



Iowa Racing and Gaming
Commission

Annual Report

2000

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IOWA RACING AND GAMING COMMISSION



March 1, 2001

The Honorable Thomas J. Vilsack
Governor of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Governor Vilsack:

I: RACING AND GAMING GROWTH IN THE 1990's: SPECTACULAR ECONOMIC SYNERGY

For more than four decades (1931-1976), only one state legalized casino gambling. In 1976, New Jersey voters approved gaming in Atlantic City. Then in 1989, the Iowa Legislature authorized riverboat casinos, which is reputed to have been the genesis for gambling activity's most significant growth of the past century, with the number of states permitting casinos rising to eleven by the conclusion of the 1990's decade.

Beyond that action, the legislature in 1994 lifted the legal limit on betting and afforded racetrack operations the opportunity to have casinos. That change marked a dramatic impact in activity levels with a resultant astronomical increase in state gaming revenues of 1822%. As Chart I reveals, the 1994 receipt level of \$8.5 million escalated to \$163.4 million by 1999, and could pass the \$200 million mark by 2002.

During a similar period of time, lottery receipts in the General Fund began to decline from its high of \$47.8 million in 1995 to \$37.1 million by 1999, representing a 22% decline with receipt comparisons shown on Chart II. The mercurial increase of racing and gaming receipts versus the net decline in lottery receipt transfers makes for an interesting contrast when compared with the direction of General Fund receipts for the period 1994 through FY 2000. As Chart III illustrates, the General Fund receipts grew by 25.7% during a period when lottery transfers declined by 23.7%. Even more spectacular is the contrast with racing and gaming receipts which increased by 2000%.

The post 1994 years also brought forth the second largest change in the number of licensees, with the number of riverboats advancing from six to ten, and the number of tracks declining by one from four to three, resulting in the combined total rising from ten to thirteen. Chart IV

tracks the total number of licensees from the opening of the first facility in 1985, up through the advent of the riverboats in 1991, through the current level of thirteen by January in the year 2000.

However, the most sensational change lies in historic revenue advances and spectacular economic synergy that has transpired in the decade of the 1990's. Chart V illustrates these changes, with the numerical I devoted to tax revenue enhancements.

Changes from '80's to '90's were:

- a. City or County tax – Up \$16.7 million for a 429% gain
- b. Total Local Taxes – Up \$33 million for a gain of 428%
- c. Transfers, Rent, Property Taxes, Etc. – Up \$187.6 million for a gain of 5,879%
- d. Combined Local Benefit - Up \$220.9 million for a gain of 2,027%
- e. State Tax Revenues* - Up \$642.7 million for a gain of 1,879%

II. ECONOMIC ENHANCERS

- a. Charitable Contributions – Up \$222.3 million for a gain of 1,710%
- b. Facilities & Improvements – Up \$1,080 billion for a gain of 2,769%
- c. Salaries & Benefits – Up \$970.9 million for a gain of 3,194%
- d. Supplies Purchased – Up \$891 million for a gain of 4,436%

These figures reveal that the racing and gaming activity generated over \$908 million in tax revenues during the '90's, up from \$45 million in the '80's. Economic enhancers increased by 3,538% in the decade of the 1990's versus the 1980's, reaching \$3.2 trillion. Collectively, the industry provided the state's economy with a total input exceeding \$4.1 trillion during the decade of the 1990's versus \$136.4 million during the 1980's, representing a 3,032% increase.

As a result of these tax revenue enhancements, the legislature is now committing over \$100 million annually to infrastructure improvements in addition to \$15 million annually for the "Vision Iowa" program, plus another \$5 million for special infrastructure needs.

Within the private sector, the racing program of Iowa has precipitated a 50% increase in the racehorse population from 1995 through 1999. The state horse racing industry activity now generates \$132 million in other sector economic activity annually.

All of this economic stimuli takes on a much greater implication for a state which rounded out the 1990's decade as the ninth slowest growing state, following the 1980's when Iowa ranked as the third slowest growth state in the nation. The racing and gaming industry became a major component of Iowa's economic vitality during the 1990's.

Even more proudly, the Commissioners, and its competent staff, have maintained a dedication to the highest level of integrity in the midst of this historic economic growth within the Iowa industry. We remain vigilant, especially when we note in neighboring Minnesota that they have uncovered 40 employees of Canterbury Park with criminal records. Likewise, our neighbor to the south, Missouri, has been plagued with a multitude of problems resulting in 39 serious violations and fines totaling over \$1.87 million with a comparable number of licensees. (14 versus 13)

For all of our successes and responsibilities shared by the five Iowa Commissioners, we once more acknowledge our competent Administrator, Jack Ketterer, and our tireless nine staffers in the main office. These people are a constant source of information and support, which is so vital to the Commissioners in the formulation of Commission policies and direction. We likewise are mindful of the contribution and appreciate the support service provided by the field staff of 48 plus the 71 special agents with the Division of Criminal Investigation. We would be remiss if we did not acknowledge the cooperative nature of our thirteen licensees and their staffers with whom we must interact to assure our mutual goals.

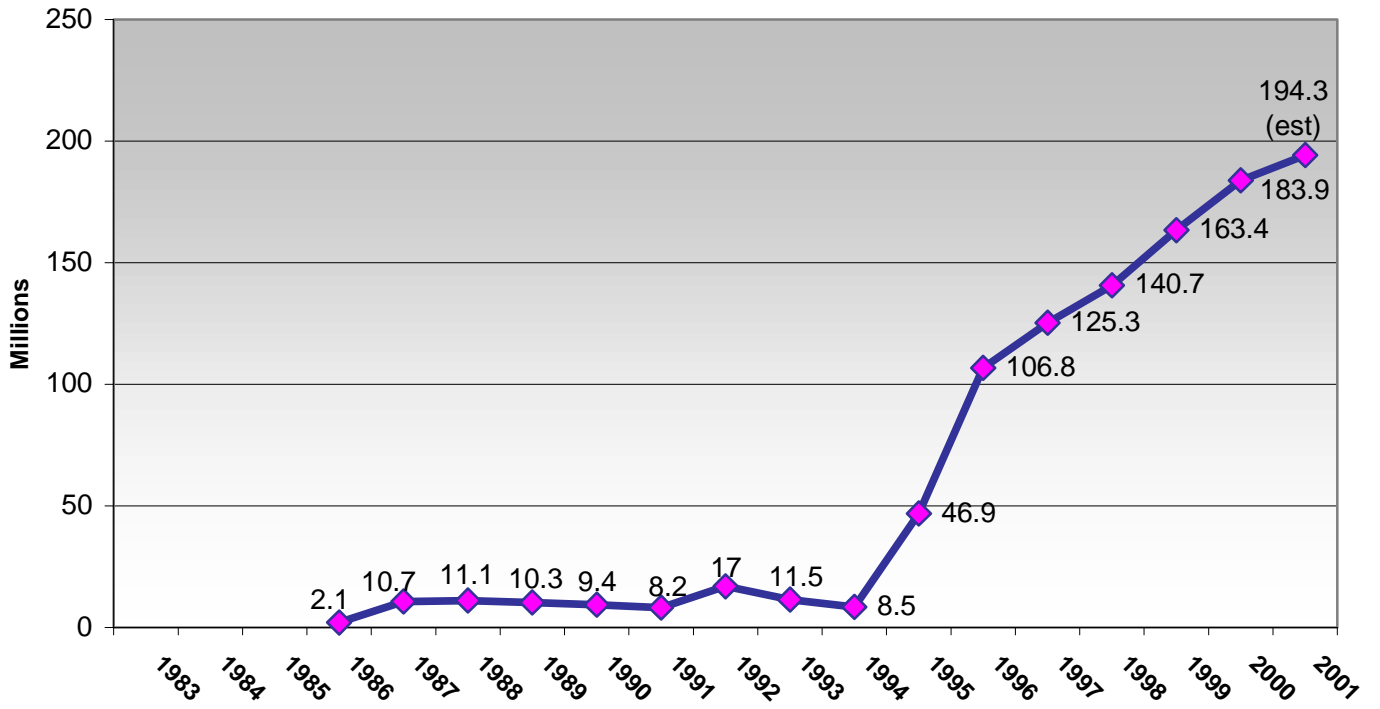
The economic vitality of this industry is apparent from the reported data. Less visible, but inevitably intertwined in these comprehensive achievements is the fact that missions and goals cannot be attained without common commitment. I commend my fellow commissioners, our staff, and the licensees for being mutually committed to economic success and vitality without marginalizing integrity at any turn in the road.

