

LOUISIANA GAMING CONTROL BOARD
1998-1999

REPORT TO THE LOUISIANA STATE LEGISLATURE

TABLE OF CONTENTS

Chairman's Letter.....	2
Acknowledgments.....	5
RIVERBOAT	7
Riverboat Activity Summary FY 1997-98.....	9
Riverboat Economic Impact Figures FY 1997-98.....	10
DEMOGRAPHIC INFORMATION	13
Riverboat Gaming Compliance Information.....	14
OTHER STATES	17
Select Data-Other States Riverboat Casinos.....	18
Illinois Budgetary Information.....	19
Indiana Budgetary Information.....	21
Iowa Budgetary Information.....	22
Mississippi Budgetary Information.....	23
Missouri Budgetary Information.....	24
VIDEO POKER	25
Video Poker Franchise Fees By Type.....	26
Video Poker Gaming Data-By Parish FY 1997-98.....	28
Video Poker by Classification FY 1997-98.....	31
Distribution of Video Poker Revenue.....	32
South Carolina Video Poker Statistics.....	33
INDIAN GAMING	35
Grand Casino-Tunica Biloxi.....	36
Grand Casino-Coushatta.....	37
Cypress Bayou-Chitimacha.....	38
Revenue From Tribal Compacts FY 1997-98.....	39



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

Current Law (La. R.S. 27:15(b)) requires submission of an annual report by the Louisiana Gaming Control Board. This document, our third, addresses those elements that are mandated to be contained in the document.

This has been an extremely active year for the Board. Its agenda included a variety of items that required long deliberate study and difficult decision making. It owes a deep, sense of obligation to the offices of the Attorney General and the State Police for their thorough research and analysis of the legal, financial and technical matters, extremely valuable in the decision making process by the Board.

Briefly, let us highlight some of the major actions taken during the past fiscal year. Hilton and its associate requested a move of their riverboat from New Orleans to Shreveport. The Board concurred, but stipulated that if the move was not completed and operational by October 1997, gaming activities would cease at the New Orleans site. Lack of action by the Hilton group resulted in the loss of the berth. In subsequent action Hilton withdrew from the project and its partner, New Orleans Paddlewheels, assumed control of the license. The latter was successful in securing two partners with extensive gaming experience and sufficient capital to expedite the move to Shreveport. The financial credibility and background suitability were researched by State Police and found to be acceptable. The Board subsequently approved the project which was endorsed by civic and financial leaders of Caddo Parish.

Of major interest is the land-based casino in New Orleans. The operating contract was amended as a result of considerable man hours of research and negotiations. As a result of a Supreme Court decision affirming the authority of the Board to approve the operating contract, the Board empowered the Chairman to sign it and it became effective on October 27, 1998. Its terms require that operations must start within one year of that date, unless construction is delayed by conditions spelled out in the contract.

Still pending is the matter of the fifteenth license. During the last fiscal session, the legislature responded to a suggestion by the Board (see last annual reports) and appropriated the sum of \$600,000 for a study to examine the socioeconomic impact of gaming in Louisiana. The project is headed by the University of New Orleans with support from six other university entities and two specialized research groups. The Board voted to suspend consideration of license applications until the study is presented to the Legislature in the 1999-2000 session.

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

Concurrent with these matters, the Board continued its investigation into the cruising records of the riverboats. It became apparent that the relatively low incidence of sailing (64 percent cancellation statewide average) was due to decisions by the boat captains attributed to high water, winds, currents, poor visibility and excessive river traffic. It was a universal complaint that the mandated design of the boats (an extremely high silhouette) made steering difficult in windy conditions. In addition, it became apparent that in some instances the location of the berth made the departure and docking process difficult to accomplish. The Board is currently taking the matter under advisement and seems inclined to propose certain changes after conducting public hearings on the matter.

During the past year, the Board continued to address the subject of compulsive gambling. It held several public meetings and conducted forums where prominent researchers related their experience in other states and stated that Louisiana was in the forefront in state support for treatment programs. One of the research entities also serves on the University of New Orleans Economic Impact Study Team. As of this writing, the Board is awaiting input from the Louisiana Riverboat Association on corrective and preventive measures aimed at lessening the problem. As a result of legislative action relative to underage gaming on riverboats (raising the age limitations and permitting a higher fine schedule) and restrictive measures initiated by the industry, the Board temporarily shifted its attention to other matters. A major portion of the report is devoted to displays of fiscal information on video poker, Indian casino and riverboat gaming. As an added feature demographic data on purchasing and employment statistics lend a socioeconomic flavor. As required by statute, the report includes comparison with other states conducting like forms of gaming. For the first time, the State of South Carolina makes an appearance since it has legalized the conduct of video poker.

