

# **LOUISIANA GAMING CONTROL BOARD**



**REPORT TO THE  
LOUISIANA STATE LEGISLATURE  
2001-2002**

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

**State of Louisiana**  
**Gaming Control Board**

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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**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 herewith renders its annual report for 2001.

To categorize the gaming environment as "changing" would be a gross understatement. Major revisions to tax structure, changes in ownership of several entities, as well as new developments in the "slots at tracks" sector, have been the focus of attention of the Louisiana Gaming Control Board this past year.

Once again, the riverboat segment has been the dominant area of gaming activity. The summary report and economic impact statements contained in this document bear this out. Riverboat operators, in exchange for authority to conduct dockside gaming, agreed to a tax increase. The original franchise fee of fifteen percent was increased to eighteen percent. The new tax applicable to vessels operating in the Shreveport-Bossier area, which did not sail, will be phased in over a three year period. The revenues from the new tax and a nine percent allocation from the three and one half percent provided in La. R.S. 27:91(B)(2), have been chosen by the legislature as a major portion of the money dedicated to the Support Education in Louisiana First Fund. The revenue is appropriated to provide for recent salary increases granted to teaching personnel at all levels of education.

It is too early to judge the fiscal impact of a higher tax scale, changes in ownership, additional amenities and dockside gaming. Additionally, the September Eleventh tragedy, and a slowdown in the national economy coupled with a downturn in travel may have a potential adverse effect on gaming revenues. More definitive results will become apparent in future months.

The Baton Rouge segment has continued to show the positive effects of reconfiguration and construction (by Argosy) of an on-site hotel. Extra space was made available as a replacement for establishments that previously offered video poker to customers. The Casino Rouge riverboat was sold. A suitability investigation was completed on the new owner, Penn National Gaming. It is domiciled in Pennsylvania and operates a casino in Mississippi, as well as several racetracks. Their West Virginia facility (race track) has a large video poker operation complete with hotel, restaurant and entertainment center.

Lake Charles continues to grow gaming revenues mainly as a result of major improvements (hotel, restaurant, entertainment) by Harrah's. Of major import will be the effect of the granting of the fifteenth license. The Louisiana Gaming Control Board has awarded it to Pinnacle Entertainment (PNK, L.L.C.) which is listed on the New York Stock Exchange. The company headquarters in California and currently owns other casinos in Louisiana (Bossier City and New Orleans), Indiana, Mississippi and Nevada. They intend to spend approximately \$225,000,000 on the project. The plans include construction of a riverboat, hotel, restaurants, retail shops, entertainment center and a golf course. In addition, large-scale improvements will be made to the area infrastructure (roads and river front). The operators plan to employ in excess of fifteen hundred people with a payroll, including benefits, of thirty four million dollars. Economists have projected that at full operation an additional nine hundred and fifty jobs (twenty

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million dollar payroll) will be added to the area workforce. Pinnacle will locate its facility on approximately two hundred and twenty five acres of property leased from the Port of Lake Charles. In addition to the annual rental, the lease includes provisions for land and waterfront improvements. Prior to construction, the project will require voter approval.

The revenues in the Shreveport-Bossier area continue to increase. The growth is directly attributed to the newly opened Hollywood Casino. As anticipated it drew gaming revenue from all of the area riverboats. Horseshoe still maintains state leadership in riverboat gaming receipts.

In order that you may broaden your perspective of riverboat gaming in Louisiana, we recommend close review of the section of this report that compares Louisiana with other states.

After extensive legal and fiscal analysis, the legislature gave approval to a series of amendments to the statutes governing the landbased casino (Harrah's in New Orleans). The minimum annual guarantee of \$100,000,000 was reduced to \$50,000,000 for the first year and to \$60,000,000 for each fiscal year thereafter. The basic minimum tax of eighteen and a half (18.5) percent established by law was raised to twenty-one and a half (21.5) percent in the operating contract. The latter becomes effective when gross gaming receipts exceed the minimum guarantee. Concessions were granted that eased restrictions on hotel and restaurant operations. The intent is to increase patronage and income. Based on latest activity reports, the revenues have remained somewhat stable and overall expenses have declined. Consequently, the casino has experienced an upturn in its "bottom line." As in the case of riverboats, the income from the landbased casino will be placed in the Support Education in Louisiana First Fund and appropriated for the latest teacher pay raise.

The complexion of video poker has been radically altered. As a result of the statewide referendum approximately eleven hundred locations, supporting slightly more than five thousand machines, no longer offer video poker. It is of interest to note that though there are fewer facilities offering video poker to patrons, the number of machines and accompanying revenues has risen. The small "mom and pop" operators have been replaced by a growing number of truck stops authorized to provide up to fifty machines on site.

Adding to the changing face of gaming is the status of slot machine placement at the three authorized race tracks previously approved by the legislature.

The construction at Louisiana Downs in Bossier Parish is nearing completion. There is a proposed change of ownership and the necessary suitability investigations will have to be performed before slots can be approved.

Evangeline Downs, currently operating in Lafayette Parish will re-locate to St. Landry Parish. The track owners have sold a significant number of shares to Peninsula Gaming who is presently undergoing a pre-suitability investigation, which they may request under the law. The partners propose to build a new racetrack and casino plus other amenities that will offer hotel and dining for its patrons.

The third facility in Vinton (Calcasieu Parish) has been purchased by Boyd Gaming. They own a casino (Treasure Chest) in Kenner, as well as operations in several other states. They have been found suitable, and operating plans have been approved by the Louisiana Gaming Control Board. Operations commenced February 13, 2002.

The three Indian tribes operating casinos have negotiated new compacts with the state. Due to federal law, the Gaming Control Board has virtually no authority with respect to the Indian casinos even to ascertain gaming revenues.

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Members of the Louisiana Legislature**

Underage gaming appears to have been minimized as a result of joint action by casino operators implementing restrictive measures monitored by law enforcement personnel. While problems with compulsive gaming activities are still evident, their existence still continues to draw attention of the industry, the legislature and this Board. Awareness and educational programs directed to all employees is the current nationwide approach to the problem. As it has in the past, Louisiana still maintains the lead in state supported treatment for gambling addiction.

