

IOWA RACING AND GAMING COMMISSION

2011 Annual Report



Toni Urban, *Chair*
Jeff Lamberti, *Vice Chair*
Carl Heinrich, *Commissioner*
Andrea Rivera, *Commissioner*
Gregory Seyfer, *Commissioner*

LOCATION OF LICENSED FACILITIES

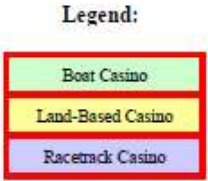
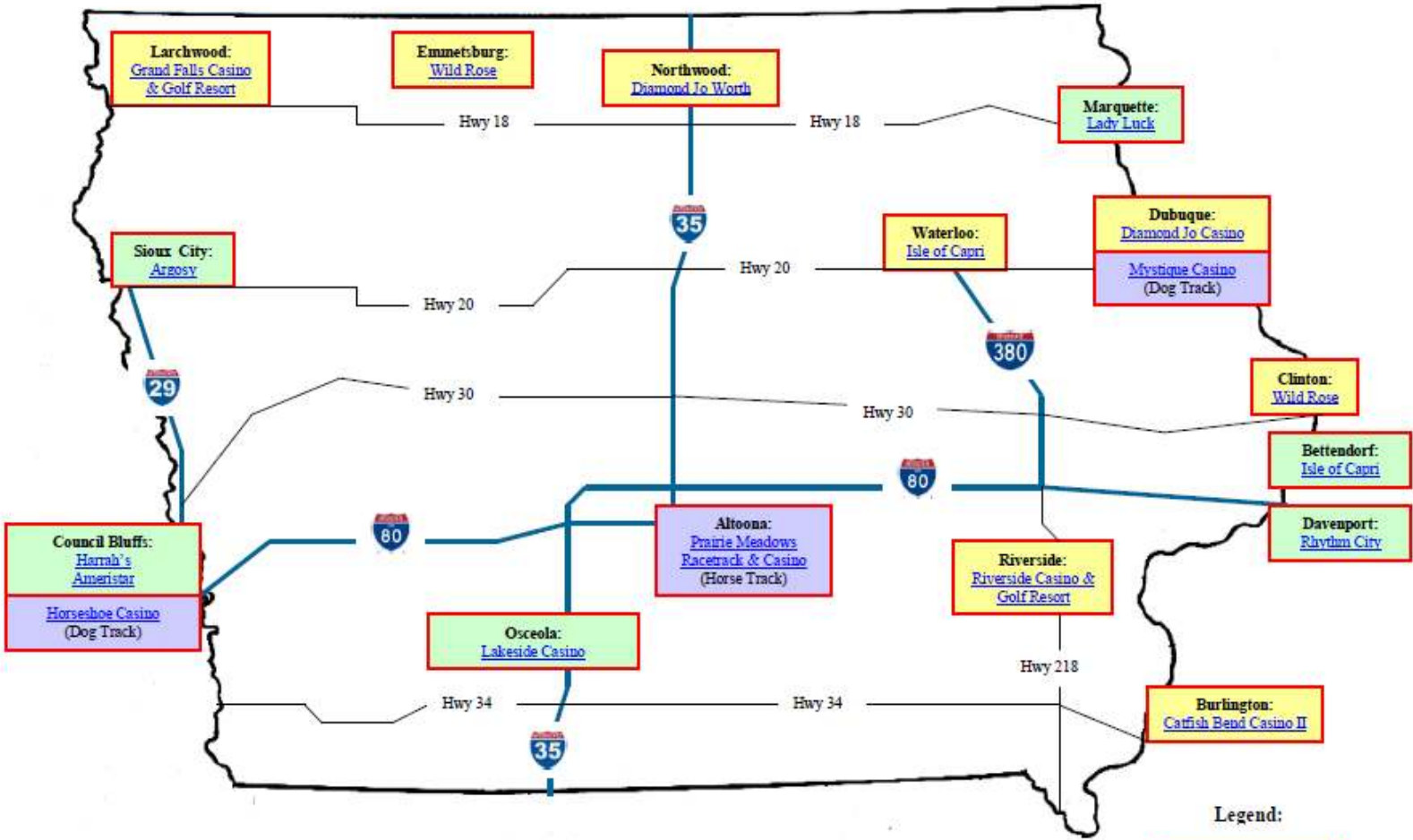


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STATE OF IOWA

TERRY E. BRANSTAD, GOVERNOR
KIM REYNOLDS, LT. GOVERNOR

RACING AND GAMING COMMISSION
JACK P. KETTERER, ADMINISTRATOR

February 17, 2012

The Honorable Terry Branstad
Governor, State of Iowa
State Capitol
Des Moines, IA 50319

Dear Governor Branstad:

I am pleased to have the opportunity to submit the 2011 Annual Report on behalf of the Iowa Racing and Gaming Commission (the Commission). The Commission is committed to maintaining a vibrant racing and gaming industry that provides economic growth and development for the State of Iowa while continuing to promote responsible gaming and ensuring continued participation in the "Buy Iowa First" program

Revenues at the casinos increased during 2011 reflecting the addition of the Grand Falls Casino in Larchwood, which opened in June of 2011. The casinos generated more than \$302 million in gaming taxes. Over \$41 million in contributions this year by the non-profit corporation licensees provided significant benefits to local and surrounding communities.

At the behest of the Commission, Prairie Meadows Racetrack and Casino continued the multi-year contract entered into in 2010 with the thoroughbred and quarter horsemen and the standardbreds were granted ten racing days.

In 2011 the Legislature made changes to the horse program at Prairie Meadows Racetrack and Casino which will become effective in 2012. The program defined the number of days which the horses will run, allocated the purses and moved the standardbred horses to the non pari-mutuel county fairs. The latter are not regulated by the Commission. The standardbreds will continue to receive purse money based on a new allocation formula.

