

1 CHAIRMAN JAMES: With that, I'll open it up to
2 questions from commissioners. Commissioner Dobson?

3 COMMISSIONER DOBSON: Mayor Short, you just mentioned
4 the money that's given for pathological gamblers' treatment
5 programs and so on.

6 Do you have any statistics on that or do you know
7 where we can get any statistics that tell us how much money is
8 being given by the gambling industry in this area to that purpose
9 and what percent of revenue or some kind of gauge as to how that
10 is determined?

11 MAYOR SHORT: Yes, sir. We have a gentleman in the
12 audience out here that we will be glad to get you the percentage.
13 I can't give you the dollar figure or percentages but we will be
14 able to give that to you before you leave today.

15 COMMISSIONER DOBSON: Thank you. Another question.
16 Mayor Holloway, let me go back to a report that was given earlier
17 today and ask you to help me with the statistics that were given
18 to us by Mr. McCormick and try to bring these things together.

19 Now, most of your comments about the miracle that's
20 occurred related to the growth of industry and buildings and
21 taxes and so on.

22 This statement at the beginning of his comments says
23 the purpose of the study, which he was here to present, is to see
24 what impact, if any, legalized gambling on the Gulf Coast may be
25 having with respect to consumer bankruptcies.

26 And then he later on in the report made this
27 statement: the City of Biloxi, the Coast Crime Commission
28 statistics released in March reveal that compared to 1993 the
29 larcenies are up 40 percent and still on the increase, the number

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1 of assaults is also up, 268 percent since 1993, and both drug
2 arrests and DUI arrests are down from the five-year highs in 1996
3 but are still 49 percent and 187 percent, respectively, higher
4 than in 1993.

5 Can you explain --

6 MAYOR HOLLOWAY: I contribute that, Mr. Dobson, to
7 better enforcement of the laws. We have doubled the size of the
8 Biloxi Police Department from about 78 sworn officers to about
9 138.

10 We have better trained, best paid police department
11 in the State of Mississippi and the Mississippi Gulf Coast, along
12 with our other cities, have increased the enforcement of drug
13 activities, and we have a different reporting system now than we
14 had earlier on whereby if the Biloxi police is called to a
15 domestic dispute, someone will be arrested. More than likely,
16 two will be arrested.

17 If we are called to a local school system to quiet a
18 disturbance, we will make an arrest. The reporting system has
19 changed by law in some respects and by our city ordinance in
20 other respects. So I think those numbers could be skewed.

21 COMMISSIONER DOBSON: What about bankruptcies and
22 other social indices?

23 MAYOR HOLLOWAY: The bankruptcies I cannot address
24 that question. I do know that the City of Biloxi has a
25 bankruptcy court there. Now, whether that figure is from Biloxi
26 residents or if it comes through that court system is a question
27 that would have to be looked into.

28 The other question was?

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1 COMMISSIONER DOBSON: That was my question. There's
2 just a difference between what I heard this morning and what I
3 heard from you, and I -- Mayor, you had an explanation for your
4 area that the -- I guess the borders of the community have been
5 increased so there was an explanation for it. I just wondered
6 about Biloxi.

7 MAYOR HOLLOWAY: The Casino Operations Association
8 just awarded the Gulf Coast Medical Center a \$75,000 check about
9 20 minutes ago for compulsive gambling education and treatment
10 facility.

11 COMMISSIONER DOBSON: Do you know the figures with
12 regard to supporting pathological gambling from this area?

13 MAYOR HOLLOWAY: From this area?

14 COMMISSIONER DOBSON: From Biloxi.

15 MAYOR HOLLOWAY: I do know that the City of Biloxi,
16 through the Biloxi City Council and our budget, we budget \$10,000
17 a year to go towards compulsive gambling.

18 COMMISSIONER DOBSON: That's the city. Is that
19 correct?

20 MAYOR HOLLOWAY: That's the city. We do that -- give
21 that to the association. We have -- it's an association that
22 works on compulsive gaming through the Gulf Coast Community
23 Hospital, which is located in Biloxi.

24 The Casino Association and individual casinos also make donations
25 to that organization.

26 COMMISSIONER DOBSON: One last quick question. I
27 think I heard you say -- or one of you said that the taxes on the
28 casinos is 3.2 percent of revenues.

