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The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES & WAGERING TAXES FOR FULL YEAR AND DECEMBER 2017

In a [press release](#) dated January 9, 2018, the Michigan Gaming Control Board ("MGCB" or "Board") released the calendar year 2017 revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino.

Revenues 2017:

The three Detroit casinos reported \$1.401 billion in aggregate revenue for 2017, a 1.1 percent increase over 2016 totals. Slots contributed \$1.14 billion, or 81 percent, of annual revenue, and table games brought in \$260 million, or 19 percent.

Revenue rose at MGM by 0.01 percent to \$592.2 million and at Greektown by 1.26 percent to \$329.7 million when compared with 2016 results. MotorCity led in year-over-year revenue gains with a 2.3 percent increase to \$478.6 million.

Full year market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino were 42%, 34% and 24% respectively.

During 2017, the three Detroit casinos paid \$113.4 million in gaming taxes to the state of Michigan compared with \$112.2 million in 2016. The three casinos reported submitting \$177.4 million in wagering taxes and development agreement payments to the City of Detroit during 2017.

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.

December Revenues 2017:

Aggregate revenue during December fell 0.6 percent compared with December 2016 results. Please see the linked [State of Michigan official financial report](#).

The December 2017 market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino were 43%, 34% and 23% respectively.

During December 2017, the three Detroit casinos paid \$9.4 million in gaming taxes to the state of Michigan compared with \$9.5 million for the same month last year. The three casinos reported submitting \$14.7 million in wagering taxes and development agreement payments to the City of Detroit during December 2017.

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.

ASSOCIATION OF GAMING EQUIPMENT MANUFACTURERS ANNOUNCES RESULTS OF OFFICER ELECTIONS

On January 10, 2018, the Association of Gaming Equipment Manufacturers (AGEM) announced via Globe Newswire the election of new officers. The incoming officers were elected by the AGEM Board of Directors under the leadership of Tom Nieman, Vice President of Global Marketing for JCM Global, as the organization's President. Nieman's position as President was not up for election as he transitions into the second year of a two-year term.

The following, were elected for one-year terms:

- **Vice President - David Lucchese** (EVP, Digital & Interactive Business Leader, Everi)
- **Vice President - Luke Orchard** (SVP, Chief Compliance & Risk Management Officer, IGT)

- **Vice President - Robert "Bob" Parente** (SVP, Chief Revenue Officer, Gaming, Scientific Games)
- **Secretary - Mark Dunn** (EVP & General Counsel, Aristocrat Leisure Limited)
- **Treasurer - Thomas Jingoli** (EVP, Chief Commercial Officer, Konami Gaming)
- **General Counsel - Daron Dorsey** (General Counsel, North American Operations, Ainsworth Game Technology)

AGEM is a non-profit international trade association representing manufacturers and suppliers of electronic gaming devices, lotteries, systems, table games, online technology, key components and support products and services for the gaming industry. For more information, visit www.AGEM.org.

GGB MAGAZINE PRESENTS THE UNLV GAMING & HOSPITALITY EDUCATION SERIES

Global Gaming Business Magazine has announced that a new UNLV Gaming & Hospitality educational series will be offered beginning in March. According to a [GGB magazine article](#) dated January 8, the educational seminars will focus on how the two disciplines of gaming and hospitality compliment each other to heighten the overall gaming experience. The episodes will be a mix of panel discussions, individual learning sessions by one instructor, and interactive feedback to provide all attendees with a wide range of opinions and facts. The Series were created to benefit all attendees from any segment of the gaming industry with unique information, take-away tips, and unbeatable networking.

The Series will start on March 22, 2018 with the first topic, **Casino Games: Spanning Generations**. Additional seminars will occur in April, May, October, November and December. The Series will also be available as a webcast, making this an important educational opportunity available to executives all over the world. Attendees will receive a certificate of accomplishment from UNLV upon completion of the six series sessions.

