

Revenue Estimating Conference
Slot Machine Revenues
January 9, 2018
Executive Summary

The Revenue Estimating Conference reviewed slot machine revenues on January 9, 2018. Tax collections through November for Fiscal Year 2017-18 were down slightly, coming in -\$2.4 million below expectation. The year-to-date loss to the estimate was mostly attributable to temporary closures caused by Hurricane Irma in September, with one facility not expected to reopen until April. Accordingly, the Conference reduced the annual growth rate for Fiscal Year 2017-18 from 1.2% to 0.2%.

After reviewing the year-over-year activity for each individual facility, small positive adjustments were made to the out year growth rates; however, the total annual collections for Fiscal Year 2018-19 through 2020-21 were lower than the prior forecast due to the change in Fiscal Year 2017-18. Annual growth for Fiscal Year 2018-19 was increased from 1.2% to 2.1% while the remaining years of the forecast were adjusted upward by 0.1% for a constant 1.2%.

This forecast does not include any impact from the expansion of the Seminole Hard Rock Casino in Hollywood, expected to be completed no sooner than the latter half of 2019. The introduction of new slot machines at this site is likely to decrease slot machine gaming activity at the pari-mutuel facilities in Broward and Miami-Dade counties to an extent that is presently unknown, lowering state revenues and associated transfers to the Educational Enhancement Trust Fund (EETF). To the extent that the gaming activity shifts to one of the Tribe's facilities, payments made to the state by the Seminole Tribe under the 2010 Compact and deposited into General Revenue will increase, albeit by an amount lower than the direct loss attributable to the pari-mutuel facilities.

The details of the forecast and the changes are shown in the following table.

Slot Machines Tax Collections			
Millions of \$			
	Aug 2017	Jan 2018	Difference
2006-07	48.2	48.2	0.0
2007-08	122.3	122.3	0.0
2008-09	104.1	104.1	0.0
2009-10	136.4	136.4	0.0
2010-11	127.7	127.7	0.0
2011-12	142.7	142.7	0.0
2012-13	142.2	142.2	0.0
2013-14	173.1	173.1	0.0
2014-15	182.2	182.2	0.0
2015-16	187.3	187.3	0.0
2016-17	191.6	191.6	0.0
2017-18	193.9	191.9	-2.0
2018-19	196.3	196.0	-0.3
2019-20	198.5	198.3	-0.2
2020-21	200.6	200.6	-0.1
2021-22	202.8	202.9	0.1
2022-23	205.0	205.3	0.3

Numbers may not add due to rounding.

NOTE: The Fiscal Year 2012-13 revenue of \$142.2 million is based on actual collections received during Fiscal Year 2012-13. Because the state switched from weekly to monthly collections at the end of Fiscal Year 2011-12, the July 2013 collections are made up of only one week of June 2013 revenue. This resulted in a one-time impact lowering the Fiscal Year 2012-13 revenues by approximately three weeks of collections.