In the current fiscal year, the Board was appropriated the sum of \$8,125,205. Approximately 12% of this amount was directly applicable to Board activities and the balance was made available to State Police and the Attorney General. Their Board related functions included legal representation, research, administrative assistance, investigations, and regulatory supervision of all gaming under Board control. For the first time, activities related to the land-based casino made their appearance in the budget. As per the contract, the casino operators reimbursed the state for all expenses relating to the development and execution of the operating contract as well as the cost to State Police and the Attorney General for suitability investigations of the principals and key employees of the casino. The largest single expenditure (\$600,000) in the budget of the Board itself is for a legislatively authorized study of the socioeconomic effects of gaming in Louisiana. All other expenditures were at a lower level than the prior year including the expenditure (\$213,000) for hearing officers and court reporters. The balance of the appropriation (less than \$400,000) was for rent, travel, supplies and compensation of Board members. As has been the custom for the past two years, careful budget execution will result in a fund surplus. The budget before you now will propose an escalation of supervision of the land-based casino by assignment of additional state

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

troopers to the facility, as well as an allocation of \$500,000 to the Problem and Compulsive Gaming fund. In all other aspects, the budget will be approximately the same as in the current year. The Board itself has requested an additional hearing officer to assist in the workload associated with the land-based casino.

The Louisiana Gaming Control Board will continue its policy of expecting exemplary performance by the gaming industry and its employees. It will continue to require that strict adherence to statutes and regulations be maintained and that the public is protected from elements and conditions adverse to sound public policy.

Respectfully submitted:

**Judge Hillary J. Crain, Chairman
Judge Robert Fleming, Vice-Chairman
Ralph R. Perlman, Secretary-Treasurer
James Boyer
General Sherian Cadoria
Ecotry Fuller
Marcia D. Morgan
William D. Lastrapes
Rupert Richardson
John Kennedy
Col. W.R. Whittington**

ACKNOWLEDGMENTS

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

Department of Justice, Gaming Division
Tom Warner, Assistant Attorney General
James A. Smith, Assistant Attorney General
Elizabeth Behan, Assistant Attorney General
Elizabeth Diez, Legal Secretary
Charlotte Adcock, Legal Secretary
Cloyd Benjamin, Law Clerk

Louisiana State Police, Video Gaming Division
Lt. Stanley Griffin, Director
Michael Legendre, Audit Supervisor

Louisiana State Police, Riverboat Gaming Division
Lt. Dane Morgan, Director
Susan Demouy, Audit Manager
Robert Tucker, Jr., Accounting Specialist Supervisor

Casino Association of Louisiana
Charles C. Barham, Executive Director

RIVERBOAT

LOUISIANA STATE POLICE
RIVERBOAT GAMING FISCAL YEAR-TO-DATE ACTIVITY SUMMARY
FOR THE PERIOD OF: JULY 1, 1997 - JUNE 30, 1998

Vessel	Date of Commencement	FYTD Admissions	FYTD Total AGR	FYTD Fee Remittance
STAR	10/24/93	1,250,265	\$51,534,480	\$9,533,879
PLAYERS	12/08/93	2,012,798	95,249,060	17,621,076
HILTON-FLAMINGO	02/10/94	414,593	13,487,693	2,495,223
HARRAHS	04/18/94	2,432,631	147,475,862	27,283,035
ISLE OF CAPRI (B.C.)	05/20/94	2,424,910	120,882,751	22,363,309
HORSESHOE	07/09/94	3,674,474	190,836,817	35,304,811
BOOMTOWN	08/06/94	1,768,633	82,134,224	15,194,832
TREASURE CHEST	09/05/94	1,915,240	117,398,139	21,718,656
BELLE OF B.R.	09/30/94	1,212,236	47,369,951	8,763,441
CASINO ROUGE	12/28/94	1,374,947	67,992,180	12,578,553
BALLYS	07/07/95	1,918,095	88,891,096	16,444,853
ISLE OF CAPRI (L.C.)	07/29/95	822,418	56,421,012	10,437,887
GRAND PALAIS (L.C.)	07/12/96	1,149,532	89,202,486	16,502,460
CASINO MAGIC	10/04/96	3,092,211	103,175,377	19,087,445
		25,462,983	\$1,272,051,128	\$235,329,460

