

Louisiana Gaming Control Board



**Report to the
Louisiana State Legislature**

2002 – 2003



State of Louisiana
Gaming Control Board

M. J. "MIKE" FOSTER, JR.
GOVERNOR

HILLARY J. CRAIN
CHAIRMAN

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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State of Louisiana
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M. J. "MIKE" FOSTER, JR.
GOVERNOR

HILLARY J. CRAIN
CHARIMAN

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

In compliance with La. R.S. 27:15(B)(9)(b), the Louisiana Gaming Control Board herewith submits its annual report. This document, the sixth, is an attempt to capture the status of gaming elements as they currently exist in the State of Louisiana.

While locations of gaming activities have remained fairly constant, the ownership and organizational structure has changed drastically. During the six years of its existence, the Louisiana Gaming Control Board has overseen numerous changes in ownership of riverboats and the landbased casino, the demise of video poker in many parishes and the inception and development of "slots at tracks." The revenue streams from all sources are detailed with comparison made to all other states having like forms of gaming. The report further details economic data in terms of employment, purchasing volumes, and local assistance. The information is simple to follow and enables comparisons to be made from year to year.

Despite the impact of "9-11", and the ensuing economic slide in the national economy, the gaming industry in Louisiana has sustained relatively level income.

A review of the tables reflecting the video poker element indicates that despite activity in fewer parishes, the income has increased. This condition is directly attributable to the steady increase in the number of truckstops where most of the machines are located.

The riverboat casinos' segment has been radically altered by changes in ownership in all four locations and the abolishment of sailing requirements. The New Orleans area has experienced closures, ownership changes, and movement to other cities.

Lake Charles operations have changed through ownership changes. There has also been expansion of amenities, which will take on a new dimension with development of the fifteenth (and last) riverboat. This particular area is struggling to sustain or grow its market mainly because of the proximity of an Indian casino and the opening of a race track that offers slot machine gaming.

In Baton Rouge, the two facilities have undergone ownership changes and are locked in steady competition for market share. They are attempting to retain volume by strong promotional activities, and increases in amenities, including the construction of a hotel.

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

The Shreveport-Bossier area, the most prolific provider of income to the state, has also seen its share of ownership changes. Competition has spurred the increase in amenities which are providing additional landbased enterprises such as hotels, restaurants and shopping venues which are tangible assets separate and apart from gaming. Looking to increase its share of the market, Harrah's has recently purchased and will operate the Louisiana Downs racetrack.

In New Orleans, the landbased casino has also undergone a change in ownership. Harrah's Entertainment, Inc., through its affiliated interests, has assumed complete ownership of the facility. Its revenues appear to be steady and internal management decisions appear to assure profitability. Ownership is planning for future development which could include an adjacent hotel and development of the second floor.

At this point, we make brief mention of Indian gaming. There are three Indian casinos in the state and there appears to be ongoing effort by the Jena Choctaw Tribe to operate a fourth facility in Louisiana. The regulatory authority of the Indian Casinos that is permitted is statutorily placed in the Board. However, the reality is the Board has no real authority. The Board does not have the access necessary to regulate, the legal means to enforce access, nor the jurisdiction to act even if access were secured. State Police maintains a presence that is more illusory than real. They can perform employee permit checks which are more benefit to the operation of the casino by the Indians than to the general public. It provides a service to the Indians that, without State Police they would have to perform themselves for the protection of their enterprise.

The Indian casinos are basically self regulated. The limited State Police presence is misleading to the public, creating the impression that the Indian casinos are subject to the same regulatory scrutiny as other gaming enterprises in the state. They are not.

Economically, from the state's perspective, there can be no worse form of gaming than Indian gaming. With other gaming taking place in the state, Federal law will never allow any sort of levy or agreed contributions to the state that will equal the tax rate on state licensed gaming. The study commissioned by the Board strongly indicated that gaming provides an economic benefit only where there are new dollars gambled (dollars from other than residents) that are taxed at the rates levied by the state. Since the state cannot tax the Indian casinos, the state ends up with all the negatives of gaming with none of the positives.

It is assumed that the Indians themselves benefit, but relative to the state population, those numbers are small.

The final piece of the gaming picture is "slots at tracks." The purchase of Louisiana Downs by Harrah's, and the execution of a land purchase (in St. Landry Parish) by the Evangeline Downs ownership and their licensing means these enterprises will soon join the presently operating Delta Downs in Calcasieu Parish. This facility is now fully operational and meeting its expectations. Although there is a small increase in the overall Lake Charles market, it is not sufficient to offset the substantial revenue loss by the Lake Charles riverboats as a result of the racetrack slots.

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

After the operation of Delta Downs for a year a warning must be given the legislature with reference to general fund revenues. The slots at the tracks are taxed at a lower rate than riverboats, the landbased casino and video poker. Additionally, the tax is levied on 18% less gross revenue than those entities since the first 18% of gross win goes to horse racing related endeavors. The state taxes the remainder. Once the tax proceeds reach the general fund there are designations that must be paid such as payout into the boll weevil eradication fund.

Taking into consideration the above factors we estimate there will be substantially less funds for the general fund budget than would be available on the same amount of revenue generated by the riverboats.

Additionally, the Lake Charles riverboat market will show a decline in revenue of approximately 12% directly attributable to the racetrack slot operation. That will mean a direct loss to the state general fund and the SELF fund. We will have the exact figures at the end of February.

The statute creating the Board directs that a portion of the annual report make some budgetary observations. The operating budget is approximately \$1,200,000. Statutory mandates such as fixed salaries and per diem for board members and expenses related to the hearing office constitute approximately 80% of our appropriations. Thus, there is little room for flexibility in meeting situations requiring additional board meetings, and unanticipated increases in appeals for consideration by the hearing office. In addition, we are operating with the same number of personnel today that we had at the beginning, even though we have added riverboats and are now responsible for slots at racetracks. Three additional positions that were approved were eliminated before they were filled. With the gaming industry constantly in a state of flux, the Board must be in a position to react quickly to maintain the balance of public protection and economic development. Each successive administration must be mindful of this when making budgeting decisions.

Respectfully submitted:

**Hillary J. Chairman, Chairman
Robert M. Fleming, Vice-Chairman
James G. Boyer, Secretary/Treasurer
Gen. Sherian G. Cadoria
Dennis R. Kinchen
William D. Lastrapes
Marcia D. Morgan
Rupert R. Richardson
M.J. "Kelly" Simoneaux
Cynthia Bridges
Col. Terry C. Landry**



LOUISIANA STATE POLICE GAMING ENFORCEMENT DIVISION

Lt. Col. Henry Whitehorn, Deputy Superintendent, Investigations
Major Russell Robinson, Commander
Captain Genny May, General Gaming Section
Captain Dane Morgan, Casino Gaming Section
Susan Demouy, Director, Audit Section

Lt. George Dean, Casino Gaming Section, Administrative
Lt. Scott Reggio, Casino Gaming Section, Operations
Lt. Marcal Poullard, Casino Gaming Section, Indian Enforcement
Lt Jules Pinero, Video Gaming Unit
Lt. Rick Chargois, Suitability Unit

ATTORNEY GENERAL'S GAMING DIVISION

William J. Quinlan, Jr., Director
Billie J. Larry, Deputy Director
Tom Warner, Budget Officer
L. Rand Dennis, General Counsel

Section Chiefs

Anne L. Neeb, Landbased Casino
Melinda Tucker, Racetrack Gaming
Leonce Gautreaux, Licensing and Compliance
Michael Daniels, Adjudications
James A. Smith, General Gaming/Indian



ACKNOWLEDGMENTS

The Board wishes to acknowledge those who made special contributions to the preparation of this report:

