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The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR MARCH 2016

The Michigan Gaming Control Board (“MGCB” or “Board”) released the March 2016 total adjusted revenue figures for the three Detroit casinos—MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, the revenue for the Detroit market was up 0.8% compared to the same reporting period last year.

Month in 2016	Total Adjusted Revenue 2016		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$46,718,389.11	\$37,132,788.69	\$25,215,520.31
February	\$47,193,903.95	\$40,385,060.23	\$28,822,028.76
March	\$51,818,121.13	\$43,700,908.78	\$29,430,087.08
Total	\$145,730,414.19	\$121,218,757.70	\$83,467,636.15

Month in 2016	Total Adjusted Revenue and Taxes 2016		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$109,066,698.11	\$8,834,402.55	\$11,888,270.09
February	\$116,400,992.94	\$9,428,480.43	\$12,687,708.23
March	\$124,949,116.98	\$10,120,878.48	\$13,619,453.75
Total	\$350,416,808.03	\$28,383,761.45	\$38,195,432.07

Specifically, revenue for MGM Grand Detroit and MotorCity Casino was up 1.5%, and 0.6% respectively, while Greektown Casino was down 2.1% during March 2016 when compared to the same month last year.

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

The market shares for MGM Grand Detroit, MotorCity Casino, and Greektown Casino for March 2016 were 41%, 35%, and 24%, respectively.

The figures released by the 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, services providers or vendors; and 4) other normal business expenses.

INTERNET GAMING BILL INTRODUCED IN MICHIGAN SENATE

On April 14, 2016, Senator Michael Kowall (R-White Lake) introduced [Senate Bill 889](#), a bill seeking to legalize, regulate and tax Internet gaming within Michigan. The “Lawful Internet Gaming Act,” seeks to legalize Internet gaming while specifically prohibiting wagering on any professional or amateur sporting event unless otherwise legal pursuant to state and federal law.

Under the bill, an Internet “casino” would be required to apply for licensure to a proposed division of Internet gaming within the Michigan Gaming Control Board. If granted, a license would be granted for a period of five (5) years. Eligible licensees include existing Michigan casino licensees and federally recognized Michigan Indian Tribes. The bill proposes a maximum of eight (8) licenses, each required to pay a \$5,000,000 license fee with a 10% tax on gross gaming revenues.

In addition, the bill includes age verification restricted to 21 years of age and older. The bill has been referred to the Committee on Regulatory Reform.

MICHIGAN LOTTERY ANNOUNCES NEW ONLINE ACCOUNT FUNDING OPTIONS

On April 1, the Michigan Lottery began providing players a new way to fund their online accounts through Online Game Cards sold via Lottery retailers that sell draw game tickets. In addition, the Lottery announced that it has teamed with PayPal to offer a new way to fund online game accounts.

In connection with the launch of the new Online Game Card, between April 1 and April 30 the Lottery is giving free bonus play to players who purchase one of the new cards purchased between April 1 and April 30, which includes a 50 percent bonus. Online Game Cards are printed from the retailer’s Lottery terminal and include a unique code that players can enter into their Michigan Lottery account for online play. Players may redeem up to \$200 – not including bonus play – in Online Game Cards per week in their online accounts.

This method of purchasing online play allows players to buy in store and play online without the use of a credit card or debit card. According to the Michigan Lottery, an estimated 25 percent of online players have used an Online Game Card at least once to fund their account. These cards also will remain available at retailers.

In addition, the Michigan Lottery has teamed up with PayPal to offer players a new and convenient way to fund their online game accounts.

Beginning Monday, April 18, 2016, Lottery players will be able to use PayPal to fund their accounts to play the Lottery’s online games. To make a deposit into their Lottery account, players must have a balance in their PayPal account or the account must be linked to a financial institution account.

Players also may withdraw winnings and direct them to their PayPal accounts. To withdraw funds and put them into a PayPal account, players first must have successfully deposited funds into their online accounts using their PayPal account.

Through its online platform, the Lottery offers players more than 30 different games with plays ranging in price from 5 cents to \$20. The Lottery added four draw games – Powerball, Mega Millions, Lotto 47, and Fantasy 5 – to its online offerings in January.

More than 276,000 players have registered to play the Lottery’s online games, which were launched in 2014.

GUN LAKE CASINO ANNOUNCES DETAILS OF EXPANSION PLANS

On April 12, 2016 the Gun Lake Tribe and Gun Lake Casino released details of a \$76 million expansion that broke ground in January 2016. According to the Tribe, the expansion will open in summer of 2017, and will nearly double the size of the casino and include a premiere buffet restaurant, a high limit gaming room, and a new Stage 131 entertainment lounge that will double the current size.

“This \$76 million expansion will produce economic growth and more career opportunities for our tribal citizens and our friends and neighbors here in West Michigan,” said Mr. Ed Pigeon, Acting Chairman of the Tribe and Casino Board. “We are proud to make a significant investment in our property for the enjoyment of guests, which in turn will bring increased benefits to the local community.”

The \$76 million expansion will add 73,000 square feet of space to the existing 83,000 square foot facility. A 300-seat multi-station buffet will offer upscale dining choices that include American, Italian, Mexican, and Asian cuisines. A completely new and relocated Stage 131 entertainment lounge will be twice its current size.

The expansion will bring the total number of

electronic gaming machines to 2,050 while bringing the total number of table games to 42. In addition, a new high limit gaming room will also be offered to cater to high rollers.

“This is a major step forward in the development of Gun Lake Casino as a top-tier gaming entertainment venue,” said Mr. John Shagonaby, CEO of the Gun Lake Tribal Gaming Authority. “The addition of more gaming space, premiere buffet dining, and headline entertainers puts our property on par with any in the Midwest.”

Upon opening, the expansion will employ 100 new employees, bringing the total number of employees to over 900. The construction phase will employ over 300-400 positions.