Sincerely,

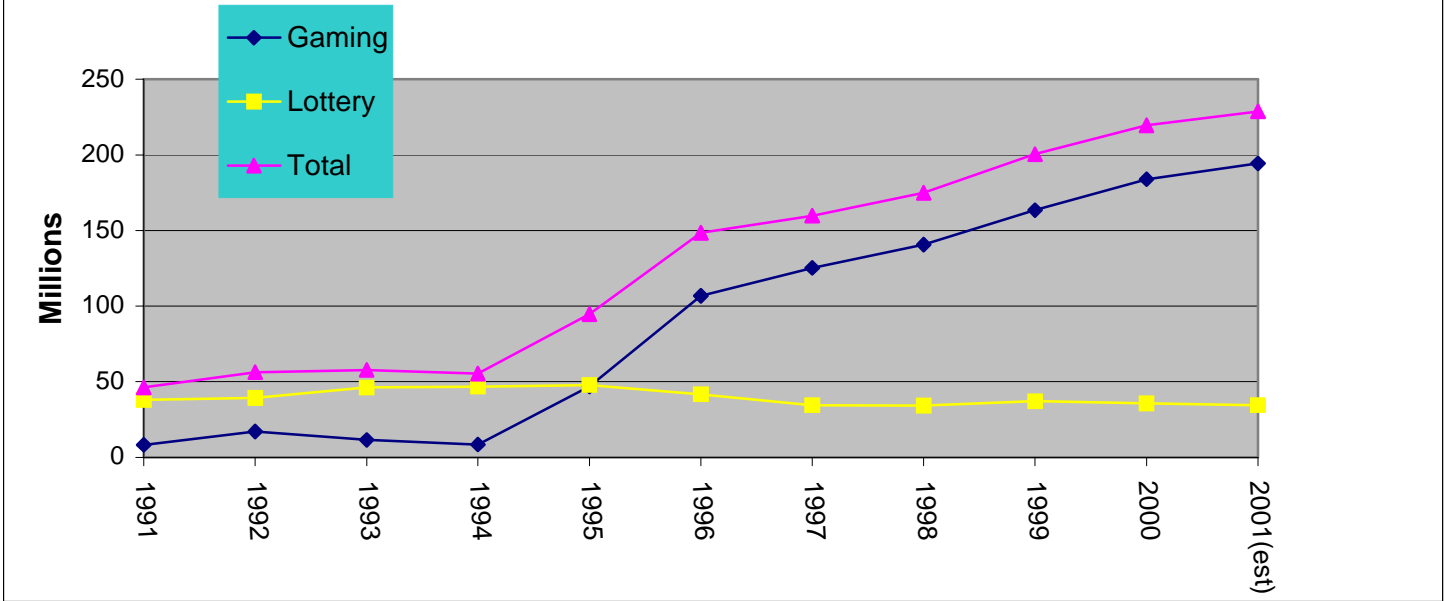
A handwritten signature in black ink, appearing to read "W. R. 'Bill' Hansen". The signature is fluid and cursive, with a large, stylized initial "H" at the end.