Department of Justice, Gaming Division

Tom Warner, Budget Officer
James A. Smith, General Gaming /Indian
Le'Anne H. Mainar, Assistant Attorney General
Ann B. Dugas, Paralegal

Department of Justice, MIS Section

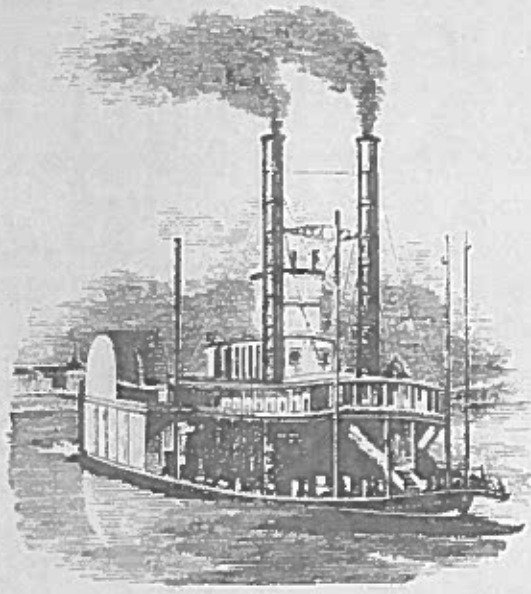
Connie O. Vaughn, MIS Specialist

Louisiana State Police

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

Casino Association of Louisiana

Wade Duty, Executive Director



Riverboat



**LOUISIANA STATE POLICE
 RIVERBOAT GAMING FISCAL YEAR-TO-DATE ACTIVITY SUMMARY
 FOR FY 2001 - 2002**

Licensee	Location	Date of		Admissions	Total AGR	Fee Remittance
		Commencement				
Belle of Orleans, L.L.C.	Park Place Entertainment Bally's Casino-New Orleans	07/07/95		1,404,345	\$ 64,719,368	\$ 12,217,326
PNK (Bossier City), Inc.	Boomtown-Bossier City	10/04/96		2,410,421	106,744,594	21,059,225
Catfish Queen Partnership in Commandam	Argosy Casino- Baton Rouge	09/30/94		1,272,695	78,136,392	16,799,324
Grand Palais Riverboat, Inc.	Isle of Capri-Westlake	07/12/96		2,378,239	150,485,742	32,354,435
Harrah's Lake Charles, L.L.C.	Harrah's-Lake Charles	12/08/93		1,956,652	89,831,798	19,313,837
Harrah's Star Partnership	Harrah's-Lake Charles	10/24/93		1,434,180	71,172,102	15,302,002
Hollywood Casino Shreveport	Hollywood Casino - Shreveport	12/20/00		4,640,624	148,007,225	29,234,873
Horseshoe Entertainment, L.L.P.	Horseshoe-Bossier City	07/09/94		3,417,255	256,046,556	50,597,619
PNK (Harvey), L.P.	Boomtown Casino-Harvey	08/06/94		2,190,636	104,204,095	22,403,880
Louisiana Casino Cruises, Inc	Casino Rouge-Baton Rouge	12/28/94		1,585,744	96,917,431	20,837,248
Louisiana Riverboat Gaming Partnership	Isle of Capri-Bossier City	05/20/94		1,890,251	121,269,238	23,951,856
Red River Entertainment of Shreveport Partnership in Commandam	Harrah's-Shreveport	04/18/94		3,532,673	187,437,783	37,014,344
St. Charles Gaming Company, Inc.	Isle of Capri-Westlake	07/29/95		1,252,487	47,852,841	10,288,361
Treasure Chest Casino, L.L.C	Treasure Chest-Kenner	09/05/94		1,651,531	112,482,920	24,183,828
TOTAL				31,017,733	\$ 1,635,308,085	\$ 335,558,158

Source: LOUISIANA STATE POLICE (Casino Gaming Division)



LOUISIANA RIVERBOAT CASINO
INDUSTRY ECONOMIC IMPACT FIGURES FY 2001 - 02

License Location Start Date	Bally's New Orleans July - 95	Argosy Baton Rouge Aug. - 94	Boomtown Harvey Aug. - 94	Boomtown Bossier City Oct. - 96	Casino Rouge Baton Rouge Dec. - 94	Harrah's Lake Charles Dec. - 93	Harrah's Star Lake Charles Dec. - 93	Hollywood Shreveport Dec. - 00
State franchise (18.5 to 21.5) (5)	12,217,326	16,799,324	22,403,880	21,059,225	20,837,248	19,313,837	15,302,002	29,234,873
Local fees	7,121,537	3,181,740	6,252,246	5,766,093	3,982,610	3,941,076	3,083,928	5,602,789
Property taxes	1,136,501	553,185	825,726	2,239,902	660,795	1,072,468	839,216	790,093
Payroll (includes tips)	20,790,647	16,900,427	23,693,553	26,834,803	22,987,974	15,218,858	12,057,624	38,075,002
Benefits (1)	5,405,568	4,312,596	6,160,324	4,646,315	5,976,873	3,956,903	3,134,982	4,728,068
Employment (F/T)	745	587	1,076	1,131	855	642	509	1,717
Employment (fres)	612	623	999	980	873	694	550	1,379
Procurement (total (2))	11,775,318	45,265,095	35,371,271	53,660,417	17,449,085	49,717,793	15,074,040	41,962,720
Minority	2,603,304	211,428	2,432,626	2,265,091	225,828	1,049,872	1,301,161	9,704,092
Woman	1,294,300	1,834,121	7,035,635	6,034,836	1,572,325	1,263,914	1,596,837	11,708,790
Capital investments/improvements 2001-2002	242,419	962,329	6,911,894	9,513,958	4,095,925	877,520	695,244	1,536,274
Capital investments/improvements cumulative	68,855,258	64,973,369	99,340,151	116,313,958	72,385,981	176,077,520	44,495,244	191,574,335
Charitable contributions 2001-2002	105,989	43,381	280,801	359,337	245,050	91,005	58,138	134,866
Charitable contributions cumulative	671,989	396,200	1,201,619	1,706,555	1,856,856	316,057	234,964	219,144
Development plans	0	0	1,000,000	13,554,736	2,500,000	0	0	0
Admissions	1,404,345	1,272,695	2,190,636	2,410,421	1,585,744	3,391,765	1,953,425	4,640,624
Approximation of Visitors (3)	20%	5%	5%	57%	13.50%	70%	70%	68%
Estimate of visitors	280,869	63,634	109,531	1,373,939	237,861	1,302,283	958,893	3,155,624
Visitors spending (4)	14,043,450	3,181,737	5,476,590	68,696,998	11,893,080	65,114,167	47,944,667	157,781,200

(1) Estimated, from previous studies, to be 26% of payroll.

(2) Includes gaming exempt expenditures.

(3) Percentage of patrons who originate from more than 150 miles or from another state.

(4) Studies indicate a visitor spends up to \$150/day on meals, lodging, transportation and retail. For the purpose of this survey, the Casino Association conservatively calculates a visitor spends \$50/day.

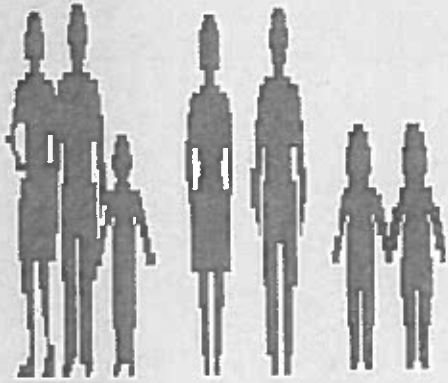
(5) Effective 4-01-01 the Red River licensees' franchise fee increased to 19.5% and will increase to 21.5%. The franchise fee for all other vessels increased to 21.5% on 4-01-01.