The Legislature voted in 2011 to have ADW (Advanced Deposit Wagering) at Prairie Meadows Race Track and Casino and the Administrator and his staff prepared the rules to implement the wagering which will begin in April 2012.

The Legislature, also in 2011, requested the Administrator of the Iowa Racing and Gaming Commission to prepare a study on the feasibility of Internet Gambling in Iowa. The study was prepared in concert with the Director of Gaming, Brian Ohorilko, and was presented to the Governor on December 1, 2011. As of the writing of this report, the Iowa Legislature has not made a decision as to whether to proceed with Internet Gambling in the state.

Jack Ketterer, Administrator of the Iowa Racing and Gaming Commission, advised the Commission members of his retirement effective at the end of March 2012. Jack Ketterer was named as the first director of the Iowa Racing Commission in 1983 and oversaw the initial application process and the construction of Iowa's first race tracks. After a stint away from Iowa from 1989 – 1993, Ketterer returned. From 1994 – 2004 he worked with the legislative committees to pass and implement changes to the gambling laws. In

2010 Ketterer was named Regulator of the Americas by the International Masters of Gaming Law, a prestigious award usually given to regulators of larger gaming jurisdictions.

Ketterer oversaw the licensing process and regulation of Iowa's 15 riverboats/gambling structure casinos and three race track casinos with annual adjusted gross revenues in excess of \$1.4 billion.

It is a tribute to Jack Ketterer that Iowa enjoys the national recognition as a well-organized, well-managed and honest environment to enjoy racing and gaming.

The Commission wishes to commend its staff for their continued hard work and dedication. Along with the DCI and the Attorney General's Office, our Administrator Jack Ketterer and his staff provide the commissioners, the gaming industry and the public thorough, timely and accurate information and analysis.

It continues to be a pleasure and privilege of the other commissioners and me to serve at your request on the Commission.

Sincerely,

A handwritten signature in cursive script that reads "Toni Urban". The signature is written in black ink and is positioned above the printed name.

Toni Urban, Chair

LIFETIME VOLUNTARY SELF-EXCLUSION PROGRAM

This program was required by the 2004 General Assembly as part of HF2302. The Commission adopted an administrative rule, 491 – 5.4(12), requiring implementation by the licensed casino operators which became effective on November 3, 2004. The licensed casino operators launched the program on the same date.

Specifically 99D.12(23) states; To require licensees to establish a process to allow a person to be voluntarily excluded for life from a racetrack enclosure and all other licensed facilities under this chapter and chapter 99F. The process established shall require that a licensee disseminate information regarding persons voluntarily excluded to all licensees under this chapter and chapter 99F. The state and any licensee under this chapter or chapter 99F shall not be liable to any person for any claim which may arise from this process. In addition to any other penalty provided by law, any money or thing of value that has been obtained by, or is owed to, a voluntarily excluded person by a licensee as a result of wagers made by the person after the person has been voluntarily excluded shall not be paid to the person but shall be credited to the general fund of the state.

And 99F.4(22) similarly states; To require licensees to establish a process to allow a person to be voluntarily excluded for life from an excursion gambling boat and all other licensed facilities under this chapter and chapter 99D. The process established shall require that a licensee disseminate information regarding persons voluntarily excluded to all licensees under this chapter and chapter 99D. The state and any licensee under this chapter or chapter 99D shall not be liable to any person for any claim which may arise from this process. In addition to any other penalty provided by law, any money or thing of value that has been obtained by, or is owed to, a voluntarily excluded person by a licensee as a result of wagers made by the person after the person has been voluntarily excluded shall not be paid to the person but shall be credited to the general fund of the state.

To date, approximately 5,500 people have entered the program and in excess of \$976,000 has been forfeited.

COMMISSION MEETINGS

During 2011, the Iowa Racing and Gaming Commission (Commission) met eight times, with two Executive Sessions being held. Minutes of each meeting are kept on file in the Commission office, and are available to the public upon request. The minutes are also available on the Commission's website: www.iowa.gov/irgc/. Highlights of the meetings follow:

January 13, 2011: The Commission met at Stoney Creek Inn and Conference Center in Johnston, Iowa. The Commission received a bankruptcy update and a capital improvements commitment and timeline for same from HGI-Lakeside. Also, on the agenda, was a request by Clarke County Development Corporation (CCDC), the non-profit license holder for HGI-Lakeside, for the Commission to reconsider the decision to grant Herbst Gaming, LLC an operator's license. The Commission received an update on the hotel process at Prairie Meadows Racetrack & Casino (PMR&C), approved the standardbred race dates for 2011, and the season approvals for the thoroughbred and quarter horse meets.

March 3, 2011: The Commission met at Stoney Creek Inn and Conference Center in Johnston, Iowa. The Commission received an update on the hotel at PMR&C, approved the season approvals for the live meet at Mystique Casino; heard a report from Mark Vander Linden from the Iowa Gambling Treatment Prevention Program regarding National Problem Gambling Awareness Week and reviewed the year-to-date economic impact reports received from the licensees. The Commission approved the renewal of the following Excursion Gambling Boat and Gambling Structure licenses and any contracts contained within the renewal: Iowa West Racing Association (IWRA)/Ameristar Casino Council Bluffs, Inc. d/b/a Ameristar Casino; IWRA/Harveys Iowa Management Co., Inc. d/b/a Harrah's Council Bluffs Casino Hotel; Washington County Riverboat Foundation, Inc./Riverside Casino & Golf Resort, LLC d/b/a Riverside Casino & Golf Resort; Black Hawk County Gaming Association/IOC Black Hawk County, Inc. d/b/a Isle Casino & Hotel Waterloo; Worth County Development Authority/Diamond Jo Worth, LLC d/b/a Diamond Jo Worth; Dubuque Racing Association (DRA)/Diamond Jo, LLC d/b/a Diamond Jo; Missouri River Historical Development, Inc. (MRHD)/Belle of Sioux City, L.P. d/b/a Argosy Casino Sioux City; Scott County Region Authority/Isle of Capri Bettendorf, L.C. d/b/a Isle of Capri Bettendorf; Riverboat Development Authority (RDA)/IOC Davenport, Inc. d/b/a Rhythm City Casino; CCDC/HGI-Lakeside, Inc. d/b/a Terrible's Lakeside Casino Resort; Clinton County Community Development Association/Wild Rose Clinton, L.L.C. d/b/a Wild Rose Clinton; Palo Alto County Gaming Development Corporation/Wild Rose Emmetsburg, L.L.C. d/b/a Wild Rose Emmetsburg; Southeast Iowa Regional Riverboat Commission/Catfish Bend Casinos, II, L.C. d/b/a Catfish Bend Casinos II; and Upper Mississippi Gaming Corp./Isle of Capri, Marquette, Inc. d/b/a Lady Luck Marquette. During the license renewal presentation for Rhythm City in Davenport, the Commission heard statements from Mayor Bill Gluba and City Council members with regard to the City's displeasure with the manner in which Isle

