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# The MICHIGAN GAMING Newsletter



## MICHIGAN GAMING CONTROL BOARD RELEASES YEAR-END DETROIT CASINO REVENUES FOR 2013

The Michigan Gaming Control Board (“MGCB” or “Board”) has released the December, 2013 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino.

Month in 2013	Total Adjusted Revenue 2013		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$45,053,237.92	\$35,104,651.68	\$26,014,038.75
February	\$46,465,030.58	\$38,280,263.88	\$26,554,877.16
March	\$54,317,934.38	\$45,753,508.81	\$34,689,130.33
April	\$48,995,129.99	\$39,735,195.61	\$31,309,701.67
May	\$48,326,080.76	\$39,604,092.95	\$28,589,982.46
June	\$41,794,972.38	\$35,431,762.38	\$26,630,622.16
July	\$51,507,665.66	\$34,639,218.50	\$26,177,226.98
August	\$47,374,526.35	\$38,690,225.53	\$26,833,700.14
September	\$45,258,504.74	\$35,689,062.25	\$25,392,633.55
October	\$46,324,032.96	\$35,088,106.84	\$24,912,775.32
November	\$46,441,529.58	\$39,522,040.81	\$25,877,472.60
December	\$44,954,707.55	\$36,806,201.19	\$25,363,824.86
<b>Total</b>	<b>\$566,813,352.85</b>	<b>\$454,344,330.43</b>	<b>\$328,345,985.98</b>

Month in 2013	Total Adjusted Revenue and Taxes 2013		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$106,171,928.35	\$8,599,926.20	\$11,572,740.19
February	\$111,300,171.62	\$9,015,313.90	\$12,131,718.71
March	\$134,760,573.52	\$10,915,606.46	\$14,688,902.51
April	\$120,040,027.27	\$9,723,242.21	\$13,084,362.97
May	\$116,520,156.17	\$9,438,132.65	\$12,700,697.02
June	\$103,857,356.92	\$8,412,445.91	\$11,320,451.90
July	\$112,324,111.14	\$9,098,253.00	\$12,243,328.11
August	\$112,898,452.02	\$9,144,774.61	\$12,305,931.27
September	\$106,340,200.54	\$8,613,556.24	\$11,591,081.86
October	\$106,324,915.12	\$8,612,318.12	\$11,589,415.75
November	\$111,841,042.99	\$9,059,124.48	\$12,190,673.69
December	\$107,124,733.60	\$8,677,103.42	\$11,676,595.96
<b>Total</b>	<b>\$1,349,503,669.26</b>	<b>\$109,309,797.21</b>	<b>\$147,095,899.95</b>

Overall, the 2013 total revenues for the Detroit casino market were down 4.7% when compared to total revenues from 2012. Specifically, 2013 aggregate revenues for MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino were down 6.3%, 1.2%, and 6.8%, respectively in comparison to total revenues from 2012.

For the month of December, revenue for the Detroit Market was down 9.4% from the same reporting period last year. Specifically, revenue for MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino was down 11.3%, 8.5%, and 7.2%, respectively, in December, 2013 in comparison to the same month last year.

All three casinos are subject to a wagering tax of 19%, with 10.9% of this levy to go to the City of Detroit, and 8.1% to be paid to the State of Michigan.

The figures released by the Michigan Gaming Control Board are the gross receipts less winnings paid to wagerers. The figures do not include: 1) any fees or other relevant city, state or federal taxes; 2) wages and benefits paid to casino employees; 3) payments to suppliers, service providers or vendors; and 4) other normal business expenses.

### ***Ohio Casino Revenues***

According to a recent report issued by the Ohio Casino Control Commission, the four commercial casinos in Ohio (Horseshoe Cleveland, Horseshoe Cincinnati, Hollywood Toledo and Hollywood Columbus)

generated \$821,277,202 in adjusted gross revenue in 2013. With a casino revenue tax rate of 33%, the Ohio casinos generated \$272,496,615 in state tax revenue in 2013.