LOUISIANA GAMING CONTROL BOARD
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License Location Start Date	Horseshoe Bossier City July - 94	Harrah's Shreveport Apr. - 94	Isle of Capri Bossier City May - 94	Isle/Grand Palais West Lake July - 96	Isle/St. Charles West Lake July - 95	Treasure Chest Kenner Sept. - 94	Totals
State franchise (18.5 to 21.5) (5)	50,597,619	37,014,344	23,951,856	32,354,435	10,288,361	24,183,828	335,558,158
Local fees	9,413,441	8,904,854	3,789,663	6,953,036	2,878,792	7,421,094	78,292,899
Property taxes	4,187,440	2,817,331	1,582,255	386,002	1,649,295	470,785	19,210,994
Payroll(includes tips)	68,650,351	37,555,683	18,212,006	18,242,496	22,036,051	27,054,998	368,270,473
Benefits (1)	18,041,142	15,230,340	7,590,678	5,582,573	8,491,674	7,813,666	101,071,702
Employment (F/T)	2,595	1,544	1,289	463	706	871	14,730
Employment (ftes)	2,181	1,363	1,123	605	921	980	13,883
Procurement (total (2))	50,724,212	21,425,387	38,525,382	3,574,823	21,050,017	49,123,541	454,699,101
Minority	20,350,913	5,321,244	2,265,813	518,084	1,346,970	2,289,085	51,885,511
Woman	20,500,055	4,158,367	3,196,612	175,373	2,356,306	4,462,793	67,190,264
Capital investments/improvements 2001-2002	4,784,697	2,658,374	5,536,737	1,329,357	1,400,358	2,298,799	42,843,885
Capital investments/improvements cumulative	207,003,443	238,957,220	132,713,329	33,198,490	116,853,509	138,008,620	1,700,750,427
Charitable contributions 2001-2002	726,474	233,347	352,777	108,138	108,138	176,865	3,024,306
Charitable contributions cumulative	4,297,721	3,880,106	2,719,301	520,786	2,454,065	1,845,110	22,320,473
Development plans	0-	0-	51,300,000	5,450,000	2,050,000	3,500,000	79,354,736
Admissions	3,417,255	3,532,637	1,890,251	2,378,239	1,252,487	1,615,531	32,936,055
Approximation of Visitors (3)	75%	75%	74%	87%	87%	12.80%	53.05%
Estimate of visitors	2,562,941	2,663,635	1,398,785	2,069,067	1,089,663	206,787	17,473,512
Visitors spending (4)	128,147,062	133,181,772	69,939,287	103,453,396	54,483,184	10,339,398	873,675,988

(1) Estimated, from previous studies, to be 26% of payroll.
 (2) Includes gaming exempt expenditures.
 (3) Percentage of patrons who originate from more than 150 miles or from another state.
 (4) Studies indicate a visitor spends up to \$150/day on meals, lodging, transportation and retail. For the purpose of this survey, the Casino Association conservatively calculates a visitor spends \$50/day.
 (5) Effective 4-01-01 the Red River licensees' franchise fee increased to 19.5%, increased to 20.5% on 4-01-02 and will increase to 21.5% on 4-01-03. The franchise fee for all other vessels increased to 21.5% on 4-01-01.



Demographic Information



LOUISIANA GAMING CONTROL BOARD
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RIVERBOAT GAMING FY 2001 - 02

LICENSEE	LOCATION	TOTAL PAYROLL					
		Total Payroll**	Total Employed*	L.a. Residents*	Minorities*	Female*	
Belle of Orleans, L.L.C.	Park Place Entertainment Bally's Casino -- New Orleans	\$ 16,862,858	707	699	547	400	
PNK (Bossier City), Inc. (previously Casino Magic of Louisiana, Corp.)	Boomtown-Bossier City	35,706,786	1162	1101	850	697	
Catfish Queen Partnership in Commendam	Argosy Casino-Baton Rouge	19,736,949	767	758	445	416	
Grand Palais Riverboat, Inc.	Isle of Capri-Westlake	18,230,455	598	562	272	367	
Harrah's Lake Charles, L.L.C.	Harrah's-Lake Charles	22,703,051	822	806	427	481	
Harrah's Star Partnership	Harrah's-Lake Charles	18,042,071	671	658	348	394	
Hollywood Casino Shreveport	Hollywood Casino-Shreveport	41,342,743	1823	1804	1241	1096	
Horseshoe Entertainment, L.L.P.	Horseshoe-Bossier City	81,274,905	2572	2532	1599	1516	
PNK (Harvey), L.P. (previously Louisiana 1 Gaming Partnership in Commendam)	Boomtown Casino-Harvey	26,169,783	1102	1096	611	685	
Louisiana Casino Cruises, Inc.	Casino Rouge-Baton Rouge	22,987,974	896	891	502	459	
Louisiana Riverboat Gaming Partnership	Isle of Capri-Bossier City	36,798,955	1275	1258	855	778	
Red River Entertainment of Shreveport Partnership in Commendam	Harrah's-Shreveport	45,139,032	1731	1697	1121	1066	
St. Charles Gaming Company, Inc.	Isle of Capri-Westlake	27,730,418	1323	1292	721	747	
Treasure Chest Casino, L.L.C.	Treasure Chest-Kenner	37,174,598	1143	1137	494	568	
TOTAL		\$ 449,900,578	16,592	16,291	10,033	9,670	

* Averages over FY 01-02

** Including benefits



LOUISIANA GAMING CONTROL BOARD
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RIVERBOAT GAMING FY 2001 - 02

LICENSEE	LOCATION	TOTAL PROCUREMENT		
		Louisiana Owned	Minorities	Female
Belle of Orleans, L.L.C.	Park Place Entertainment Bally's Casino - New Orleans	\$ 5,625,082	\$ 2,603,304	\$ 1,294,300
PNK (Bossier City), Inc. (previously Casino Magic of Louisiana, Corp.)	Boomtown-Bossier City	18,586,400	2,671,184	6,235,406
Catfish Queen Partnership in Commendam	Argosy Casino-Baton Rouge	7,122,727	211,428	1,834,121
Grand Palais Riverboat, Inc.	Isle of Capri-Westlake	2,220,006	518,084	175,373
Harrah's Lake Charles, L.L.C.	Harrah's-Lake Charles	7,001,664	1,042,537	1,263,914
Harrah's Star Partnership	Harrah's-Lake Charles	8,687,142	1,301,161	1,596,837
Hollywood Casino Shreveport	Hollywood Casino-Shreveport	20,846,875	9,704,092	11,708,790
Horseshoe Entertainment, L.L.P.	Horseshoe-Bossier City	34,878,876	20,350,914	20,500,054
PNK (Harvey), L.P.(previously Louisiana I Gaming Partnership in Commendam)	Boomtown Casino-Harvey	19,647,201	2,449,710	7,276,840
Louisiana Casino Cruises, Inc.	Casino Rouge-Baton Rouge	11,697,667	323,124	1,608,564
Louisiana Riverboat Gaming Partnership	Isle of Capri-Bossier City	10,740,950	2,327,246	3,394,186
Red River Entertainment of Shreveport Partnership in Commendam	Harrah's-Shreveport	27,459,577	9,253,682	15,080,178
St. Charles Gaming Company, Inc.	Isle of Capri-Westlake	12,169,109	1,346,970	2,356,306
Treasure Chest Casino, L.L.C.	Treasure Chest-Kenner	9,911,245	1,880,485	4,092,815
TOTAL		\$ 196,594,521	\$ 55,983,921	\$ 78,417,684



