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# The MICHIGAN GAMING Newsletter



#### MGCB Announces Closure of Northville Downs' Current Location

Michigan Gaming Control Board ("MGCB") <u>issued</u> a press release confirming Northville Downs, the last horse racing track in Michigan, will soon cease operations at its current location. The final race is scheduled to take place on Saturday, February 3, 2024.

Despite the physical racetrack closing, horse racing patrons will sill be able to place mobile bets anytime and uninterrupted, including races such as the Kentucky Derby, via advance deposit wagering (ADW) through authorized providers Churchill Downs/TwinSpires, NYRA Bets, Xpressbet, and FanDuel Racing (TVG).

Due to Northville Downs' scheduled closure, patrons should be aware that they will no longer be able to place simulcast wagers in person at the track beginning Monday, Feb. 5. However, Northville Downs will announce the return of simulcast wagering as soon as possible after it reopens at its new location.

"The Michigan Gaming Control Board expresses our deepest gratitude to all of the Northville Downs patrons who have made each race day memorable and thrilling," MGCB Executive Director Henry Williams said. "We appreciate the support of those who have kept Northville Downs going for 80 years and look forward to the next chapter of horse racing in Michigan at a new location."

In light of the racetrack's upcoming closing, all patrons should be aware that Saturday, Feb. 10 will be the last day to cash in any winning wagers at Northville Downs. All winning pari-mutuel tickets may be presented for payment within 60 days after the last day of the race meeting.

For more information regarding the closure of Northville Downs and future

updates, patrons may call the racetrack at (248) 349-5458 or visit <u>NorthvilleDowns.com</u>.

## Executive Director Henry Williams applauds Davis, Palms being reappointed to the Michigan Gaming Control Board

According to a <u>press release</u> from the Michigan Gaming Control Board ("MGCB"), Gov. Gretchen Whitmer has reappointed Detroit resident Joni M. Davis and Chelsea resident Andrew T. Palms as MGCB Board members. The Board is comprised of five Michigan residents appointed by the Governor, with one member designated by the Governor as the chairperson. Under the Michigan Gaming Control & Revenue Act, no more than three members may belong to the same political party.

As of this month, there is one vacant seat on the five-member Board. Davis and Palms both resumed serving as MGCB board members on January 4, alongside current Board member Deidre A. Lambert-Bounds and Board chair Linda Forte, and their reappointments are subject to the advice and consent of the Michigan Senate.

"I appreciate Governor Whitmer's decision to reappoint Joni and Andrew to the Board, which is well-deserved recognition of their dedication, expertise, and valuable contributions to our agency's mission and vision. I am confident that the reappointment of these Board members will ensure continued stability, effective decision-making, and the ability to navigate the everchanging landscape of Michigan's gaming industry, and I look forward to continuing our work together for the citizens of this great state," MGCB Executive Director Henry Williams said.

Reappointed for a term expiring December 31, 2027, Davis is the owner and operator of four McDonald's restaurants in the metropolitan Detroit area and is also the managing partner for Jamjomar, Inc. She has a bachelor's degree from the University of Michigan and a Juris Doctor from Emory University School of Law. The

reappointment is Davis's second four-year term of serving on the MGCB, as she previously succeeded Patrick M. McQueen whose term expired Dec. 31, 2019.

Also reappointed, Palms is the executive director of ITS Infrastructure at the University of Michigan and has worked at the university for more than 30 years. An alumnus of the school, he has a bachelor's degree of general studies in computer science, business, and engineering. Palms was initially appointed to the MGCB by former Michigan Gov. Rick Snyder on Feb. 3, 2012, and 2024 marks the beginning of his twelfth year of service as a Board member. Like Davis, his latest term will expire December 31, 2027.

#### Detroit Casinos Report \$116.2 Million in December Aggregate Revenue

According to the December <u>revenues</u> released by the Michigan Gaming Control Board ("MGCB"), the three Detroit commercial casinos reported \$116.2 million in monthly aggregate revenue in November. Table games and slots generated \$111.4 million in revenue, and retail sports betting yielded \$4.8 million.

The December market shares were:

- MGM, 44%
- MotorCity, 32%
- Hollywood Casino at Greektown, 24%

#### Monthly Table Games, Slot Revenue, and Taxes

Monthly revenue for table games and slots increased 2.9% when compared to December 2022 revenue. December's monthly revenue increased 46.6% when compared to November 2023 results. From January 1 through December 31, the Detroit casinos' table games and slots revenue decreased by 2.7% compared to the same period last year.

When compared with December 2022, all monthly gaming revenue decreased as follows:

- MGM, \$50.6. million, decrease of 0.7%
- MotorCity, \$34.7 million, increase of 5.1%
- Hollywood Casino at Greektown, \$26.1 million, increase of 7.5%

The three Detroit casinos paid \$9.0 million in gaming taxes to the State of Michigan in December, compared to \$8.8 million for the same month last year. The casinos also reported submitting \$13.8 million in wagering taxes and development agreement payments to the City of Detroit in December.

#### **Quarterly Table Games, Slot Revenue, and Taxes**

For the fourth quarter of 2023, aggregate revenue was down for all three Detroit casinos by 12.9%, compared to the same time in 2022.

Quarterly gaming revenue when compared to the fourth quarter of 2022:

- MGM, \$118.6 million, down by 17.7%
- MotorCity, \$84.4 million, down by 11.6%
- Hollywood Casino at Greektown, \$66.2 million, down by 4.7%

The three casinos paid \$21.8 million in gaming taxes to the state in the fourth quarter of 2023, compared to \$25.0 for the same quarter last year.