Of prime import to the Board has been a recent decision rendered by the state Supreme Court. A judgment in a suit extending over several years with court action at all levels was rendered in favor of the Louisiana Gaming Control Board. It enables the Board to exercise its authority as intended by the legislature, and resolves a potential administrative nightmare that could have severely impacted the functioning of the Board.

The operating budget for the current year is \$1,207,819. Despite mandatory increases for insurance, the requested budget for next year is essentially the same. Once again the major expenditures are in the areas of risk management insurance and the operations of a hearing office. As in the past, the exercise of prudence has resulted in a surplus. We will strive to continue the process.

The Louisiana Gaming Control Board is aware of its responsibilities in regulating the gaming industry. Consequently, the mission statement contained in the preface to this report guides us in our deliberations and actions.

**Respectfully submitted:**

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



## **LOUISIANA STATE POLICE GAMING ENFORCEMENT SECTION**

Lt. Col. Henry Whitehorn, Deputy Superintendent, Investigations  
Major Russell Robinson, Commander  
Captain Dale Hall, General Gaming Division  
Captain Dane Morgan, Casino Gaming Division

Lt. George Dean, Casino Gaming Division, Administrative  
Lt. Scott Reggio, Casino Gaming Division, Operations  
Lt. Marcel Poulard, Casino Gaming Division, Indian Enforcement  
Lt Jules Pinero, Video Gaming  
Lt. Rick Chargois, Suitability

Susan Demouy, Director, Audit Division

## **ATTORNEY GENERAL'S GAMING DIVISION**

William J. Quinlan, Jr., Director  
Billie J. Larry, Managing Attorney  
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

Jennifer Lambert, Administrative Assistant/Paralegal

LeAnne Hudspeth, Law Clerk

**Louisiana State Police**

Susan Demouy, Audit Director

Charlotte McGarr, Audit Manager

Jeff Traylor, Audit Supervisor

Janice Adolph, Audit Supervisor

Robert Tucker, Jr., Accounting Specialist Supervisor

Donna Stephens, Accountant III

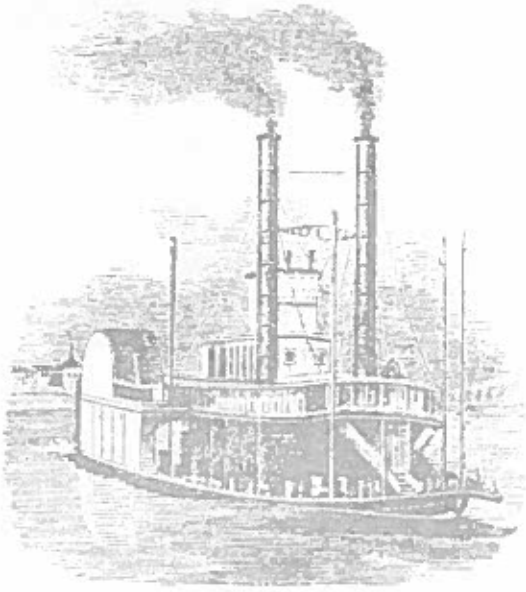
**Casino Association of Louisiana**

Wade Duty, Executive Director

## **SPECIAL ACKNOWLEDGMENT**

**The Gaming Control Board, Staff, State Police and Attorney General's Office wish to acknowledge the dedicated service and significant contributions of Ralph Perlman. Mr. Perlman was one of the original members of the Board and served from July 10, 1996 until December 31, 2001.**





# *Riverboat*

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LOUISIANA STATE POLICE  
 RIVERBOAT GAMING FISCAL YEAR-TO-DATE ACTIVITY SUMMARY  
 FOR FY 2000 - 2001

Licensee	Location	Date of Commencement	Admissions	Total AGR	Fee Remittance
Belle of Orleans, L.L.C.	Bally's Casino-New Orleans	07/07/95	1,432,232	\$ 67,196,003	\$ 12,431,260
Casino Magic of Louisiana, Corp.	Casino Magic-Bossier City	10/04/96	2,827,735	129,150,292	24,156,506
Catfish Queen Partnership in Commendam	Argosy Casino- Baton Rouge	09/30/94	1,234,671	73,918,551	14,259,207
Grand Palais Riverboat, Inc.	Isle of Capri-Westlake	07/12/96	2,319,467	142,522,682	27,437,957
Harrah's Pride of Lake Charles, L.L.C.	Harrah's - Lake Charles	12/08/93	1,548,028	71,739,897	13,692,715
Harrah's Star Partnership	Harrah's-Lake Charles	10/24/93	1,596,622	91,989,628	17,779,061
Hollywood Casino Shreveport	Hollywood Casino - Shreveport	12/20/00	2,909,672	84,797,432	16,073,550
Horseshoe Entertainment, L.L.P.	Horseshoe-Bossier City	07/09/94	3,444,516	250,249,623	46,897,644
Louisiana I Gaming Partnership	Boomtown Casino-Harvey	08/06/94	2,046,654	97,549,586	18,778,616
Louisiana Casino Cruises, Inc	Casino Rouge-Baton Rouge	12/28/94	1,566,109	94,448,436	18,170,631
Louisiana Riverboat Gaming Partnership	Isle of Capri-Bossier City	05/20/94	2,746,892	133,288,793	24,956,044
Red River Entertainment of Shreveport Partnership in Commendam	Harrah's-Shreveport	04/18/94	2,310,467	147,852,658	27,766,995
St. Charles Gaming Company, Inc.	Isle of Capri-Westlake	07/29/95	1,254,703	51,387,004	9,858,463
Treasure Chest Casino, L.L.C	Treasure Chest-Kenner	09/05/94	1,738,457	109,836,850	21,218,870
<b>TOTAL</b>			<b>28,976,225</b>	<b>\$ 1,545,927,459</b>	<b>\$ 293,477,520</b>

Source: LOUISIANA STATE POLICE (Casino Gaming Division)