*Other States
Riverboats*



RIVERBOAT SELECT DATA COMPARISON - OTHER STATES

	Illinois FY 2002	Indiana CY 2001	Iowa FY 2002	Missouri FY 2002	Mississippi FY 2002	Louisiana FY 2002
Number of Vessels	9	10	10	11	30	14
Casino Type	Dockside	Dockside	Cruise	Dockside	Dockside	Dockside
AGR	\$ 1,833,861,006	\$1,841,841,833	\$ 645,226,917	\$ 1,212,125,485	\$ 2,727,448,025	\$ 1,635,308,084
State Gaming Taxes	\$ 460,543,984	\$ 313,612,397	\$ 116,457,431	\$ 218,182,587	\$ 164,721,939	\$ 335,558,157
Local Taxes or Fees	\$ 110,827,131	\$ 179,009,157	\$ 6,452,272	\$ 24,242,510	\$ 109,372,690	\$ 75,291,486
Total Employees	11,316	15,968	6,636	10,685	36,068	16,592
Total Square Footage	266,082	496,490	217,348	526,900	1,475,287	392,551
Total Admissions	19,134,081	41,373,160	13,156,056	48,849,973	55,579,665	32,936,055
State Gaming Tax Rate:	% of AGR Graduated 15% 0 to \$25 mil 20% \$25 to \$50 M 25% \$50 to \$75 M 30% \$75 to \$100 M 35% over \$ 100 M & \$2.00 per admission	20 % of AGR & \$ 3.00 per admission These figures represent revenues received by state and local agencies from information provided, although Indiana reports revenues based on the tax or fee source only.	5% on first one million of AGR 10% on the next two million of AGR 20% on revenues exceeding three million of AGR	20% of AGR & \$ 2.00 per admission (\$ 1.00 to state and \$1.00 to local government.) NOTE - In addition, riverboat casinos reimburse gaming regulatory agencies approximately \$ 6 million a year.	8% of AGR & 4% to local governments Mississippi does not track, tax or charge admission. Patron data is gathered through a quarterly survey.	Red River area licensees pay: 19.5% b/w 4/1/01 & 3/31/02 20.5 % b/w 4/1/02 and 3/31/03 21.5 % on & after 4/1/03 Bally's pays: 18.5 % for months AGR is less than \$ 6 M 20.5 % for months AGR is b/w \$ 6M & \$ 8 M 21.5 % for months AGR is greater than \$ 8 M All other licensees pay 21.5 % effective 4/1/01

AGR = ADJUSTED GROSS REVENUE



ILLINOIS GAMING BOARD

101 West Jefferson
 Springfield, Illinois 62702
 Phone: 217/524-0226

Budget Officer: Rick Larison
RIVERBOAT GAMING

ILLINOIS DEPARTMENT OF REVENUE

101 West Jefferson
 Springfield, Illinois 62702
 Phone: 217/782-7288

Budget Officer: David Hunt
CHARITABLE GAMES/BINGO

The following data reflects employment and budgetary information for Riverboat Gaming, which is regulated by the Illinois Gaming Board and Charitable Bingo, which is regulated by the Illinois Department of Revenue. The data sources are the Illinois Gaming Board's fiscal year end report and the Illinois Department of Revenue's budget office.

TOTAL OPERATING BUDGET

Riverboat Gaming FY 02	\$ 12.9 million
Estimated FY 03	\$ 15.4 million
Charitable Games/Bingo FY 02	\$ 1.8 million
Estimated FY 03	\$ 1.8 million

SOURCE OF FUNDING

Riverboat Gaming: Operating budget is appropriated by the Illinois State Legislature from the State Gaming Fund.

Charitable Games/Bingo: Operating budget is allocated from a self-supporting special fund generated by investigative and licensing fees.

EXPENDITURES ON SALARIES

Riverboat Gaming: The Illinois Gaming Board has a cooperative relationship with the Illinois State Police. State Police Officers or revenue agents are required to be stationed onboard the riverboats. Their salaries are not included below.

Total Personal Services - FY 02	\$ 4.9 million
Estimated FY 03	\$ 5.7 million
Charitable Games/Bingo:	
Total Personal Services - FY 03	\$ 1.4 million
Estimated FY 03	\$ 1.3 million

ALLOCATION OF EMPLOYEES

Riverboat Gaming	82
Illinois State Police	62
Charitable Games/Bingo	20

ALLOCATION BY DEPARTMENTS

Riverboat Gaming: Law Enforcement	97
Administration	42
Attorneys	5
Charitable Games/Bingo	Not Available



INDIANA GAMING COMMISSION

South Tower, Suite 950
 115 W. Washington Street
 Indianapolis, Indiana 46204-3408
 Phone: 317/ 233-0046

Executive Director: Glenn Lawrence
 Controller: Kendra Nig

The following data reflects employment, budgetary and regulatory information for the Indiana Gaming Commission. The data source is the 2002 Indiana Gaming Commission Summary of Appropriations.

COMMISSION OPERATING BUDGET

FY 2002	\$ 2,827,009
FY 2003	\$ 2,827,009
FY 2004	\$ 2,827,009

INDIANA STATE POLICE BACKGROUND INVESTIGATIVE UNIT (BIU) OPERATING BUDGET

FY 2002	\$ 1,383,030
FY 2003	\$ 1,383,030
FY 2004	\$ 1,383,030

SOURCES OF FUNDING

The Indiana Gaming Commission's funding is appropriated from Wagering Taxes.

EXPENDITURES ON SALARIES

The Indiana Gaming Commission has a cooperative relationship with the Indiana State Police which provides enforcement and regulatory checks at gaming installations. Salary expenditures are as follows:

SALARIES EXPENDITURE (BUDGETED) - INDIANA GAMING COMMISSION

FY 2002	\$ 1,859,555
FY 2003	\$ 1,859,555
FY 2004	\$ 2,111,179

SALARIES EXPENDITURE (BUDGETED) - INDIANA STATE POLICE (BIU)

FY 2002	\$ 916,000
FY 2003	\$ 916,000
FY 2004	\$ 915,000

ALLOCATION OF EMPLOYEES

Indiana Gaming Commission	31
Indiana State Police (BIU)	18



IOWA RACING AND GAMING COMMISSION

Administrator: Jack Ketterer

Non-Indian Gaming
717 East Court Ave., Suite B
Des Moines, Iowa 50309
Phone: 515/281-7352

The following data reflects employment and budgetary information for the Iowa Racing and Gaming Commission which regulates Riverboat Gaming and Pari-mutuel Track Racing. The data source is the Iowa Racing and Gaming Commission's Riverboat Revenue Report.

TOTAL OPERATING BUDGET

Riverboat Gaming FY 02 \$ 1,602,611

SOURCE OF FUNDING

The Riverboat Gaming Operations budget is allocated from the State General Fund. However, riverboats must reimburse the Commission on a pro rata basis for law enforcement services of State Troopers stationed onboard the boats. Regulatory fees are contributed to the Gaming General Fund to support the operation's budget.

EXPENDITURES ON SALARIES

Total Salaries and Benefits FY 02 \$ 1,329,168

ALLOCATION OF EMPLOYEES

Total Number FY 02 25



MISSISSIPPI GAMING COMMISSION

P.O. Box 23577
 Jackson, MS 39225-3577
 Phone: 601/351-2800
 Fax: 601/351-2810

Budget Officer: Pam Carnathan

Contact: Patsy Knowles, Staff Director
 Executive Division

The following data reflects employment and budgetary information for the Mississippi Gaming Commission. The data source is the Mississippi Gaming Commission's Budget Request for Fiscal Year 2003.

TOTAL OPERATING BUDGET

FY 03	\$ 6,272,560
(Recommended) FY 04	\$ 5,795,844

SOURCES OF FUNDING

Mississippi gaming operations are supported by general fund appropriations and specially dedicated funds generated through enforcement, investigations and fees. Amounts contributed to the budget from special and general funds are shown below.