**LOUISIANA RIVERBOAT CASINO INDUSTRY
ECONOMIC IMPACT FIGURES FY97/98**

License Location Start Date	Bally's Casino New Orleans Jul-95	Belle of Baton Rouge Baton Rouge Sep-94	Boomtown Belle Harvey Aug-94	Casino Magic Bossier City Oct-96	Casino Rouge Baton Rouge Dec-94	Hollywood Casino Shreveport 99	Harrah's Casino Shreveport Apr-94
State Taxes 18.5% only	\$16,442,920	\$8,755,096	\$15,425,319	\$19,079,000	\$13,165,722		\$27,280,884
Local Fees	\$7,571,562	\$6,174,225	\$4,868,430	\$5,569,000	\$3,943,160		\$7,055,705
Property Taxes		\$582,529		\$1,486,000	\$650,000		\$1,636,133
Payroll (incl. tips)	\$21,622,936	\$19,000,000	\$21,621,531	\$23,600,000	\$19,400,000		\$27,651,634
Benefits (1)	\$5,621,963	\$4,940,000	\$5,621,598	\$6,136,000	\$5,044,000		\$7,189,425
Employment (fulltime)	861	671	1,154	1,215	900		1,364
Employment (fts)	780	682	1,091	1,118	825		1,128
Procurement (total (2))	\$34,650,519	\$19,907,227	\$31,702,614	\$24,866,800	\$14,708,000		\$13,288,176
Minority	\$3,126,107	\$1,580,181	\$816,977	\$822,400	\$1,730,000		\$9,509,144
Women	\$795,073	\$2,027,174	\$2,396,507	\$2,629,700	\$1,098,000		\$3,629,858
Capital Investment	\$63,251,397	\$130,000,000	\$312,976,924	\$161,000	\$51,759,929		\$2,240,868
Charitable Contribution	\$144,921	\$50,000	\$84,725	\$122,000	\$241,010		\$89,000,000
Improvements	\$16,546	0	0	0	0		\$813,326
Development Plans	0	\$28,000,000	\$4,000,000	0	\$1,500,000		\$8,000,000
Admissions	1,917,694	1,234,845	1,626,777	3,294,660	1,557,264		123,000,000
Approximation of Visitors(3)	20.0%	11.0%	0.5%	60.0%	7.5%		58%
Estimate of Visitors	383,539	135,833	8,134	1,976,796	116,795		2,428,673
Visitor Spending (4)	\$19,176,950	\$6,791,650	\$406,700	\$98,839,800	\$5,839,750		\$121,433,650

(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, we conservatively calculate a visitor spends \$50/day.

License Location Start Date	Horseshoe Casino Bossier City Jul-94	Isle of Capri Bossier City May-94	Isle of Capri Westlake July-95	Grand Palais Westlake Dec-93	Players Casino Lake Charles Dec-93	Star Casino Lake Charles Oct-93	Treasure Chest Kenner Sep-94	TOTAL
State Taxes 18.5% only	\$35,304,811	\$22,357,130	\$10,437,302	\$16,502,460	\$17,621,067	\$9,533,879	\$21,823,170	\$233,728,760
Local Fees	\$8,586,684	\$4,867,179	*\$7,941,965	--	\$3,814,974	\$2,121,347	\$7,647,612	\$70,161,843
Property Taxes	--	\$959,766	\$864,077	\$372,057	\$1,710,978	\$416,828	\$526,394	\$9,204,762
Payroll (incl. tips)	\$50,636,305	\$25,984,098	\$19,877,067	\$9,908,428	\$24,127,000	\$14,672,000	\$28,710,040	\$306,811,038
Benefits (1)	\$13,165,439	\$6,755,865	\$5,168,037	\$2,576,191	\$6,273,020	\$3,814,720	\$7,464,610	\$79,770,870
Employment (fulltime)	2,794	1,264	1,317	522	984	599	1,272	14,917
Employment (Res)	2,447	1,098	*1,533	--	984	599	1,219	13,504
Procurement (total (2))	\$159,775,693	\$24,770,594	\$17,684,789	\$4,921,378	\$40,598,000	\$7,652,000	\$52,259,564	\$446,785,354
Minority	\$16,326,395	\$3,644,000	\$2,141,366	\$516,992	\$2,075,000	\$524,000	\$2,243,712	\$45,036,274
Women	\$15,801,991	\$3,647,000	\$4,171,472	\$366,898	\$2,548,000	\$386,000	\$2,280,916	\$41,778,589
Capital Investment	\$245,957,906	\$78,208,598	**\$96,768,997	**\$37,936,081	\$178,031,000	\$27,573,000	\$134,143,621	\$1,359,009,321
Charitable Contribution	\$298,034	\$330,010	\$2,513,716	\$1,313,250	\$72,000	\$39,000	\$144,158	\$94,388,824
Improvements	\$173,080,384	\$7,579,749	0	0	\$22,700,000	\$220,000	\$4,404,622	\$224,014,224
Development Plans	\$5,045,155	\$42,500,000	\$27,585,000	0	\$2,000,000	0	0	\$118,630,155
Admissions	3,672,474	3,072,944	822,435	1,153,609	2,012,798	1,250,265	1,935,565	146,551,330
Approximation of Visitors(3)	70.0%	55.3%	80%	80%	75%	75%	15.0%	--
Estimate of Visitors	2,570,732	1,699,338	657,948	922,887	1,509,599	937,699	290,335	13,638,308
Visitor Spending (4)	\$128,536,600	\$84,966,900	\$32,897,400	\$46,144,350	\$75,479,950	\$46,884,950	\$14,516,750	\$681,915,400

(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, we conservatively calculate a visitor spends \$50/day.

*Isle of Capri and Grand Palais Combined

**Cumulative since inception

Information provided by Casino Association of Louisiana.

