

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 151** SLS 18RS 392

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 23, 2018 2:27 PM	<b>Author:</b> MORRISH
<b>Dept./Agy.:</b> Higher Education/TOPS	<b>Analyst:</b> Willis Brewer
<b>Subject:</b> Dedicating gaming revenues to TOPS	

FUNDS/FUNDING OR SEE FISC NOTE GF RV Page 1 of 1  
Requires that any gaming revenues beyond the amounts collected during Fiscal Year 2017-2018 be dedicated to TOPS (8/1/18)

Present law provides for the distribution of gaming proceeds from river boat gaming, casino gaming, slot machine gaming, and video draw poker gaming to various dedications and the general fund.

Proposed law provides that the gaming revenues which exceed the amounts actually collected during FY 18 from river boat gaming, casino gaming, slot machine gaming, and video draw poker gaming, shall be dedicated to the TOPS program.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

The proposed law will have a net zero fiscal impact to state expenditures in the aggregate. However, the bill appears to cap all the statutory dedications that are currently allocated from gaming revenue at the FY 18 amounts. While this does not represent a reduction to these statutory dedications and to the entities that use these funds (Education, Health, Executive Dept., Higher Ed., Attorney General, Public Safety and other local and non-governmental agencies), it does represent a reduction in any growth of these revenues in the future for these entities. This growth is dedicated to the Taylor Opportunity Program for Students (TOPS).

This measure does not "dedicate" funding to the TOPS fund or other statutory dedication, but does require that at gaming revenue in excess of the FY 18 level be used to support the TOPS program, both dedicated and general fund gaming revenue. The source of SGF revenue appropriated to TOPS cannot be distinguished from other SGF monies. To the extent the TOPS program is fully funded, it cannot be determined whether excess gaming revenue is providing the funding. The bill does not provide funding for the TOPS program in excess of projected costs.

**REVENUE EXPLANATION**

Proposed law is not expected to have a fiscal impact on state revenues. The proposed law dedicates gaming revenues that exceed the amounts actually collected in FY 18 to the Taylor Opportunity Program for Students (TOPS). The proposed legislation does not direct revenues into a specific fund, and the LFO assumes that the affected gaming revenues will be appropriated to the Board of Regents as SGF to be used for TOPS.

Based on the the most recent Revenue Estimating Conference (REC) forecast, the five year projection has gaming revenues flat from FY 18 to FY 22 and is less than the FY 17 actual collections. Thus, there is no currently anticipated gaming revenue in excess of FY 18 collections. Should excess collections occur, they would presumably be general fund revenue allocated to TOPS just as current general fund is.

Gaming Revenues (Dollars in millions, REC 12/14/17)

	FY 17 Actual	FY 18*	FY 19*	FY 20*	FY 21*	FY 22*
Riverboat Gaming	\$419.2	\$420.0	\$420.0	\$420.0	\$420.0	\$420.0
Racetrack Slots	\$52.3	\$50.0	\$50.0	\$50.0	\$50.0	\$50.0
Video Draw Poker	\$184.1	\$180.0	\$180.0	\$180.0	\$180.0	\$180.0
Total Gaming	\$655.6	\$650.0	\$650.0	\$650.0	\$650.0	\$650.0

- Senate Dual Referral Rules
- 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
- 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

- House
- 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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