

### 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 periodic audits and compliance reviews involving over 3,000 charitable gambling sites in Minnesota. The audits and reviews help ensure the integrity of operations and accountability of an estimated \$1.4 billion in annual gross receipts. Training and education is provided to licensed organizations affecting over 24,000 registered employees.

### Operations

The board is comprised of seven citizens and supported by 30 staff. It provides education, outreach, and guidance to the lawful gambling industry through:

- ◆ compliance reviews and site inspections;
- ◆ continuing education classes;
- ◆ gambling manager seminars;
- ◆ a comprehensive website and newsletter; and
- ◆ mentoring program.

**Compliance** conducts compliance reviews of licensed organizations and educates the industry using training classes, a newsletter, the website, and mentoring.

**Investigations** uncover theft and fraud in the industry by inspecting gambling products, investigating irregularities noted in compliance reviews, 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.

**Board Expenses** are payments to Gambling Control Board members for per diem and travel.

### Budget

The agency is funded from special revenue fees and has a biennial operating budget of \$5.1 million. Fees of \$6 million are collected by the board biennially in the form of license/permit and regulatory fees. The fees are paid by manufacturers and distributors of gambling equipment, bingo halls, 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 \$1.4 billion per year industry in Minnesota.
- ◆ Net state taxes on lawful gambling were \$56 million in FY 2003.
- ◆ Charitable contributions exceeded \$67 million in FY 2003.
- ◆ Permits issued for over 3,000 gambling sites.
- ◆ Licenses/permits issues to:
  - ⇒ 1,450 nonprofit organizations
  - ⇒ 4,000 exempt/excluded organizations
  - ⇒ 10 bingo halls
  - ⇒ 18 distributors
  - ⇒ 8 manufacturers.
- ◆ The board annually conducts:
  - ⇒ Compliance reviews of 540 organizations
  - ⇒ Site inspections of 800 gambling sites
  - ⇒ 150 criminal investigations.

### Contact

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Dollars in Thousands

	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	202	0	0	0	0
<b>Forecast Base</b>	<b>202</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change		0	0	0	0
% Biennial Change from 2004-05					-100%
<b>Special Revenue</b>					
Current Appropriation	2,526	2,526	2,526	2,526	5,052
<b>Forecast Base</b>	<b>2,526</b>	<b>2,526</b>	<b>2,526</b>	<b>2,526</b>	<b>5,052</b>
Change		0	0	0	0
% Biennial Change from 2004-05					0%
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Special Revenue	2,305	2,747	2,526	2,526	5,052
<b>Total</b>	<b>2,305</b>	<b>2,747</b>	<b>2,526</b>	<b>2,526</b>	<b>5,052</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	1,929	2,095	2,124	2,124	4,248
Other Operating Expenses	376	652	402	402	804
<b>Total</b>	<b>2,305</b>	<b>2,747</b>	<b>2,526</b>	<b>2,526</b>	<b>5,052</b>
<b><u>Expenditures by Program</u></b>					
Lawful Gambling Control	2,305	2,747	2,526	2,526	5,052
<b>Total</b>	<b>2,305</b>	<b>2,747</b>	<b>2,526</b>	<b>2,526</b>	<b>5,052</b>
<b>Full-Time Equivalent (FTE)</b>	<b>29.0</b>	<b>29.0</b>	<b>29.0</b>	<b>29.0</b>	