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The MICHIGAN GAMING



REMINDER: AUGUST 31 DEADLINE FOR SUBMISSION OF INTERNAL CONTROLS

As reported last week, online operators and platform providers who will accept wagers on an operator's behalf should submit their internal control standards (ICS) for internet gaming and/or internet sports betting to the MGCB by August 31, 2020. Operators and platform providers should provide ICS based on their roles and responsibilities. The MGCB has indicated that it anticipates that online platform providers to "be responsible primarily for the processes identified in the ICS requirements." The MGCB has issued guidance on its requirements for such ICS.

The MGCB staff has asked applicants to do the following to facilitate an efficient review process:

- Submit separate internet gaming and internet sports betting ICS if offering both services
- Submit ICS in Microsoft Word format
- Use specific reference numbers provided in the MGCB requirements to identify the location of each ICS requirement.
- Provide written explanations of any requirements not addressed in your submission
- Follow the same order format as outlined in the MGCB's requirements.

The ICS requirements are applicable to the initial launch. Additional requirements may be necessary following the initial launch. According to the MGCB, operators and platform providers who submit a complete set of ICS by August 31, 2020, will increase their likelihood of "going live" during the initial launch of internet gaming and internet sports betting.

JJ Burchman, an attorney with RMC Legal noted, "The MGCB has outlined a clear path to help online operators and platform providers to assure compliance with

its ICS requirements. It is very important to get the ICS submitted in a timely manner in order to ensure that the online operation will be able to "go live" during the initial launch of such wagering in Michigan." Anyone needing more information can contact <u>RMC Legal</u> for further details.

DETROIT CASINOS' YEAR-TO-DATE AGGREGATE REVENUE FALLS 65 PERCENT THROUGH JULY

The three Detroit casinos - MotorCity Casino, MGM Grand Detroit, and Greektown Casino - saw a 65 percent decrease in year-over-year aggregate revenue in July as compared with July 2019. Due to health concerns related to COVID-19, the casinos were ordered to close from March 16 through July. The casinos reopened last week on August 5.

In July 2019, the Detroit casinos recorded \$119 million in aggregate revenue. In July 2020, MGM Grand Detroit saw a 65.5% decrease in year-overyear revenue, reporting \$126.5 million in year-todate revenue. MotorCity Casino saw a decrease of 64.8%, reporting \$102.6 million in year-to-date revenue. Greektown Casino reported \$70.1 million in year-to-date revenue, which was a 64.3% decrease from July 2019.

The casinos paid \$24.2 million in gaming taxes to the State of Michigan and \$35.6 million to the City of Detroit through July 31 of this year. By July 31, 2019, the casinos had paid \$69.2 million to the State and \$101.7 million to the City of Detroit.

For the month ending June 30, fantasy contest operators reported total adjusted revenues of \$488,050 and paid taxes of \$40,996 to the State of Michigan. Through June 30, fantasy contest operators reported year-to-date adjusted revenues of \$4,052,669 and taxes paid to the State of \$340,424.

NATIONALLY COVID-19 CAUSES 79% REVENUE DROP FROM Q2 LAST YEAR

The American Gaming Association's (AGA) new Commercial Gaming Revenue Tracker shows a 78.8 percent decrease in year-over-year revenue from the second quarter of 2019. Commercial gaming revenue totaled \$2.3 billion for the second quarter of 2020.

Compared with the second quarter of 2019, slot gaming revenue decreased 81.9 percent, table gaming revenue decreased 86 percent, and sports betting revenue decreased 46.3 percent. On the contrary, iGaming revenue increased 253.8 percent to \$402.7 million in the second quarter of 2020.

"COVID-19 has undoubtedly posed the most difficult economic challenge the gaming industry has ever faced," said AGA President and CEO Bill Miller. "Yet, gaming's record popularity prior to COVID-19, as well as our resilience in the midst of such adversity, is evidence of the industry's foundation for continued success as we emerge from the pandemic."

Before commercial casino closures earlier this year, commercial casinos saw a 10.4 percent increase year-over-year in gaming revenue. The consumer demand is still strong for brick-andmortar casinos, as several states have reported year-over-year increases in average daily gross gaming revenue with the recent reopening of commercial casinos with limited capacity and amenities.

During June, nearly 300 commercial casinos throughout the country reopened, boasting revenue four times greater than April and May combined. More than 85 percent of casinos are now open, including nearly 90 percent of commercial casinos.

"The gaming industry has been a leader in implementing rigorous, innovative protocols that have allowed the vast majority of our properties to reopen and stay open," said Mr. Miller. "With business returning to casino floors and sports books seeing increased action, the gaming industry is steadily charting a responsible path to recovery that prioritizes health and safety, supports the communities where we operate, and offers first-class entertainment."

Sports betting has been greatly impacted by the shutdown of sports leagues. iGaming generated more revenue than sports betting in the second quarter, but is only legal in Delaware, Pennsylvania, Nevada, New Jersey, and Michigan.