FY 02	
State Appropriations	\$ 4,583,505
Charitable Gaming	\$ 1,400,000
Investigation Fees	\$ 2,700,000
FY 03 (Estimated)	
State Appropriations	\$ 3,889,418
Charitable Gaming	\$ 1,400,000
Investigation/Other Fees	\$ 4,500,000

EXPENDITURES ON SALARIES

The Mississippi Gaming Commission has a cooperative relationship with the Mississippi Highway Patrol. However, the Commission performs all intelligence and enforcement services. Salaries for Commission employees are allocated in the Mississippi Gaming Commission's budget.

Total Salary Expenditure FY 02	\$ 5,446,668
(Recommended) Expenditure FY 03	\$ 6,272,560

ALLOCATION OF EMPLOYEES

Total Number FY 02	151
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ALLOCATION BY DEPARTMENTS

Charitable Gaming	20
Enforcement	43
Investigations	19
Others	69



MISSOURI GAMING COMMISSION

3417 Knipp Drive
 Jefferson City, MO 65102
 Phone: 573/526-4080

Budget Officer: Christy Knipp
 Phone: 573/ 526-1994

The following data reflects employment and budgetary information for the Missouri Gaming Commission which regulates Charitable Bingo and Riverboat Gaming. The data source is the Missouri Gaming Commission's Annual Report.

TOTAL OPERATING BUDGET

FY 2002 Actual	
Personal Services including fringe benefits	\$ 10,375,260
Expense and Equipment	\$ 1,426,539
Total Expended	\$ 11,801,799
Full Time Equivalent Employees	238

FY 2003 Budget	
Personal Services including fringe benefits	\$ 13,827,081
Expense and Equipment	\$ 2,251,614
Total Budgeted	\$ 16,078,695
Full Time Equivalent Employees	236

SOURCE OF FUNDING

Riverboat and Charitable Gaming operating funds are allocated through the state gaming commission fund upon recommendation of the Governor and approval of the legislature. Funding sources include taxes, fees and other allocations.

EXPENDITURES ON SALARIES

The Missouri Gaming Commission operates as a component of the Missouri Department of Public Safety. The Gaming Commission has a cooperative relationship with the Highway Patrol whose officers provide enforcement and regulatory services to the Gaming Commission. The officers' salaries are paid by the Commission. The Missouri Attorney General's Office provides legal support services which are reimbursed by the Commission.

Total Personal Services FY 01	\$ 11,343,322
Total Personal Services FY 02	\$ 10,375,260
Recommended FY 02	\$ 13,827,081

ALLOCATION OF EMPLOYEES

Total Number FY 02	238
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Video Poker



**FRANCHISE FEES BY TYPE
 FY 2001 - 02**

TYPE OF LOCATION	NO. OF VGD'S	NO. OF LOCATIONS	DOLLARS IN	DOLLARS OUT	NET DEVICE REVENUE	FRANCHISE FEES
BARS & LOUNGES	4,685	1,592	\$ 353,564,546	\$ 210,678,433	\$ 142,886,113	\$ 37,150,627
RESTAURANTS	3,266	1,115	266,318,624	157,719,560	108,599,064	28,235,920
HOTELS	157	30	14,942,078	9,509,326	5,432,752	1,412,524
RACE TRACKS & OTBs	729	10	41,708,863	26,258,338	15,450,525	3,476,378
TRUCK STOPS	4,883	122	729,025,122	465,433,116	263,592,006	85,667,467
TOTALS	13,720	2,869	\$ 1,405,559,233	\$ 869,598,773	\$ 535,960,460	\$ 155,942,916

APPLICATION FEES	\$ 102,800
RENEWAL FEES	1,018,700
DEVICE OPERATION FEES	6,309,179
CIVIL PENALTIES & INTEREST	71,771
PROCESSING FEES	1,156,142
TOTALS	\$ 8,658,592
TOTAL FEES COLLECTED	\$ 164,601,508

NOTE: Figures are rounded to the nearest whole dollar amount..



**VIDEO GAMING DATA BY PARISH
 FY 2001 - 02**

Parish	Establish- ments	Devices	Dollars In	Dollars Out	Net Device Revenue	Franchise Fees	Local Govt. Share	State Share
Acadia	69	421	\$ 49,175,834	\$ 31,494,416	\$ 17,681,419	\$ 5,511,619	\$ 1,244,431	\$ 4,267,188
Assumption	32	189	13,749,430	8,674,232	5,075,198	1,551,949	347,393	1,204,556
Avoyelles	37	174	10,087,413	5,919,737	4,167,676	1,183,102	264,632	918,470
Bossier	83	358	26,298,604	15,560,269	10,738,335	3,009,669	671,338	2,338,331
Caddo	183	860	85,435,265	51,098,418	34,336,847	9,962,434	2,223,185	7,739,249
Calcasieu	137	1,056	117,892,797	76,751,181	41,141,617	12,728,697	2,842,614	9,886,083
Cameron	15	45	1,850,159	1,051,241	798,918	207,721	44,622	163,099
Desoto	9	150	14,319,409	9,011,352	5,308,057	1,690,899	377,851	1,313,049
East Carroll	5	15	1,760,902	1,041,196	719,705	187,125	40,461	146,663
Iberville	51	252	30,601,308	18,706,604	11,894,705	3,612,945	806,893	2,806,053
Jefferson	582	2,106	203,411,323	120,753,444	82,657,879	21,291,606	4,748,173	16,543,433
Jeff Davis	26	80	4,829,189	2,899,858	1,929,331	501,630	113,594	388,036
Lafourche	136	635	55,232,735	35,333,222	19,899,514	5,730,578	1,280,507	4,450,071
Madison	23	197	30,569,031	18,458,128	12,110,903	3,843,981	858,561	2,985,420
Orleans	537	1,855	166,400,891	100,481,869	65,919,022	18,342,126	4,100,365	14,241,761
Plaquemines	51	153	13,028,719	7,743,583	5,285,136	1,374,143	306,538	1,067,606



LOUISIANA GAMING CONTROL BOARD
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Parish	Establish-ments	Devices	Dollars In	Dollars Out	Net Device Revenue	Franchise Fees	Local Govt. Share	State Share
Pointe Coupee	38	162	11,146,144	6,783,804	4,362,341	1,275,816	287,190	988,625
Red River	15	111	10,655,460	6,824,996	3,830,464	1,144,861	257,472	887,389
St Bernard	110	473	42,722,514	26,009,519	16,712,995	4,520,358	1,022,394	3,497,964
St Charles	44	221	17,643,091	10,722,431	6,920,660	2,016,757	459,833	1,556,924
St Helena	26	293	49,518,662	30,939,515	18,579,147	5,954,384	1,326,830	4,627,554
St James	29	244	25,307,762	15,822,223	9,485,540	2,958,297	670,152	2,288,146
St John	54	320	29,257,231	17,990,072	11,267,159	3,244,490	722,616	2,521,874
St Landry	104	547	55,600,200	35,135,266	20,464,934	6,140,330	1,397,454	4,742,876
St Martin	90	635	86,286,419	56,835,679	29,450,741	9,044,081	2,042,979	7,001,102
St Mary	80	381	38,258,348	23,867,670	14,390,678	4,321,897	963,403	3,358,494
Tensas	14	42	3,465,110	2,068,100	1,397,010	363,225	82,303	280,922
Terrebonne	187	980	105,632,642	67,040,321	38,592,321	11,480,957	2,573,786	8,907,171
Webster	28	248	32,044,256	19,481,257	12,562,999	3,920,156	887,725	3,032,431
W Baton Rouge	54	422	63,564,331	39,187,626	24,376,705	7,660,574	1,713,919	5,946,655
West Feliciana	20	95	9,814,057	5,911,549	3,902,508	1,166,507	266,094	900,413
TOTALS	2,869	13,720	\$1,405,559,236	\$869,598,778	\$535,960,464	\$155,942,914	\$34,945,308	\$120,997,608

Note: The 31 parishes listed above voted to continue video poker on November 5, 1996. Figures are rounded to the nearest whole dollar amount.

