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The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES & WAGERING TAXES FOR JANUARY 2019

In a [press release](#) dated February 13, 2019, the Michigan Gaming Control Board ("MGCB" or "Board") released the January 2019 revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino.

The three Detroit casinos reported \$112 million in aggregate revenue for January 2019, a 0.5% increase from the same month last year. The results were 12.1% below the monthly revenue in December 2018.

Please see the linked [State of Michigan official financial report](#).

Revenue increased at MGM by 2.5% to \$48.9 million. MotorCity recorded a revenue decrease of 1.5% to \$37.4 million. Greektown revenue decreased by 0.1% to \$25.7 million compared with January 2018 results.

The January 2019 market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino were 44%, 33% and 23% respectively.

During January 2019, the three Detroit casinos paid \$9.08 million in gaming taxes to the State of Michigan, compared with \$9.03 million for the same month last year. The three casinos reported submitting \$13.3 million in wagering taxes and development agreement payments to the City of Detroit in January.

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 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; nor 4) other normal business expenses.

MICHIGAN INTRODUCES CHARITABLE GAMING BILL

Representatives Angela Witwer (D-District 71) and John Chirkun (D-District 22) introduced on February 13, 2019, two bills for the 2018-2019 legislative session proposing charitable gaming revisions. The bills collectively serve to modify the Millionaire Parties hosted by charitable organizations.

The content in the two bills includes an overhaul of the licensure of vendors and suppliers, requirements for the presence and participation of charitable organization representatives and members, increasing the daily dollar limit on games, and contains several other refinements. Rep. Witwer's bill (HB 4172) and Rep. Chirkun's bill (HB 4173) are identical to legislation introduced and passed in the 2017-2018 legislative session (SB 35 and HB 4084) that overwhelmingly passed both the House and the Senate before being vetoed by former Governor Rick Snyder in late December before he left office. Both bills were referred to the Committee on Regulatory Reform.

MGM RESORTS RECOGNIZED FOR DIVERSITY AND SUPPORT OF WOMEN-OWNED BUSINESSES

MGM Resorts International recently was recognized by Forbes as one of America's best employers for diversity and by the Women's Business Enterprise National Council ("WBENC") as a top corporation for women's business enterprises.

Forbes, who partnered with research firm Statista, released the compilation of the annual list of best employers for diversity. The rankings are determined from survey participants' answers

to questions seeking their opinions on topics covering age, gender equality, ethnicity, disability, LGBTQ+ and general diversity about their own employer. The survey queried over 50,000 employees from companies that employ at least 1,000 people within the United States. The survey methodology weighed women, elders and ethnic minority opinions higher than non-minority respondents. In a press release, Phyllis A. James, Chief Diversity and Corporate Responsibility Officer for MGM Resorts International, stated: "We are proud to be recognized by Forbes once again for the gains we have made in embedding diversity and inclusion into our workforce, our values and culture, and our operations. For us this is a continuous business imperative central to our success as a highly productive, innovative enterprise, and as an employer, business partner and community citizen of choice. Inclusion is key to our future."

In addition to the Forbes honor, MGM was also one of 60 corporations to meet the WBENC's standards. The WBENC's focus is on supplier diversity initiatives that reduce barriers and drive growth for women-owned businesses. The top 60 corporations collectively spent more than \$39.5 billion with WBENC-certified women business enterprises, an increase of \$200 million from the previous year. In a press release, Ms. James stated: "As a company, we are deeply honored to join women-owned suppliers, contractors and service providers who continue to make positive impacts in their communities. We are proud to engage with these businesses and play a role in facilitating their continued success, and in turn the communities of which they are a vital part." Stacey Taylor, Sr. Vice President & Chief Procurement Officer for MGM Resorts International, added: "MGM Resorts is honored to receive this special recognition for the sixth consecutive year. Women-owned businesses support our business by providing our supply chain with quality innovative offerings available to guests visiting our resorts."

AGA GAMBLING STUDY SHOWS GROWING ACCEPTANCE OF GAMING

Per an American Gaming Association (AGA) [press release](#) dated February 13, 2019, acceptance of gaming in America is at an all-time high. In addition, casino gamblers are actively practicing responsible gaming. Casual bettors report setting budgets, sticking to them and being aware of available responsible gaming resources at significantly high rates. The new data comes from two separate polls completed in late 2018.

According to the research:

- 9 in 10 casual bettors set a budget before they visit a casino;
- 90 percent of those visitors report success in tracking their spending; and
- 8 in 10 casual casino visitors and 9 in 10 avid casino visitors are aware of responsible gaming resources.

“Responsible gaming is our industry’s top priority,” said Bill Miller, president and CEO of the American Gaming Association. “This research indicates that our unwavering commitment to responsibility is resonating with our customers. But success in this key area will never mean our work is done, and we look forward to continuing to work with gaming regulators, our partners in the fight against problem gambling and our employees to ensure customers continue to engage in this form of mainstream entertainment responsibly.”

This new research comes on the heels of a recent AGA study that highlighted continued growth in acceptance of gaming. That research indicates that 88 percent of American adults view gambling as an acceptable form of entertainment. Americans also have a positive view of the industry’s role as a community partner, with 80 percent of people recognizing gaming’s role as a job creator, and 6 in 10 Americans believing casinos help their local economies.

The U.S. gaming industry commits more than \$300 million to responsible gaming annually, supporting education, training and rehabilitation programs across the country.

Last year, AGA launched the Responsible Gambling Collaborative, convening a renowned group of thought leaders, stakeholders and academics to chart a new course on the complex issue of responsible gaming.

AGA members adhere to the association’s Responsible Gaming Code of Conduct which guides industry commitments to responsible gaming and is updated annually to reflect new developments and industry innovations. In 2018, AGA updated the Code to enhance provisions on sports betting and responsible advertising.