of Capri Casinos is operating the facility, and was advised that the City had chosen a different developer who has agreed to build a land-based facility. The Commission requested a progress report on negotiations in three months. Notice was given that parties interested in applying for the Horse Promotion Fund should do so by April 1st.

April 14, 2011: The Commission met at Harrah's in Council Bluffs, Iowa. The Commission recognized Kate Cutler and Paul Hayes for their service on the Commission; approved the refinancing of senior secured credit facilities for Isle of Capri Casinos, Inc. and a proposed debt financing transaction for Ameristar Casino, Inc. The Commission heard a brief report on the proposed Heartland Iowa Project and heard reports from the licensees, except for the Isle of Capri properties, on their year-end financial audits. The Commission approved the distribution of the horse promotion fund in the amount of \$3,531.00 equally between The Legacy Harness Horse Foundation and the Iowa Quarter Horse Racing Association. Commissioner Greg Seyfer was nominated to complete the term of Vice Chair for the fiscal year.

June 9, 2011: The Commission met at Stoney Creek Inn and Conference Center in Johnston, Iowa. The Commission heard a progress report from Isle of Capri on their negotiations with the City of Davenport regarding the sale of the Rhythm City and approved a request for debt refinancing at Wild Rose Clinton and Wild Rose Emmetsburg. The Commission heard a presentation from Affinity Gaming, the new parent company for HGI-Lakeside, on an expansion project and approved refinancing documents. The Commission received updates from PMR&C regarding the hotel and lease negotiations with Polk County. Notice was given that applications for the Dog Racing Promotion Fund for FY12 were due in the Commission's Des Moines office by 4:30 PM on July 1st. The Commission was advised that FY 12 regulatory fees could not be established as the Legislature had not yet finalized appropriations. Regulatory fees will be collected based on FY 11 fees and adjusted as needed when appropriations are established.

July 21, 2011: The Commission met at Stoney Creek Inn and Conference Center in Johnston, Iowa. An Executive Session was held. The Commission heard a report on the audit report for the Horseshoe Casino-Bluffs Run Greyhound Park/Iowa Greyhound Association (IGA) Escrow Account; approved distribution of the Dog Racing Promotion Fund to the IGA; approved the First Amendment to the Amended and Substituted Riverboat Gambling License and Operations Agreement for Wild Rose Clinton; approved the season approvals for the harness meet at PMR&C; and approved a lease between PMR&C and Polk County. Commissioners Toni Urban and Jeffrey Lamberti were elected to serve as Chair and Vice Chair respectively for FY 12. The Commission approved the following Stipulated Agreements and assessed administrative penalties: Lady Luck Casino Marquette - \$15,000; Riverside Casino & Golf Resort - \$20,000; and Isle of Capri Bettendorf - \$20,000. The Commission reversed the decision of an Administrative Law Judge (ALJ), determining that the ALJ used the incorrect standard of review.

August 25, 2011: The Commission met at Riverside Casino & Golf Resort, Riverside, Iowa. The Commission heard reports on the financial audits for the four Isle of Capri properties, and received an update on the negotiations regarding the sale of the Rhythm

City property; approved an agreement between PMR&C and the City of Des Moines; had a discussion regarding the funding of capital improvements at PMR&C; approved the disbursement of unpaid purse amounts at Bluffs Run for the years of 2008, 2009 and 2010; and approved a Stipulated Agreement with HGI-Lakeside with an administrative penalty of \$15,000. The Commission received public comment from Clarke County Development Corporation (CCDC) regarding an ongoing dispute between CCDC and Affinity Gaming. The Commission approved the regulatory fees for Fiscal Year 2012.

September 22, 2011: The Commission met at Grand Falls Casino Resort in Larchwood, Iowa. The Commission approved the filing of rules under Notice of Intended Action; received a progress report from Isle of Capri Casinos on the sale of the Rhythm City facility; approved debt refinancing for Wild Rose Emmetsburg; approved the arbitration panel and established an arbitration timeline for Horseshoe Casino/Bluffs Run Greyhound Park and the Iowa Greyhound Association; and received a hotel update from PMR&C.

