

Agency Purpose

The Gambling Control Board regulates lawful gambling in Minnesota, so that citizens are assured of the integrity of the industry and nonprofit organizations may continue to raise funds for charitable contributions.

Core Functions

The Gambling Control Board has the power to issue, suspend, and revoke licenses. Additionally, the board conducts compliance audits and inspections involving over 3,000 charitable gambling sites in Minnesota. The audits and inspections help ensure the integrity of operations and accountability of an estimated \$1.3 billion in annual gross receipts. Training and education is provided to licensed organizations affecting over 17,000 registered employees.

Operations

The board is comprised of seven citizens and supported by 32 full-time equivalent staff. It provides education, outreach, and guidance to the lawful gambling industry through:

- ◆ compliance audits and site inspections;
- ◆ game/product testing;
- ◆ continuing education classes;
- ◆ gambling seminars and speaking engagements;
- ◆ a comprehensive website and newsletter; and
- ◆ mentoring program.

Compliance conducts compliance audits of licensed organizations and educates the industry using training classes, a newsletter, the web site, and mentoring.

Investigations uncover theft and fraud in the industry by inspecting gambling products, investigating irregularities noted in compliance audits and through allegations made by players.

Licensing reviews license and permit applications for compliance with statutes.

Administration oversees the agency, providing rules coordination, and human resources and administrative support, including payments to Gambling Control Board members for per diem and travel.

Budget

The biennial operating budget of \$5.6 million includes \$556,000 authorized for FY 2006-07 to support information technology maintenance and hardware purchases and three additional staff to conduct compliance reviews. As a result of the funding increase, compliance inspection of gambling sites increased by 50% within the first year and Information Technology funding was used to upgrade hardware for the first time in four years. Previously the board acquired the majority of equipment from surplus property.

The agency is supported by \$5.6 million special revenue fees collected biennially in the form of license/permit and regulatory fees. Fees are paid by manufacturers and distributors of gambling equipment, linked bingo game providers, and nonprofit organizations. Penalties and fines are paid to the state's General Fund.

At A Glance

- ◆ The Gambling Control Board regulates five forms of lawful gambling: pull-tabs, raffles, bingo, paddlewheels, and tipboards.
- ◆ Lawful gambling is a \$1.3 billion per year industry in Minnesota.
- ◆ Net state taxes on lawful gambling were \$54 million in FY 2005.
- ◆ Charitable contributions exceeded \$70 million in FY 2005.
- ◆ Licenses/permits issues to:
 - ⇒ over 3,000 gambling sites
 - ⇒ 1,380 nonprofit organizations
 - ⇒ 2,125 exempt organizations
 - ⇒ 525 excluded bingo organizations
 - ⇒ 14 distributors
 - ⇒ 10 manufacturers
 - ⇒ two linked bingo game providers.
- ◆ The board annually conducts:
 - ⇒ compliance reviews of 531 organizations
 - ⇒ compliance inspections of 1,200 gambling sites
 - ⇒ 150 criminal investigations

Contact

Gambling Control Board
1711 West County Road B Suite 300 South
Roseville, Minnesota 55113
World Wide Web Home Page: <http://www.gcb.state.mn.us>

Tom Barrett, Executive Director
Phone: (651) 639-4090
Fax: (651) 639-4032

Dollars in Thousands

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Direct Appropriations by Fund</u>					
Misc Special Revenue					
Current Appropriation	2,800	2,800	2,800	2,800	5,600
Forecast Base	2,800	2,800	2,800	2,800	5,600
Change		0	0	0	0
% Biennial Change from 2006-07					0%
 <u>Expenditures by Fund</u>					
Statutory Appropriations					
Misc Special Revenue	2,651	2,949	2,800	2,800	5,600
Total	2,651	2,949	2,800	2,800	5,600
 <u>Expenditures by Category</u>					
Total Compensation	2,174	2,304	2,286	2,286	4,572
Other Operating Expenses	477	645	514	514	1,028
Total	2,651	2,949	2,800	2,800	5,600
 <u>Expenditures by Program</u>					
Lawful Gambling Control	2,651	2,949	2,800	2,800	5,600
Total	2,651	2,949	2,800	2,800	5,600
Full-Time Equivalent (FTE)	32.1	32.1	32.1	32.1	

GAMBLING CONTROL BOARD

Agency Revenue Summary

Dollars in Thousands

	Actual FY2006	Budgeted FY2007	Current Law		Biennium 2008-09
			FY2008	FY2009	
<u>Non Dedicated Revenue:</u>					
Other Revenues:					
General	97	65	65	65	130
Total Non-Dedicated Receipts	97	65	65	65	130
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
Misc Special Revenue	1,593	1,586	1,586	1,586	3,172
Total Dedicated Receipts	1,593	1,586	1,586	1,586	3,172
Agency Total Revenue	1,690	1,651	1,651	1,651	3,302