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1 MAYOR HOLLOWAY: We get a total -- the city gets a
2 total of 4 percent from casino gaming -- Gulf's gaming revenue.
3 From that 4 percent we give 10 percent to the county education
4 system, 10 percent to the county public safety system, 20 percent
5 to the Biloxi school system, to the municipal school system, 20
6 percent to the city public safety. The balance --

7 COMMISSIONER DOBSON: What's the comparable tax rate
8 that on industry and other forms of businesses?

9 MAYOR HOLLOWAY: I don't know what other industries
10 pay a corporate tax but we don't get a tax back from another
11 industry to compare with that. The only taxes that we receive
12 from any industry is from the gaming industry.

13 COMMISSIONER DOBSON: I understand. Thank you.

14 CHAIRMAN JAMES: Commissioner Lanni.

15 COMMISSIONER LANNI: Two points. If I'm not
16 mistaken -- I may be incorrect -- but I think the gaming tax on
17 the gaming revenue for operators in the State of Mississippi is 8
18 percent. Is that not correct?

19 MAYOR HOLLOWAY: That's correct.

20 MAYOR SHORT: Yes, sir. The 3.2 percent, sir, is a
21 local and private tax that's put on for local governments and
22 cities.

23 COMMISSIONER LANNI: Is that a part of the 8 percent
24 or is that on top of the 8 percent?

25 MAYOR SHORT: That's on top.

26 COMMISSIONER LANNI: So, in effect, there's an 8
27 percent state privilege tax and a 3.2 percent privilege tax to
28 the local community which is paid in -- is it true that there are
29 no other industries who pay a privilege tax of this nature?

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1 MAYOR SHORT: None that I know of.

2 COMMISSIONER LANNI: Okay. And to Commissioner
3 Dobson's point, I think, and one can argue either way on this
4 subject, but when you took a look at Mr. McCormick's numbers for
5 crime, if I am not mistaken in listening to his testimony and
6 reading it again, his increase in crime figures pertain to a
7 percentage of criminal activity to the population of the
8 community without taking into account the visitor base.

9 And I would argue, and I think in any community in
10 the world from Orlando to Anaheim in California that visitors are
11 victims of and perpetrators of crime. And I think that probably,
12 at least in my opinion, no matter what the industry is; a better
13 way of determining criminal activity is based upon the population
14 as well as the visitor base than it is in just taking a look at
15 it on the population base because the visitors, without knowing
16 the number, I would assume there's a dramatic increase in the
17 visitor base to Gulfport to Biloxi and to Tunica from what it was
18 prior to gaming.

19 MAYOR SHORT: Yes, sir.

20 COMMISSIONER LANNI: And it might be helpful to the
21 commission to have those statistical numbers available to us,
22 also.

23 COMMISSIONER BIBLE: I suspect we could just ask each
24 of the mayors to ask their police departments to provide us with
25 arrest information as to how many residents are arrested versus
26 how many non-residents. We could get some information, you know,
27 on that basis because I agree with you.

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1 You know, if you're looking at capitated numbers and
2 you don't make an adjustment for the tourist base, you're not
3 looking at accurate figures.

4 CHAIRMAN JAMES: I just have one question for our
5 mayors. We've heard a glowing report about the magic. Is there
6 anything you'd like to say or suggest -- and this is a question
7 I've asked before so -- to a mayor who may be considering
8 legalized gambling of a casino nature in their communities?

9 Is there any cautionary note that you would give
10 them?

11 MAYOR HOLLOWAY: Well, I was in public office all
12 through the process of legalizing gambling. I was on the city
13 council when it was voted to legalize gambling in Harrison
14 County.

15 I think we did a very good job in the City of Biloxi
16 and our zoning regulations and our code requirements and in
17 putting the gaming where we felt that it would best serve as an
18 industry.

19 We put it where we had run-down and closed seafood
20 factories that had not been in operation since 1969, where a
21 bowling alley blew down in 1969; nothing ever rebuilt there.