November 10, 2011: The Commission met at Stoney Creek Inn and Conference Center in Johnston, Iowa. Executive Session was held. The Commission approved the filing of rules under Emergency Notice; and approved a new Gambling Structure License and Operations Agreement between Wild Rose Clinton, L.L.C. and Clinton County Gaming Association effective April 1, 2012. The Commission took the following actions with regard to Horseshoe Casino-Bluffs Run Greyhound Park: approved a request to renovate and change the designated gaming area on the third floor; approved the Arbitration Decision and granted race dates for 2012; and approved the renewal of the pari-mutuel and racetrack enclosure licenses for 2012. The Commission also approved race dates and the renewal of the pari-mutuel and racetrack enclosure licenses for the Dubuque Racing Association/Mystique Casino. For PMR&C, the Commission received an update on the hotel, heard a report on the quarter horse and standardbred meets, approved race dates for the 2012 thoroughbred meet and deferred action on the quarter horse dates; and approved the renewal of the pari-mutuel and racetrack enclosure licenses for 2012. The Commission approved Stipulated Agreements with the following facilities and established administrative penalties: HGI-Lakeside - \$3,000; and Mystique Casino - \$20,000. The Commission granted a motion for a rehearing regarding a Commission Decision in an appeal for the purpose of remanding the matter to the Administrative Law Judge.

HORSESHOE CASINO BLUFFS RUN GREYHOUND PARK



Council Bluffs, IA

2010

2011

Live Racing

Racing Dates	1/1-12/31	1/1-12/31
Number of Performances	302	302
Admissions	See Simulcasting	See Simulcasting
Total Mutuel Handle	\$4,622,763	\$4,340,831
Track Commission	\$1,087,790	\$1,017,237
Breakage	\$15,525	\$15,390
Returned to Public	\$3,519,448	\$3,308,204
Total Purses Paid (all sources)	\$9,447,830	\$10,517,960

Simulcasting (Signals Sent-Live Greyhound)

Simulcast Handle	\$35,758,476	\$40,006,495
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Simulcasting (Signals Received-Greyhounds & Horses)

Simulcasting Dates	1/1-12/31	1/1-12/31
Number of Performances	7,338	7,924
Admissions	2,436,096	2,335,878
Total Mutuel Handle	\$14,870,937	\$14,244,691
Breakage	\$71,720	\$71,377

Pari-Mutuel Revenues to State

State Tax	\$298,210	\$282,062
Unclaimed Winnings	\$95,330	\$86,711

MYSTIQUE CASINO



Dubuque, IA

2010

2011

Live Racing

Racing Dates	4/24-10/24	4/30-10/30
Number of Performances	160	161
Admissions	See Simulcasting	See Simulcasting
Total Mutuel Handle	\$1,625,542	\$1,880,687
Track Commission	\$356,519	\$420,740
Breakage	\$10,928	\$10,757
Returned to Public	\$1,258,095	\$1,445,328
Total Purses Paid (all sources)	\$4,251,252	\$3,552,700

Simulcasting (Signals Sent-Live Greyhound)

Simulcast Handle	\$0	\$2,120,248
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Simulcasting (Signals Received-Greyhounds & Horses)

Simulcasting Dates	1/1-12/31	1/1-12/31
Number of Performances	3,031	3,780
Admissions	1,330,346	1,130,811
Total Mutuel Handle	\$3,548,096	\$4,341,004
Breakage	\$9,589	\$10,294

Pari-Mutuel Revenues to State

State Tax	\$83,640	\$91,176
Unclaimed Winnings	\$86,368	\$21,037

PRAIRIE MEADOWS RACETRACK & CASINO



Altoona, IA

	2010	2011
<u>Live Racing</u>		
Racing Dates	4/23-8/7	4/22-8/13
	8/13-9/25	8/19-10/1
	10/1-10/16	10/7-10/22
Number of Performances	103	102
Admissions	See Simulcasting	See Simulcasting
Total Mutuel Handle	\$4,365,682	\$4,441,164
Track Commission	\$829,940	\$851,360
Breakage	\$35,148	\$35,367
Returned to Public	\$3,500,594	\$3,570,932

LABORATORY TESTING

The Iowa Racing and Gaming Commission, through comprehensive drug testing of participating animals, strives to protect the integrity of the sport of racing in Iowa. Iowa's urine and blood testing program is the backbone of the agency's policing functions. The drug testing program was conducted by Iowa State University Veterinary and Diagnostic Laboratory, the Commission's racing chemist.

Through chemical analysis of urine and blood samples collected from racing animals at the tracks, the Commission ensures that foreign substances are not being administered to racing animals pursuant to Iowa Code Chapter 99D.25.

The following is a summary of the samples tested and positive tests reported by the Laboratory in 2011 for the Commission.

SAMPLES

	URINE	BLOOD
Greyhound		
Horseshoe Casino	4,508	
Mystique Casino	2,311	
Horse		
Prairie Meadows Racetrack & Casino	1,676	1,859

POSITIVE TESTS

Clenbuterol	4
Methocarbamol	3
Phenylbutazone	3
Flunixin	3
Trichloromethiazide	2
Zilpaterol	2
Ibuprofen	2
Methylaminoantipyrene	1
Mephentermine	1
TOTAL POSITIVES	21

IOWA BREEDERS' FUND

The Department of Agriculture maintains a database of thoroughbred, standardbred and quarterhorses that have qualified to be Iowa-foaled horses, as well as greyhounds that have qualified as Iowa-whelped dogs according to Iowa Code Chapter 99D.22 and Administrative Rules of the Department of Agriculture and Land Stewardship.

An amount equal to 12% of the winner's share of any purse won by an Iowa-foaled horse or Iowa-whelped dog is withheld by the licensee from the breakage and paid at the end of the race meeting to the Department of Agriculture and Land Stewardship for redistribution as breeders' awards.

Iowa Code Chapter 99D.11 and 12 authorize distribution of the remaining breakage as follows:

At horse tracks, 2% of the remaining breakage is distributed to the Horse Promotion Fund and the balance of the breakage at horse tracks is distributed as purse supplements to the owners of winning Iowa-bred horses.

The remainder of the breakage at greyhound tracks is divided, with 25% funding a stakes race restricted to registered Iowa-whelped greyhounds, 2% funding the Dog Promotion Fund and 73% distributed as purse supplements to the owners of winning Iowa-whelped greyhounds.