**LOUISIANA RIVERBOAT CASINO  
 INDUSTRY ECONOMIC IMPACT FIGURES FY 2000 - 01**

License Location Start Date	Bally's New Orleans July - 95	Argosy Baton Rouge Aug. - 94	Boomtown Harvey Aug. - 94	Casino Magic Bossier City Oct. - 96	Casino Rouge Baton Rouge Dec. - 94	Harrah's Pride of Lake Charles Dec. - 93	Harrah's Star Lake Charles Dec. - 93	Hollywood Casino Dec. - 00
State franchise (18.5 to 21.5) (5)	12,431,260	14,259,207	18,778,616	24,156,506	18,170,631	13,692,715	17,779,061	16,073,550
Local fees	7,478,528	3,086,679	5,852,975	6,457,515	3,917,575	3,793,500	2,231,500	3,198,607
Property taxes	1,238,450	566,872	813,052	1,752,755	637,589	938,369	799,351	-0-
Payroll (includes tips)	17,456,326	16,455,415	22,770,926	23,575,292	23,479,105	15,537,968	13,236,046	24,481,598
Benefits (1)	4,817,309	4,464,337	5,920,441	7,512,787	6,104,567	7,787,269	6,633,599	6,365,215
Employment (F/T)	569	779	1,197	1,062	730	761	649	2,189
Employment (fles)	653	670	1,095	1,003	800	713	607	2,003
Procurement (total (2))	33,004,928	10,445,395	32,693,055	24,076,696	26,936,480	22,939,230	19,540,826	42,546,383
Minority	2,782,286	779,554	1,838,032	3,804,183	538,730	2,752,708	2,344,899	10,151,308
Woman	1,215,536	1,975,205	5,977,838	7,215,326	1,616,189	1,146,962	977,041	12,242,206
Capital investments/improvements 00-01	1,109,564	1,877,047	3,188,628	2,000,000	5,255,541	46,536,558	14,012,623	522,450
Capital investments/improvements cumulative	68,612,839	64,011,040	92,428,257	106,800,000	68,290,056	175,200,000	43,800,000	190,560,520
Charitable contributions 2000 - 2001	67,378	44,092	142,182	51,220	291,591	80,500	80,500	84,278
Charitable contributions cumulative	566,000	352,819	920,818	1,347,218	1,611,806	225,052	176,826	84,278
Development plans	-	-	1,000,000	25,000,000	2,500,000	12,000,000	-	-
Admissions	1,432,224	1,234,671	2,046,654	2,827,735	1,566,109	1,657,886	1,412,273	2,909,672
Approximation of Visitors (3)	20%	5%	5%	55%	10%	83%	83%	66%
Estimate of visitors	286,444	61,734	102,333	1,548,425	156,610	1,060,909	903,737	1,920,384
Visitors spending (4)	14,322,240	3,086,700	5,166,635	77,421,250	7,830,545	53,045,442	45,186,858	96,019,200

- (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) Beginning 4-1-01 the Red River licensees' franchise fee increased to 19.5% and will increase to 21.5%. Franchise fee for all other vessels increased to 21.5% on 4-01-01.



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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 Lake Charles July - 96	Isle/St. Charles Lake Charles July - 95	Treasure Chest Kenner Sept. - 94	Totals
State franchise (18.5 to 21.5) (5)	46,897,644	27,766,995	24,956,044	27,437,957	9,858,463	21,218,870	293,477,520
Local fees	9,276,805	7,023,636	4,957,100	6,743,947	3,314,825	6,151,777	73,484,969
Property taxes	4,292,385	1,534,459	1,611,501	399,795	1,084,214	417,051	16,085,843
Payroll(includes tips)	68,960,943	34,559,263	23,289,762	19,564,588	22,174,621	27,621,888	353,163,741
Benefits (1)	11,487,529	8,985,408	8,897,262	3,639,364	7,549,649	8,980,000	99,144,736
Employment (F/T)	2,600	1,758	1,052	447	730	927	15,450
Employment (Res)	2,188	1,363	1,149	544	1,089	1,066	14,943
Procurement (total (2))	30,285,818	44,466,303	45,403,176	3,899,583	27,525,889	48,737,824	412,501,586
Minority	14,909,647	7,702,168	3,568,138	547,171	2,133,058	3,358,632	57,210,514
Woman	17,438,062	26,041,307	5,322,962	147,063	3,242,471	5,442,833	90,001,001
Capital investments/improvements 00-01	8,786,090	87,188,903	5,336,577	748,649	49,959,863	1,566,200	228,088,693
Capital investments/improvements cumulative	202,218,746	236,298,846	127,176,592	31,869,133	115,453,151	135,709,821	1,658,429,001
Charitable contributions 2000 - 2001	255,959	216,837	260,443	41,358	206,290	214,764	2,037,392
Charitable contributions cumulative	3,571,247	3,646,759	2,366,524	412,648	2,345,927	1,668,245	19,296,167
Development plans	-	-	250,000	1,750,000	400,000	-	42,900,000
Admissions	3,444,516	2,310,520	2,746,892	2,319,467	1,254,703	1,738,457	28,901,779
Approximation of Visitors (3)	75%	89%	28%	81%	75%	16%	52.4%
Estimate of visitors	2,583,387	2,056,362	769,129	1,881,038	940,519	278,153	14,549,164
Visitors spending (4)	129,169,350	102,818,140	38,456,450	94,051,922	47,025,961	17,526,428	731,127,121

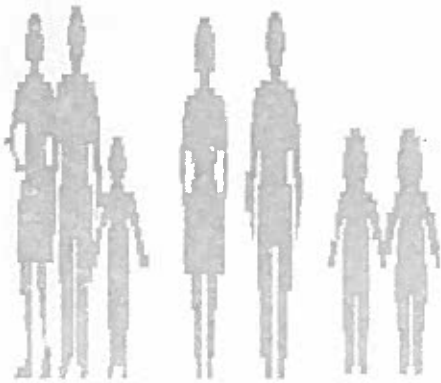
(1) estimated, from previous studies, to be 26% of payroll

(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) Beginning 4-1-01 the Red River licensees' franchise fee increased to 19.5% and will increase to 21.5% on all other vessels increased to 21.5% on 4-01-01.



