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The _____ MICHIGAN GAMING _____ Newsletter



MGCB PROGRESSES TOWARD LAUNCH OF IGAMING AND ISPORTS

The Michigan Gaming Control Board (MGCB) is moving toward the launch of iGaming and iSports after the rules went into effect last week. This week, the MGCB announced that it will now accept applications for occupational licenses. Certain employees of iGaming and iSports operator, platform provider, and supplier applicants are required to obtain occupational licenses. Details of the application process and requirements can be found in the [Internet Sports Betting and Internet Gaming Occupational Licensing Frequently Asked Questions](#).

On Thursday, December 10, the MGCB approved provisional licenses for 15 platform providers who will support commercial and tribal casino operators in iGaming and iSports offerings.

Provisional licenses were issued to the following:

- American Wagering, Inc. d/b/a William Hill Sports Book
- Betfair Interactive US LLC d/b/a FanDuel Sportsbook
- BetMGM, LLC d/b/a Roar Digital
- Churchill Downs Interactive Gaming, LLC d/b/a TwinSpires
- Crown MI Gaming LLC d/b/a DraftKings
- GAN Nevada Inc.
- Golden Nugget Online Gaming, Inc.
- NYX Digital Gaming (USA), LLC
- Parx Interactive, Inc.
- Penn Sports Interactive, LLC
- PointsBet Michigan LLC
- Rush Street Interactive MI, LLC
- Sports Information Services Limited d/b/a Kambi

- TSG Interactive US Services Limited d/b/a Fox Bet
- WSI US, LLC d/b/a Wynn Sports

"The MGCB now can approve provisional licenses following the filing of the administrative rules for online gaming and sports betting Dec. 2 with the Office of the Great Seal," said MGCB Executive Director Rick Kalm. "The platform providers must still meet other regulatory requirements before online gaming and sports betting can launch in Michigan. The launch date will depend on how quickly they can fulfill the requirements."

Platform providers must still complete additional regulatory requirements before launch. These include testing of platforms and games, MGCB approval of internal controls, and obtaining occupational licenses for employees.

"The platform providers' ability to meet the requirements of the laws and rules will determine which entities can be licensed for launch first," Mr. Kalm continued.

The MGCB has published and updated [Internet Gaming and Sports Betting FAQs for Businesses](#) on its website. The update dated December 9 includes several new directives regarding Advertising and Promotions. Among these include advertising before launch, branding requirements for advertising, restrictions on methods of advertising, board approval of advertising, and confirmation of board approval of advertisements.

DETROIT CASINOS TO REMAIN CLOSED DUE TO EXTENSION OF 'PAUSE' ORDER

On December 7, Governor Gretchen Whitmer announced that the COVID-19 restrictions implemented on November 15 would be extended through December 20. The three Detroit casinos - MGM Grand Detroit, MotorCity Casino, and Greektown Casino - will continue to be closed during this time.

The Michigan Department of Health and Human

Services (MDHHS) issued an emergency order extending restrictions on gatherings and requiring face masks. Gatherings are currently prohibited through December 20 at recreational facilities, including Michigan's commercial casinos in Detroit.

Michigan Gaming Control Board (MGCB) Executive Director Rick Kalm issued an [executive order](#) on December 8, implementing the MDHHS order and ordering that casinos must remain closed to the public.

DETROIT CASINOS REPORT \$50.4 MILLION IN NOVEMBER REVENUE

The three Detroit casinos - MGM Grand Detroit, MotorCity Casino, and Greektown Casino - reported \$50.4 million in monthly aggregate revenue in November. The casinos operated at 15% capacity due to COVID-19 operating restrictions, and were ordered to close on November 17 under an order from the Michigan Department of Health and Human Services (MDHHS).

November table games and slots revenue fell 61.3% when compared with November 2019, and fell 48.7% from October 2020. January through November 2020 table games and slots revenue declined 54.9% when compared with January through November 2019.

Year-over-year revenue declined 62.1% to \$20.5 million for MGM Grand, 57.1% to \$17.5 million for MotorCity, and 65.7% to \$10.1 million for Greektown. The Detroit casinos paid \$3.9 million in gaming taxes to the State of Michigan during November, compared with \$10.1 million in November 2019. The casinos reported \$5.7 million in wagering taxes and development agreement payments to the City of Detroit during November.

The casinos reported a total sports betting handle of \$25,080,140 during November. Qualified adjusted gross receipts for the casinos were the

following:

- MGM Grand Detroit - \$561,372
- MotorCity Casino - \$1,130,956
- Greektown Casino - \$645,310

Qualified adjusted gross receipts are gross sports betting receipts minus the monetary value of free play incentives.

The casinos reported paying \$88,363 in State taxes and \$107,999 in retail sports betting taxes to the City of Detroit.

Aggregate retail sports betting qualified adjusted gross receipts through November 30 were:

- MGM Grand Detroit - \$7.4 million
- MotorCity Casino - \$5.4 million
- Greektown Casino - \$3.6 million

The market shares based on aggregate revenue including table games, slots, and retail sports betting were:

- MGM Grand Detroit - 42%
- MotorCity Casino - 37%
- Greektown Casino - 21%

Fantasy contest operators reported \$12.4 million in aggregate adjusted revenues during October 2020, and paid \$1 million in taxes year-to-date through October.

TRIBES DISTRIBUTE REVENUE SHARING PAYMENTS TO STATE AND LOCAL GOVERNMENTS

Tribes across Michigan have reported their fall revenue sharing distributions to the State of Michigan and local governments.

The Match-E-Be-Nash-She-Wish Tribe of the Pottawatomie (Gun Lake Tribe) made revenue sharing payments of \$5.7 million this fall. The Tribe reported that \$3,293,020 was distributed to the State of Michigan and \$987,906 was distributed to the local revenue sharing board. The payments are determined from electronic gaming revenue reported from April 1 to September 30. Gun Lake Casino was closed for three months during the height of the COVID-19

pandemic.

"The Tribe's commitment to make a positive impact on our local community has never been stronger as we all persevere through the pandemic," said Bob Peters, Chairman of the Gun Lake Tribe. "This distribution would not be possible without the dedication of our executives and team members at the casino. We thank them immensely and congratulate them for helping us surpass \$150 million in revenue sharing."

The Gun Lake Tribe has shared more than \$98 million with the State of Michigan, and over \$150 million total with State and local governments over twenty distributions.

The Saginaw Chippewa Indian Tribe distributed \$2,309,748 in total, which is 2% of its slot revenues. The Saginaw Chippewa Indian Tribe had 186 applications for distribution requests of almost \$7 million. Among the chosen recipients were Isabella Government, Isabella Education, Arenac County, and northern Bay County.

"To date since May of 1994 the Saginaw Chippewa Indian Tribe has provided 2% grants to local units of government and public education districts in excess of \$263,197,742 dollars," said Tribal Chief Tim J. Davis. "These contributions showcase a strong commitment to our local communities and speaks to our collaborative efforts in the region. On behalf of the Tribal Council, we wish each one of you a joyful holiday season and best wishes for a prosperous and happy new year as you continue to stay healthy and safe."

Payments made to the State of Michigan are directed to the Michigan Economic Development Corporation to fund grants awarded to businesses to invest in Michigan and create jobs. Revenue sharing payments are dependent on the continued preservation of the Tribe's exclusive gaming rights within its competitive market area, as defined by its tribal-state gaming compact.