One percent of the exotic wagers, including 3 or more horses, dogs or races, is distributed as provided in 99D.12 above.

The amounts created from the total breakage and a portion of the casino revenues as statutorily required, were paid out as follows in 2011:

THOROUGHBRED/QUARTERHORSE/STANDARD BRED

PRAIRIE MEADOWS RACETRACK & CASINO

Breeders Awards	\$772,312
Purse Supplements to Owners of Iowa Breds	\$2,801,937
Horse Racing Promotion Fund	\$3,125
Carry-Over	\$0

GREYHOUNDS

HORSESHOE CASINO AND BLUFFS RUN GREYHOUND PARK

Breeders Awards	\$160,961
Purse Supplements to Owners of Iowa-whelped greyhounds	\$3,052,517
Iowa Stakes	\$500,000
Carry-Over	\$0
Dog Racing Promotion Fund	\$0

MYSTIQUE CASINO

Breeders Awards	\$9,600
Purse Supplements to Owners of Iowa-whelped greyhounds	\$699,871
Iowa Stakes	\$190,400
Carry-Over (Breakage Only)	\$39,682
Dog Racing Promotion Fund	\$19,175

ALL IOWA RACETRACK CASINO GAMING TOTALS

	2010	2011
Admissions	6,283,367	5,864,586
Slot Drop	\$2,717,029,773	\$2,793,810,487
Slot Coin In	\$4,332,225,104	\$4,325,871,677
Slot Revenue	\$392,502,431	\$398,433,891
Table Drop	\$207,186,704	\$223,376,758
Table Revenue	\$45,538,895	\$49,088,732
Adjusted Gross Revenue	\$438,041,326	\$447,522,603
City Tax	\$2,064,336	\$2,109,994
County Tax	\$2,064,336	\$2,109,994
Endowment Fund	\$3,302,936	\$3,375,991
State Miscellaneous Fund	\$825,735	\$843,998
Gaming Tax	\$89,713,015	\$91,748,707
Regulatory Fee	\$3,299,540	\$3,740,132

HORSESHOE CASINO BLUFFS RUN GREYHOUND PARK GAMING



Council Bluffs, IA

	2010	2011
Admissions	2,462,463	2,335,878
Slot Drop	\$912,979,853	\$958,395,716
Slot Coin In	\$1,566,294,354	\$1,628,842,076
Slot Revenue	\$162,037,768	\$168,596,257
Table Drop	\$106,545,786	\$126,516,272
Table Revenue	\$22,024,559	\$27,734,920
Adjusted Gross Revenue	\$184,062,327	\$196,331,169
City Tax	\$868,854	\$930,198
County Tax	\$868,854	\$930,198
Endowment Fund	\$1,390,166	\$1,488,316
State Miscellaneous Fund	\$347,541	\$372,079
Gaming Tax	\$37,755,668	\$40,928,689
Regulatory Fee	\$1,163,505	\$1,190,050

MYSTIQUE CASINO GAMING



Dubuque, IA

	2010	2011
Admissions	1,330,346	1,130,811
Slot Drop	\$421,917,932	\$410,850,203
Slot Coin In	\$628,164,029	\$588,724,663
Slot Revenue	\$56,059,416	\$55,070,179
Table Drop	\$19,850,022	\$20,613,094
Table Revenue	\$4,418,495	\$4,421,188
Adjusted Gross Revenue	\$60,477,911	\$59,491,370
City Tax	\$279,435	\$272,754
County Tax	\$279,435	\$272,754
Endowment Fund	\$447,096	\$436,407
State Miscellaneous Fund	\$111,774	\$109,102
Gaming Tax	\$11,177,401	\$10,910,172
Regulatory Fee	\$832,060	\$949,848

PRAIRIE MEADOWS RACETRACK AND CASINO GAMING



Altoona, IA

	2010	2011
Admissions	2,516,925	2,397,897
Slot Drop	\$1,366,946,109	\$1,424,564,568
Slot Coin In	\$2,084,325,597	\$2,108,304,938
Slot Revenue	\$171,430,683	\$174,767,455
Table Drop	\$73,566,021	\$76,247,392
Table Revenue	\$16,081,164	\$16,932,624
Adjusted Gross Revenue	\$187,511,847	\$191,700,064
City Tax	\$886,101	\$907,042
County Tax	\$886,101	\$907,042
Endowment Fund	\$1,417,761	\$1,451,268
State Miscellaneous Fund	\$354,441	\$362,817
Gaming Tax	\$38,988,438	\$39,909,846
Regulatory Fee	\$1,377,427	\$1,600,234

PARI-MUTUEL REVENUE AND EXPENDITURES

2011

EXPENDITURES FOR REGULATION

Salary and Benefits	\$1,815,295
Travel	\$9,038
State Vehicle	\$4,931
Office Supplies/Printing/Postage	\$12,171
Equipment Maintenance	\$5,954
Communications	\$(99,591)
Rentals	\$40,087
Professional, Scientific & Outside Services	\$607,267
Intra State Transfers	\$40,076
Advertising/Publicity	\$0
ITD/IT Outside Services	\$58,746
Reimbursements to Other Agencies	\$23,951
Equipment	\$3,421
TOTAL	\$2,521,346

REVENUES TO STATE

Annual Licensing Fee	\$3,000
Regulatory Fees	\$3,740,132
Daily License Fees	\$194,600
Occupational License Fees	\$61,300
Fines	\$40,200
Pari-Mutuel Tax	\$373,238
Gaming Tax	\$91,748,707
State Miscellaneous Fund	\$843,998
Unclaimed Winnings	\$194,683
TOTAL	\$97,199,858

REVENUES TO LOCAL GOVERNMENT

Gaming Taxes (City/County)	\$4,219,988
Endowment Fund	\$3,375,991

IOWA'S WAGERING DOLLAR

IOWA'S PARI-MUTUEL DOLLAR

Actual percentage withheld from each wagering dollar depends on the type of wager. Chapter 99D.11(5) authorizes takeout up to eighteen percent on win, place, and show wagers; twenty-four percent on doubles (two dogs/horses/races); and twenty-five percent on triples (3+dogs/horses/races). Pari-mutuel taxes may range from 0 to six percent on live races based on increasing levels of mutuel handle. Simulcast wagering is taxed at two percent of the pari-mutuel handle. (Chapter 99D.15)

Breakage (the odd cents by which the amount payable on each dollar wagered in a pari-mutuel pool exceeds a multiple of ten cents) is distributed to the owners and breeders of Iowa-foaled horses and Iowa-whelped dogs.