# ***Demographic Information***

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**RIVERBOAT GAMING FY 2000 - 01**

LICENSEE	LOCATION	TOTAL PAYROLL					
		Total Payroll	Total Employed*	La. Residents*	Minorities*	Female*	
Belle of Orleans, L.L.C.	Bally's Casino - New Orleans	\$ 17,161,664	731	723	561	425	
Casino Magic of Louisiana, Corp.	Casino Magic - Bossier City	32,262,799	1395	1375	1173	841	
Catfish Queen Partnership in Commendam	Argosy Casino - Baton Rouge	19,764,613	804	777	463	418	
Grand Palais Riverboat, Inc.	Isle of Capri - Westlake	17,637,390	655	613	299	402	
Harrah's Pride of Lake Charles, L.L.C.	Harrah's - Lake Charles	21,112,718	770	784	384	443	
Harrah's Star Partnership	Harrah's - Lake Charles	23,607,196	860	806	428	495	
Hollywood Casino Shreveport	Hollywood Casino - Shreveport**	28,901,752	2101	2071	1437	1233	
Horseshoe Entertainment, L.L.P.	Horseshoe - Bossier City	80,448,691	2642	2601	1638	1589	
Louisiana I Gaming Partnership	Boomtown Casino-Harvey	23,660,991	1142	1138	612	709	
Louisiana Casino Cruises, Inc.	Casino Rouge-Baton Rouge	25,649,627	947	945	516	485	
Louisiana Riverboat Gaming Partnership	Isle of Capri-Bossier City	33,466,000	1380	1347	898	817	
Red River Entertainment of Shreveport Partnership in Commendam	Harrah's-Shreveport	49,063,663	1753	1715	1093	1068	
St. Charles Gaming Company, Inc.	Isle of Capri-Westlake	26,940,991	1448	1420	766	828	
Treasure Chest Casino, L.L.C.	Treasure Chest-Kenner	33,186,600	1212	1207	520	607	
<b>TOTAL</b>		<b>\$432,864,695</b>	<b>17,840</b>	<b>17,522</b>	<b>10,788</b>	<b>10,360</b>	

\*Averages over FY 00-01

\*\* Commenced operation December 20, 2000.



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**RIVERBOAT GAMING FY 2000 - 01**

LICENSEE	LOCATION	TOTAL PROCUREMENT		
		Louisiana Owned	Minorities	Female
Belle of Orleans, L.L.C.	Bally's Casino - New Orleans	\$ 33,004,928	\$ 2,782,286	\$ 1,215,536
Casino Magic of Louisiana, Corp.	Casino Magic - Bossier City	13,057,187	3,804,183	7,215,326
Catfish Queen Partnership in Commendam	Argosy Casino - Baton Rouge	8,379,893*	779,554	1,975,205
Grand Palais Riverboat, Inc.	Isle of Capri-Westlake	2,583,423*	547,171*	147,063
Harrah's Pride of Lake Charles, L.L.C.	Harrah's - Lake Charles	10,459,410	1,005,723	1,551,930
Harrah's Star Partnership	Harrah's - Lake Charles	9,325,258	1,505,692	1,660,711
Hollywood Casino Shreveport	Hollywood Casino - Shreveport**	20,265,844*	9,168,944*	11,256,728*
Horseshoe Entertainment, L.L.P.	Horseshoe - Bossier City	30,720,888	15,361,067	17,889,482
Louisiana I Gaming Partnership	Boomtown Casino-Harvey	19,368,525*	1,838,032	5,977,838*
Louisiana Casino Cruises, Inc.	Casino Rouge-Baton Rouge	16,719,587*	513,275	1,474,604
Louisiana Riverboat Gaming Partnership	Isle of Capri-Bossier City	10,507,681*	3,568,138	5,322,962
Red River Entertainment of Shreveport Partnership in Commendam	Harrah's - Shreveport	96,364,037*	12,065,144*	10,457,395*
St. Charles Gaming Company, Inc.	Isle of Capri - Westlake	17,472,723*	2,133,058*	3,242,471
Treasure Chest Casino, L.L.C.	Treasure Chest-Kenner	10,980,060	3,358,632	5,442,833
<b>TOTAL</b>		<b>\$ 299,209,444</b>	<b>\$ 58,430,899</b>	<b>\$ 74,830,084</b>

\* Construction Costs Are Added With the Procurement Figure

\*\* Commenced operation December 20, 2000



# *Other States Riverboats*

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**RIVERBOAT SELECT DATA COMPARISON - OTHER STATES**

	Illinois FY 2001 10*	Indiana CY 2000 10	Iowa FY 2001 10	Missouri FY 2001 9	Mississippi FY 2001 30	Louisiana FY 2001 14
Number of Vessels	*Only 9 in operation.					
Casino Type	Dockside					
AGR	\$ 1,712,915,977	\$ 1,688,604,735	\$ 589,034,843	\$ 1,049,216,158	\$ 2,661,155,429	\$ 1,545,927,460
State Gaming Taxes	\$ 424,677,649	\$ 288,014,208 *	\$ 106,299,516	\$ 209,843,232	\$ 213,634,253	\$ 293,477,520
Local Taxes or Fees	\$ 104,234,437	\$ 165,451,731 *	\$ 5,890,350	\$ 20,984,323	\$ 106,864,321	\$ 89,570,812
Total Employees	11,445	16,233	6,969	10,216	37,257	17,840
Total Square Footage	249,342	496,490	237,544	492,400	1,496,766	392,551
Total Admissions	18,588,638	38,581,664	12,622,144	47,085,850	55,881,438	28,976,225
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% for first one million of AGR 10% for the next two million of AGR 20% 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

AGR = ADJUSTED GROSS REVENUE



**ILLINOIS GAMING BOARD**

101 West Jefferson  
 Springfield, Illinois 62794  
 Phone: 217/524-0226

Budget Officer: Tom Swoik  
 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 01	\$ 13,301,958
Estimated FY 02	\$ 14,258,300
FY 00	\$ 12,968,082
Charitable Games/Bingo FY 01	\$ 1,586,314
Estimated FY 02	\$ 1,730,438

**SOURCE OF FUNDING**

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

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

**EXPENDITURES ON SALARIES**

Riverboat Gaming: The Illinois Gaming Board has a cooperative relationship with the Illinois State Police. State Police Officers are required to be stationed on board the riverboats.