In Michigan, more people are playing the Michigan Lottery. According to Michigan Information and Research Service (MIRS), School Aid Fund revenue from the Lottery is 69.4 percent above projections, up \$42 million.

For more information and to view the whole report, click <u>here</u>.

NORTHVILLE DOWNS GRAND REOPENING

After closing for nearly six months due to COVID-19, Northville Downs reopened for simulcast racing on August 6, and will welcome live racing beginning August 14. Northville has been home to horse racing in Michigan for 100 years.

Simulcast racing is offered seven days a week from 11:00 a.m. until around midnight. Doors do not open until 11:00 a.m. and racing will begin around noon. Live racing will be offered Friday and Saturday nights beginning at 7:30 p.m.

Social distancing and safety measures are in place. All employees and guests are required to have their temperature checked and may be asked health screening questions upon entry.

Guests are required to wear a mask at all times, except while eating or drinking. Plexiglass dividers have been installed in places where there is person to person contact, and floor markings have been designed to help social distancing practices. Tables and chairs have been reduced throughout the facility to encourage social distancing. Northville Downs asks that guests do not move any tables or chairs during their visit. Sanitizing stations have been installed on site and employees will be sanitizing frequently touched areas as often as possible.

FIREKEEPERS CASINO HOTEL TO HOST JOB FAIR AUGUST 25

FireKeepers Casino Hotel - owned by the Nottawaseppi Huron Band of the Potawatomi - is hosting a job fair on August 25, and will be making job offers on the spot. FireKeepers is looking for men and women who have the personality to deliver outstanding service and are ready for a winning challenge. Applicants will be able to apply and interview for several positions throughout the property. Open interviews will be available in the FireKeepers Event Center in Battle Creek from 6 a.m. to 9 a.m., 11 a.m. to 2 p.m., and 5 p.m. to 8 p.m. Interviews will follow social distancing guidelines and FireKeepers' COVID-19 safety including protocols, wearing masks and temperature checks.

"The FireKeepers property is growing and changing, which results in ample opportunities for career growth. There has not been a better time to join our team," said FireKeepers Casino Hotel CEO Kathy George. "We are looking for individuals who are welcoming, engaging, enthusiastic and appreciative, who will take pride in providing great guest service for every guest, every day."

All applicants must be at least 18 years of age, with some positions requiring applicants to be at least 21 years of age. Interested applicants should apply at <u>www.FireKeeperscasino.com/about/</u> <u>careers</u>, and should bring copies of their resumes to the job fair. Applicants are required to pass drug screen and background check in order to qualify for a gaming license for employment.

"FireKeepers is proud to offer comprehensive

benefits including 401(k) with company match, paid time off, and holiday pay," said FireKeepers Casino Hotel Vice President of Human Resources Frank Tecumseh. "We also offer medical, dental, vision and prescription coverage, life insurance, and on-site medical clinic, discounted Team Member cafeteria, employee assistance programs, and so much more."

Questions should be directed to the FireKeepers Human Resources Department at (269) 660-5740.

NOMINATION DEADLINE FOR GGB'S GAMING & TECHNOLOGY AWARDS

Global Gaming Business magazine announced that the deadline for nominations for its 19th Annual Gaming & Technology Awards is August 23, 2020. The G&T Awards recognize and encourage innovation and are among the industry's most prestigious awards.

This year's categories include:

- Best Guest Health & Safety Product New category targeted at products and services that can better protect customers amid the COVID-19 era
- Best Table Game Product or Innovation
- Best Slot Technology
- Best Interactive Product
- Best Productivity Enhancement Technology
- Best Consumer Service Technology

Winners will be announced in the November 2020 issue of *Global Gaming Business* magazine. For more information on the G&T Awards and to make a nomination, please click <u>here</u>. Questions should be directed to GGB Sales Director Terri Brady at <u>Tbrady@ggbmagazine.com</u>.

RESPONSIBLE GAMING EDUCATION WEEK

This year, Responsible Gaming Education Week (RGEW) is September 13-19. Sponsored by the American Gaming Association (AGA) and its

members, RGEW is proud to showcase the industry's dedication to responsible gaming programs. RGEW provides opportunity to refresh employee training, promote transparency and gaming literacy to customers, and work with community partners on advancing responsible gaming initiatives.

This year's RGEW is focused on *Have A Game Plan. Bet Responsibly*, a campaign designed to educate bettors on responsible sports wagering. The campaign highlights four key principles of responsible gaming: set a budget and stick to it, keep it social, be informed, and play with trusted licensed, regulated operators.

Some of the ways that the AGA suggests participating in this year's RGEW include partnering with a local National Council on Problem Gambling chapter, reinvigorating brochures and posters offered to employees, or sharing responsible gaming messages on social media and websites.

For more information on this year's RGEW, visit the AGA's <u>website</u> in the coming weeks.