IOWA'S GAMING DOLLAR

Iowa's gaming industry consists of slot machines, table games, and other games of chance as authorized by the Commission. Slot machine statistics are kept on the total amount wagered and adjusted gross revenue. Each slot machine must have at least an eighty percent pay-out to the patron. Available data for table games includes the drop and the ratio of drop to the adjusted gross revenues.

The tax based on adjusted gross revenues from gambling games is: Up to \$1,000,000, five percent; above \$1,000,000 up to \$3,000,000, ten percent; above \$3,000,000 Excursion gambling boat – twenty-two percent; Racetrack enclosure in the same county as other licensees and issued a table games license but with adjusted gross receipts of less than \$100 million – twenty-two percent; Racetrack enclosure in the same county as other licensees, issued a table games license and with adjusted gross receipts of more than \$100 million – twenty-four percent and Racetrack enclosures with no other licensees in the same county – twenty-four percent.

This tax is distributed one-half of one percent each to the city and county, eight-tenths of one percent to the County Endowment Fund, two-tenths of one percent to the State Miscellaneous Fund and the remainder to designated state funds.

TAX ASSESSMENT OFFSET

House File 2302 was passed during the 2004 Iowa Legislative session and imposed an assessment on the Riverboats in Iowa at 2.152% of estimated AGR for the 2004 calendar year. This tax assessment was paid in two parts, in June 2005 and June 2006 to help establish the rebuild Iowa infrastructure fund. To compensate the boats for the initial tax assessment, they are allowed to take twenty percent of the assessment paid as an offset to their tax liability commencing in the state's fiscal year 2011 for the following five fiscal years. Below is the offset that each of the boats is allowed to take for fiscal years 2011-2015.

	Offset tax each year FY2011 - FY2015
Lady Luck - Marquette	\$ 353,229
Diamond Jo - Dubuque	\$ 421,155
Wild Rose Clinton	\$ 237,202
Catfish Bend	\$ 267,623
Argosy - Sioux City	\$ 391,543
Rhythm City	\$ 654,673
Isle of Capri - Bettendorf	\$ 865,259
Ameristar II	\$ 1,423,040
Harrahs	\$ 931,945
Terrible's Lakeside	\$ 454,795

TABLE GAMES LICENSE FEE

Iowa code section 99F.4A(8) established the right of Iowa's three racetrack casinos to begin offering table games of chance assuming they paid an initial license fee by June 1, 2005. The fee was determined by the adjusted gross receipts of the previous fiscal year. The tracks are allowed to offset the initial license fee against taxes owed during fiscal years 2009-2013. Prairie Meadows Racetrack and Casino and Horseshoe Casino/Bluffs Run Greyhound Park each paid \$10million and are allowed an offset of \$2million each of the five fiscal years. Mystique Casino, formerly Dubuque Greyhound Park, paid \$3million and is allowed an offset of \$600,000 each of the five fiscal years.

ALL IOWA EXCURSION GAMBLING BOAT/ GAMBLING STRUCTURE TOTALS

	2010	2011
Admissions	15,685,048	16,294,614
Slot Drop	\$5,826,012,520	\$6,203,614,509
Slot Coin In	\$9,552,587,589	\$9,880,461,710
Slot Revenue	\$858,613,343	\$899,795,899
Table Drop	\$332,949,077	\$359,569,285
Table Revenue	\$71,419,358	\$79,679,636
Adjusted Gross Revenue	\$930,032,701	\$976,475,559
City Tax	\$4,439,246	\$4,701,150
County Tax	\$4,439,246	\$4,701,150
Endowment Fund	\$7,102,801	\$7,521,857
State Miscellaneous Fund	\$1,775,692	\$1,880,465
Gaming Tax	\$175,150,658	\$183,536,649
Regulatory Fee	\$11,261,396	\$14,621,369

HARRAH'S COUNCIL BLUFFS



Council Bluffs, IA

	2010	2011
Admissions	1,277,303	1,079,072
Slot Drop	\$388,531,036	\$338,448,481
Slot Coin In	\$724,519,555	\$606,055,516
Slot Revenue	\$74,376,196	\$64,049,868
Table Drop	\$25,489,182	\$24,914,082
Table Revenue	\$5,133,869	\$5,453,450
Adjusted Gross Revenue	\$79,510,065	\$69,503,326
City Tax	\$367,051	\$318,766
County Tax	\$367,051	\$318,766
Endowment Fund	\$587,283	\$510,025
State Miscellaneous Fund	\$146,820	\$127,507
Gaming Tax	\$14,682,064	\$12,750,636
Regulatory Fee	\$883,802	\$1,034,453

AMERISTAR II



Council Bluffs, IA

	2010	2011
Admissions	2,132,350	2,169,709
Slot Drop	\$865,575,129	\$956,019,263
Slot Coin In	\$1,562,684,695	\$1,648,615,521
Slot Revenue	\$146,714,720	\$155,469,634
Table Drop	\$60,256,745	\$59,194,508
Table Revenue	\$13,056,119	\$13,520,616
Adjusted Gross Revenue	\$159,770,839	\$168,990,249
City Tax	\$757,194	\$803,291
County Tax	\$757,194	\$803,291
Endowment Fund	\$1,211,511	\$1,285,266
State Miscellaneous Fund	\$302,877	\$321,316
Gaming Tax	\$30,287,768	\$32,131,650
Regulatory Fee	\$914,834	\$1,119,051