Total Personal Services - FY 01	\$ 2,905,950
Estimated FY 02	\$ 4,023,200
FY 00	\$ 2,230,777
Charitable Games/Bingo	
Total Personal Services - FY 01	\$ 1,481,814
Estimated FY 02	\$ 1,587,538

**ALLOCATION OF EMPLOYEES**

Riverboat Gaming FY 01	82
Illinois State Police	55
Charitable Games/Bingo FY 01	20

**ALLOCATION BY DEPARTMENTS**

Riverboat Gaming: Law Enforcement	95
Administration	39
Attorneys	3

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: John J. Thar  
 Controller: Kendra Nig

The following data reflects employment, budgetary and regulatory information for the Indiana Gaming Commission. The data source is the 2001 Indiana Gaming Commission Summary of Appropriations.

**COMMISSION OPERATING BUDGET**

FY 1998	\$ 3,264,324
FY 1999	\$ 3,267,837
FY 2000	\$ 2,840,174
FY 2001	\$ 2,840,174
FY 2002	\$ 2,827,009
FY 2003	\$ 2,827,009

**INDIANA STATE POLICE BACKGROUND INVESTIGATIVE UNIT (BIU) OPERATING BUDGET**

FY 1998	\$ 2,412,401
FY 1999	\$ 2,535,061
FY 2000	\$ 1,810,260
FY 2001	\$ 1,788,260
FY 2002	\$ 1,383,030
FY 2003	\$ 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 in which State Police provide enforcement and regulatory checks at gaming installations. Salary expenditures are as follows:

**SALARIES EXPENDITURE (BUDGETED) - INDIANA GAMING COMMISSION**

FY 1998	\$ 1,610,124
FY 1999	\$ 1,613,637
FY 2000	\$ 1,834,340
FY 2001	\$ 1,834,340
FY 2002	\$ 1,859,555
FY 2003	\$ 1,859,555

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

FY 1998	\$ 1,176,864
FY 1999	\$ 1,299,524
FY 2000	\$ 1,321,230
FY 2001	\$ 1,321,230
FY 2002	\$ 916,000
FY 2003	\$ 916,000

**ALLOCATION OF EMPLOYEES**

Indiana Gaming Commission	32
Indiana State Police (BIU)	18



**IOWA RACING AND GAMING COMMISSION**

Budget Officer: 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 sources are the Iowa Racing and Gaming Commission's Riverboat Revenue Report.

**TOTAL OPERATING BUDGET**

Riverboat Gaming FY 01 \$ 1,491,474

**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 01 \$ 1,148,197

**ALLOCATION OF EMPLOYEES**

Total Number FY 01 25



**MISSOURI GAMING COMMISSION**

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

Budget Officer: Jim Cooper  
 Phone: 573/ 526-4093

The following data reflects employment and budgetary information for the Missouri Gaming Commission. Both Charitable Bingo and Riverboat Gaming are regulated by the Missouri Gaming Commission. The data sources are the Missouri Gaming Commission's Annual Report.

**TOTAL OPERATING BUDGET**

FY 2001 Actual	
Personal Services including fringe benefits	\$ 11,343,322
Expense and Equipment	\$ 1,674,103
Total Expended	\$ 13,017,429

Full Time Equivalent Employees	186
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FY 2002 Budget	
Personal Services including fringe benefits	\$ 13,711,007
Expense and Equipment	\$ 2,455,548
Total Budgeted	\$ 16,166,575

Full Time Equivalent Employees	238
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**SOURCE OF FUNDING**

Riverboat and Charitable Gaming operating funds are allocated through the state gaming commission fund upon recommendation of the Governor and by 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. Additionally, the Missouri Attorney General's Office provides legal support services which are reimbursed by the Commission.

Total Personal Services FY 00	\$ 10,499,980
Total Personal Services FY 01	\$ 11,343,322
Recommended FY 02	\$ 13,711,007

**ALLOCATION OF EMPLOYEES**

Total Number FY 01	182
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**MISSISSIPPI GAMING COMMISSION**

P.O. Box 23577  
 Jackson, MS 39225-3577  
 Phone: 601/ 351-2800  
 601/ 351-2824

Budget Officer: Larry Gregory

Contact: Patsy Knowles, Director  
 of Research and Operations  
 Todd King, Operations Analyst

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 2002	\$ 10,029,131
(Recommended) FY 2003	\$ 10,029,131
(Recommended) Decrease	0

**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.

State Appropriations	\$ 4,824,742
Charitable Gaming	\$ 1,397,395
Investigation Fee	\$ 3,806,994

**EXPENDITURES ON SALARIES**

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

Total Salary Expenditure FY 02	\$ 6,338,906
(Recommended) Expenditure FY 2003	\$ 6,338,906
(Recommended) Increase	--

**ALLOCATION OF EMPLOYEES**

Total Number FY 2001	151
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**ALLOCATION BY DEPARTMENTS**

Charitable Gaming	20
Enforcement	43
Investigations	19
Others	69



# *Video Poker*

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**FRANCHISE FEES BY TYPE  
 FY 2000 - 01**

TYPE OF LOCATION	NO. OF VGD'S	NO. OF LOCATIONS	DOLLARS IN	DOLLARS OUT	NET DEVICE REVENUE	FRANCHISE FEES	DEV OP. FEES COLLECTED
BARS & LOUNGES	4,712	1,595	\$ 357,161,323	\$ 213,049,254	\$ 144,112,069	\$ 37,469,377	\$ 1,172,250
RESTAURANTS	3,181	1,087	268,475,468	158,351,363	110,124,104	28,632,427	789,688
HOTELS	175	33	16,908,829	10,778,965	6,129,865	1,593,774	44,188
RACE TRACKS & OTBs	811	12	52,639,226	33,771,331	18,867,895	4,245,287	868,813
TRUCK STOPS	4,545	112	614,037,528	389,966,292	224,071,236	72,823,205	4,100,938
<b>TOTALS</b>	<b>13,424</b>	<b>2,839</b>	<b>\$ 1,309,222,373</b>	<b>\$ 805,917,204</b>	<b>\$ 503,305,169</b>	<b>\$ 144,764,070</b>	<b>\$ 6,975,875</b>

