

Local Mandate Fiscal Impact Estimate
Kentucky Legislative Research Commission
2015 Regular Session

Part I: Measure Information

Bill Request #: 1118

Bill #: HB 300

Bill Subject/Title: AN ACT proposing an amendment to Section 226 of the Constitution of Kentucky relating to casino gaming.

Sponsor: Representative Greg Stumbo

Unit of Government: City County Urban-County
 Charter County Consolidated Local Unified Local
Government

Office(s) Impacted: County Clerks

Requirement: Mandatory Optional

Effect on

Powers & Duties: Modifies Existing Adds New Eliminates Existing

Part II: Purpose and Mechanics

HB 300 proposes to submit an amendment, allowing casino gaming, to Section 226 of the Kentucky Constitution to the voters for ratification.

If voters ratify the constitutional amendment, up to six casinos statewide in counties with at least 85,000 people could be operated at any given time, with no more than one operated in a congressional district. The establishment of a casino in a specific county would be subject to a local option election.

Oversight of casino gaming would be assigned to the Kentucky Lottery Corporation and a state casino tax would be imposed; with 60% of the revenues directed towards elementary and secondary education, 30% of the revenues directed towards post-secondary education (revenues available when a four-year public university has been established in each congressional district), and 10% of the revenues directed towards racing purses at tracks maintaining at least the minimum number of race days set by the Kentucky Horse Racing Commission.

Local governments would be permitted to assess licensing fees and occupational taxes.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The costs of HB 300 to local governments due to adding a constitutional amendment to a ballot would be minimal.

Section 256 of the Kentucky Constitution specifies that constitutional amendments are only added to the ballot for the general election in even-numbered years (“next general election for members of the House of Representatives”). Therefore the constitutional amendment would be submitted to the voters in November, 2016.

According to Harp Enterprises, a vendor that provides electronic voting machines to 97 Kentucky counties, there are additional programming costs associated with adding a new category to the ballot on an already scheduled statewide election. For example, the cost to add a new category to the ballot for Lexington-Fayette Urban County Government, with 291 precincts, is estimated to be between \$3,000 and \$4,000, and for Franklin County, with 44 precincts, the cost is estimated to be between \$1,250 and \$2,000.

This review does not include an analysis of the fiscal impact on local governments that would occur, including the amount of local licensing fees and occupational tax receipts that could be collected, if the proposed constitutional amendment is adopted and the General Assembly acts in accordance with the constitutional amendment at a future date.

Data Source(s): LRC Staff, Kentucky County Clerk's Association Elections Committee Chair, Harp Enterprises

Preparer: Katherine L. Halloran **Reviewer:** MCY **Date:** 2/6/15