MICHIGAN LEGISLATIVE UPDATE 2018

As the Michigan Legislature reconvenes after the holiday break, there are numerous gaming-related bills currently pending. The bills cover a wide range of topics, including regulation of Millionaire Parties, online gaming, advance deposit wagering at horse tracks, fantasy sports and sports wagering.

HB 4926/4927 governing online gaming received the most recent attention, holding committee hearings and amending the bill before the holiday break. Currently, the language changes are being evaluated by interested parties and legislators on the Senate side. Legislative leadership appears to desire to bring to the floor for debate all gaming-related bills in a package, hence the delay on several bills that were passed out of committee in 2017.

The following is a table of the gaming-related bills currently pending:

Bill #	Date Intro	Bill Sponsor (s)	Summary	Status
SB 35	1/18/17	Sen. Jones (R)	Seeks to regulate Millionaire Parties.	Passed Senate; House passed substitute H-1; returned to Senate. No action since 5/2/17.
SB 203-205	3/1/17	Sen. Kowall (R)	Develops regulations and fees relating to online gaming.	Passed out of Senate Reg. Ref. Comm. 3/9/17; no action since then.
SB 382	5/17/17	Sen. Robertson (R)	Allows 3rd party facilitators to offer wagering on live & simulcast horse races online.	Passed out of Ag. Comm. 5/23/17; no action since then.
SB 461	6/14/17	Sen. Schmidt (R)	Seeks to exempt fantasy sports from the criminal definition of illegal gambling; substantially the same as HB 4742.	Referred to Reg. Ref. Comm. 6/14; no action since then.
SB 462	6/14/17	Sen. Hertel (D)	Seeks to establish guidelines and licensing for fantasy sports; substantially same as HB 4743.	Referred to Reg. Ref. Comm. 6/14; no action since then.
HB 4060	1/18/17	Rep. Kosowski (D)	Seeks to allow licensed casinos to accept wagers on sporting events.	Referred to the Comm. on Reg. Ref. Comm. 1/18/17; no action since then.
HB 4081	1/24/17	Rep. Barrett (R)	Seeks to regulate Millionaire Parties; tie-barred to SB 35.	Passed House; Senate Reg. Ref. Comm. passed 5/16/17; no action since then.
HB 4261	2/21/17	Rep. Kosowski (D)	Seeks to allow licensed casinos to accept wagers on sporting events.	Referred to the House Comm. on Reg. Ref. Comm. 2/21/17; no action since then.
HB 4338	3/9/17	Rep. Kosowski (D)	Seeks to allow the licensed Detroit casinos to accept wagers on simulcast horse racing.	Referred to the House Comm. on Reg. Ref. Comm. 3/9/17; no action since then.
HB 4529	4/26/17	Rep. Kosowski (D)	Seeks to allow lottery terminals and lottery licensed sales agents to accept wagers on simulcast horse racing.	Referred to the House Comm. on Reg. Ref. Comm. 4/26/17; no action since then.
HB 4611	5/11/17	Rep. Lauwers (R)	Seeks to allow third party facilitators to work with facilities to offer wagering on live and simulcast horse races over the internet.	Passed by the House on 5/23/17; Senate Comm. on Ag. Passed 6/13/17; no action since then.
HB 4742	6/8/17	Rep. Tedder (R)	Seeks to exempt fantasy sports from the criminal definition of illegal gambling (MCL 750.310); substantially the same as SB 461.	Referred to Reg. Ref. Comm. 6/8; no action since then.
HB 4743	6/8/17	Rep. Miller (R)	Seeks to establish guidelines and licensing for fantasy sports; substantially same as SB 462.	Referred to Reg. Ref. Comm. 6/8; no action since then.
HB 4926/4927	9/12/17	Rep. Iden (R)	Develops regulations and fees relating to online gaming.	Referred to Reg. Ref. Comm. 9/12; 12/13 passed out of committee.