APPLICATION FEES	\$ 132,250
RENEWAL FEES	931,850
DEVICE OPERATION FEES	226,000
DEVICE OPERATION FEE RENEWALS	7,417,118
CIVIL PENALTIES & INTEREST	279,451
PROCESSING FEES	1,112,333
<b>TOTALS</b>	<b>10,099,001</b>
<b>TOTAL FEES COLLECTED</b>	<b>\$ 154,863,071</b>

\*NUMBERS ARE ROUNDED TO NEAREST WHOLE DOLLAR





**VIDEO GAMING DATA BY PARISH  
 FY 2000 - 01**

Parish	# EST. # DEVICES	Dollars In	Dollars Out	Net Device Revenue	Franchise Fees	Loc Govt. Share	State Share
Acadia	63	\$43,511,073	\$27,793,321	\$15,717,753	\$4,883,921	\$1,119,374	\$3,764,547
Assumption	33	12,852,339	8,153,686	4,698,653	1,417,049	318,105	1,098,944
Avoyelles	33	9,063,402	5,204,263	3,859,138	1,075,617	237,360	838,257
Bossier	83	26,805,586	16,137,936	10,667,650	2,815,404	617,276	2,198,128
Caddo	187	85,266,808	50,462,998	34,803,811	10,050,716	2,234,814	7,815,901
Calcasieu	141	120,426,228	78,311,118	42,115,109	12,938,209	2,899,512	10,038,697
Cameron	15	1,630,091	882,705	747,386	194,322	43,182	151,140
Desoto	8	12,269,982	7,432,416	4,837,566	1,540,872	354,027	1,186,845
East Carroll	10	1,888,962	1,085,815	803,147	208,819	45,269	163,551
Iberville	58	30,010,329	17,990,329	12,019,999	3,646,315	812,825	2,833,490
Jefferson	570	198,470,794	117,798,164	80,672,631	20,708,876	4,622,342	16,086,534
Jeff Davis	24	4,544,287	2,687,656	1,856,631	482,728	108,663	374,065
Lafourche	142	49,982,368	32,041,274	17,941,094	5,038,478	1,139,155	3,899,322
Madison	22	27,701,662	16,586,258	11,115,405	3,506,624	801,468	2,705,156
Orleans	530	159,088,671	95,778,484	63,310,188	17,471,518	3,935,110	13,536,407
Plaquemines	52	12,079,978	7,195,487	4,884,491	1,269,975	284,905	985,070



LOUISIANA GAMING CONTROL BOARD  
 REPORT TO THE LOUISIANA STATE LEGISLATURE  
 2001-2002

Parish	#	EST. #	DEVICES	Dollars In	Dollars Out	Net Device Revenue	Franchise Fees	Loc Govt. Share	State Share
Pointe Coupee	37	144		\$ 10,449,957	\$ 6,404,067	\$ 4,045,890	\$ 1,181,799	\$ 264,261	\$ 917,538
Red River	14	71		9,310,241	5,868,264	3,441,977	1,031,741	234,419	797,323
St Bernard	106	413		36,778,487	22,225,998	14,552,489	3,858,743	866,320	2,992,423
St Charles	45	228		10,022,543	5,919,728	4,102,815	1,105,655	258,312	847,343
St Helena	24	268		47,186,608	29,386,058	17,800,550	5,691,422	1,273,947	4,417,475
St James	32	182		21,401,521	13,374,755	8,026,766	2,452,507	556,327	1,896,180
St John	54	325		27,535,147	16,794,515	10,740,632	3,001,022	702,137	2,298,885
St Landry	96	459		51,728,469	33,030,677	18,697,792	5,568,565	1,249,547	4,319,019
St Martin	83	581		62,958,384	40,920,554	22,037,831	6,598,539	1,517,884	5,080,655
St Mary	76	396		36,335,846	22,528,421	13,807,426	4,136,589	923,281	3,213,308
Tensas	12	36		3,135,475	1,862,385	1,273,091	331,005	73,654	257,352
Terrebonne	184	960		93,549,551	59,080,717	34,468,834	10,028,187	2,260,100	7,768,086
Webster	29	203		27,999,979	16,715,638	11,284,341	3,484,468	781,124	2,703,345
W Baton Rouge	55	541		65,235,223	40,218,734	25,016,489	7,863,583	1,753,447	6,110,136
West Feliciana	21	130		10,002,384	6,044,788	3,957,597	1,180,802	263,800	917,002
<b>TOTALS</b>	<b>2,839</b>	<b>13,424</b>		<b>\$1,309,222,373</b>	<b>\$805,917,204</b>	<b>\$503,305,169</b>	<b>\$144,764,070</b>	<b>\$32,551,945</b>	<b>\$112,212,125</b>

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

Note: The thirty-one parishes listed above voted to continue video poker on November 5, 1996.



## VIDEO GAMING DATA BY CLASSIFICATION FY 2000 - 01

Video gaming devices are classified into five (5) different types according to the type of establishment in which the devices are located. The amounts of the franchise payments are based on a percentage of the net device revenue ("Net Gaming Proceeds") of each video gaming device. The amount of 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, 2000.