DEMOGRAPHIC INFORMATION

**RIVERBOAT GAMING
FY 97-98**

LICENSEE	LOCATION	TOTAL PAYROLL				
		Total Payroll	Total Employed*	La. Residents*	Minorities*	Female*
Louisiana Riverboat Gaming Partnership	Isle of Capri-Bossier City	\$ 22,300,000	1,356	1,334	825	816
Queen of New Orleans at the Hilton	Shreveport	\$				
Red River Entertainment	Harrah's-Shreveport	\$ 36,877,321	1,364	1,335	1,087	804
Players Lake Charles	Players II-Lake Charles	\$ 22,901,340	1,109	1,047	546	633
Showboat Star Partnership	Star Casino-Lake Charles	\$ 14,654,300	777	725	370	383
Horseshoe Entertainment	Horseshoe-Bossier City	\$ 53,110,754	2,567	2,519	1,494	1,477
Louisiana - I Gaming	Boomtown Belle-Harvey	\$ 21,621,531	1,098	1,095	468	651
Catfish Queen Partnership/Jazz Enterprises	Belle of Baton Rouge	\$ 16,845,077	809	801	430	384
Treasure Chest Casino, L.L.C.	Treasure Chest-Kenner	\$ 24,669,995	1,274	1,262	442	592
Louisiana Casino Cruises, Inc.	Casino Rouge-Baton Rouge	\$ 19,171,268	899	892	532	476
Belle of Orleans, L.L.C.	Belle of Orleans-New Orleans	\$ 18,639,628	871	858	585	480
St. Charles Gaming Company, Inc.	Isle of Capri-Westlake	\$ 19,877,067	1,297	1,252	634	738
Grand Palais Riverboat, Inc.	Isle of Capri-Westlake	\$ 9,908,428	537	496	198	317
Crescent City Capitol Development Corp.	Casino Magic-Bossier City	\$ 23,914,803	1,112	1,092	669	624
TOTAL		\$ 304,491,512	15,070	14,708	8,280	8,375

*Averages over FY 97-98

**RIVERBOAT GAMING
FY 97-98**

LICENSEE	LOCATION	TOTAL PROCUREMENT			
		La. Owned	Minorities	Female	
Louisiana Riverboat Gaming Partnership	Isle of Capri-Bossier City	\$14,867,000	\$4,500,870	\$6,935,718	
Queen of New Orleans at the Hilton	Flamingo*				
Red River Entertainment	Harrah's-Shreveport	8,922,185	3,764,316	2,240,868	
Players Lake Charles	Players II-Lake Charles	15,160,032	2,074,508	2,548,005	
Showboat Star Partnership	Star Casino-Lake Charles	1,995,511	523,599	385,631	
Horseshoe Entertainment	Horseshoe-Bossier City	81,682,228	16,326,395	13,991,378	
Louisiana - I Gaming	Boomtown Belle-Harvey	25,451,394	816,977	2,396,507	
Catfish Queen Partnership/Jazz Enterprises	Belle of Baton Rouge	9,248,436	1,702,597	1,911,408	
Treasure Chest Casino, L.L.C.	Treasure Chest-Kenner	12,431,947	1,491,597	1,895,749	
Louisiana Casino Cruises	Casino Rouge-Baton Rouge	15,572,893	1,523,923	1,778,544	
Belle of Orleans, L.L.C.	Belle of Orleans-New Orleans	32,016,407	3,099,108	795,073	
St. Charles Gaming Company, Inc.	Isle of Capri-Westlake	13,454,391	2,141,366	4,171,472	
Grand Palais Riverboat, Inc.	Isle of Capri-Westlake	2,904,209	516,992	366,898	
Crescent City Capitol Development Corp.	Casino Magic-Bossier City	15,096,314	822,419	2,629,711	
TOTAL		\$248,802,947	\$39,304,667	\$42,046,962	

*Official berth-Shreveport, formerly New Orleans

OTHER STATES

**SELECT DATA - OTHER STATES' RIVERBOAT CASINOS
COMPARED WITH LOUISIANA RIVERBOAT CASINOS**

	ILLINOIS FY 1998	INDIANA CY 1997	IOWA FY 1998	MISSOURI FY 1998	MISSISSIPPI FY 1998	LOUISIANA FY 1998
Number of Vessels	10	9	9	11	29	13
Casino Type	Cruise	Cruise	Cruise	Cruise	Dockside	Cruise/Dockside
AGR	\$1,065,925,166	\$1,134,241,855	\$468,631,715	\$802,673,621	\$2,084,215,760	\$1,272,051,128
State Gaming Taxes	\$186,012,339	\$337,911,064	\$84,484,135	\$144,495,659	\$167,438,958	\$235,329,459
Local Taxes or Fees	\$78,000,171	\$74,343,701	\$4,686,317	\$16,055,073	\$82,906,717	\$79,366,605
Total Employees	10,106	10,860	6,250	12,033	31,700	14,917
Total Square Footage	235,542	242,100	184,353	527,000	1,290,411	384,100
Total Admissions	24,703,913	24,781,889	12,435,167	39,547,895	*55,354,398	144,994,066

State Gaming Tax Rate:	% of AGR Graduated	20% of AGR &	5% for one million of	20% of AGR &	8% of AGR + 3% to	18.5% of AGR
	15% 0 to \$25 mil	\$3.00 per	AGR	\$2.00 per	local governments	
	20% \$25 to \$50 mil	Admission	10% for next two	Admission	* Mississippi does	
	25% \$50 to \$75 mil		million of		not track, tax or	
	30% \$75 to \$100 mil		AGR		charge admission.	
	35% over \$100 mil		20% exceeding three		This number is	
	plus \$2.00 per admission		million of AGR		gathered through a	
					quarterly survey.	