The Ohio casinos reported total adjusted gross revenue of \$350,549,272 in 2012, the first year of commercial casino gaming in Ohio. This figure, however, takes into account that the Horseshoe Cleveland and Hollywood Toledo did not open until May, 2012, while Hollywood Columbus did not open until October, 2012. The Horseshoe Cincinnati did not open until March 4, 2013.

### ***Indiana Casino Revenues***

The Indiana Gaming Commission's 2013 Annual Report (which reports revenue and taxes for the fiscal year ("FY") 2013, which ended on June 30, 2013) states that the 13 Indiana commercial casinos generated \$2.56 Billion in total win, which was nearly a 6% decrease from the \$2.72 Billion generated in FY 2012. Total gaming taxes (which consist of both a wagering tax and an admission tax) were \$752,379,507 in FY 2013. This was an approximate 9.3% decrease compared to FY 2012.

### ***Illinois Casino Revenues***

According to the Illinois Gaming Board, the state's 10 commercial riverboat casinos reported total adjusted gross receipts of \$1.55 Billion in 2013, which was an approximate 5.5% decrease from 2012. Total gaming taxes (which consist of both a wagering tax and an admissions tax) for 2013 were \$536,699,139 in 2013, which was a decrease of 6.6% compared to the total gaming taxes generated in 2012.

## **MGCB EXECUTIVE DIRECTOR AMENDS RACE MEET SCHEDULES: THOROUGHBRED RACING TO RETURN TO HAZEL PARK AND NORTHVILLE DOWNS**

**R**ichard Kalm, Executive Director of the Michigan Gaming Control Board who acts as the Horse Racing Commissioner, issued Executive Orders earlier this week amending the 2014 race meet schedules at Hazel Park Raceway ("Hazel Park"), Northville Downs ("Northville") and

Mount Pleasant Meadows. The amended schedules for Hazel Park and Northville provide for a return of thoroughbred racing to both tracks and reduces the number of race dates at Mount Pleasant Meadows.

The Executive Orders issued by the MGCB on January 21, 2014, relating to Northville Downs and Hazel Park Raceway, divided both tracks' respective race dates into two "meets." The two meets have been divided into Standardbred racing and Thoroughbred/Mixed Breed racing. Hazel Park Raceway will hold 10 Standardbred race dates from April 12 through May 3 and 32 Thoroughbred/Mixed Breed race dates from June 29 through October 11, for a total of 42 race dates. Northville Downs will conduct 10 Standardbred race dates from March 7, 2014 through April 5 and 16 Thoroughbred/Mixed Breed race dates from October 12, 2014 through November 16, for a total of 26 race dates.

The number of race dates at Mount Pleasant Meadows was also amended via Executive Order issued by the MGCB, which provides for a reduction of 27 of its previously proposed race dates. The track's original application, which has been amended on numerous occasions, requested 43 race dates.

To access these Executive Orders, please visit [http://www.michigan.gov/mgcb/0,1607,7-120-57232\\_57211\\_57213---,00.html](http://www.michigan.gov/mgcb/0,1607,7-120-57232_57211_57213---,00.html)

The release of the amended schedules resulted in some commentary from the Michigan Harness Horsemen's Association ("MHHA"), which represents the standardbred owners' interests. The MHHA had been negotiating with the tracks regarding the sharing of commissions from simulcast purse pools.

The MHHA responded to the announcement of the amended schedules by arguing that the Horse Racing Act required all 2014 applications to be approved or denied by November 1, 2013, and that Mr. Kalm should not be amending the schedules as this point in time. The MHHA further expressed concerns with the potential impact of the changes on the horse racing industry.