LADY LUCK



Marquette, IA

	2010	2011
Admissions	372,599	355,995
Slot Drop	\$211,560,735	\$213,329,986
Slot Coin In	\$346,615,087	\$336,711,005
Slot Revenue	\$28,001,416	\$28,706,483
Table Drop	\$6,989,949	\$6,343,802
Table Revenue	\$1,330,070	\$1,329,400
Adjusted Gross Revenue	\$29,331,486	\$30,035,884
City Tax	\$129,312	\$142,151
County Tax	\$129,312	\$142,151
Endowment Fund	\$206,898	\$227,442
State Miscellaneous Fund	\$51,724	\$56,861
Gaming Tax	\$5,184,520	\$5,276,060
Regulatory Fee	\$726,270	\$883,128

DIAMOND JO



Dubuque, IA

	2010	2011
Admissions	1,115,998	1,115,955
Slot Drop	\$404,467,944	\$416,461,984
Slot Coin In	\$677,232,752	\$685,195,749
Slot Revenue	\$63,035,609	\$63,967,936
Table Drop	\$26,290,218	\$25,050,075
Table Revenue	\$4,860,156	\$4,706,323
Adjusted Gross Revenue	\$67,895,765	\$68,674,261
City Tax	\$320,589	\$324,471
County Tax	\$320,589	\$324,471
Endowment Fund	\$512,942	\$519,170
State Miscellaneous Fund	\$128,235	\$129,793
Gaming Tax	\$12,823,558	\$12,979,477
Regulatory Fee	\$787,296	\$956,079

CATFISH BEND CASINO



Burlington, IA

	2010	2011
Admissions	767,506	718,301
Slot Drop	\$242,591,749	\$240,383,675
Slot Coin In	\$383,632,472	\$381,141,180
Slot Revenue	\$34,534,783	\$35,119,758
Table Drop	\$15,971,882	\$16,775,557
Table Revenue	\$3,845,234	\$3,668,070
Adjusted Gross Revenue	\$38,380,017	\$38,787,829
City Tax	\$176,500	\$178,539
County Tax	\$176,500	\$178,539
Endowment Fund	\$282,399	\$285,662
State Miscellaneous Fund	\$70,600	\$71,416
Gaming Tax	\$7,059,982	\$7,141,544
Regulatory Fee	\$775,916	\$943,407

WILD ROSE – CLINTON



Clinton, IA

	2010	2011
Admissions	771,313	726,455
Slot Drop	\$244,124,551	\$257,785,445
Slot Coin In	\$417,741,480	\$422,950,655
Slot Revenue	\$37,551,557	\$37,912,941
Table Drop	\$10,779,432	\$9,725,993
Table Revenue	\$2,081,655	\$2,092,584
Adjusted Gross Revenue	\$39,633,212	\$40,005,522
City Tax	\$192,775	\$194,637
County Tax	\$192,775	\$194,637
Endowment Fund	\$308,440	\$311,418
State Miscellaneous Fund	\$77,111	\$77,855
Gaming Tax	\$7,301,004	\$7,375,466
Regulatory Fee	\$757,272	\$918,738

ARGOSY – SIOUX CITY



Sioux City, IA

	2010	2011
Admissions	1,001,961	953,646
Slot Drop	\$298,721,286	\$326,945,135
Slot Coin In	\$549,762,381	\$573,631,024
Slot Revenue	\$52,483,784	\$55,223,598
Table Drop	\$24,043,430	\$24,314,433
Table Revenue	\$6,201,640	\$5,924,661
Adjusted Gross Revenue	\$58,685,424	\$61,148,249
City Tax	\$275,211	\$287,524
County Tax	\$275,211	\$287,524
Endowment Fund	\$440,337	\$460,039
State Miscellaneous Fund	\$110,083	\$115,009
Gaming Tax	\$11,008,410	\$11,500,975
Regulatory Fee	\$755,780	\$916,186

RHYTHM CITY CASINO



Davenport, IA

	2010	2011
Admissions	953,024	899,280
Slot Drop	\$375,442,003	\$349,517,682
Slot Coin In	\$615,147,807	\$556,928,476
Slot Revenue	\$51,059,957	\$46,970,384
Table Drop	\$9,726,713	\$10,071,912
Table Revenue	\$1,982,535	\$1,634,689
Adjusted Gross Revenue	\$53,042,492	\$48,605,077
City Tax	\$241,016	\$228,146
County Tax	\$241,016	\$228,146
Endowment Fund	\$385,624	\$365,035
State Miscellaneous Fund	\$96,405	\$91,258
Gaming Tax	\$9,640,614	\$8,715,858
Regulatory Fee	\$855,782	\$1,045,297

ISLE OF CAPRI-BETTENDORF



Bettendorf, IA

	2010	2011
Admissions	1,153,370	1,131,143
Slot Drop	\$569,301,604	\$579,885,052
Slot Coin In	\$884,469,497	\$873,299,482
Slot Revenue	\$73,335,478	\$72,274,656
Table Drop	\$25,777,047	\$25,952,203
Table Revenue	\$5,036,427	\$4,883,307
Adjusted Gross Revenue	\$78,371,905	\$77,157,949
City Tax	\$362,877	\$366,125
County Tax	\$362,877	\$366,125
Endowment Fund	\$580,602	\$585,800
State Miscellaneous Fund	\$145,150	\$146,450
Gaming Tax	\$14,515,054	\$14,234,991
Regulatory Fee	\$879,534	\$1,034,022

