatory efforts.

The study director shall hold hearings, administer oaths, take testimony, receive evidence and subpoena witnesses and production of documents. The proposal directs the University to complete the study and file a report by January 31, 2005, and caps the appropriation for the study at \$50,000.

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 Gaming Commission University of Missouri Missouri Lottery Commission Department of Mental Health

Mickey Wilen

Mickey Wilson, CPA Acting Director February 27, 2002

RS:LR:OD (12/01)