### Monthly Retail Sports Betting Revenue and Taxes

The three Detroit casinos reported \$30.4 million in total sports betting handle and total gross receipts were \$4.8 million for the month of December. Retail sports betting qualified adjusted gross receipts ("QAGR") reported for December were up by \$3.1 million when compared to December 2022. Monthly QAGR was up by 54.9% when compared to November 2023.

December QAGR by property were:

- MGM, \$291,171
- MotorCity, \$2.3 million
- Hollywood Casino at Greektown, \$2.2 million

The three Detroit casinos reported submitting taxes on retail sports betting in the amounts of \$180,822 to the State of Michigan, and \$221,005 to the City of Detroit for December 2023.

## Annual Revenue for Table Games, Slots, and Retail Sports Betting

The total yearly aggregate revenue of \$1.237 billion for 2023 decreased by 3.1% when compared to last year.

The three Detroit casinos for slots, table games, and retail sports betting was generated by:

- Slots, \$984.1 million (80%)
- Table games, \$238.7 million (19%)
- Retail sports betting, \$14.0 million (1%)

The casinos' market shares for the year were:

- MGM, 16%
- MotorCity, 31%
- Hollywood Casino at Greektown, up by 9.5% to \$285.2 million

Aggregate retail sports betting QAGR for 2023 was down by 25.7% to \$14.0 million compared to 2022, with MGM totaling \$2.3 million, MotorCity totaling \$5.0 million, and Hollywood Casino at Greektown totaling \$6.7 million.

In 2023, the three Detroit casinos paid the state \$99.0 million in wagering taxes for slots and table games, and \$528,314 in wagering taxes for retail sports betting. In 2022, they had paid \$101.8 million and \$711,087 for each, respectively.

#### **Fantasy Contests**

In addition to reporting revenue from the three Detroit casinos, the MGCB released revenue numbers from fantasy contest operators.

Fantasy contest operators <u>reported</u> total adjusted revenues of \$1.8 million and paid taxes of \$149,915 during November 2023.

Top revenue generators were:

- DraftKings, \$716,157.26
- PrizePicks, \$629,719.76
- FanDuel, \$434,576.93

For the first 11 months of 2023, fantasy contest operators reported \$21.3 million in aggregate fantasy contest adjusted revenues and paid \$1.8 million in taxes

#### Michigan iGaming, Sports Betting Operators Report \$242.5 Million in December Revenue, \$2.3 Billion total for 2023

As <u>reported</u> by the Michigan Gaming Control Board ("MGCB"), Michigan commercial and tribal internet gaming ("iGaming") and sports betting operators reported a combined \$242.5 million total gross receipts in December. December receipts increased 15.9% when compared to last month's results.

#### **Monthly Results**

December iGaming gross receipts were \$181.4 million, the highest to date. Gross sports betting receipts totaled \$61.1 million, also the highest to date. In November 2023, iGaming gross receipts were \$175.3 million and gross sports betting receipts were \$33.9 million.

The combined total adjusted gross receipts of \$198.4 million were reported for December, including \$163.3 million from iGaming and \$35.1 million for internet sports betting – representing an iGaming increase of 3.5% and a \$34.9 million increase for sports betting when compared to November 2023. When compared to December 2022, iGaming was up 18.8% and sports betting was up by 14.3%

Total internet sports betting handle was \$583.0 million, an increase of 2.5% from the \$568.8 million result in November 2023. This is the highest internet sports betting handle to date.

The operators delivered \$36.7 million in taxes and payments to the State of Michigan during

December, with iGaming taxes and fees contributing \$34.1 million and internet sports betting taxes and fees contributing \$2.6 million.

The three Detroit commercial casinos – MotorCity Casino, MGM Grand Detroit, and Greektown Casino – reported city wagering taxes and municipal service fees of \$9.4 million, with iGaming taxes and fees contributing \$8.4 million and internet sports betting taxes and fees contributing \$1.0 million for the month of December.

Tribal operators reported making total payments of \$4.3 million of wagering payments to the tribes' governing bodies according to the MGCB.

#### **Annual Results**

In 2023, Michigan commercial and tribal operators reported a combined \$2.3 billion total iGaming gross receipts and gross sports betting receipts. iGaming gross receipts were \$1.9 billion and gross sports betting receipts were \$420.4 million, an 18.3% increase over 2022.

The combined total adjusted gross receipts of \$1.956 billion were reported for 2023, including \$1.733 billion from iGaming and \$223.451 million for internet sports betting – representing an 18.8% increase over 2022.

The total internet sports betting handle was \$4.6 billion.

The operators delivered \$369.8 million in taxes and payments to the State of Michigan during 2023, with iGaming taxes and fees contributing \$354.0 million and internet sports betting taxes and fees contributing \$15.8 million.

The three Detroit casinos reported city wagering taxes and municipal service fees of \$95.8 million, with iGaming taxes and fees contributing \$89.4 million and internet sports betting taxes and fees contributing \$6.4 million for 2023.

Tribal operators reported making total payments of \$43.1 million of wagering payments to the

tribes' governing bodies in 2023 according to the  $\ensuremath{\mathsf{MGCB}}$ 

An online gaming and sports betting revenue distribution <u>table</u> is available on the agency's website.

During December, a total of 14 commercial and tribal operators offered internet sports betting and 15 commercial and tribal operators offered iGaming. Details for each operator's internet gaming and internet sports betting <u>results</u> are available and published on the MGCB website.