W. R. "Bill" Hansen, Chair
Iowa Racing & Gaming Commission

**Revenue Resource to General Fund
(Racing and Gaming Tax)
Chart I**



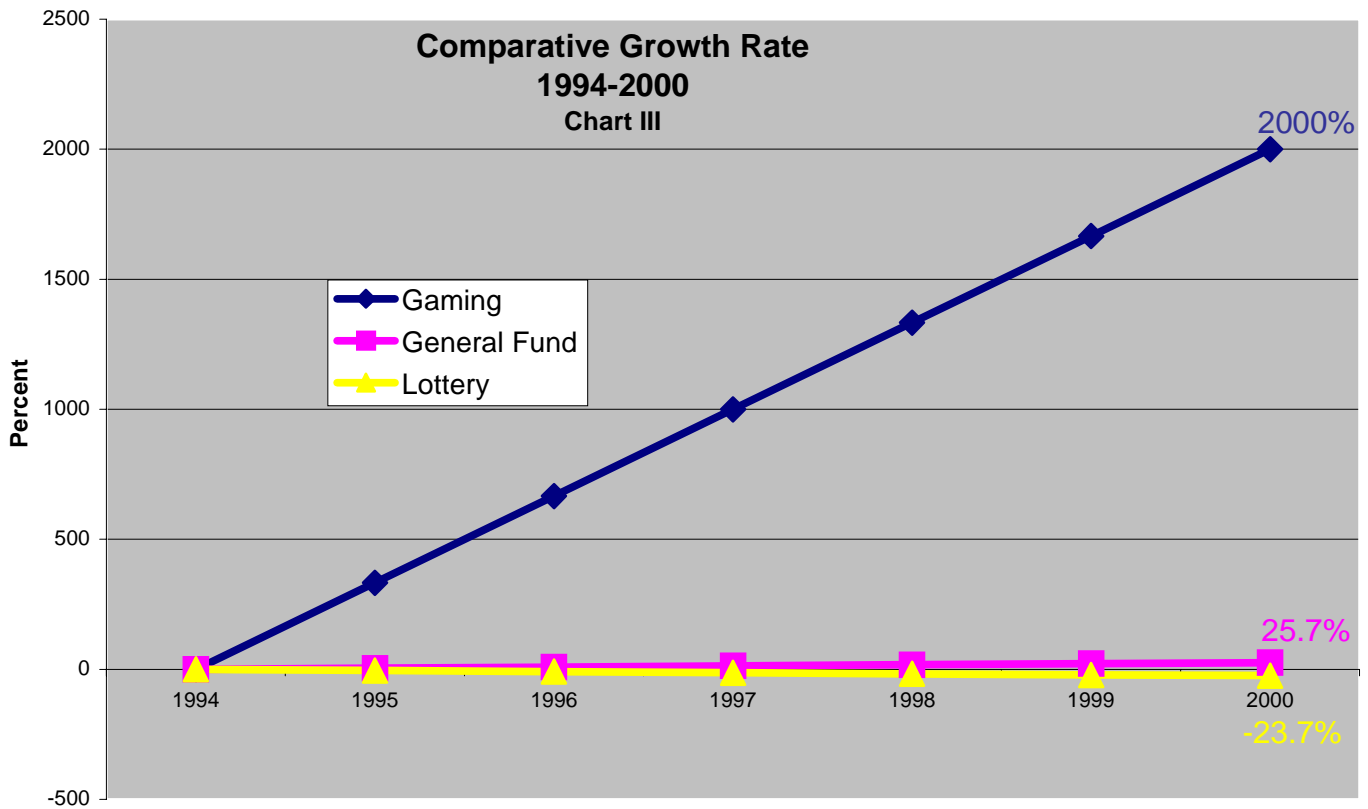
Revenue Resource
Chart II



| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001(est) |
|------------------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|-----------|
| Gaming | 8.2 | 17 | 11.5 | 8.5 | 46.9 | 106.8 | 125.3 | 140.7 | 163.4 | 183.9 | 194.3 |
| Lottery | 38 | 39.3 | 46.2 | 46.8 | 47.8 | 41.7 | 34.5 | 34.2 | 37.1 | 35.7 | 34.5 |
| Total (millions) | \$46.2 | \$56.3 | \$57.7 | \$55.3 | \$94.7 | \$148.5 | \$159.8 | \$174.9 | \$200.5 | \$219.6 | \$228.8 |

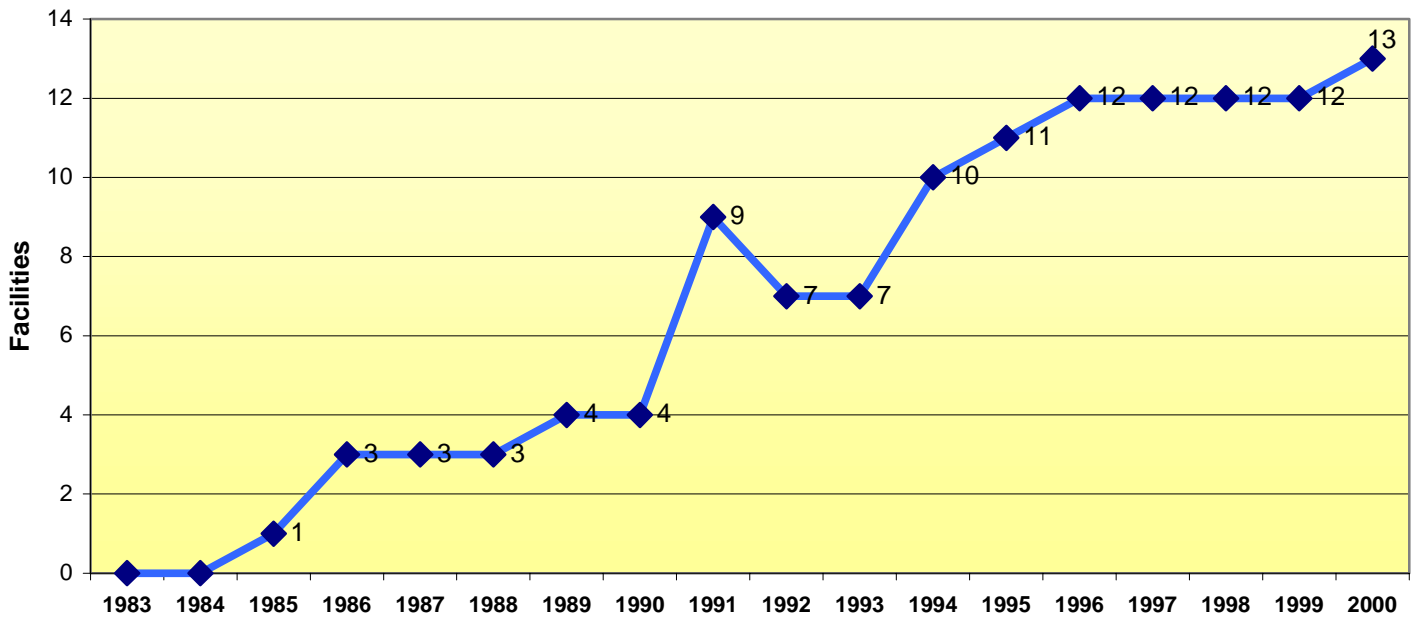
| | | | | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total General Fund Receipts and Transfers | \$3,241.8 | \$3,400.2 | \$3,427.1 | \$3,635.4 | \$3,863.9 | \$4,077.8 | \$4,296.8 | \$4,413.4 | \$4,369.3 | \$4,569.4 | \$4,743.6 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

Source: Legislative Fiscal Bureau



Change in Number of Facilities

Chart IV



Note: Tracks were original licensees. Riverboats were added starting in 1991.
Source: Iowa Racing and Gaming Commission

CHART V

| I. TAX REVENUE ENHANCEMENTS | | | | |
|---|---------------|-----------------|------------------|-----------------|
| | <u>1980's</u> | <u>1990's</u> | <u>\$ CHANGE</u> | <u>% CHANGE</u> |
| A. City or County | \$3,886,690 | \$20,558,924 | \$16,672,234 | 429% |
| B. Total Local Tax | \$7,773,380 | \$41,117,848 | \$33,344,468 | 428% |
| C. Transfers, Rent, Property Tax, Etc. | \$3,191,300 | \$190,803,479 | \$187,612,179 | 5879% |
| D. TOTAL LOCAL | \$10,964,680 | \$231,921,327 | \$220,956,647 | 2027% |
| E. State Tax | \$34,200,000 | \$676,900,000 | \$642,700,000 | 1879% |
| Tax Subtotal (1) | \$45,164,680 | \$908,821,327 | | 1912% |
| II. ECONOMIC ENHANCERS | | | | |
| A. Charitables | \$1,304,207 | \$223,629,923 | \$222,325,716 | 1710% |
| B. Facilities & Improvements | \$39,434,635 | \$1,119,881,736 | \$1,080,447,101 | 2769% |
| C. Salaries & Benefits | \$30,396,801 | \$973,969,533 | \$970,929,853 | 3194% |
| D. Supplies Purchased (2) | \$20,143,875 | \$911,783,370 | \$891,639,495 | 4436% |
| Subtotal | \$91,279,518 | \$3,229,264,562 | | 3538% |
| GRAND TOTAL | \$136,444,198 | \$4,138,085,889 | | 3032% |

FOOTNOTES:

1. Tax figures relate to state gaming tax only, which is undesignated and does not include admission taxes intended for operational costs nor treatment tax, originally intended for problem gamblers.
2. Supplies purchased include estimates since some numbers from the 1980's were not available.

