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FISCAL IMPACT REPORT

SPONSOR SFC DATE TYPED 2/15/2004 HB _____

SHORT TITLE Gaming Tax to State Fair Fund SB 587/SFCS

ANALYST Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
		See narrative			

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	(2,400.0)	similar	Recurring	General fund
	2,400.0	Similar	Recurring	State fair capital fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

The Senate Finance Committee (SFC) committee substitute for Senate Bill 587 proposes that 68 percent of gaming tax net receipts attributable to the track at the state fair be distributed to the state fair capital fund, which is created by this bill.

The bill establishes that money in the fund is appropriated to the Department of Finance and Administration for expenditures on capital improvements on the state fair facilities and grounds.

FISCAL IMPLICATIONS

Gaming tax by all operators within the state averages approximately \$26.9 million annually. Based on information from the Gaming Control Board about \$3.5 million of this is from the

track at the state fair. Multiplying \$3.5 million by 68 percent implies a \$2.4 million loss to the state general fund and a \$2.4 million transfer to the state fair capital fund.

The bill provides for an annual appropriation to DFA, which would be equivalent to the transfer to the state fair capital fund for capital improvements at the state fair.

Continuing Appropriations

This bill creates a new fund and provides for continuing appropriations. The LFC objects to including continuing appropriation language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

MFV/prr