LAKESIDE CASINO



Osceola, IA

	2010	2011
Admissions	786,130	730,005
Slot Drop	\$342,810,637	\$350,883,901
Slot Coin In	\$505,910,087	\$491,716,595
Slot Revenue	\$45,668,860	\$46,745,650
Table Drop	\$13,988,358	\$15,143,809
Table Revenue	\$3,493,287	\$2,908,776
Adjusted Gross Revenue	\$49,162,147	\$49,654,439
City Tax	\$235,474	\$237,936
County Tax	\$235,474	\$237,936
Endowment Fund	\$376,759	\$380,698
State Miscellaneous Fund	\$94,189	\$95,175
Gaming Tax	\$9,008,980	\$9,107,438
Regulatory Fee	\$736,708	\$878,914

RIVERSIDE CASINO AND GOLF RESORT



Riverside, IA

	2010	2011
Admissions	1,997,800	1,971,277
Slot Drop	\$604,386,064	\$636,132,010
Slot Coin In	\$879,245,898	\$905,235,441
Slot Revenue	\$77,297,237	\$81,002,291
Table Drop	\$39,013,006	\$42,217,652
Table Revenue	\$8,403,096	\$8,696,710
Adjusted Gross Revenue	\$85,700,333	\$89,698,996
City Tax	\$428,502	\$448,495
County Tax	\$428,502	\$448,495
Endowment Fund	\$685,603	\$717,592
State Miscellaneous Fund	\$171,400	\$179,398
Gaming Tax	\$16,730,066	\$17,529,799
Regulatory Fee	\$849,882	\$1,054,878

DIAMOND JO – WORTH



Northwood, IA

	2010	2011
Admissions	1,278,092	1,449,774
Slot Drop	\$472,382,547	\$523,138,041
Slot Coin In	\$786,136,663	\$852,889,248
Slot Revenue	\$74,121,704	\$79,907,845
Table Drop	\$28,994,037	\$30,800,979
Table Revenue	\$6,864,320	\$7,484,793
Adjusted Gross Revenue	\$80,986,024	\$87,392,639
City Tax	\$404,930	\$436,963
County Tax	\$404,930	\$436,963
Endowment Fund	\$647,889	\$699,141
State Miscellaneous Fund	\$161,972	\$174,785
Gaming Tax	\$15,787,205	\$17,068,528
Regulatory Fee	\$764,656	\$929,282

WILD ROSE – EMMETSBURG



Emmetsburg, IA

	2010	2011
Admissions	553,173	542,068
Slot Drop	\$193,603,766	\$221,419,133
Slot Coin In	\$314,313,148	\$345,988,232
Slot Revenue	\$26,688,181	\$29,160,882
Table Drop	\$13,263,345	\$12,945,352
Table Revenue	\$2,550,634	\$2,716,620
Adjusted Gross Revenue	\$29,238,815	\$31,877,520
City Tax	\$146,194	\$159,388
County Tax	\$146,194	\$159,388
Endowment Fund	\$233,911	\$255,020
State Miscellaneous Fund	\$58,478	\$63,755
Gaming Tax	\$5,466,597	\$5,965,504
Regulatory Fee	\$731,628	\$893,095

THE ISLE CASINO & HOTEL AT WATERLOO



Waterloo, IA

	2010	2011
Admissions	1,524,429	1,524,080
Slot Drop	\$612,513,469	\$624,203,644
Slot Coin In	\$905,176,067	\$912,289,102
Slot Revenue	\$73,743,861	\$75,420,587
Table Drop	\$32,365,733	\$32,279,904
Table Revenue	\$6,580,316	\$6,945,822
Adjusted Gross Revenue	\$80,324,177	\$82,366,417
City Tax	\$401,621	\$411,832
County Tax	\$401,621	\$411,832
Endowment Fund	\$642,603	\$658,931
State Miscellaneous Fund	\$160,648	\$164,733
Gaming Tax	\$15,654,836	\$16,063,283
Regulatory Fee	\$842,036	\$1,026,892

GRAND FALLS CASINO RESORT



Larchwood, IA

Grand Falls opened on June 8, 2011

	2011	
Admissions	927,854	
Slot Drop	\$169,061,077	
Slot Coin In	\$287,814,484	
Slot Revenue	\$27,863,386	
Table Drop	\$23,839,024	
Table Revenue	\$4,713,815	
Adjusted Gross Revenue	\$32,577,202	
City Tax	\$162,886	
County Tax	\$162,886	
Endowment Fund	\$260,618	
State Miscellaneous Fund	\$65,154	
Gaming Tax	\$5,695,440	
Regulatory Fee	\$987,947	

**EXCURSION GAMBLING BOAT/GAMBLING STRUCTURE
REVENUE AND EXPENDITURES
2011**

EXPENDITURES FOR REGULATION

Salary and Benefits	\$2,858,936
Travel	\$23,364
State Vehicle	\$4,491
Office Supplies/Printing/Postage	\$17,359
Equipment Maintenance	\$17,525
Communications	\$121,893
Rentals	\$47,505
Professional, Scientific & Outside Services	\$(82,781)
Intra-State Transfers	\$42,166
Advertising/Publicity	\$1,230
ITD/IT Outside Services	\$69,558
Reimbursements to Other Agencies	\$62,193
Equipment	\$18,971
TOTAL	\$3,202,410

REVENUES TO STATE

Annual Licensing Fees	\$205,835
Regulatory Fees	\$14,621,369
Occupational License Fees	\$99,000
Manufacturers/Distributors License Fees	\$32,750
Fines	\$92,800
Gaming Tax	\$183,536,649
State Miscellaneous Fund	\$1,880,465
TOTAL	\$200,468,868

REVENUES TO LOCAL GOVERNMENT

Gaming Taxes (City/County)	\$9,402,300
Endowment Fund	\$7,521,857

Many local governments charge an admission fee not to exceed \$.50/person as authorized under 99F.10 which is not included above.