COMMISSION MEETINGS

During 2000, the Iowa Racing & Gaming Commission (IRGC) met ten times. No telephonic meetings were 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 web page at www3.state.ia.us/irgc/. Highlights of the meetings follow.

January 20, 2000 – The Commission met at the West Des Moines Marriott, West Des Moines, Iowa. Amendments to rules were approved under Notice of Intended Action and Final Adopt. Prairie Meadows Racetrack & Casino (PMR&C) submitted, and the Commission approved, their Season Approval request for the upcoming Thoroughbred Meet. The Commission also approved an amendment to a 5-Year Agreement regarding horse purses; schedule regarding capital improvements, and a conditional racing license for PMR&C. Following a lengthy discussion, the Commission approved the Arbitration Decision as submitted for Iowa West Racing Association (IWRA) and the Iowa Greyhound Association (IGA). IWRA/Bluffs Run Casino presented an expansion plan, which the Commission approved. The Commission approved applications for Upper Mississippi Gaming Corp./Isle of Capri Marquette and Scott County Regional Authority/Isle of Capri Bettendorf, L.C. for the Miss Marquette and Lady Luck Bettendorf respectively. IRGC staff submitted, and the Commission approved, a master plan to comply with Executive Order No. 8, which required all state agencies to undertake a comprehensive review of their rules.

March 3, 2000 – The Commission met at the Holiday Inn Gateway Center in Ames, Iowa. There was a discussion concerning the diversion of funds from the Gambling Treatment Program. The Commission approved the following excursion gambling boat license renewal requests: Southeast Iowa Regional Riverboat Commission/Catfish Bend Casinos, L.C. – Catfish Bend Casino, Clinton County Gaming Association/Mississippi Belle II, Inc. – Mississippi Belle II, IWRA/Ameristar Casino Council Bluffs, Inc. – Ameristar II, IWRA/Harveys Casino Hotel – Kaneshville Queen, Missouri River Historical Development/Belle of Sioux City, L.P. – Belle of Sioux City, Riverboat Development Authority/The Connelly Group, L.P. – The President, and Clarke County Development Corporation/Southern Iowa Gaming Company – Lakeside Casino Resort. Only the applicable portions of the following license renewal applications were approved due to the Commission's approval of the Isle of Capri applications for these facilities at its January meeting: Scott County Regional Authority/Lady Luck Bettendorf, L.C. – Lady Luck Bettendorf and Upper Mississippi Gaming Corporation/Lady Luck Marquette – Miss Marquette. The license for Dubuque Racing Association (DRA)/Peninsula Gaming Company, LLC for the Dubuque Diamond Jo (DDJ) was approved for one month, with the provision that the licensee and the City of Dubuque appear before the Commission at its April meeting to advise of any progress in the negotiations for a hotel. The Commission approved the 45-day plan for Dubuque Greyhound Park & Casino's live race meet. The Horse Racing Promotion Fund was

distributed to the Iowa Thoroughbred Breeders and Owners Association, Iowa Harness Horsemen's Association and Iowa Quarter Horse Racing Association.

April 20, 2000 – The Commission met in the Convention Center at Lakeside Casino & Hotel in Osceola, Iowa. The Commission heard brief reports from each licensee, except The President, on their recent financial audits and a comparison of 1999 to 1998. The Commission approved the return of an \$8.8 million escrow account, plus interest, to the Greater Dubuque Riverboat Entertainment Company. Following a brief report on the negotiations between the City of Dubuque and Peninsula Gaming on the hotel, the Commission approved the license renewal of DRA/Peninsula Gaming Company, LLC to operate the DDJ. The Commission granted Ameristar Casino's request to increase the number of gaming positions on the riverboat by 86, for a total of 1,568 slot machines. The 45-day plan for the Mixed Meet at PMR&C was approved. Frank Biagioli, Executive Director of the Gamblers' Treatment Program, gave a presentation concerning the funding of said program.

May 18, 2000 – The Commission met at the Lady Luck Convention Center in Bettendorf, Iowa. The Commission approved a Notice of Intended Action on Rules rescinding Chapters 1, 5, 6, 20, 21 and 25, and putting in place new Chapters 1 and 5. The Commission approved a Stipulated Agreement with Ameristar Casino for allowing a minor to gain access to the casino floor. The Commission approved the meeting dates for FY 2001.

June 15, 2000 - The Commission met at the West Des Moines Marriott, West Des Moines, Iowa. The Commission approved the Notice of Intended Action on amendments to the rules. The admission fee schedule for FY 2001 was approved.

July 20, 2000 – The Commission met at the University Park Holiday Inn, West Des Moines, Iowa. W.R. "Bill" Hansen and Rita Sealock were elected to serve as Chair and Vice Chair respectively for the 2001 fiscal year. The Commission approved the final adoption of revised Chapters 1 and 5, and rescinded existing Chapters 1, 5, 6, 20, 21, and 25. They also approved rescinding the existing Chapter 10 and inserting a new Chapter 10 under Notice of Intended Action. The 45-day plan for the Harness Meet at PMR&C was approved. The Commission heard a report from Harveys Casino Resort on their acquisition of Pinnacle Entertainment. Notice was given that applications for the Greyhound Promotion Fund were due in the Commission's Des Moines office by August 5, 2000.

August 17, 2000 – The Commission met at the Best Western Frontier in Clinton, Iowa. The Commission approved the Notice of Intended Action amending Chapters 1 and 3, rescinding existing Chapter 7 and replacing it with a new Chapter 7, and adopting new Chapters 11 and 12. The Commission also approved the final adoption of changes eliminating Chapter 12, and combining it with Chapter 8, and renumbering the current Chapter 13 to Chapter 6. The Commission heard reports from Mayor Ann Hutchinson on the master plan for downtown Bettendorf, and BRC on the proposed remodel of exterior entrances. Wes Ehrecke, Executive Director of the Iowa Gaming Association, provided an update on the Association's recent activities. Isle of Capri gave a presentation on the proposed acquisition of The President Riverboat in Davenport, Iowa.

September 15, 2000 – The Commission met at the University Park Holiday Inn, West Des Moines, Iowa. The Commission approved the following items: the license renewal

applications for Dubuque Racing Association (DRA), Racing Association of Central Iowa, and IWRA to operate the Dubuque Greyhound Park & Casino, PMR&C and BRC respectively; Harveys Casino Resort's acquisition of Pinnacle Entertainment; and Isle of Capri's acquisition of The President Riverboat in Davenport, Iowa. The Commission also approved rescinding the current Chapter 10 of the Administrative Rules and the final adoption of the new Chapter 10.