<u>TYPE</u>	<u>NET GAMING PROCEEDS</u>	<u>FRANCHISE FEES</u>	<u>NO. OF DEVICES</u>	<u>NO. OF ESTABLISHMENTS</u>
Type 1	\$144,112,069	\$37,469,377	4,712	1,595
Type 2	110,124,104	28,632,427	3,181	1,087
Type 3	6,129,865	1,593,774	175	33
Type 4	18,867,895	4,245,287	811	12
Type 5	224,071,236	72,823,205	4,545	112
<b>TOTAL</b>	<b>\$ 503,305,169</b>	<b>\$ 144,764,070</b>	<b>13,424</b>	<b>2,839</b>

Source: LOUISIANA STATE POLICE (Video Gaming Division)



**DISTRIBUTION OF VIDEO POKER REVENUE  
FISCAL YEAR 2000 - 2001**

**RECEIPTS**

No. of Devices	13,424
Franchise Fees	\$144,764,070
Other Fees and Penalties	<u>10,099,001</u>
<b>TOTAL FEES COLLECTED</b>	<b>\$ 154,863,071</b>

**EXPENDITURES**

District Attorneys & Asst. Dist. Attys.	\$ 5,400,000
Local Governments	32,552,000
Horseman Purse Supplemental Fund	2,554,664
Louisiana State Police Budget	4,400,000
Compulsive Gambling Fund	500,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 45,406,664</b>
<b>TRANSFERRED TO GENERAL FUND</b>	<b>\$ 109,456,407</b>



**CUMULATIVE REPORT OF VIDEO POKER ACTIVITIES**

RECEIPTS:	1991-93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	TOTAL
No. of Devices	10,074	13,490	15,414	15,719	14,851	14,996	15,638	12,937	13,424	
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	\$144,764,070	\$1,266,550,070
Statutory Fairgrounds Exemption				(-2,500,000)	(-2,500,000)	(-566,000)				5,566,000
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	10,099,001	100,943,001
<b>Total Fees Collected</b>	<b>\$ 55,769,000</b>	<b>\$ 107,785,000</b>	<b>\$ 152,259,000</b>	<b>\$ 172,521,000</b>	<b>\$ 181,089,000</b>	<b>\$ 193,598,000</b>	<b>\$ 199,084,000</b>	<b>\$ 144,959,000</b>	<b>\$ 154,863,071</b>	<b>\$ 1,361,927,071</b>
<b>EXPENDITURES:</b>										
District Attorneys & Asst Dist Attys	\$ 4,744,000	\$ 4,845,000	\$ 5,400,000	\$ 5,348,000	\$ 5,400,000	\$ 5,205,000	\$ 5,400,000	\$ 5,400,000	\$ 5,400,000	\$ 47,142,000
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	32,552,000	283,347,000
Horseman Purse Supplement Fund	0	0	2,541,000	2,880,000	3,037,000	3,250,000	3,360,000	2,417,000	2,554,664	20,039,664
Louisiana State Police (Budget) Compulsive Gaming	5,468,000	2,816,000	4,516,000	4,515,000	4,347,000	4,400,000	4,400,000	4,400,000	4,400,000	39,262,000
	0	0	0	150,000	150,000	150,000	500,000	500,000	500,000	1,950,000
<b>Total Expenditures</b>	<b>\$ 19,296,000</b>	<b>\$ 27,803,000</b>	<b>\$ 44,486,000</b>	<b>\$ 50,529,000</b>	<b>\$ 50,459,000</b>	<b>\$ 53,853,000</b>	<b>\$ 57,084,000</b>	<b>\$ 42,824,000</b>	<b>\$ 45,406,664</b>	<b>\$ 391,740,664</b>
Seed Adv/Carry	0	0	(-137,000)	137,000	0	0	0	0	0	0
<b>TRANSFERRED TO GENERAL FUND</b>	<b>\$ 36,473,000</b>	<b>\$ 79,982,000</b>	<b>\$ 107,636,000</b>	<b>\$ 122,129,000</b>	<b>\$ 130,630,000</b>	<b>\$ 139,745,000</b>	<b>\$ 142,000,000</b>	<b>\$ 102,135,000</b>	<b>\$ 109,456,407</b>	<b>\$ 970,186,407</b>

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



# ***Landbased Casino***

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## LANDBASED CASINO GAMING

### LOUISIANA

The landbased casino recommenced operations on October 28, 1999. Admissions through June 30, 2000, were 4,946,197. Fiscal Year 1999 – 2000 revenue data was as follows:

	Gross Gaming Revenue	State Tax Remittance <sup>1</sup>
October, 1999	\$ 8,214,110	\$ 1,095,890
November, 1999	16,258,046	8,219,178
December, 1999	14,845,874	8,493,151
January, 2000	20,864,060	8,493,151
February, 2000	20,402,945	7,945,205
March, 2000	20,515,988	8,493,151
April, 2000	19,002,815	8,219,178
May, 2000	20,989,684	8,493,151
June, 2000	21,726,947	8,219,178
<b>TOTAL</b>	<b>\$ 162,820,470</b>	<b>\$ 67,671,233</b>

Year to date admissions through June 30, 2001, were 6,458,941. Fiscal Year 2000-2001 revenue date is as follows:

	Gross Gaming Revenue	State Tax Remittance <sup>1</sup>
July, 2000	\$ 23,499,367	\$ 8,493,151
August, 2000	21,594,417	8,493,151
September, 2000	23,728,012	8,219,178
October, 2000	21,110,969	8,493,151
November, 2000	19,564,389	8,219,178
December, 2000	21,277,542	8,493,151
January, 2001	18,212,314	8,493,151
February, 2001	23,058,309	7,671,233
March, 2001	22,338,920	8,493,151
April, 2001	19,964,156	4,109,589
May, 2001	20,907,654	4,246,575
June, 2001	21,079,313	4,109,589
<b>TOTAL</b>	<b>\$ 256,335,361</b>	<b>\$ 87,534,246</b>

<sup>1</sup>Monthly fees collected through March 2001 are based on a minimum daily remittance to the State of \$273,972.60. Effective April 1, 2001, monthly fees collected are based on a minimum daily remittance to the State of \$136,986.30.



## OTHER STATES

### NEW JERSEY

Twelve landbased casinos were in operation in New Jersey at the end of calendar year 2001. Cumulative revenue data for calendar year 2001 is as follows:

Gross Revenue	\$ 4,279,201,040
State Taxes ( 8 %)	\$ 342,336,085
Reinvestment obligations <sup>2</sup>	\$ 53,490,013

<sup>2</sup>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, a program allowing 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.