AGR = Adjusted Gross Revenue

ILLINOIS GAMING BOARD
101 West Jefferson
Springfield, Illinois 62702
Phone: (312) 814-4707
Budget: (217) 524-0226

Budget Officer: Tom Swoik
RIVERBOAT GAMING

ILLINOIS DEPARTMENT OF REVENUE
101 West Jefferson
Springfield, Illinois 62702

Budget Officer: David Hunt

The following data reflects employment, budgetary, and regulatory information on 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 98 \$12,463,082

Estimated FY 99 \$13,559,000

FY 97 \$12,584,993

TOTAL OPERATING BUDGET

Charitable Games/Bingo FY 98 \$2,200,000

SOURCE OF FUNDING

Riverboat Gaming

Riverboat Gaming Operating budget is allocated by the State legislature from the State Gaming Fund.

SOURCE OF FUNDING

Charitable Games/Bingo

The Charitable Gaming Operations 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 98 \$2,113,320

Estimated FY 99 \$2,444,361

FY 97 \$2,112,793

EXPENDITURES ON SALARIES

Not Available

Charitable Games/Bingo
Unavailable

ALLOCATION OF EMPLOYEES

Riverboat Gaming	51
Total Number - FY 98	113
Illinois State Police	

ALLOCATION BY DEPARTMENTS

Riverboat Gaming	113
Law Enforcement	47
Administration	4
Attorneys	

ALLOCATION OF EMPLOYEES

Charitable Games/Bingo	
Total Number - FY 98	27

ALLOCATION BY DEPARTMENT

Charitable Games/Bingo	Not Available
------------------------	---------------

INDIANA GAMING COMMISSION
 South Tower, Suite 950
 115 W. Washington Street
 Indianapolis, Indiana 46204-3408
 Phone: (317) 232-0046

Executive Director: John J. Thar
 Controller: Philip L. Beck

The following data reflects employment, budgetary, and regulatory information on the Indiana Gaming Commission. The data source is the 1998 Indiana Gaming Commission Summary of Appropriations.

TOTAL INDIANA GAMING COMMISSION OPERATING BUDGET

FY 1998	\$3,264,324
FY 1999	\$3,267,837
FY 2000 (proposed)	\$2,840,174

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

FY 1998	\$2,412,401
FY 1999	\$2,535,061
FY 2000 (proposed)	\$1,810,260

SOURCES OF FUNDING

Indiana Gaming Commission's funding is appropriated through state general funding.

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 below.

TOTAL SALARIES EXPENDITURE (BUDGETED) - INDIANA GAMING COMMISSION

FY 1998	\$1,610,124
FY 1999	\$1,613,637
FY 2000 (proposed)	\$1,834,340

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

FY 1998	\$1,176,864
FY 1999	\$1,299,524
FY 2000 (proposed)	\$1,321,230

ALLOCATION OF EMPLOYEES

Total Number FY 1999	42
----------------------	----

ALLOCATION BY DEPARTMENT

Indiana Gaming Commission	21
Indiana State Police (BIU)	21

IOWA RACING AND GAMING
COMMISSION
717 East Court Ave., Suite B
Des Moines, Iowa 50309
Phone: (515) 281-7352

Budget Officer: Jack Ketterer
Non-Indian Gaming

Charitable Gaming
Phone: (515) 281-7357

Budget Officer: Sherry Hopkins

The following data reflects employment, budgetary and regulatory information on Iowa Riverboat and Charitable Gaming. Iowa Racing and Gaming Commission regulates Riverboat Gaming and Par-Mutuel Track Racing together. Charitable Gaming is regulated separately. Riverboat Gaming is regulated under the category of Non-Indian Gaming. Indian Gaming is not regulated by the Commission and does not have a budget. Compact agreements are negotiated with tribes to regulate Indian Gaming. The data sources are the Iowa Racing and Gaming Commission's Annual Report and the Iowa Gaming fact sheet.

TOTAL OPERATING
Riverboat Gaming

FY 98 \$1,300,856

SOURCE OF FUNDING
Riverboat Gaming

Riverboat Gaming Operations budget is allocated by the State General Fund. However, riverboats must reimburse the Commission on a pro rata basis for law enforcement services of State Troopers stationed on board the boats. Regulatory fees and fines are contributed to the Gaming General Fund to support the operations budget.

EXPENDITURES ON SALARIES
Total Salaries and Benefits FY 98

\$907,625

ALLOCATION OF EMPLOYEES
Total Number FY 98

27

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

The following data reflects employment, budgetary, and regulatory information on the Mississippi Gaming Commission. The data source is the Mississippi Gaming Commission's Annual Report for Fiscal Year 1999.