October 12, 2000 – The Commission met at the Best Western Pzazz in Burlington, Iowa. The Commission approved the final adoption of amendments to several rules, three new chapters and rescinded Chapters 22, 24 and 26. The Commission approved the renewal of the racetrack enclosure gambling licenses for DRA, IWRA, and RACI. Mr. Ehrecke provided an update on the Iowa Gaming Association's activities.

November 16, 2000 - The Commission met at the University Park Holiday Inn in West Des Moines, Iowa. The Commission heard a report on the proposed America's River Project in Dubuque, Iowa. The Commission approved the following requests from licensees: season approvals submitted by BRC for the 2001 Race Meet, and financial restructuring and acquisitions for Ameristar.

BLUFFS RUN CASINO



Council Bluffs, IA

1999

2000

Live Racing

| | | |
|---------------------------------|------------------|------------------|
| Racing Dates | 1/1-12/31 | 1/1-12/31 |
| Number of Performances | 364 | 363 |
| Admissions | See Simulcasting | See Simulcasting |
| Total Mutuel Handle | \$11,385,052 | \$9,970,480 |
| Track Commission | \$2,632,600 | \$2,301,425 |
| Breakage | \$48,815 | \$43,783 |
| Returned to Public | \$8,704,296 | \$7,627,437 |
| Total Purses Paid (all sources) | \$5,667,190 | \$7,379,116 |

Simulcasting (Signals Sent-Live Greyhound)

| | | |
|------------------|--------------|--------------|
| Simulcast Handle | \$14,474,701 | \$12,783,560 |
|------------------|--------------|--------------|

Simulcasting (Signals Received-Greyhounds & Horses)

| | | |
|------------------------|--------------|--------------|
| Simulcasting Dates | 1/1-12/31 | 1/1-12/31 |
| Number of Performances | 6,325 | 6,821 |
| Admissions | 3,976,831 | 4,080,723 |
| Total Mutuel Handle | \$17,160,661 | \$15,413,038 |
| Breakage | \$101,636 | \$97,379 |

Pari-Mutuel Revenues to State

| | | |
|----------------------------|-----------|-----------|
| State Tax | \$581,319 | \$421,028 |
| Tax to Gambler's Treatment | \$87,935 | \$67,230 |
| Unclaimed Winnings | \$128,496 | \$146,309 |

DUBUQUE GREYHOUND PARK & CASINO



Dubuque, IA

1999

2000

Live Racing

| | | |
|---------------------------------|------------------|------------------|
| Racing Dates | 5/1-10/31 | 4/28-10/29 |
| Number of Performances | 162 | 162 |
| Admissions | See Simulcasting | See Simulcasting |
| Total Mutuel Handle | \$3,252,496 | \$3,088,281 |
| Track Commission | \$743,431 | \$706,486 |
| Breakage | \$17,210 | \$15,980 |
| Returned to Public | \$2,492,149 | \$2,365,987 |
| Total Purses Paid (all sources) | \$2,461,058 | \$2,528,622 |

Simulcasting (Signals Received-Greyhounds & Horses)

| | | |
|------------------------|-------------|-------------|
| Simulcasting Dates | 1/1-12/31 | 1/1-12/31 |
| Number of Performances | 1,534 | 1,449 |
| Admissions | 898,623 | 903,529 |
| Total Mutuel Handle | \$4,928,520 | \$4,545,218 |
| Breakage | \$13,002 | \$10,309 |

Pari-Mutuel Revenues to State

| | | |
|----------------------------|-----------|-----------|
| State Tax | \$121,368 | \$117,543 |
| Tax to Gambler's Treatment | \$24,136 | \$23,907 |
| Unclaimed Winnings | \$57,630 | \$55,673 |

PRAIRIE MEADOWS RACETRACK & CASINO

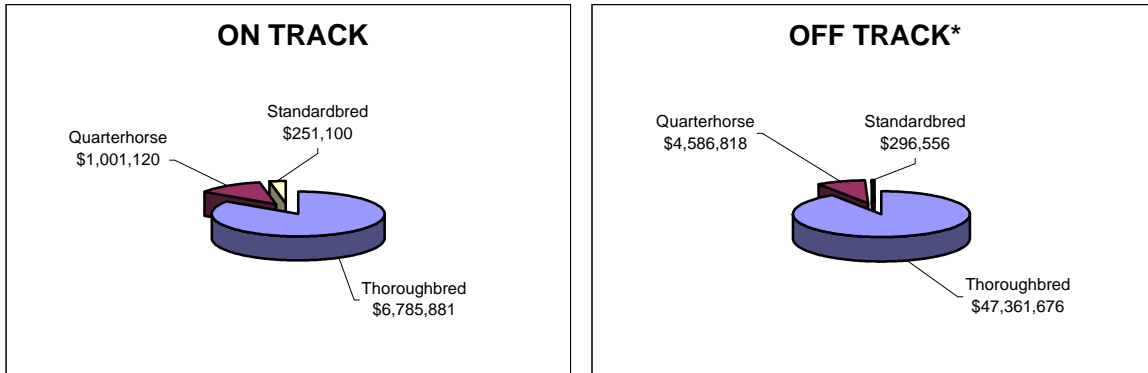


Altoona, IA

| | 1999 | 2000 |
|---------------------------------|------------------|------------------|
| Live Racing | | |
| Racing Dates | 4/17-7/6 | 4/21-7/6 |
| | 7/20-10/2 | 7/18-9/30 |
| | 10/8-10/17 | 10/9-11/11 |
| Number of Performances | 104 | 118 |
| Admissions | See Simulcasting | See Simulcasting |
| Total Mutuel Handle | \$8,442,928 | \$8,038,101 |
| Track Commission | \$1,719,715 | \$1,632,705 |
| Breakage | \$69,618 | \$67,777 |
| Returned to Public | \$6,658,061 | \$6,346,324 |
| Total Purses Paid (all sources) | \$13,931,810 | \$16,351,262 |

| | 1999 | 2000 |
|---|--------------|--------------|
| Simulcasting (Signals Sent-Live Horse) | | |
| Simulcast Handle | \$67,429,811 | \$52,615,222 |

HORSE RACING HANDLE – LIVE MEET



**Off track handle does not include \$370,172 non-commingled handle*

| | 1999 | 2000 |
|--|--------------|--------------|
| Simulcasting (Signals Received-Greyhounds & Horses) | | |
| Simulcasting Dates | 1/1-12/31 | 1/1-12/31 |
| Number of Performances | 4,672 | 5,486 |
| Admissions | 3,317,314 | 2,740,325 |
| Total Mutuel Handle | \$21,708,680 | \$19,461,961 |
| Total Mutuel Handle (Horse) | \$16,899,399 | \$15,483,464 |
| Total Mutuel Handle (Greyhound) | \$4,809,281 | \$3,978,497 |
| Breakage | \$119,224 | \$102,524 |

Pari-Mutuel Revenues to State

| | | |
|--------------------|-----------|-----------|
| Unclaimed Winnings | \$199,917 | \$176,757 |
|--------------------|-----------|-----------|

LABORATORY TESTING

The Iowa Racing and Gaming Commission 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 program was conducted by Iowa State University Laboratory in Ames, Iowa.

