



State of Louisiana
Gaming Control Board

KATHLEEN BABINEAUX BLANCO
GOVERNOR

H. CHARLES GUADIN
CHARIMAN

MISSION STATEMENT OF THE
LOUISIANA GAMING CONTROL BOARD

To regulate all gaming activities under its jurisdiction in a manner which instills public confidence and trust that gaming activities are conducted honestly and free from criminal and corruptive elements; to insure the integrity of individual gaming activities by the regulation of persons, practices, associations and activities within the gaming industry.

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**Mr. President, Mr. Speaker and
Members of the Louisiana Legislature**

In accordance with La. R.S. 27:15(B)(9)(b), the Louisiana Gaming Control Board submits its tenth annual report. These statistics reflect the status of gaming as it existed on June 30, 2006. The revenue from all sources is detailed with comparison to other states with similar forms of gaming. The report also details economic data in terms of employment, purchasing and local assistance.

Riverboat gaming was the dominant area of gaming activity. Total adjusted gross revenue for fiscal year 2005-06 was \$1,835,928,931, with \$394,478,764 in fees to the state. This was an increase from 2004-05 of \$59,283,847 in fees to the state.

The Shreveport – Bossier area continued to be the strongest market in the state. Adjusted gross revenue for fiscal year 2005-06 was \$727,260,569, an increase of slightly over \$10 million dollars from fiscal year 2004-05. This is largely due to the increase in population immediately following Hurricane Katrina. Prior to the hurricane, there had been a steady decline in this area, which is largely dependent on the Dallas - Fort Worth market, due to Indian Casinos in Oklahoma. This region provides nearly half of all riverboat revenue to the state. Isle of Capri-Bossier City sold its ownership interest to Legend's Gaming and is doing business as DiamondJacks Casino & Resort.

The Lake Charles riverboat market reflected an increase in adjusted gross revenue for fiscal year 2005-2006 of \$116,034,517. L'auberge du Lac, the number one revenue producing riverboat casino in the state, has significantly impacted the Lake Charles casino market. Harrah's Entertainment sold its ownership interests in its Lake Charles casinos to Pinnacle Entertainment, Inc. Sugarcane Bay, formerly, Harrah's Pride, is in development and will be relocated next to L'auberge du Lac. Pinnacle has requested to relocate the berth site of PNK (Baton Rouge) formerly Harrah's Star, from Lake Charles to Baton Rouge.

Adjusted gross revenue in 2005-06 rose by \$74,001,664 in the Baton Rouge market due to the population increase following Hurricane Katrina.

The New Orleans market also had an increase in adjusted gross revenue of \$59,495,862 for fiscal year 2005-06. This is due in large part to the influx of workers rebuilding in the area. Amelia Belle Casino, formerly the Belle of Orleans (Bally's), was granted a change of berth to St. Mary

Parish and is anticipated to open in late spring.

The landbased casino in New Orleans reopened on February 16, 2006, after being closed nearly six months due to Hurricane Katrina. Gross gaming revenue for FY 2005-06 decreased \$140,823,072 from fiscal year 2004-05, with a decrease in fees paid to the state of \$10,357,244. In addition, construction was completed and Harrah's opened its hotel in September, 2006.

Slot machines are in operation at three of the four licensed racing facilities. Delta Downs, Harrah's Louisiana Downs and Evangeline Downs combined contributed \$53,030,967 in state fees during fiscal year 2005-06. Churchill Downs Louisiana Horseracing Company in New Orleans will be petitioning the Gaming Control Board to open a temporary facility while construction begins on the permanent site.

Video poker produced an 18 percent increase in franchise fees paid to the state in fiscal year 2005-06 compared to fiscal year 2004-05. The number of locations of bars, restaurants and hotels decreased as a result of the hurricanes, but off-track betting stations and truckstops remained nearly the same. There were a total of 13,571 video gaming devices in play at 2,276 establishments.

This report contains limited statistical information on one of the three Indian-owned casinos. The tribes are neither required to pay any fee directly to the State nor are they required to provide the Gaming Control Board with any financial figures. All of the tribes make contributions to local governments in their respective locations. The Board does wish to acknowledge the Chitimacha Tribe for its continued cooperation in voluntarily providing the information shown in this and previous reports.

In summary, the landbased casino closed for nearly six months, three riverboat casinos remain closed, and there were 475 fewer video poker establishments during fiscal year 2005-06 than in 2004-05. Despite all of this, the gaming industry not only recovered from Hurricanes Katrina and Rita, but produced increases in franchise fees and taxes to the state during fiscal year 2005-06 totaling \$85,107,696.

Respectfully submitted:

H. Charles Gaudin, Chairman
Robert M. Fleming, Vice-Chairman
James G. Boyer, Secretary/Treasurer
William D. Lastrapes
Claude Mercer
Marcia D. Morgan
Rupert R. Richardson
M.J. "Kelly" Simoneaux
Colonel Henry Whitehorn
Secretary Cynthia Bridges



ATTORNEY GENERAL'S GAMING DIVISION

Charles C. Foti, Jr., Attorney General
Kerry Kissel, Director
Leonce Gautreaux, Deputy Director
Tom Warner, Senior Counsel
L. Rand Dennis, Senior Counsel

Section Chiefs

Deborah McCrocklin, Licensing, Compliance and Corporate
Rand Dennis, Litigation and Adjudication
Tom Warner, General Gaming

LOUISIANA STATE POLICE GAMING ENFORCEMENT DIVISION

Colonel Henry Whitehorn, Superintendent
Lt. Colonel Dane Morgan, Deputy Superintendent, Investigations
Major Genny May, Commander, Gaming Enforcement Division
Captain Michael Noel, Gaming Licensing Section
Captain Joseph Lentini, Gaming Enforcement Section
Susan Demouy, Director, Gaming Enforcement Audit Section

Lt. Rhett Trahan, Gaming Enforcement Section
(*Presently Vacant*), Gaming Enforcement Section, Executive Officer/Administration/Operations
Lt. Jesse Perry, Gaming Enforcement Section, Indian
Lt. Leland Falcon, Gaming Licensing Section



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Department of Justice, Office of the Attorney General, Gaming Division

Ann B. Dugas, Paralegal
Tom Warner, Senior Counsel
James A. Smith, Assistant Attorney General, Indian Gaming

Louisiana State Police

Susan Demouy, Audit Director
Charlotte McGarr, Audit Manager
Jeff Traylor, Audit Manager
Janice Adolph, Audit Supervisor
Donna Jackson, Corporate Securities Audit Supervisor
Robert Tucker, Jr., Accounting Specialist Supervisor
Donna Stevens, Accountant III

Louisiana Casino Association

Vickie Duty, Executive Assistant
Wade Duty, Executive Director

Riverboat