TOTAL OPERATING BUDGET

FY 99	\$10,353,681
(Recommended) FY 2000	\$11,607,851
(Recommended) Increase	\$1,254,170

SOURCES OF FUNDING

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

State Appropriations	\$6,541,351
Charitable Gaming	\$1,281,240
Investigation Fee	\$3,785,260

EXPENDITURES ON SALARIES

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

Total Salary Expenditure FY 99	\$6,512,721
(Recommended) Expenditure FY 2000	\$7,124,170
(Recommended) Increase	\$611,296

ALLOCATION OF EMPLOYEES

Total Number FY 1999	176
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ALLOCATION BY DEPARTMENTS

Charitable Gaming	22
Enforcement	49
Investigations	17
Others	88

MISSOURI GAMING COMMISSION
3417 Knipp Drive
Jefferson City, MO 65109
Phone: (573) 526-4084

Budget Officer: Jim Cooper
Phone: (573) 526-4093

The following data reflects employment, budgetary, and regulatory information on 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 98 Actual

Personal Services including fringe benefits	\$10,343,780
Expense and Equipment	\$2,476,469
Total Expended	\$12,820,249
Full Time Equivalent Employees	157

FY 99 Budget

Personal Services including fringe benefits	\$14,962,017
Expense and Equipment	\$2,513,789
Total Expended	\$17,475,806
Full Time Equivalent Employees	239

SOURCE OF FUNDING

Riverboat and Charitable Gaming operating funds are allocated through the state general 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 in which its officers provide enforcement and regulatory services to the Gaming Board. The officers' salaries are paid by the Commission. Additionally, Missouri Attorney General's Office provides legal support services. Attorneys' salaries are paid by the Commission.

Total Personal Services FY 97	\$7,759,950
Total Personal Services FY 98	12,854,117
Recommended FY 99	13,026,095

ALLOCATION OF EMPLOYEES

Total Number FY 98	160
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VIDEO POKER

FRANCHISE FEES BY TYPE
July 1997 thru June 1998

YES	# of	# of Devices	Franchise Fees	% of TOTAL	% of STATEWIDE
PARISHES:	Locations				TOTAL
Lounges	1,366	3,900	\$34,793,000	32%	19%
Restaurants	891	2,562	27,130,000	25%	15%
Hotels	32	170	1,888,000	2%	1%
Racing Facilities	13	838	4,934,000	5%	3%
Truck Stops	58	2,198	39,241,000	36%	21%
TOTAL	2,360	9,668	\$107,986,000	100%	59%

NO	# of	# of Devices	Franchise Fees	% of TOTAL	% of STATEWIDE
PARISHES:	Locations				TOTAL
Lounges	654	1,899	\$18,843,000	25%	10%
Restaurants	513	1,492	21,381,000	28%	12%
Hotels	21	97	983,000	1%	1%
Racing Facilities	4	187	723,000	1%	0%
Truck Stops	45	1,653	33,663,000	45%	18%
TOTAL	1,237	5,328	\$75,593,000	100%	41%

ALL PARISHES:	# of Locations	# of Devices	Franchise Fees	Overall
Lounges	2,020	5,799	\$53,636,000	29%
Restaurants	1,404	4,054	48,511,000	26%
Hotels	53	267	2,871,000	2%
Racing Facilities	17	1,025	5,657,000	3%
Truck Stops	103	3,851	72,904,000	40%
TOTAL FY 97-98	3,597	14,996	\$183,579,000	100%

YES PARISHES AND NO PARISHES ARE BASED ON PUBLIC REFERENDUM OF NOVEMBER 5, 1996.

**VIDEO GAMING DATA BY PARISH
FISCAL YEAR 1997/98**

PARISH	Locations as of 6/30/98	No of Devices as of 6/30/98	Net Gaming Proceeds	Franchise Fees Collected	Fees Paid to Local Govt	Remaining Fees*
Acadia	45	225	\$5,970,063	\$1,754,476	\$389,551	\$1,364,925
Allen*	17	50	1,940,108	504,431	111,333	393,098
Ascension*	82	473	23,669,327	7,174,891	1,598,575	5,576,316
Assumption	27	136	3,909,563	1,187,663	264,916	922,747
Avoyelles	34	98	2,820,726	733,394	160,563	572,831
Beauregard*	3	116	2,939,839	955,449	214,633	740,816
Bienville*	7	18	1,038,141	269,918	58,555	211,363
Bossier	71	325	10,369,430	2,623,029	569,141	2,053,888
Caddo	163	721	33,201,753	9,543,797	2,109,572	7,434,225
Calcasieu	123	1,019	45,454,829	13,991,980	3,102,905	10,889,075
Caldwell*	10	30	1,385,928	360,343	80,764	279,579
Cameron	11	32	914,323	237,726	51,086	186,640
Catahoula*	4	24	899,383	262,030	59,991	202,039
Clalborne*	6	18	880,033	228,809	51,221	177,588
Concordia*	21	62	3,044,005	791,445	176,057	615,388
DeSoto	5	47	2,561,929	800,604	178,420	622,184
E Baton Rouge*	253	790	42,189,616	11,272,799	2,497,063	8,775,736
East Carroll	4	12	229,163	59,583	13,244	46,339
East Feliciana*	13	55	2,243,372	655,375	146,645	508,730
Evangeline *	15	43	1,603,193	416,833	92,231	324,602
Franklin*	11	33	1,943,857	505,405	112,399	393,006
Grant*	6	34	1,529,539	476,372	106,558	369,814
Iberia*	55	207	7,051,230	1,885,762	418,052	1,467,710
Iberville	42	183	4,573,446	1,276,465	285,220	991,245
Jackson*	3	26	1,288,480	414,669	92,710	321,959
Jefferson	497	1,745	76,876,450	19,634,022	4,353,964	15,280,058