22 And we put -- we have two zones in the City of
23 Biloxi, a WF-1, which is a permitted use land use, a WF-2, which
24 is conditional land use. I'm saying these things because I think
25 that's what they need to look at. By conditional land use, what
26 we require the casinos --

27 CHAIRMAN JAMES: So you would recommend that they
28 look at zoning issues.

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1 MAYOR HOLLOWAY: I would recommend they look at
2 zoning and get everything up front going in.

3 CHAIRMAN JAMES: Anything else that you would
4 recommend to a mayor who is looking at making decision for their
5 local community? Yes.

6 MAYOR SHORT: Well, on the selfish side, if I thought
7 they was going to get some of my visitors I'd tell them they
8 didn't want it. On the other side, I would tell them I think the
9 thing is, as a member of the legislature, that we were criticized
10 for but it really turned out to be a bonus, is not limit the
11 number of casinos you have.

12 Do like the mayor said. Limit the area. If we had
13 limited the number of licenses that we could have had in the Gulf
14 Coast area, I think we would have had several small casinos, but
15 I don't think you would have ever had the opportunity to have the
16 Beau Rivage, The Imperial Palace, the larger, the bigger players
17 in the industry come in because the little casinos would have
18 gotten all the license and therefore we would not have had this
19 growth.

20 So I think not limiting the license but limiting to
21 the space where it could be would be what I would suggest to --

22 CHAIRMAN JAMES: So what I'm hearing from -- I'm
23 sorry. There's one more. Mayor Williams.

24 MAYOR WILLIAMS: I'd like to add something.

25 CHAIRMAN JAMES: Please go right ahead.

26 MAYOR WILLIAMS: I really don't think that casinos
27 should be legalized everywhere. I think there's areas that
28 doesn't need casinos. Tunica was a prime area for one with no
29 economy, needed the jobs, needed what goes with it.

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1 DeSoto County, who has voted down gambling three
2 times, I don't feel like they need casinos in that area because
3 they have all of the above and they're reaping a lot from what
4 we're doing.

5 Someone mentioned Memphis this morning. I don't
6 think Memphis, Tennessee needs casino gambling. They got
7 everything in the world going up there. They have a huge tax
8 base and they're annexing tax bases every day.

9 I think casinos need to go in areas where they need
10 the employment, they need the jobs, they need the economy from
11 it. And I think they need to keep that in mind.

12 CHAIRMAN JAMES: Thank you. Commissioner Lanni?

13 COMMISISONER LANNI: One last question that I had
14 was, is any portion of the 8 percent privilege tax or the --
15 statewide, or the 3.2 percent privilege tax for the local
16 community set aside by mandate to deal with the addictive forms
17 of behavioral problems relative to gambling?

18 MAYOR WILLIAMS: No.

19 MAYOR SHORT: It's not aside, but I think the state
20 looks at it, and any time that we're giving any type of money --
21 if a mayor said to this organization or the Salvation Army, that
22 money is coming, a lot of it from the tax dollar, from the
23 casino.

24 So even though it's not earmarked, some of this money
25 is being channeled into those organizations.

26 CHAIRMAN JAMES: And, Mayors, none of you, in looking
27 at any of the cautionary notes, would put on the table any of the
28 social impacts or impacts of gambling on families or individuals

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1 or any of the pathological problems that have been identified
2 here. Just imagine.

3 MAYOR WILLIAMS: I don't know of any we've had in
4 Tunica. I don't know of anybody that's lost his farm gambling or
5 business with gambling.

6 CHAIRMAN JAMES: Okay.

7 MAYOR WILLIAMS: I'm sure we have some bankruptcies.
8 You can contribute that to several things besides gambling, but
9 in Tunica I don't think we have a morality problem or a social
10 problem.

11 CHAIRMAN JAMES: Thank you very much. I really do
12 appreciate. Were there any other before -- I do appreciate your
13 coming before the commission today, and it's for individuals just
14 like you -- state, local elected officials, citizens -- that this
15 commission exists, to try to get to the heart of some of these
16 issues and provide information and data so that we can make
17 informed public policy decisions.

18 And I would encourage you, as I have with all people
19 coming before the commission, to stay in touch with us and please
20 feel free to submit any additional information that you may have.
21 Thank you very much.

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