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# The MICHIGAN GAMING Newsletter



## MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR JULY 2016

The Michigan Gaming Control Board ("MGCB" or "Board") released the July 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 rose 3.2% 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
April	\$50,462,057.70	\$42,346,725.48	\$29,548,118.17
May	\$51,903,469.93	\$39,010,274.10	\$27,621,012.43
June	\$47,555,020.17	\$35,895,882.01	\$25,161,438.57
July	\$50,185,322.0	\$40,569,698.06	\$27,707,524.25
<b>Total</b>	<b>\$345,836,284.05</b>	<b>\$279,041,337.35</b>	<b>\$193,505,729.57</b>

Specifically, revenue for MGM Grand Detroit was up 3%, MotorCity was up 4.7%, and Greektown rose 1.5% during July 2016 when compared to the same month last year.

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
April	\$122,356,901.35	\$9,910,909.01	\$13,336,902.25
May	\$118,534,756.46	\$9,601,315.27	\$12,920,288.45
June	\$108,612,340.75	\$8,797,599.60	\$11,838,745.14
July	\$118,462,544.37	\$9,595,466.09	\$12,912,417.34
<b>Total</b>	<b>\$818,383,350.96</b>	<b>\$66,289,051.43</b>	<b>\$89,203,785.26</b>

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 July 2016 were 42%, 34%, 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.

### 3RD CIRCUIT DENIES NJ FROM ALLOWING SPORTS WAGERING

On August 9, 2016, the U.S. United States Court of Appeals for the Third Circuit denied 10-2 New Jersey's attempt to bring legal sports betting to its casinos as they again opined it violates the Professional and Amateur Sports Protection Act ("PASPA"). It is unclear whether the state of New Jersey will appeal the decision to the United States Supreme Court, however New Jersey Gov. Chris Christie recently stated, "'I think we will go to the Supreme Court,'" while co-hosting the "Boomer & Carton" sports-talk radio show on WFAN-660 AM.

New Jersey's effort to allow sports wagering began in 2011 when voters approved a constitutional amendment allowing the legislature to pass sports wagering laws. Despite PASPA, a federal law banning sports wagering in nearly all states, the New Jersey legislature passed the Sports Wagering Act in 2012 that permitted and regulated sports wagering in the state's casinos and horse tracks. The law was quickly challenged by the major U.S. sports leagues, and a federal court ruled that the New Jersey law was preempted by PASPA. However, the court's opinion noted that it may be possible to deregulate sports wagering, as PASPA only prevents a state government from authorizing the activity.

Following the logic of the ruling, in 2014, New Jersey deregulated sports wagering, but limited the deregulation in casinos and horse tracks for persons over 21, in addition to making stipulations that wagers could not involve college sporting events held in the state or involving a New Jersey school. A three-judge panel of the Third Circuit ruled that such a tailored deregulation amounted to an authorization under PASPA and, therefore, the law was preempted by the Act. In its continued attempt to legalize sports wagering, on October 14, 2015, the U.S. Third Circuit Court of Appeals issued an order granting the State of New Jersey's request for a rehearing in the litigation, this time en banc, which ultimately resulted in Tuesday's 10-2 denial.

American Gaming Association President and CEO Geoff Freeman released the following statement regarding the Third Circuit Court's ruling:

*"Washington has a responsibility to fix a failed law [PASPA] that it created nearly 25 years ago. A federal government prohibition has driven an illegal, and occasionally dangerous, sports betting market of at least \$150 billion annually. Law enforcement, mayors, leaders in sports, fans and many others agree that it's time for a regulated sports betting marketplace that protects consumers, communities and the integrity of sports we enjoy. AGA is building a broad coalition of stakeholders that will achieve a practical, modern day solution."*

Additionally, this year the National Conference of State Legislatures ("NCSL") passed a [policy directive](#) that seeks to support state sovereignty in sports gambling, which "requests Congress

recognize the sovereignty of states to regulate and tax sports gambling, and repeal the federal ban on sports gambling by enacting legislation that would allow state legislatures to authorize sports gambling by statute." Furthermore, the directive notes that "PASPA has not prevented the conduct of illegal sports gambling, but has in effect restricted the ability of all but a few states to regulate and collect revenue from sport gambling wagers estimated to be in the billions of dollars each year, to the detriment of state economies..."

According to reports, New Jersey has until November 7 to petition the U.S. Supreme Court to hear the case.

## **FREE REGISTRATION 2016 GLOBAL GAMING EXPO; NBA COMMISSIONER STERN TO DISCUSS SPORTS BETTING AT G2E**

[Click Here to Register for Free Exhibit Floor Access](#)

The Global Gaming Expo ("G2E"), which is presented by the American Gaming Association (AGA), will be held in Las Vegas September 27 – 29 at the Sands Expo and Convention Center. NBA Commissioner Emeritus David J. Stern will be a featured speaker and will discuss with AGA president Geoff Freeman the future of sports betting and its impact on major professional sports, as well as how the NBA's expansion parallels the casino gaming industry.

The AGA states that G2E 2016 will feature robust

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global **G2E** gaming expo

conversation on the industry's hottest topics with engaging programs by the nation's top experts to prepare attendees for the rapidly growing casino gaming landscape.

NIGA Chairman Ernest Stevens Jr. and AGA President and CEO Geoff Freeman will also appear on stage together to discuss the further unification and evolution of the relationship between the casino industry's two key sectors, Native American and commercial casinos

**2016 Additional New Show Elements Include:**

- Keynotes All Three Days
- Integrated Resort Experience Moves to the Main Show Floor
- Re-Introduction of Tuesday/Wednesday Tracks
- AGA Member Discount

Registration for the 2016 G2E exhibit hall and G2E seminars is now open. For Registration, Pricing Packages and Overview please visit:

[www.GlobalGamingExpo.com](http://www.GlobalGamingExpo.com)