Source: Louisiana State Police (Video Gaming Division) and State Treasurer



**VIDEO GAMING DATA BY CLASSIFICATION
 FY 2001 - 02**

Video gaming devices are classified into five (5) different types according to the type of establishment in which the devices are located. The amount of the franchise payment is based on a percentage of net device revenue ("Net Gaming Proceeds") of each video gaming device. The percentage is based on the type of establishment in which the devices are located according to the following table:

<u>Type</u>	<u>Description</u>	<u>Franchise Fee %</u>
1	Lounges	26.0%
2	Restaurants	26.0%
3	Hotels/Motels	26.0%
4	Racetracks & OTB's	22.5%
5	Truck Stops	32.5%

Below is a recap of Net Gaming Proceeds and Franchise Fees collected by classification. Dollar amounts represent the entire fiscal year and the number of devices and establishments are as of June 30, 2002.

<u>TYPE</u>	<u>NET GAMING PROCEEDS</u>	<u>FRANCHISE FEES</u>	<u>NO. OF DEVICES</u>	<u>NO. OF ESTABLISHMENTS</u>
Type 1	\$ 142,886,113	\$ 37,150,627	4,685	1,592
Type 2	108,599,064	28,235,920	3,266	1,115
Type 3	5,432,752	1,412,524	157	30
Type 4	15,450,525	3,476,378	729	10
Type 5	263,592,006	85,667,467	4,883	122
TOTAL	\$ 535,960,460	\$ 155,942,916	13,720	2,869

NOTE: Figures are rounded to the nearest whole dollar amount.

Source: LOUISIANA STATE POLICE (Video Gaming Division)



**DISTRIBUTION OF VIDEO POKER REVENUE
FISCAL YEAR 2001 - 2002**

RECEIPTS

No. of Devices	13,720
Franchise Fees	\$ 155,942,916
Other Fees and Penalties	<u>8,658,592</u>
TOTAL FEES COLLECTED	\$ 164,601,508

EXPENDITURES

District Attorneys	\$ 5,400,000
Local Governments	34,945,308
Horsemen's Purse Supplemental Fund	2,719,186
Louisiana State Police Budget	4,400,000
Compulsive and Problem Gaming Fund	500,000
TOTAL EXPENDITURES	<u>\$ 47,964,494</u>
TRANSFERRED TO GENERAL FUND	\$ 116,637,014

NOTE: Figures are rounded to the nearest whole dollar amount.



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	1991-93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
RECEIPTS:								
No. of Devices	10,074	13,490	15,414	15,719	14,851	14,996	15,638	12,937
Franchise Fees	\$ 42,669,000	\$ 92,910,000	\$ 141,489,000	\$ 163,856,000	\$ 173,327,000	\$ 183,579,000	\$ 188,714,000	\$ 135,242,000
Statutory				(-2,500,000)	(-2,500,000)	(-566,000)		
Fairgrounds								
Exemption								
Other Fees, Interest and Penalties	13,100,000	14,875,000	10,770,000	11,165,000	10,262,000	10,585,000	10,370,000	9,717,000
Total Fees Collected	\$ 55,769,000	\$ 107,785,000	\$ 152,259,000	\$ 172,521,000	\$ 181,089,000	\$ 193,598,000	\$ 199,084,000	\$ 144,959,000
EXPENDITURES:								
District Attorneys & Asst Dist Atlys.	\$ 4,744,000	\$4,845,000	\$ 5,400,000	\$ 5,348,000	\$ 5,400,000	\$ 5,205,000	\$ 5,400,000	\$ 5,400,000
Local Government	9,084,000	20,142,000	32,029,000	37,636,000	37,525,000	40,848,000	43,424,000	30,107,000
Horsemen's Purse Supplement Fund	0	0	2,541,000	2,880,000	3,037,000	3,250,000	3,360,000	2,417,000
Louisiana State Police (Budget)	5,468,000	2,816,000	4,516,000	4,515,000	4,347,000	4,400,000	4,400,000	4,400,000
Compulsive and Problem Gaming Fund	0	0	0	150,000	150,000	150,000	500,000	500,000
Total Expenditures	\$ 19,296,000	\$ 27,803,000	\$ 44,486,000	\$ 50,529,000	\$ 50,459,000	\$ 53,853,000	\$ 57,084,000	\$ 42,824,000
TRANSFERRED TO GENERAL FUND	\$ 36,473,000	\$ 79,982,000	\$ 107,636,000	\$ 122,129,000	\$ 130,630,000	\$ 139,745,000	\$ 142,000,000	\$ 102,135,000



LOUISIANA GAMING CONTROL BOARD
 REPORT TO THE LOUISIANA STATE LEGISLATURE
 2000-2001

	2000/01	2001/02	TOTAL
RECEIPTS:			
No. of Devices	13,424	13,720	
Franchise Fees	\$ 144,764,070	\$ 155,942,916	\$ 1,422,492,986
Statutory Fairgrounds Exemption			\$ 5,566,000
Other Fees, Interest and Penalties	\$ 10,099,001	\$ 8,658,592	\$ 109,601,593
Total Fees Collected	\$ 154,863,071	\$ 164,601,508	\$ 1,526,528,579
EXPENDITURES:			
District Attorneys & Asst Dist Attys.	5,400,000	5,400,000	\$ 52,542,000
Local Government	32,552,000	34,945,308	\$ 318,292,308
Horsemen's Purse Supplement Fund	2,554,664	2,719,186	\$ 22,758,850
Louisiana State Police (Budget)	4,400,000	4,400,000	\$ 43,662,000
Compulsive and Problem Gaming Fund	500,000	500,000	\$ 2,450,000
Total Expenditures	\$ 45,406,664	\$ 47,964,494	\$ 439,705,158
TRANSFERRED TO GENERAL FUND	\$ 109,456,407	\$ 116,637,014	\$ 1,086,823,421

NOTE: Figures are rounded to the nearest whole dollar amount.

Source: Louisiana State Police (Video Gaming Division) and Department of the Treasury



Landbased Casino



LANDBASED CASINO GAMING

LOUISIANA

FY 2000-2001

	Gross Gaming Revenue	State Tax Remittance ¹
July	\$ 23,499,367	\$ 8,493,151
August	21,594,417	8,493,151
September	23,728,012	8,219,178
October	21,110,969	8,493,151
November	19,564,389	8,219,178
December	21,277,542	8,493,151
January	18,212,314	8,493,151
February	23,058,309	7,671,233
March	22,338,920	8,493,151
April	19,964,156	4,109,589
May	20,907,654	4,246,575
June	21,079,313	4,109,589
TOTAL	\$ 256,335,362	\$ 87,534,248

¹Monthly fees collected through March 2001 are based on a minimum daily remittance to the State of \$273,973 (\$100 million per year). Effective April 1, 2001, monthly fees collected are based on a minimum daily remittance to the State of \$136,986 (\$50 million per year).

FY 2001-2002

	Gross Gaming Revenue	State Tax Remittance ²
July	\$ 21,287,851	\$ 4,246,575
August	22,050,389	4,246,575
September	19,228,040	4,109,589
October	20,319,422	4,246,575
November	20,625,096	4,109,589
December	20,785,514	4,246,575
January	21,915,345	4,246,575
February	23,801,280	3,835,616
March	24,211,673	9,324,358
April	21,855,980	4,931,507
May	23,585,174	5,095,890
June	22,769,408	4,931,507
TOTAL	\$ 262,435,172	\$ 57,570,931

² Includes a true-up payment of \$5,077,783. Pursuant to the Casino Operating Contract, the Casino Owner is required to pay the greater of the Minimum Payment (\$50 million/\$60 million after April 1, 2002) or 21.5% of Gross Gaming Revenues for each fiscal year.



