



Presentation to the

House Licensing and Administrative Procedures

The Honorable Edmund Kuempel, Chair

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Presented by:

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U.S. Gaming/Gambling Industry Summary



- In the U.S. there are:
 - 42 states with state-run lotteries
 - 12 states with racetrack casinos
 - 29 states with Indian casinos
 - 13 states with commercial casinos
- Utah and Hawaii have no forms of legal gambling
- Sources:
 - U.S. Joint Committee on Taxation's May 17, 2010 report
 - American Gaming Association's 2010 Survey of Casino Entertainment

U.S. Gaming/Gambling Industry Summary



- The Joint Committee on Taxation estimates the U.S. gambling industry (excluding bingo) generates \$92 billion in revenue annually (wagers made minus payouts).
- Commercial casinos: \$34.4 billion
- Indian casinos: \$26.0 billion
- State lotteries: \$24.8 billion
- Pari-mutuel wagering: \$3.5 billion
- Other gambling (card rooms, legal bookmaking, charitable games): \$3.6 billion

RACETRACK CASINOS (Racinos)



- Coin-operated “slot” machines are virtually gone. Most of today’s gaming devices , such as “ticket-in/ticket-out” video lottery terminals (VLTs) and casino “slots”, operate without coins.
- In the U.S., there are 44 Racinos with VLTs. *-12 states*
- Nationally, Racino gross revenues rose 16% in 2008 and 5% in 2009, reaching \$6.4 billion.

15 to 20%
not more

RACETRACK CASINOS (Racinos)

35 to 40%
Article 1 Part
Racinos



- Gaming taxes from VLTs were \$2.6 billion in 2009. — 12 states
- 10 largest Racino markets are in northeastern or Great Lakes states, but substantial operations also in Iowa, Louisiana, New Mexico, and Florida.
- Delaware, Rhode Island, New York and West Virginia video lotteries operate at pari-mutuel facilities.
- VLT effective tax rates are higher than at commercial casinos that own and operate their gaming machines.
- Florida, Indiana, Iowa, Louisiana, Maine, New Mexico, Oklahoma, and Pennsylvania tax their gaming machines at racetrack facilities more similarly to traditional casino states.
- Racinos employed 29,025 workers in 2009, with 4,803 in states bordering Texas (Louisiana, New Mexico, and Oklahoma).

RACETRACK CASINOS (Racinos)



States that have had legalized Racino gaming machines for at least two years:

State	Legalized	First Opened	Number Operating	Fiscal 2009 Taxes (in millions)
Delaware	1994	1995	3	\$228
Florida	2006	2006	3	\$108
Indiana	2007	2008	2	\$115
Iowa	1994	1995	3	\$101
Louisiana	1994	1994	4	\$74
Maine	2004	2005	1	\$29
New Mexico	1997	1999	5	\$63
New York	2001	2004	8	(\$455)
Oklahoma	2004	2005	3	\$14
Pennsylvania	2004	2006	7	(\$743)
Rhode Island	1992	1992	2	\$292
West Virginia	1994	1994	4	(\$408)
Total			45	\$2,632

All Types of U.S. Casinos



- Nevada had 191,110 licensed gaming machines, with 89 percent of these in commercial casinos.
- Louisiana had 42,910 machines, with about half in commercial casinos, 15 percent in Indian casinos, and about one-third in racetrack and non-casino locations.
- Oklahoma had 54,897 machines with more than 98 percent in Indian casinos.
- New Mexico had 19,151, with 83 percent in tribal casinos and 17 percent in commercial casinos.

All Types of U.S. Casinos



- Of neighboring states, Oklahoma has more machines than all states except Nevada and California, and Louisiana ranks fourth among the states in the number of machines. (Mississippi ranks fifth.) New Mexico ranks 16th.
- All U.S. states bordering Texas have some gaming machines, including 1,171 in Arkansas.
- Within Texas' borders, there are 1,600 legal gaming machines at the Kickapoo's Lucky Eagle Casino outside Eagle Pass.
- Nationally, there were 832,988 gaming machines in the U.S., 38.5 percent in Indian casinos and about 10 percent in non-casino locations. The remaining 51.5 percent are located at the commercial casinos and Racinos.

Questions?



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