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The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES & WAGERING TAXES FOR MAY 2018

In a [press release](#) dated June 12, 2018, the Michigan Gaming Control Board ("MGCB" or "Board") released the April 2018 revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino.

The three Detroit casinos reported \$124.6 million in aggregate revenue for May 2018, a 0.5 % increase from the same month last year. The results were 1.2% above the monthly revenue for April 2018.

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

Revenue increased at MGM by 7.6% to \$54.3 million. MotorCity recorded a revenue increase of 2.2% to \$41.5 million. Greektown revenue increased by 0.02 % to \$28.8 million compared with May 2017 results.

The May 2018 market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino were 44%, 33% and 23% respectively.

During May 2018, the three Detroit casinos paid \$10.1 million in gaming taxes to the State of Michigan, compared with \$9.7 million for the same month last year. The three casinos reported submitting \$14.8 million in wagering taxes and development agreement payments to the City of Detroit in May.

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 HOUSE PASSES ONLINE GAMBLING BILL

On Tuesday evening, June 12, 2018, the Michigan House of Representatives passed HB 4926, a bill that legalizes online gambling in the State of Michigan. The bill was introduced by Rep. Brandt Iden (R-Dist. 12) on September 12, 2017 and was referred to the House Committee on Regulatory Reform. On December 13, 2017, the committee approved substitute H-3 and recommended passage by the full house.

The full house took the bill up June 12, 2018 and approved another substitute, H-4, before voting 68-40 to pass the legislation. Substitute H-4 adopted provisions to be more closely aligned with the Senate's version of online gambling (SB 203). As reported by Michigan Radio, Rep. Iden stated: "People in Michigan are already gambling over the internet, but they are doing so at risky and illegal websites. The Michigan websites will have strict state oversight, unlike the illegal and unregulated sites our resident use now, at great risk to their finances and personal information."

While the House of Representatives has three more days of session (June 19-21) before its summer recess, the State Senate has already adjourned for the summer. While the Senate has one-day sessions on its calendar for July 25 and August 15, it is not likely to take up the bill passed by the House until it reconvenes in early September. The Senate will have to determine whether it wants to pass HB 4926 or modify and pass its own SB 203 to be sent over to the House for passage.

LANSING MAYOR STATES THAT LANSING CASINO HAS BECOME A MOOT ISSUE

In separate interviews with WLNS TV and Michigan Public Radio, Lansing Mayor Andy Schor

clearly indicated that he is ready to move on from the ongoing effort to bring a casino to downtown Lansing. The federal government has not approved the Tribe's land in trust application for the parcel in question which is located next to Lansing's convention center. The current agreement the City has with the Tribe ends at the end of this year.

"I'm always willing to have the conversation with them," Mayor Schor told Michigan Public Radio. "But at this point, it's moot. Because the federal government has said no to any casino in Lansing."

"I've never been shy about the fact that I'm not excited to have it in the downtown," Mayor Schor said to WLNS. "I would like to have the dollars and things produced from a casino, that go to our students and Lansing schools, but I think there might be other locations that are better suited for it but at this point, it doesn't matter because the federal government said 'no' and that's the answer we have right now."

Tribal officials indicated that they are still pursuing the project, and the under the applicable law a new location could be selected if it becomes necessary.

GUN LAKE TRIBE SHARES \$7.6 MILLION IN REVENUE SHARING FUNDS WITH STATE AND LOCAL GOVERNMENTS

Per a press release dated June 6, 2018, the Gun Lake Tribe (Tribe) announced details of its spring revenue sharing payments. The State of Michigan received \$4,268,003, and the local revenue sharing board received \$2,134,001. GLIMI, an economic development entity, received \$1,280,401. The figures are calculated from electronic gaming revenues reported from October 1, 2017 to March 31, 2018.

"We are proud to continue offering great benefits to the local community in the form of jobs and revenue sharing payments," said Scott Sprague, Chairman of the Gun Lake Tribe. "These economic

impacts are growing through employee wages, vendor spending and state and local revenue sharing payments.”

The Tribe reinvested \$76 million into an expansion of Gun Lake Casino that opened on May 3, 2017. The benefits were immediate to the surrounding community with dozens of new construction jobs, and over 100 new permanent employment positions offered. The expanded gaming area enabled revenue to grow by nearly twenty-five percent.

The Tribe’s revenue sharing payments are based on a percentage of gross revenue; not on much smaller profit figures. This results in much larger payments to units of government than corporate tax payments. The Tribe’s business operations are also not dependent upon tax abatements as a means to justify reinvestment. Nor will the Tribe’s operations ever relocate overseas or to other states with lower business taxes.

As the tribal government and casino operations have grown, so too has the workforce. The Tribe is now the fourth-largest employer in Allegan County, at 1,300 positions. These jobs offer very competitive wage and benefit packages.

Since opening in February 2011, The Tribe has now shared more than \$75 million with the State of Michigan and \$109,319,081 with state and local governments over Fifteen (15) distributions.

JACK ENTERTAINMENT WINS TOP TECH AWARD FOR “GT CONNECT”

Jack Entertainment took home the top honor (First Place Platinum Award) from Casino Journal’s “Top 20 Most Innovative Gaming Technology Products for 2017” which were recently announced at the National Indian Gaming Association Tradeshow & Convention for its “GT Connect” product. The award was also announced in the May issue of *Casino Journal* magazine.

When used with a virtual player’s card, GT Connect eliminates the need for a traditional player’s card and provides a convenient way for

customers to charge their mobile devices while playing a slot machine. The solution can be used in all game manufacturers’ devices across the entire gaming floor. The related application has exclusive promotions, comps and free play bonuses. The app also allows guests to request their vehicles from the valet, redeem comps at restaurants, and access offers on the go.