OTHER STATES

MICHIGAN

In November 1996, Michigan voters approved a proposal authorizing up to three (3) licensed casinos in the City of Detroit. Two casinos began operation in July and December, 1999 and as of December, 2001 all three casinos were in operation.

Calendar Year 2002 Revenue Data

January 1, 2002 – December 31, 2002

Adjusted Gross Revenue		\$1,125,143,500.46
State and City Taxes	(18%)	202,525,830.00
State Tax	(8.1%)	91,136,623.54
City Tax	(9.9%)	111,389,206.55
Annual State Service Fee* (divided between 3 casinos)		25,000,000
Municipal Services Fee- City of Detroit General Fund (1 _ of AGR or 4 million whichever is greater per casino)		16,877,152.51

* Annual State Service Fee is adjusted annually by the Detroit Consumer Price Index. The total is for all three Detroit casinos combined.

USE OF FUNDS

State/City Wagering Tax – The State/City Wagering Tax totals 18% of the three casinos' Net Win. The entire State Wagering Tax (8.1% of the casinos' Net Win) is deposited into the School Aid Fund for statewide K-12 classroom education. The City Wagering Tax (9.09% of the casinos' Net Win) may be used by the City of Detroit for:

1. The hiring, training and deployment of street patrol officers.
2. Neighborhood and downtown economic development programs designed to create local jobs.
3. Public safety programs such as emergency medical services, fire department programs and street lighting.
4. Anti-gang and youth development programs.
5. Other programs that are designed to contribute to the improvement of the quality of life in the city.
6. Relief to the taxpayers of the city from one of more taxes or fees imposed by the city.
7. The costs of capitol improvements.
8. Road repairs and improvements.

Annual State Services Fee – The day-to-day operating expenses of the Michigan Gaming Control Board are paid for by the Annual State Services Fee (this fee is not related to the casinos' gaming revenues). Each year, \$2 million of this \$25 million fee goes toward compulsive gambling programs, administered by the Michigan Department of Community Health.



NEVADA

At the end of FY 02-03 there were over two hundred and thirteen thousand (213,000) slot machines in Nevada, over six thousand (6,000) table games and approximately five hundred (500) poker tables.

Revenue data for FY 02-03

Gaming Win (Statewide)	\$ 9,300,296,816
Slots	\$ 8,201,190,758
Table games	\$ 3,099,106,058
State Gaming Taxes	\$ 711,578,089

Distribution of Funds

General Fund	\$ 654,612,752
Dedicated Funds (schools, counties)	\$ 56,965,338

**STATE GAMING LICENSE FEE AND TAX RATE SCHEDULE
 FOR NON RESTRICTED AND RESTRICTED LICENSEES**

I. Nonrestricted Gaming License Issued for the operation of games and/or tables only; or, for the operation of 16 or more slot machines only; or, for the operation of games and/or tables in conjunction with slot machines.

A. Slot Machines:

1. Annual Tax (Nonrestricted Gaming License)(NRS 463.385) \$250.00 per machine, payable in advance; computed on a prorated basis:

Machines placed in operation in the month of	Amount due for each machine
July	\$250.00
August	\$229.17
September	\$208.33
October	\$187.50
November	\$166.67
December	\$145.83
January	\$125.00
February	\$104.17
March	\$83.33
April	\$62.50
May	\$41.67
June	\$20.83



2. **Quarterly License Fee (Nonrestricted Gaming License)(NRS 463.375)** \$20.00 per machine, payable in advance; no proration.

B. Games:

1. **Annual License Fee (Nonrestricted Gaming License)(NRS 463.380)** Payable in advance; no proration, except that monthly proration will apply if the operation is new or the operation has been temporarily closed with the approval of the State Gaming Control Board.

Number of Games	Fee Due
1 game	\$100.00 total
2 games	\$200.00 total
3 games	\$400.00 total
4 games	\$750.00 total
5 games	\$1,750.00 total
6-7 games	\$3,000.00 total
8-10 games	\$6,000.00 total
11-13 games	\$650.00 for each game
14-16 games	\$1,000.00 for each game
17 or more games	\$16,000.00 plus \$200.00 for each game over 16

2. **Quarterly License Fee (Nonrestricted Gaming License)(NRS 463.383)** payable in advance; no proration

For nonrestricted licensees operating 10 or less games	
Number of Games	Fee due
1 game	\$12.50 total
2 games	\$25.00 total
3 games	\$50.00 total
4 games	\$93.75 total
5 games	\$218.75 total
6-7 games	\$375.00 total
8-10 games	\$750.00 total

For nonrestricted licensees operating more than 10 games	
Number of Games	Fee due
1-16 games	\$125.00 each game
17-26 games	\$2,000.00 plus \$1,200.00 for each game 17-26
27-35 games	\$14,000.00 plus \$700.00 for each game 27-35
36 or more games	\$20,300.00 plus \$25.00 for each game over 35

C. **Monthly Percentage Fee (Nonrestricted Gaming License)(NRS 463.370)** based on gross gaming revenue - payable on or before the 24th day of each month covering the preceding calendar month at the following rates:

3% of the first \$50,000 during the month, plus

4% of the next \$84,000 plus

6% of revenue exceeding \$134,000.



D. Casino Entertainment Tax (NRS 463.403) payable on or before the 24th day of each month covering the preceding calendar month.

This tax applies only to licensees licensed for more than 50 slot machines, more than 5 table games, or any combination thereof.

The tax rate is 10% of all amounts paid for food, refreshment, merchandise, and admissions or similar charges, while in a casino entertainment status.

Casino entertainment status is that condition which renders the selling of food, refreshment or merchandise subject to the tax, and commences either at the time entertainment starts or at the time when any charge such as admission, entertainment fee, minimum, cover, or similar charge attaches, whichever is earlier.

II. "Restricted" Gaming License Issued for the operation of not more than 15 slot machines and no other games.

A. Slot Machines:

1. Annual Tax (Restricted Gaming License) (NRS 463.385) \$250.00 per machine payable in advance; computed on a prorated basis:

Machines placed in operation in the month of	Amount due for each machine
July	\$250.00
August	\$229.17
September	\$208.33
October	\$187.50
November	\$166.67

December	\$145.83
January	\$125.00
February	\$104.17
March	\$83.33
April	\$62.50
May	\$41.67
June	\$20.83

2. Quarterly License Fee (Restricted Gaming License)(NRS 463.373) payable in advance; no proration

Number of Slots	Fee Due
1 slot	\$ 61.00
2 slots	\$122.00
3 slots	\$183.00
4 slots	\$244.00
5 slots	\$305.00
6 slots	\$411.00
7 slots	\$517.00

8 slots	\$623.00
9 slots	\$729.00
10 slots	\$835.00
11 slots	\$941.00
12 slots	\$1,047.00
13 slots	\$1,153.00
14 slots	\$1,259.00
15 slots	\$1,365.00



NEW JERSEY

Twelve landbased casinos were in operation in New Jersey at the end of calendar year 2002. Cumulative revenue data for fiscal year FY 01-02:

Gross Revenue	\$ 4,349,000,000
State Taxes (8%)	\$ 347,920,000
Reinvestment obligations *	\$ 54,362,500

*Casinos are required to reinvest 1.25 % of gross revenues in projects approved by the Casino Reinvestment Development Authority.