**NEVADA**

At the end of FY 2001-2002 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 2000 - 01**

Gaming Win (Statewide)	\$ 9,665,090,990
Slots	\$ 9,665,090,990
Table games	\$ 3,436,177,170
State Gaming Taxes	\$ 727,103,877

**Distribution Of Funds**

General Fund	\$ 668,412,283
Dedicated Funds (schools, counties)	\$ 56,691,594

**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 year of FY 99-00	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
- 6¼% 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



**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 2001 Revenue Data**

January 1, 2001 – September 30, 2001

Adjusted Gross Revenue		\$ 728,147,411
State and City Taxes	(18 %)	131,066,534
State Tax	(8.1%)	58,979,940
City Tax	(9.9%)	72,086,594
Annual State Service Fee* (divided between 3 casinos)		25,758,100
Municipal Services Fee- City of Detroit General Fund (1 ½ of AGR or 4 million whichever is greater per casino)		12,000,000
<b>TOTALS-- STATE</b>		<b>\$ 84,738,040</b>
<b>          CITY</b>		<b>\$ 84,086,594</b>

\* 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**

Michigan statutory provisions allow imposition of an 18% tax on adjusted gross revenues, 55% of which or 9.9% of AGR goes to the city for use in connection with:

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.

8.1% of AGR is used by the state for deposit in the school aid fund to provide additional funds for K-12 classroom education.



**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 the future.

**OTHER STATES**

**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. All machine revenues are swept 5 days per week. 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 2000-2001. Revenue data is as follows for that period:

Credits played	\$ 5,140,616,835
Credits won	\$ 4,702,526,314
Gross Terminal Revenue	\$ 438,090,521
Net Terminal Revenue	\$ 420,566,907
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 %



# *Racetracks*

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**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 swept weekly by the Delaware Lottery and distributed in accordance with statutory provisions. The following revenue data was reported for the fiscal year 2001(6/26/00-6/24/01).

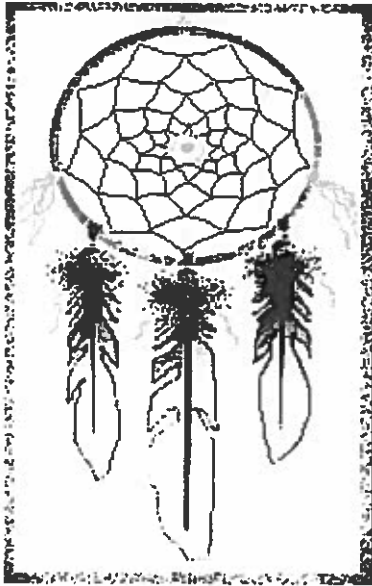
Amount Played (Cash & Credits wagered)		\$ 6,226,489,000
Amount Won (Cash and Credits wagered returned as winnings)		\$ 5,725,439,500
Lottery Net Proceeds		\$ 501,049,500
Track Commissions	(48.64%)	\$ 243,718,200
Purse Increases	(11.06%)	\$ 55,409,900
Vendor Fees (Central computer & terminal equipment)	(5.11%)	\$ 25,603,700
State Share (Before operating expenses of Lottery & State Police)	(35.19%)	\$ 176,317,900

As per § 4815, Title 29, Delaware Code.

**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 selects the types of machines that will be placed in operation which are leased by the facilities. All revenues go to the Lottery for distribution in accordance with statutory provisions 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 2001 Comprehensive Annual Financial Report:

Sales		\$ 771,019,263
Commissions*		107,436,917
Prize Award Expense		541,921,012
Unclaimed Prize Recovery		0
Gross Profit		\$ 121,661,334
*Retail Facilities	(31%)	\$ 69,867,774
Tech Providers	(8.5%)	18,844,614
Central Communications Provider	(2.5%)	5,727,456
Dog Kennel Owners	(6%)	10,706,090
Local Government	(1%)	2,290,983
Total		\$ 107,436,917



# *Indian Gaming*

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## INDIAN GAMING Calendar Year 2001

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

Total Casino Employees as of June 01:	Not Provided
Total Native American Employees as of June 01:	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

**GRAND CASINO AVOYELLES  
TUNICA-BILOXI INDIAN TRIBE  
AVOYELLES PARISH**

Employee Wages	\$ 29,984,065
Employee Wages-Federal & State Taxes	\$ 2,613,732
Contribution to Avoyelles Parish	Not Provided
Purchased goods/services from Louisiana Vendors	\$ 19,086,319
Donations-Area Relations	\$ 164,623
Donations-Tribal	Not Provided
Donations-Executive	Not Provided
Hotel Sales tax paid to State	Not Provided
Employee Benefits (Insurance & 401K)	\$ 10,092,110
Total Casino Employees as of Dec '01	1,685
Total Native Americans Employees as of Dec '01	36



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

**Fiscal Year End September 2001**

Total Casino Employees as of September 01	1,054
Total for year	1,283
Total Native American Employees	27
Total Wages paid	\$ 19,663,697
Total Social Security and Medicare Taxes(employee portion)	\$ 1,729,774
Total unemployment compensation (SUI)	\$ 60,865
Total spent on advertising	\$ 1,180,935
Total expenditures for goods and services	\$ 20,381,247
Number of Louisiana based vendors	1,197
Parish Contribution	\$ 1,876,696
Community Donations	\$ 72,989
Sales Taxes	\$ 228,719

\*Note Fiscal Year ended 9/30/2001.



**TRIBAL PARISH CONTRIBUTIONS  
AS REQUIRED BY THE TRIBAL/STATE COMPACT  
FY 2000 - 01**

Quarter	Period	Coushatta Allen	Chitimacha St. Mary	Tunica-Biloxi Avoyelles	Total
1	7/1/00-9/30/00	\$ 1,875,903	\$ 28,330	\$ 643,877	\$ 2,548,110
2	10/1/00-12/31/00	0	0	429,003	429,003
3	1/1/01-3/31/01	0	0	725,136	725,136
4	4/1/01-6/30/01	2,247	23.00	487,011	489,281
<b>FY Total</b>		<b>\$ 1,878,150</b>	<b>\$ 28,353</b>	<b>\$ 2,285,027</b>	<b>\$ 4,191,530</b>

Note: These proceeds are collected by the State's Office of Finance and Support Services, Division of Administration and are subsequently remitted to the local parish governments.

**If You or Someone You  
Know May Have a  
Gambling Problem, Call**

**Toll-Free: 1-877-770-STOP (7867)**

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