It is the duty of the Iowa Racing and Gaming Commission, and its racing chemist, through chemical analysis of urine and blood samples collected from racing animals at the tracks, to insure that foreign substances are not being administered to racing animals pursuant to Iowa Code Chapter 99D.25. This section prohibits the administration of any foreign substance prior to a race. The Commission will continue to provide intense regulation to guarantee the racing industry in Iowa is above reproach.

The following is a summary of the samples tested and positive tests reported by the Iowa State Veterinary Diagnostic Lab in 2000 for the Iowa Racing and Gaming Commission.

| | URINE | BLOOD |
|------------------------------------|--------------|--------------|
| Greyhound | | |
| Bluffs Run Casino | 5,299 | |
| Dubuque Greyhound Park & Casino | 2,348 | |
| Horse | | |
| Prairie Meadows Racetrack & Casino | 2,542 | 2,634 |

POSITIVE TESTS

| | |
|---|-----------|
| Boldenone | 4 |
| DMSO | 3 |
| Guanabenz | 3 |
| Lasix | 2 |
| Phenylbutazone/Oxyphenbutazone >2.2 mg/ml | 27 |
| Testosterone | 7 |
| TOTAL POSITIVES | 46 |

IOWA BREEDERS' FUND

The Department of Agriculture maintains a database of thoroughbred, standardbred and quarterhorses who 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.

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.

The amounts created from the total breakage and a portion of the casino revenues as statutorily required, were paid out as follows in 2000:

THOROUGHBRED/QUARTERHORSE/STANDARD BRED

PRAIRIE MEADOWS RACETRACK & CASINO

| | |
|--|-------------|
| Breeder's Awards | \$512,314 |
| Purse Supplement to Owners of Iowa Breds | \$2,362,482 |
| Horse Racing Promotion Fund | \$12,694 |
| Carry-Over | \$300,562 |

GREYHOUNDS

BLUFFS RUN CASINO

| | |
|--|--------------|
| Breeder's Awards | \$48,935 |
| Purse Supplements to owners of Iowa-whelped greyhounds | \$1,696,548 |
| Iowa Stakes | \$250,000.00 |
| Carry-Over | -0- |
| Dog Racing Promotion Fund | \$1,341 |

DUBUQUE GREYHOUND PARK & CASINO

| | |
|--|-----------|
| Breeder's Awards | \$71,339 |
| Purse Supplements to owners of Iowa-whelped greyhounds | \$500,234 |
| Iowa Stakes | \$163,090 |
| Carry-Over | \$3,166 |
| Dog Racing Promotion Fund | \$13,705 |

06/02/03 Note: Bluffs Run Casino previously reported Breeder's Awards for 2000 as \$48,935. The actual amount paid by Bluffs Run Casino to the Department of Agriculture as required by 99D.22 was \$170,940.18.

ALL IOWA RACETRACK CASINO GAMING TOTALS

| | 1999 | 2000 |
|----------------------------|-----------------|-----------------|
| Admissions | 8,192,768 | 7,724,577 |
| Slot Drop | \$1,258,664,408 | \$1,219,916,356 |
| Coin In | \$5,370,373,003 | \$5,155,339,225 |
| Slot Revenue | \$296,354,065 | \$294,930,021 |
| Keno Tickets Written | \$2,220,661 | N/A |
| Keno Revenue | \$432,087 | N/A |
| Adjusted Gross Revenue | \$296,786,152 | \$294,930,021 |
| Tax to City | \$1,483,930 | \$1,474,650 |
| Tax to County | \$1,483,930 | \$1,474,650 |
| Tax to Gambler's Treatment | \$890,360 | \$884,790 |
| Tax to General Fund | \$71,716,180 | \$76,976,316 |
| Admission Fee | \$4,096,385 | \$3,862,290 |

BLUFFS RUN CASINO GAMING



Council Bluffs, IA

| | 1999 | 2000 |
|----------------------------|-----------------|-----------------|
| Admissions | 3,976,831 | 4,080,723 |
| Slot Drop | \$514,823,151 | \$520,403,585 |
| Coin In | \$2,243,806,326 | \$2,243,789,418 |
| Slot Revenue | \$113,124,672 | \$122,200,476 |
| Keno Tickets Written | \$2,220,661 | N/A |
| Keno Revenue | \$432,087 | N/A |
| Adjusted Gross Revenue | \$113,556,759 | \$122,200,476 |
| Tax to City | \$567,783 | \$611,003 |
| Tax to County | \$567,783 | \$611,003 |
| Tax to Gambler's Treatment | \$340,671 | \$366,601 |
| Tax to General Fund | \$27,518,520 | \$32,037,527 |
| Admission Fee | \$1,988,416 | \$2,040,362 |

DUBUQUE GREYHOUND PARK AND CASINO GAMING



Dubuque, IA

| | 1999 | 2000 |
|----------------------------|---------------|---------------|
| Admissions | 898,623 | 903,529 |
| Slot Drop | \$125,530,571 | \$132,816,989 |
| Coin In | \$535,718,404 | \$553,705,757 |
| Slot Revenue | \$33,775,723 | \$35,797,394 |
| Adjusted Gross Revenue | \$33,775,723 | \$35,797,394 |
| Tax to City | \$168,879 | \$178,987 |
| Tax to County | \$168,879 | \$178,987 |
| Tax to Gambler's Treatment | \$101,328 | \$107,392 |
| Tax to General Fund | \$7,812,603 | \$8,967,904 |
| Admission Fee | \$449,312 | \$451,765 |

PRAIRIE MEADOWS RACETRACK AND CASINO GAMING



Altoona, IA

| | 1999 | 2000 |
|----------------------------|-----------------|-----------------|
| Admissions | 3,317,314 | 2,740,325 |
| Slot Drop | \$618,310,686 | \$566,695,782 |
| Coin In | \$2,590,848,273 | \$2,357,844,050 |
| Slot Revenue | \$149,453,670 | \$136,932,151 |
| Adjusted Gross Revenue | \$149,453,670 | \$136,932,151 |
| Tax to City | \$747,268 | \$684,660 |
| Tax to County | \$747,268 | \$684,660 |
| Tax to Gambler's Treatment | \$448,361 | \$410,797 |
| Tax to General Fund | \$36,385,057 | \$35,970,885 |
| Admission Fee | \$1,658,657 | \$1,370,163 |

PARI-MUTUEL REVENUE AND EXPENDITURES

2000

EXPENDITURES FOR REGULATION

| | |
|----------------------------------|--------------------|
| Salary and Benefits | \$1,092,454 |
| Travel | \$30,048 |
| State Vehicle | \$4,618 |
| Office Supplies | \$34,042 |
| Equipment Maintenance | \$9,291 |
| Communications | \$43,049 |
| Rentals | \$34,109 |
| Professional Services | \$650,095 |
| Outside Services | \$247,718 |
| Intra State Transfers | \$28,483 |
| Advertising/Publicity | \$52 |
| Data Processing | \$14,655 |
| Reimbursements to Other Agencies | \$12,381 |
| Equipment | \$3,825 |
| Capitals | \$71 |
| Training & Technology | \$4,220 |
| TOTAL | \$2,209,111 |

