



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 1216** HLS 12RS 4119
Bill Text Version: **ENGROSSED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.: HB 717

Date: May 15, 2012	11:22 AM	Author: THOMPSON, J
Dept./Agy.: State Police		
Subject: Dedicate Caddo/Bossier Parish Riverboat Revenue		Analyst: Greg Albrecht

TAX/GAMING EG DECREASE GF RV See Note Page 1 of 1
Dedicates a portion of the state tax on riverboats collected in Bossier and Caddo parishes

The bill dedicates 8% (0.08) of the gaming tax dollars flowing to the state general fund and the Gaming Enforcement Fund from gaming activity on any new riverboats that begin operations in Caddo and Bossier Parishes on or after after July 1, 2012. These monies will be dedicated to a new special fund created by this bill named the Caddo-Bossier Economic Development and Tourism Fund. These monies are to be appropriated annually to the Shreveport-Bossier Sports Commission (45%), the Independence Bowl Foundation (45%), the Greater Bossier Economic Development Foundation (5%), the North Louisiana Economic Partnership (2.5%), and the Northeast Louisiana Economic Alliance (2.5%). Entities receive allocations in the year following the year when revenues were collected, and the special fund balance is sufficient.

The dedication lasts from July 1, 2012 to June 30, 2023, but is not triggered until certain facility investment, size, and employment conditions are met, and until the annual revenue of the Caddo-Bossier boats exceeds the 3-year average of the Caddo-Bossier boats in FY09 - FY11.

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	DECREASE	DECREASE	DECREASE	DECREASE	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	INCREASE	INCREASE	INCREASE	INCREASE	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

This bill dedicates 8% of state general fund receipts and Gaming Enforcement Fund receipts from riverboats that begin operation in Caddo Parish or Bossier Parish on or after July 1, 2012. A new riverboat casino is targeting a May 2013 opening in Bossier Parish (the 6th boat in the market area), but new boats are not added to the state revenue forecast until they are operating and some assessment of overall market activity with the new boat can be made.

The table above depicts the diversion of state general fund receipts to the new special fund created by this bill, the Caddo-Bossier Economic Development and Tourism Fund. That fund would also receive a diversion of receipts from another statutory dedication, the Riverboat Gaming Enforcement Fund. That fund supports gaming regulation and non-gaming related activities of State Police.

It is possible that an additional gaming venue in the Caddo-Bossier market area will incrementally increase that market (inclusive of the existing 5 riverboats and 1 racetrack slot machine facility). However, overall gaming activity is forecast to grow only modestly in FY13 – FY17 (less than 1% per year), and the Shreveport-Bossier market has been flat, at best, for some time with no indications yet of step-ups in activity. Thus, the most likely scenario for the near-term is one where an additional boat adds only marginally to the market, at best, and gaming activity in the new boat is essentially transferred from the existing venues. Thus, the dedication of gaming receipts, even from a new venue, is likely to be a loss to existing state general fund and Gaming Enforcement Fund receipt levels, with a like amount of gain to the new special fund created by the bill. Even incremental growth sufficient to entirely fund this bill’s dedication is a diversion from the two funds that would receive this growth under current law.

Assuming the newest boat meets all the investment, size, and employment conditions, it seems likely that the earliest the bill’s dedication could affect revenues would be FY14. The bill’s provisions are not implemented until a fiscal year’s revenue exceeds the 3-year average of FY09 - FY11 (\$150.2 million). FY12 revenue is likely to be less (about \$141.7 million), and an entire year of revenue would have to be collected in FY13 before this test can be made again.

Senate	Dual Referral Rules	House	
☒ 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		☐ 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	
☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	H. Gordon Monk Legislative Fiscal Officer