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2014-15 Biennial Budget - Gambling Control Board

Agency Profile -- Gambling Control Board 1

Mission:

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

Statewide Outcome(s):

Gambling Control Board supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

The board regulates the largest charitable gambling activity in the country with over \$1 billion in annual gross receipts reported by approximately 1,200 licensed non-profit organizations operating at 2,800 locations in Minnesota. The five forms of lawful gambling include: pull-tabs, raffles, bingo, paddlewheels, and tip boards. Licensed charitable organizations involved in the conduct of lawful gambling include veterans posts (VFW/American Legions), youth athletics, fraternal, fire relief associations, civic and festival groups, wildlife/outdoor conservationists and religious congregations.

The board also licenses manufacturers, distributors, and linked bingo providers. Dedicated license and regulatory fees cover 100% of the operating expenses for the board. For every dollar spent on lawful gambling in Minnesota, only a fraction of one penny goes for regulation.

Strategies:

The board is comprised of seven citizens and is currently supported by 30 full-time equivalent staff. It regulates and provides education and guidance to the lawful gambling industry.

- Administration Division provides accounting, procurement, human resources and administrative support for the board
- Compliance Division conducts compliance audits of licensed organizations and educates the industry
- Investigation Division monitors for theft and fraud by inspecting gambling products and sites, investigating irregularities found during compliance audits and responding to allegations made by players
- Licensing Division issues licenses and permits.

Through efficient regulation the board helps nonprofit organizations maximize operations that result in funding opportunities to support the primary mission of the charity.

The Board works closely with the Department of Revenue, Public Safety’s Gambling Enforcement, and the industry to ensure the integrity of the games and licensees are compliant with laws.

Results:

The Gambling Control Board has reduced paperwork and increased efficiencies allowing charitable organizations to focus on contributions to fund programs helping Minnesotans.

Performance Measures	Previous	Current	Trend
Lawful Gambling Gross Sales	\$989,906,000	\$1,050,000,000	Improving
Lawful Gambling Net Receipts	\$181,734,000	\$ 190,702,000	Improving
Gambling sites operated by licensed organizations	2767	2788	Stable
Exempt permits issued to unlicensed nonprofit organizations	2340	2385	Stable
Compliance Reviews/Investigations completed	856	702	Worsening

Performance Measures Notes:

Previous = FY 2011, Current = FY 2012 data, FY 2012 included three week shutdown and reduced staff levels due to retirements.