REVENUES TO STATE

| | |
|---------------------------|---------------------|
| Annual Licensing Fee | \$3,000 |
| Admission Fees | \$3,862,288 |
| Daily License Fees | \$200,800 |
| Occupational License Fees | \$88,460 |
| Fines | \$35,025 |
| Pari-Mutuel Tax | \$538,572 |
| Gaming Tax | \$76,976,316 |
| Gambling Treatment | \$975,927 |
| Unclaimed Winnings | \$378,379 |
| TOTAL | \$83,058,767 |

REVENUES TO LOCAL GOVERNMENT

| | |
|--------------|-------------|
| Gaming Taxes | \$2,949,300 |
|--------------|-------------|

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 18% on win, place, and show wagers; 24% on doubles (two dogs/horses/races); and 25% on triples (3+dogs/horses/races). Pari-mutuel taxes may range from 0 to 6% on live races based on increasing levels of mutuel handle. Simulcast wagering is taxed at 2% 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 an 80-99% pay-out to the patron. Available data for table games includes the drop and ratio of adjusted gross revenues to the drop.

The tax based on adjusted gross revenues from gambling games is: Up to \$1,000,000, 5%; from \$1,000,001 to \$3,000,000, 10%; above \$3,000,000 20%. This tax, is distributed 1/2% each to the city and county, .3% to gamblers treatment, and the remainder to designated state funds.

On January 1, 1997, the tax based on adjusted gross revenue over \$3,000,000 from gambling games at racetrack enclosures was raised from 20% to 22% increasing by 2% each succeeding calendar year until the rate is 36%. The tax rate on the adjusted gross revenue as of December 31, 2000 is 28%. On January 1, 2001, the tax will increase to 30%. The distribution of the tax remains the same.

ALL IOWA EXCURSION BOAT TOTALS

| | 1999 | 2000 |
|----------------------------|-----------------|-----------------|
| Admissions* | 12,463,472 | 13,450,137 |
| Slot Drop | \$1,503,109,148 | \$1,779,690,504 |
| Coin In | \$7,016,441,786 | \$7,968,487,142 |
| Slot Revenue | \$438,962,050 | \$500,002,629 |
| Table Drop | \$427,608,401 | \$460,304,990 |
| Table Revenue | \$93,687,506 | \$97,758,479 |
| Adjusted Gross Revenue | \$532,649,556 | \$597,761,108 |
| Tax to City | \$2,663,248 | \$2,988,805 |
| Tax to County | \$2,663,248 | \$2,988,805 |
| Tax to Gambler's Treatment | \$1,597,949 | \$1,793,283 |
| Tax to General Fund | \$95,878,243 | \$106,881,327 |
| Admission Fee | \$2,814,572 | \$3,496,097 |

*Admissions number was updated in July of 2004. It was discovered that a turnstile correction at Sioux City from FY2000 was not accounted for correctly.

HARVEYS CASINO HOTEL



Council Bluffs, IA

| | 1999 | 2000 |
|----------------------------|-----------------|-----------------|
| Admissions | 2,665,058 | 2,651,713 |
| Slot Drop | \$307,021,239 | \$334,372,713 |
| Coin In | \$1,480,375,455 | \$1,559,210,956 |
| Slot Revenue | \$86,200,529 | \$90,654,888 |
| Table Drop | \$109,774,696 | \$105,527,086 |
| Table Revenue | \$25,487,055 | \$22,980,573 |
| Adjusted Gross Revenue | \$111,687,584 | \$113,635,461 |
| Tax to City | \$558,438 | \$568,177 |
| Tax to County | \$558,438 | \$568,177 |
| Tax to Gambler's Treatment | \$335,063 | \$340,906 |
| Tax to General Fund | \$20,535,579 | \$20,899,831 |
| Admission Fee | \$306,789 | \$349,367 |

AMERISTAR CASINO & HOTEL



Council Bluffs, IA

| | 1999 | 2000 |
|----------------------------|-----------------|-----------------|
| Admissions | 2,324,253 | 2,525,214 |
| Slot Drop | \$295,787,341 | \$330,587,012 |
| Coin In | \$1,331,146,818 | \$1,466,772,279 |
| Slot Revenue | \$78,715,248 | \$91,948,747 |
| Table Drop | \$95,020,116 | \$95,965,485 |
| Table Revenue | \$20,913,357 | \$19,563,465 |
| Adjusted Gross Revenue | \$99,628,605 | \$111,512,212 |
| Tax to City | \$498,143 | \$557,561 |
| Tax to County | \$498,143 | \$557,561 |
| Tax to Gambler's Treatment | \$298,886 | \$334,536 |
| Tax to General Fund | \$18,280,549 | \$20,502,784 |
| Admission Fee | \$306,789 | \$349,367 |

ISLE OF CAPRI-MARQUETTE



Marquette, IA

| | 1999 | 2000 |
|----------------------------|---------------|---------------|
| Admissions | 713,682 | 690,536 |
| Slot Drop | \$92,763,157 | \$100,794,335 |
| Coin In | \$425,392,097 | \$456,989,161 |
| Slot Revenue | \$27,463,077 | \$29,596,526 |
| Table Drop | \$25,574,665 | \$23,097,239 |
| Table Revenue | \$5,007,079 | \$5,056,973 |
| Adjusted Gross Revenue | \$32,470,156 | \$34,653,499 |
| Tax to City | \$162,352 | \$173,267 |
| Tax to County | \$162,352 | \$173,267 |
| Tax to Gambler's Treatment | \$97,411 | \$103,961 |
| Tax to General Fund | \$5,371,919 | \$5,780,204 |
| Admission Fee | \$306,789 | \$349,367 |

DIAMOND JO CASINO



Dubuque, IA

| | 1999 | 2000 |
|----------------------------|---------------|---------------|
| Admissions | 1,106,829 | 1,057,386 |
| Slot Drop | \$130,108,299 | \$140,265,085 |
| Coin In | \$580,898,004 | \$599,813,303 |
| Slot Revenue | \$36,523,571 | \$37,214,483 |
| Table Drop | \$41,778,957 | \$36,647,210 |
| Table Revenue | \$8,469,306 | \$8,223,168 |
| Adjusted Gross Revenue | \$44,992,877 | \$45,437,651 |
| Tax to City | \$224,965 | \$227,188 |
| Tax to County | \$224,965 | \$227,188 |
| Tax to Gambler's Treatment | \$134,978 | \$136,314 |
| Tax to General Fund | \$7,836,444 | \$8,146,838 |
| Admission Fee | \$306,789 | \$349,367 |