In response to these comments, yesterday

Executive Director Kalm issued a press release. It provides as follows:

*Following a public hearing held on October 24, 2013, four tracks presented plans and requested race days pursuant to law. The process requires the four Michigan tracks (applicants/licensees) to request dates and have a contract with a certified horseman's association for horse supply and other operating agreements. The contracts necessary between some of the certified horsemen's organizations were yet unsigned. MHHA had a contract that spans 2014 with Northville Downs and Hazel Park which did not specify any number of race days.*

*Hazel Park and Northville Downs expressed a desire to race thoroughbreds in 2014 as part of their requested dates. MHHA was not in agreement that Hazel Park split the days they requested with the thoroughbreds.*

*The Executive Director urged all sides to come to an agreement as to the race schedule that coincided with the tracks' requested dates, the intent being the maximization of live race date opportunities for the entire industry. The Executive Director can only act on the applicant's, request not those of other parties.*

*On multiple occasions we encouraged the licensees to get together with the certified horseman groups to work out differences and a solution to allow all groups an opportunity to race at Hazel Park and Northville Downs. The Executive Director delayed signing the final amended orders multiple times at the request of the MHHA leadership to allow for additional negotiations.*

*All tracks were granted the number of race days they requested. Northville and Hazel Park were granted breed-neutral days at their request in order to offer both harness and thoroughbred racing. Race dates requested and approved are: 42 days at Hazel Park; 26 days at*

*Northville Downs; 16 at Mt. Pleasant Meadows; and 11 at Sports Creek.*

*Further noted; the contracts signed by the MHHA and the HBPA are between the respective organizations and the tracks. The gaming board does not interfere with those contracts agreed upon between the parties as long as their outlined activity is consistent with the Racing Act. To order a licensee to vary from their agreed upon contract is not in practice or within the scope of our authority.*

The MHHA further expressed concern that allowing the tracks to charge horsemen to race (the charging of a entry/starter) violates the applicable racing statute. In response, Executive Director Kalm stated that he does not believe this is against the Horse Racing Act or Rules. He noted that the entry/starter fee is a negotiated amount agreed upon by the certified horsemen organization ("CHO") and the track and is paid to cover track related matters. "This money is not co-mingled with the purse pool money. The starter bonus is an amount of money negotiated by the CHO and track to be paid from prizes awarded out of the purse pool for horsemen who start each race. If the horse does not start, the track will refund the entry/starter fees. The tracks and the CHO are willing participants."

## **FIREKEEPERS CASINO HOTEL ANNOUNCES LPGA GOLF EVENT**

On June 3-8, 2014, Firekeepers Casino Hotel will host the Firekeepers Casino Hotel Championship, a Ladies Professional Golf Association ("LPGA") event on the Symetra Tour. The tournament is a new addition to the Symetra Tour, which is a development tour in which top performers are extended memberships to the LPGA.

The event will be held at the Battle Creek Country Club, and the winner will be awarded the Potawatomi Cup. The Symetra Tour has been the official development tour of the LPGA since 1999 and includes several events throughout the year.

The 2014 Tour began on Thursday, January 23, 2014 at the Ocean Club Golf Course in the Bahamas and features a field of 144 players.

The Nottawaseppi Huron Band of Potawatomi Indians, owner and operator of Firekeepers Casino Hotel, is expected to hold an announcement for the event on Tuesday, January 28, at 4:00 pm at the Firekeepers Casino Hotel Event Center in Battle Creek.

## **IGAMING NORTH AMERICA CONFERENCE TO BE HELD MARCH 19-21, 2014 IN LAS VEGAS**

On March 19-21, 2014, iGaming North America will be hosting its fourth industry event at Planet Hollywood in Las Vegas, Nevada. The conference will focus specifically on issues in the iGaming industry and is supported by Reed Exhibitions, the Association of Gaming Equipment Manufacturers, the Canadian Gaming Association, the Gaming Standards Association, the International Masters of Gaming Law, the Remote Gambling Association, and the Interactive Gaming Council.

The conference will include educational seminars presented by industry experts on a variety of iGaming-related topics, including US federal and state policy, the relationship between iGaming and brick-and-mortar operations, presentations by established European operators, game design, tribal and commercial operations, and other issues. In addition to these educational events, there will be numerous networking and social programs throughout the 3-day event.

For more information on the 2014 iGaming North America conference, or to register for the event, please visit the conference's website at: <http://www.igamingnorthamerica.com/>