PARISH	Locations as of 6/30/98	No of Devices as of 6/30/98	Net Gaming Proceeds	Franchise Fees Collected	Fees Paid to Local Govt	Remaining Fees*
Jeff Davis	23	83	\$2,162,157	\$610,356	\$137,247	\$473,109
Lafayette*	110	527	25,361,657	7,270,092	1,624,784	5,645,308
Lafourche	142	508	16,961,108	4,568,397	1,013,970	3,554,427
LaSalle*	7	21	1,033,835	268,798	60,615	208,183
Lincoln*	10	29	1,912,689	497,301	110,784	386,517
Livingston*	69	244	13,235,891	3,781,780	840,718	2,941,062
Madison	15	147	4,739,673	1,456,846	326,145	1,130,701
Morehouse*	10	65	4,753,920	1,444,621	323,420	1,121,201
Natchitoches*	28	163	7,106,610	2,141,137	476,507	1,664,630
Orleans	474	1,546	60,596,425	16,571,481	3,722,773	12,848,708
Ouachita*	118	504	34,828,452	10,046,495	2,238,431	7,808,064
Plaquemines	38	110	4,261,402	1,107,970	245,393	862,577
Pointe Coupee	37	140	4,258,257	1,236,297	272,961	963,336
Rapides*	55	339	14,199,906	4,246,198	943,448	3,302,750
Red River	5	15	646,885	168,191	38,570	129,621
Richland*	11	61	2,819,075	839,886	186,588	653,298
Sabine*	11	65	2,909,804	889,570	196,129	693,441
St Bernard	87	324	12,382,648	3,313,831	734,944	2,578,887
St Charles	33	96	3,762,201	978,178	218,905	759,273
St Helena	12	34	772,492	200,849	46,350	154,499
St James	23	65	2,317,615	602,583	134,120	468,463
St John	37	195	6,231,995	1,546,295	345,051	1,201,244
St Landry	58	299	13,013,518	3,891,736	873,694	3,018,042
St Martin	45	201	7,736,963	2,252,566	498,963	1,753,603
St Mary	69	282	11,687,426	3,392,137	756,413	2,635,724
St Tammany*	137	495	22,705,945	6,038,516	1,337,184	4,701,332
Tangipahoa*	70	443	21,651,795	6,618,295	1,485,466	5,132,829
Tensas	7	19	273,175	71,027	16,330	54,697
Terrebonne	158	646	30,551,762	8,467,937	1,888,089	6,579,848

PARISH	Locations as of 6/30/98	No of Devices as of 6/30/98	Net Gaming Proceeds	Franchise Fees Collected	Fees Paid to Local Govt	Remaining Fees ¹
Union*	8	30	\$2,325,986	\$604,758	\$132,811	\$471,947
Vermillion*	39	142	7,408,141	2,049,245	459,451	1,589,794
Vernon*	31	139	5,837,268	1,691,558	375,570	1,315,988
Washington*	10	29	1,741,000	452,662	100,561	352,101
Webster	24	117	6,429,128	1,917,487	427,185	1,490,302
W Baton Rouge	37	233	10,383,529	3,189,096	713,593	2,475,503
West Carroll*	0	0	0	0	0	0
W Feliciana	14	65	2,027,085	595,262	133,282	461,980
Winn*	7	53	1,777,791	531,460	116,438	415,022
33 No Parishes*	1,237	5,328	\$265,277,000	\$75,593,000	\$16,826,000	\$58,767,000
31 Yes Parishes	2,360	9,668	388,098,000	107,986,000	24,022,000	83,964,000
TOTAL	3,597	14,996	\$653,375,000	\$183,579,000	\$40,848,000	\$142,731,000

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

*Parishes Voting No.

¹See distribution totals on page 32.

**VIDEO GAMING DATA BY CLASSIFICATION
FISCAL YEAR 1997/98**

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 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	Hotel/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, 1998.

