



Recession trims state gaming cut

By: Christian Moises, News Editor | July 27, 2009 | 0

State officials aren't panicking despite a 2.5 percent decrease in tax collections from Louisiana's gaming industry in fiscal 2009, which ended June 30. "These aren't huge numbers. It's \$10 million, nothing to sneeze at," said Greg Albrecht chief economist for the Legislative Fiscal Office. "In the grand scheme of things, you can get a pretty big swing there and it won't break or make your forecast. But they don't help anything. That contributes to a negative in the fiscal year we just ended and suggests it's a negative for the coming year."

Gaming revenue contributes less than 10 percent of the state's tax revenue, Albrecht said. About two-thirds of tax collections from riverboats, racetrack casinos, video poker and Harrah's, the state's only land-based casino, go to the general fund.

The state's 13 riverboat casinos, four racetrack casinos and Harrah's combined posted a 2.5 percent drop in winnings from \$2.6 billion to \$2.5 billion, according to the Louisiana State Police, which audits the state's casinos.

The state's tax share was \$523.4 million in fiscal 2009 compared with \$536.4 million a year ago.

Attendance was also down in 2009, from 36.8 million visitors to 35.2 million — another sign of the recession, Albrecht said.

"Particularly, when so much of our riverboat (traffic) is coming from two big Texas metro areas, there's a lack of travel," he said. "That, and people budget gambling as entertainment, so eventually you cut back on entertainment."

Louisiana casinos depend on locals, which has helped keep the state ahead of the curve, said Toon van Beeck, a senior industry analyst with the Los Angeles market research firm IbisWorld.

Van Beeck said the expense of travel has taken a toll on Las Vegas and Atlantic City, N.J., while locals will still head out in their area.

New Orleans' four casinos posted a 6.9 percent decline in 2009 winnings to \$672.6 million from \$722.6 million for fiscal 2008. The new Fair Grounds slots facility, which opened in November, was the only location to post a gain.

Attendance patterns in New Orleans were similar to state counts, with 9.2 million guests locally in 2009 compared with 9.5 million a year ago. The Fair Grounds was the only location to post a gain.