CATFISH BEND CASINO



Fort Madison, IA (Summer) Burlington, IA (Winter)

| | 1999 | 2000 |
|----------------------------|---------------|---------------|
| Admissions | 679,300 | 631,260 |
| Slot Drop | \$76,090,821 | \$80,066,831 |
| Coin In | \$329,347,350 | \$347,485,443 |
| Slot Revenue | \$25,076,799 | \$25,710,665 |
| Table Drop | \$21,272,951 | \$19,046,264 |
| Table Revenue | \$4,920,272 | \$4,309,621 |
| Adjusted Gross Revenue | \$29,997,071 | \$30,020,286 |
| Tax to City | \$149,985 | \$150,101 |
| Tax to County | \$149,985 | \$150,101 |
| Tax to Gambler's Treatment | \$89,991 | \$90,060 |
| Tax to General Fund | \$5,259,451 | \$5,263,794 |
| Admission Fee | \$306,789 | \$349,367 |

MISSISSIPPI BELLE II



Clinton, IA

| | 1999 | 2000 |
|----------------------------|---------------|---------------|
| Admissions | 592,481 | 578,971 |
| Slot Drop | \$71,388,482 | \$75,278,174 |
| Coin In | \$342,798,071 | \$351,307,165 |
| Slot Revenue | \$24,434,756 | \$24,383,400 |
| Table Drop | \$11,663,689 | \$12,552,388 |
| Table Revenue | \$2,374,675 | \$2,266,915 |
| Adjusted Gross Revenue | \$26,809,431 | \$26,650,315 |
| Tax to City | \$134,047 | \$133,252 |
| Tax to County | \$134,047 | \$133,252 |
| Tax to Gambler's Treatment | \$80,429 | \$79,951 |
| Tax to General Fund | \$4,663,364 | \$4,633,609 |
| Admission Fee | \$306,789 | \$349,367 |

BELLE OF SIOUX CITY



Sioux City, IA

| | 1999 | 2000 |
|----------------------------|---------------|---------------|
| Admissions* | 769,875 | 819,783 |
| Slot Drop | \$66,587,231 | \$97,980,344 |
| Coin In | \$317,345,475 | \$431,595,252 |
| Slot Revenue | \$21,814,573 | \$27,879,689 |
| Table Drop | \$28,373,717 | \$28,814,231 |
| Table Revenue | \$6,815,795 | \$7,344,775 |
| Adjusted Gross Revenue | \$28,630,368 | \$35,224,464 |
| Tax to City | \$143,151 | \$176,123 |
| Tax to County | \$143,151 | \$176,123 |
| Tax to Gambler's Treatment | \$85,890 | \$105,674 |
| Tax to General Fund | \$5,003,879 | \$6,236,975 |
| Admission Fee | \$306,789 | \$349,367 |

*Admissions number was updated in July of 2004. It was discovered that a turnstile correction at Sioux City from FY2000 was not accounted for correctly.

THE PRESIDENT



Davenport, IA

| | 1999 | 2000 |
|----------------------------|---------------|---------------|
| Admissions | 1,630,896 | 1,467,822 |
| Slot Drop | \$188,875,783 | \$183,892,644 |
| Coin In | \$976,454,090 | \$897,537,776 |
| Slot Revenue | \$62,580,663 | \$57,547,020 |
| Table Drop | \$40,093,334 | \$32,541,820 |
| Table Revenue | \$8,263,445 | \$6,163,089 |
| Adjusted Gross Revenue | \$70,844,108 | \$63,710,109 |
| Tax to City | \$354,220 | \$318,551 |
| Tax to County | \$354,220 | \$318,551 |
| Tax to Gambler's Treatment | \$212,533 | \$191,130 |
| Tax to General Fund | \$12,897,848 | \$11,213,792 |
| Admission Fee | \$306,789 | \$349,367 |

ISLE OF CAPRI-BETTENDORF



Bettendorf, IA

| | 1999 | 2000 |
|----------------------------|-----------------|-----------------|
| Admissions | 1,981,098 | 1,935,107 |
| Slot Drop | \$274,486,795 | \$278,644,597 |
| Coin In | \$1,232,684,426 | \$1,234,601,264 |
| Slot Revenue | \$76,152,834 | \$77,545,635 |
| Table Drop | \$54,056,276 | \$53,585,768 |
| Table Revenue | \$11,436,522 | \$11,177,840 |
| Adjusted Gross Revenue | \$87,589,356 | \$88,723,475 |
| Tax to City | \$437,947 | \$443,617 |
| Tax to County | \$437,947 | \$443,617 |
| Tax to Gambler's Treatment | \$262,768 | \$266,170 |
| Tax to General Fund | \$16,029,210 | \$15,891,290 |
| Admission Fee | \$306,789 | \$349,367 |

LAKESIDE CASINO RESORT



Osceola, IA

| | 1999 | 2000 |
|----------------------------|-----------|---------------|
| Admissions | N/A | 1,092,345 |
| Slot Drop | N/A | \$157,808,769 |
| Coin In | N/A | \$623,174,543 |
| Slot Revenue | N/A | \$37,521,576 |
| Table Drop | N/A | \$52,527,499 |
| Table Revenue | N/A | \$10,672,060 |
| Adjusted Gross Revenue | N/A | \$48,193,636 |
| Tax to City | N/A | \$240,968 |
| Tax to County | N/A | \$240,968 |
| Tax to Gambler's Treatment | N/A | \$144,581 |
| Tax to General Fund | N/A | \$8,312,210 |
| Admission Fee | \$53,471* | \$351,794 |

Lakeside Casino opened for business on January 1, 2000 but started paying admission fees November 1, 1999.

**EXCURSION BOAT REVENUE AND EXPENDITURES
2000
EXPENDITURES FOR REGULATION**

| | |
|----------------------------------|--------------------|
| Salary and Benefits | \$1,063,612 |
| Travel | \$22,692 |
| State Vehicle | \$4,321 |
| Office Supplies | \$33,218 |
| Equipment Maintenance | \$12,321 |
| Communications | \$50,556 |
| Rentals | \$51,530 |
| Professional Services | \$32,596 |
| Outside Services | \$7,943 |
| Intrastate Transfers | \$28,101 |
| Advertising/Publicity | \$52 |
| Data Processing | \$83,905 |
| Reimbursements to Other Agencies | \$12,323 |
| Office Equipment | \$25,501 |
| Training & Technology | \$5,040 |
| Capitals | \$3,950 |
| TOTAL | \$1,437,661 |

REVENUES TO STATE

| | |
|---|----------------------|
| Annual Licensing Fees | \$95,685 |
| Admission Fees | \$3,496,097 |
| Initial Application Fees | \$75,000 |
| Occupational License Fees | \$97,600 |
| Manufacturers/Distributors License Fees | \$30,750 |
| Fines | \$19,150 |
| Gaming Tax | \$106,881,327 |
| Gambler's Treatment Tax | \$1,793,283 |
| TOTAL | \$112,488,892 |

REVENUES TO LOCAL GOVERNMENT

| | |
|--------------|-------------|
| Gaming Taxes | \$5,977,610 |
|--------------|-------------|

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