

Local Gaming Tax Revenues

The City of Keokuk has historically received between \$400,000 and \$500,000 annually in gaming revenue. These funds have been distributed by the Southeast Iowa Regional Riverboat Commission (SIRRC) for several decades. The origins of the Commission date back to at least 1991, when the Emerald Lady began operations in the port cities of Burlington, Fort Madison, and Keokuk. The SIRRC later became the non-profit license holder for the Catfish Bend Casino, which continues to operate today. The majority of overall gaming revenues are passed through SIRRC to its three sponsoring communities. The Commission is composed of nine members, with three representatives from each of the following organizations: The Keokuk Convention and Tourism Bureau, the Fort Madison SIRRC, and Grow Greater Burlington. For many years, Keokuk's portion of SIRRC revenues was directed to the City's General Fund, supporting core operations.

The usage of Keokuk's portion of SIRRC revenues has changed significantly in the last two budget years, with the funding now being retained by the Keokuk Convention and Tourism Bureau. As a result, the City's gaming revenue has steadily declined: Keokuk received \$470,000 in FY22, \$445,000 in FY2023, \$414,000 in FY2024, \$238,000 in FY2025, and we anticipate receiving approximately \$115,000 in FY2026. The City of Keokuk will receive \$0 in FY2027 and beyond. This change represents a loss of over \$400,000 in annual revenue for the City's General Fund. No expenditure adjustments have yet been made to offset this loss, but it will be a major issue as we prepare the FY2027 budget. This reduction leaves a significant gap that will need to be addressed through careful financial planning and prioritization.

While the City will no longer receive these funds, it's important to note that the \$400,000 in annual gaming revenue remains within the Keokuk community—now under the management of the Keokuk Convention and Tourism Bureau. This presents an opportunity to ensure that these funds are invested strategically for the community's long-term benefit.

For perspective on what our neighboring communities are doing, Burlington directs its share of gaming revenues to Grow Greater Burlington to support economic development efforts, including staffing, land development in the industrial park, and marketing of the 152-acre Certified Economic Development Site at the Iowa Army Ammunition Plant (IAAAP). Fort Madison channels its portion through the Fort Madison Southeast Iowa Regional Riverboat Commission, which includes representatives from the City of Fort Madison, the Fort Madison Area Chamber of Commerce, and the Fort Madison Economic Development Corporation. These funds are used primarily to support local non-profit organizations through grants.

The City of Keokuk looks forward to ongoing communication and transparency from the Keokuk Convention and Tourism Bureau regarding their plans for the \$400,000 in annual funding they now manage. Guidance on how these funds will be administered for the benefit of the Keokuk area will be important moving forward. In the meantime, the City must prepare for the fiscal impact of this revenue loss. Historically, these funds supported economic development initiatives and community organization funding—areas that will likely come under greater scrutiny as we work to balance future budgets.

What comes next: Utility Franchise Fees and Rebates