<u>TYPE</u>	<u>NET GAMING PROCEEDS</u>	<u>FRANCHISE FEES</u>	<u># OF DEVICES</u>	<u># OF ESTABLISH</u>
Type 1	\$206,293,000	\$53,636,000	5,799	2,020
Type 2	186,581,000	48,511,000	4,054	1,404
Type 3	11,042,000	2,871,000	267	53
Type 4	25,138,000	5,656,000	1,025	17
Type 5	<u>224,321,000</u>	<u>72,905,000</u>	<u>3,851</u>	<u>103</u>
TOTAL	<u>\$653,375,000</u>	<u>\$183,579,000</u>	<u>14,996</u>	<u>3,597</u>

Source: LOUISIANA STATE POLICE (Video Gaming Division)

DISTRIBUTION OF VIDEO POKER REVENUE

RECEIPTS	<u>1997/98</u>
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No. of Devices	14,996
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Franchise Fees	\$183,579,000
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Statutory Exemption ¹	(566,000)
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Other Fees and Penalties	<u>10,585,000</u>
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TOTAL FEES COLLECTED	<u>193,598,000</u>
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EXPENDITURE

District Attorneys	\$5,205,000
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Asst. District Attorneys	40,848,000
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Local Horseman Purses	3,250,000
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Louisiana State Police	4,400,000
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Compulsive Gambling	<u>150,000</u>
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Total	<u>\$53,853,000</u>
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TRANSFER TO GENERAL FUND	<u>\$139,745,000</u>
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¹La. R.S. 27:321, Horse racing emergency relief

SOUTH CAROLINA VIDEO POKER STATISTICS

Below is a schedule that shows the total gross receipts, prize payouts and net profits reported for the fiscal year 1997-1998. This schedule also reflects the machine averages for gross, payouts and profit.

Statistical Summary for All Video Poker Machines Statewide Fiscal Year 1997 - 1998					
	3rd Qtr 97	4th Qtr 97	1st Qtr 98	2nd Qtr 98	Fiscal Year July 97-June 98
Gross Receipts	\$537,885,931	\$584,936,458	\$582,918,320	\$604,389,783	\$2,310,130,492
Payouts (% of gross)	\$380,989,288 71%	\$420,910,250 72%	\$414,606,066 71%	\$425,925,344 70%	\$1,642,430,948 71%
Gross Profits	\$156,896,643	\$164,026,208	\$168,312,254	\$178,464,439	\$667,699,544
Number of Machines Reported	28,361	28,587	27,724	29,617	28,572 ¹
Average Gross Receipts per Machine	\$18,966	\$20,462	\$21,026	\$20,407	\$80,852
Average Payout per Machine	\$13,434	\$14,724	\$14,955	\$14,381	\$57,483
Average Gross Profit per Machine	\$5,502	\$5,738	\$6,071	\$6,026	\$23,369

South Carolina assesses a \$4,000 prorated fee for a two (2) year license. It is estimated that approximately 7,000 establishments operate 30,900 machines as of February 1, 1999. Based on these figures projected annual state revenue would be approximately \$61,800,000, compared to \$183,579,000 collected in Louisiana (state and local).

¹This figure is the average number of machines over FY 1997-1998.

INDIAN GAMING

GRAND CASINO AVOYELLES
TUNICA-BILOXI TRIBE
AVOYELLES

(7/97 to 6/98)

Total Casino Employees as of June 98:	1,511
Total Native American Employees as of June 98:	41
Donations	\$83,873
Sales Taxes	\$85,395
Total Payroll Wages Paid	\$35,025,061
Parish Contribution	\$2,527,951

Amount paid to vendors in Louisiana since inception, June 1994, approximately \$85,000,000

GRAND CASINO COUSHATTA
COUSHATTA TRIBE
ALLEN

(6/30/97 to 6/28/98)

Total Casino Employees as of Month End June 98:	2107
Total Native American Employees as of June 98:	57
Community Donations	\$145,570
Sales Taxes	\$89,203
Amount paid to vendors in Louisiana	not available
Total Payroll Wages Paid	not available
Parish Contribution	\$5,296,725
Unemployment Compensation	\$686,328
Social Security and Medicare	\$2,889,186

CYPRESS BAYOU CASINO
CHITIMACHA
ST. MARY

(7/1/97 to 6/30/98)

Total Casino Employees as of June 98:	936
Total Native American Employees as of June 98:	29
Donations	\$103,227
Amount paid to Louisiana Vendors	not available
Total Payroll Wages Paid	\$17,800,000
Parish Contribution	\$1,528,888
Unemployment compensation	\$254,152
Social Security and Medicare	\$1,560,027

LOUISIANA STATE POLICE
 BUREAU OF INVESTIGATIONS
 INDIAN CASINO GAMING DIVISION
 TRIBAL PARISH CONTRIBUTIONS AS REQUIRED BY THE TRIBAL/STATE COMPACT
 FISCAL YEAR 1997-1998

		Chitimacha St. Mary	Tunica-Biloxi Avoyelles	Coushatta Allen	Total
Quarter	Period				
1	7/1/97-9/30/97	\$397,842.00	\$672,027.96	\$1,033,441.52	\$2,103,311.48
2	10/1/97-12/31/97	350,357.00	466,900.00	833,107.44	1,650,364.44
3	1/1/98-3/31/98	406,291.00	736,520.00	1,707,234.14	2,850,045.14
4	4/1/98-6/30/98	374,398.00	652,503.00	1,722,942.00	2,749,843.00
FY Total		\$1,528,888.00	\$2,527,950.96	\$5,296,725.10	\$9,353,564.06

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.

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