



> **Gambling Forum**

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**State Budgetary Issues with  
Gambling/ Gaming Revenues**

**John Hicks**  
Executive Director

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National Association of State Budget Officers | **NASBO**

Uniqueness of public revenues from gaming

Estimating gaming revenues



## **BUDGETARY ISSUES**

Budgeting the use of gaming revenues

The longer term

# UNIQUENESS OF GAMING REVENUES



Constitutional adoption unlike most state revenues



Dedication intensive  
“I’ll give you some candy if...”

- Special Fund
- General Fund with dedication
- General Fund



Copycat trend – border states and envy

# ESTIMATING GAMING REVENUES



Different than income & sales tax

Regional analysis and border state issues

Volatility – data not as well behaved

Substitution for other gaming products

Target, cap, floor?  
Other meaning?

New casino gaming – tendency to overestimate revenues

## > BUDGETING GAMING REVENUES

Gaming tax and fee revenues in Fiscal 2015 were **\$27.7 billion**, roughly 2.2% of state governments' own revenues

*(The Blinker Report/NASBO data)*



Dedicated uses – initial vs. ongoing revenues

- One-time uses fit with early-stage uncertainty

## Level and type of dedicated uses

- Public education
- Lottery-funded college scholarships
- Local Governments

## Non-dedicated uses in the minority

- General Funds



# BUDGETING GAMING REVENUES

## Supplement and displacement-fungibility

- Sometimes difficult to tell
- Tough fiscal times

## Funding risk issues

- Single funding source programs
- Multiple funding source programs

# THE LONGER TERM



- States behavior determined by the maturity of adoption
  - Plenty of repatriation opportunities

Regional competition

Reliability & Predictability

Sustainability – is it going away?

Shrinking share may be a reality but not considered a big problem

Will there be more?  
Yes



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