Use of Funds

New Jersey law requires that the state tax, 8% of casino adjusted gross revenue, shall be used for programs aiding senior citizens and the disabled, specifically including a pharmaceutical drug assistance program, an annual cash credit toward utility costs, a transportation assistance program and others.

The reinvestment projects, 1.25% of adjusted gross revenue, have been used for developing approximately two thousand (2000) housing units in Atlantic City, parks, beautification programs, agricultural loan programs, a Vietnam Veteran Memorial and others.



Racetracks



LIVE RACING FACILITY
PARI-MUTUEL SLOT MACHINE GAMING

LOUISIANA

By Act 721 of the 1997 Regular Session, the Legislature authorized slot machine gaming at live horse racing facilities in St. Landry, Bossier and Calcasieu Parishes. Voters have approved slot machine gaming in those parishes and taxing districts have been authorized and established.

Slot machine gaming at Delta Downs in Calcasieu Parish commenced on February 13, 2002. The other two tracks are expected to open for slot machine gaming in 2003 (Bossier) and 2004 (St. Landry).

Delta Downs Racetrack & Casino
Revenue for Inception through June 30, 2002.

	February-02*	March-02	April-02	May-02	June-02
Delta Downs' AGR	\$7,905,172	\$13,505,708	\$10,827,120	\$11,251,632	\$10,888,517
Minus Purse Supplements (15%)	1,185,776	2,025,856	1,624,068	1,687,745	1,633,278
Minus Executive Committee Breeders Assn. (3%)	237,155	405,171	324,814	337,549	326,656
Taxable Net Slot Machine Proceeds	6,482,241	11,074,681	8,878,238	9,226,338	8,928,584
State Tax Due (18.5%)	1,199,215	2,048,816	1,642,474	1,706,873	1,651,788
TOTAL State Tax February 13-June 30, 2002					\$ 8,249,166

* February 13-28, 2002

OTHER STATES

DELAWARE

Slot machine or video lottery gaming is conducted at three horse race tracks in Delaware. The activity is regulated by the Delaware Lottery, which selects and leases the machines. All machine revenue is distributed in accordance with statutory provisions. The following revenue data was reported for the fiscal year 2002(6/24/01-6/30/02).

Amount Played (Cash & Credits wagered)		\$ 7,450,668,500
Amount Won (Cash and Credits wagered returned as winnings)		\$ 6,844,489,000
Lottery Net Proceeds		\$ 606,179,500
Track Commissions	Approx. (49%)	\$ 297,027,955
Purse Increases	Approx. (11%)	\$ 66,679,745
Vendor Fees (Central computer & terminal equipment)	Approx. (5%)	\$ 30,308,975
State Share (Before operating expenses of Lottery & State Police)	Approx. (35%)	\$ 212,162,855



RHODE ISLAND

In Rhode Island, slot machine or video lottery gaming is conducted at one pari-mutuel dog track and one pari-mutuel jai alai fronton. The Rhode Island Lottery regulates the types of machines that will be placed in operation. All revenues go to the Lottery for distribution in accordance with statutory provisions as reflected below. The remaining funds are retained by the state. The activity began in 1992 and at the end of FY 2001, two thousand four hundred seventy eight (2,478) terminals were in operation at the two (2) facilities. The following revenue data was obtained from the Rhode Island Lottery's 2002 Comprehensive Annual Financial Report:

Sales		\$ 935,208,511
Commissions*		132,116,020
Prize Award Expense		654,171,206
Unclaimed Prize Recovery		56,873
Gross Profit		\$ 148,978,158
*Retail Facilities	(31.0%)	\$ 85,963,080
Tech Providers	(8.5%)	23,257,843
Central Communications Provider	(2.5%)	7,025,464
Dog Kennel Owners	(6.0%)	13,059,447
Local Government	(1.0%)	2,810,186
Total		\$ 132,116,020



WEST VIRGINIA

Slot machine or video lottery gaming is conducted at two (2) horse tracks and two (2) dog tracks in West Virginia. The West Virginia Lottery determines which machines will be placed in operation, which are owned or leased by the tracks. From Gross Terminal Revenue, 4% is deducted for administrative costs. A total of six thousand two hundred thirty five (6,235) terminals or devices were in operation at the end of FY 2001-2002. Revenue data is as follows for that period:

Credits played	\$ 6,962,001,655
Credits won	\$ 6,366,055,015
Gross Terminal Revenue	\$ 595,946,640
Net Terminal Revenue	\$ 572,108,775

Net Terminal Revenue is distributed as follows:

Track Share	47 %
State Share	30 %
Purse Fund Subsidy	14 %
County Share	2 %
Tourism Promotion Fund	3 %
Horse or Dog Breeders Fund	1 ½ %
West Virginia Breeders Classic	1 %
Veterans Memorial Fund	1 %
Track Employee Pension Plan	<u>½ %</u>
Net Terminal Income	100 %



Indian Gaming



INDIAN GAMING
Calendar Year 2002

**CYPRESS BAYOU CASINO
 CHITIMACHA TRIBE OF LOUISIANA
 ST. MARY PARISH**

Fiscal Year Ending September 30, 2002

Casino Employees as of September 30, 2002	1,014
Total for year	1,257
Native American Employees	28
Wages paid	\$ 20,835,327
Social Security and Medicare Taxes (employee portion)	\$ 1,798,105
Unemployment insurance	\$ 78,874
Advertising	\$ 900,258
Expenditures for goods and services	\$ 23,191,026
Number of Louisiana based vendors	1,092
Parish Contribution	\$ 1,500,000
Community Donations	\$ 64,400
Sales Taxes	\$ 240,215

**GRAND CASINO COUSHATTA
 COUSHATTA TRIBE OF LOUISIANA
 ALLEN PARISH**

Total Casino Employees as of June 02:	Not Provided
Total Native American Employees as of June 02:	Not Provided
Community Donations	Not Provided
Sales Taxes	Not Provided
Amount Paid to Louisiana Vendors	Not Provided
Total Payroll Wages Paid	Not Provided
Parish Contribution	Not Provided
Unemployment Compensation	Not Provided
Social Security and Medicare	Not Provided



**PARAGON AVOYELLES
TUNICA-BILOXI INDIAN TRIBE
AVOYELLES PARISH**

Employee Wages	Not Provided
Employee Wages-Federal & State Taxes	Not Provided
Contribution to Avoyelles Parish	Not Provided
Purchased goods/services from Louisiana Vendors	Not Provided
Donations-Area Relations	Not Provided
Donations-Tribal	Not Provided
Donations-Executive	Not Provided
Hotel Sales tax paid to State	Not Provided
Employee Benefits (Insurance & 401K)	Not Provided
Total Casino Employees as of Dec. 02	Not Provided
Total Native Americans Employees as of Dec. 02	Not Provided



**TRIBAL PARISH CONTRIBUTIONS
AS REQUIRED BY THE TRIBAL/STATE COMPACT
FY 2001 - 02**

Quarter	Coushatta Allen	Chitimacha St. Mary	Tunica-Biloxi Avoyelles	Total
1	\$ 18.00	\$ 0.00	\$ 540,920.32	\$ 540,938.32
2	0.00	0.00	235,593.26	235,593.26
3	0.00	0.00	650,438.72	650,438.72
4	0.00	0.00	420,116.02	420,116.02
FY Total	\$ 18.00*	\$ 0.00*	\$ 1,847,068.32	\$ 1,847,086.32

Note: These proceeds were collected by the State's Office of Finance and Support Services, Division of Administration and are subsequently remitted to the local parish governments. *Pursuant to the terms of existing compacts, funds are no longer deposited with the Division of Administration for redistribution.

**If You or Someone You
Know May Have a
Gambling Problem, Call
Toll-Free: 1-877-770-STOP (7867)**

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