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The MICHIGAN GAMING Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR APRIL 2017

On May 10, 2017, the Michigan Gaming Control Board (“MGCB” or “Board”) released the April 2017 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, the revenue for the Detroit market was down 1.1% when compared to the same reporting period last year.

Month in 2017	Total Adjusted Revenue 2017		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$47,122,785.88	\$38,437,983.01	\$26,444,022.40
February	\$48,090,071.92	\$40,560,815.83	\$28,590,936.09
March	\$54,150,615.38	\$45,102,231.26	\$31,950,728.99
April	\$49,596,029.88	\$42,121,055.77	\$29,280,455.10
Total	\$198,959,503.06	\$166,222,085.87	\$116,266,142.58

Revenue declined at all three casinos compared with April 2016 revenue: MGM Grand Detroit by 1.7 percent to \$49.6 million; MotorCity Casino by 0.5 percent to \$42.1 million; and Greektown Casino by 0.9 percent to \$29.3 million.

Month in 2017	Total Adjusted Revenue and Taxes 2017		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax*
January	\$112,004,791.29	\$9,072,388.09	\$13,328,570.16
February	\$117,241,823.84	\$9,496,587.73	\$13,951,777.04
March	\$131,203,575.63	\$10,627,489.63	\$15,613,225.50
April	\$120,997,540.75	\$9,800,800.80	\$14,398,707.35
Total	\$481,447,731.51	\$38,997,266.25	\$57,292,280.05
*Total includes wagering tax and development agreement payments to the city of Detroit as reported by the casinos			

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 April 2017 market shares for MGM Grand Detroit, MotorCity Casino, and Greektown Casino were 41%, 35%, and 24%, respectively.

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 LEGISLATURE INTRODUCES BILL TO ALLOW FOR ADVANCE DEPOSIT WAGERING AT HORSE TRACKS

Yesterday, May 11, 2017, Michigan State Rep. Dan Lauwers (R-Brockway Township) introduced [House Bill No. 4611 \(“HB 4611”\)](#) that seeks to amend Michigan’s Horse Racing Law of 1995 to allow for advance deposit wagering (“ADW”) on both in-state horse races as well as out-of-state simulcasted horse races.

The legislation seeks to add several key sections to the current law to allow the Racing Commissioner to license, as well as set the terms and conditions for, “third party facilitators” to facilitate wagering on live and simulcast racing. Per the proposed legislation, a third party facilitator license would require a contract with a horse track within the state.

During its March meeting, the Michigan Horse Racing Advisory Commission heard a [presentation](#) by ADW provider TVG regarding its interest in providing its wagering services in the state. TVG offers web-based, phone, and mobile device ADW services as well as video streaming of horse races on its website. During the meeting, it was noted that more than 90% of the wagers made at Michigan’s horse tracks were on simulcast races.

HB 4611 has been referred to the House Committee on Agriculture and will be considered by the committee next Wednesday.

ASSOCIATION OF GAMING EQUIPMENT MANUFACTURERS ANNOUNCES RESULTS OF ECONOMIC IMPACT STUDY; ANNOUNCES NEW MEMBERSHIP

On Tuesday, May 9, 2017, the Association of Gaming Equipment Manufacturers (“AGEM”) announced the results of a comprehensive economic impact study of the gaming manufacturer and technology sector. According to AGEM, the global gaming supplier industry generated a total economic impact of \$47.5 billion, supported more than 212,000 employees, and paid a total of \$14.2 billion in wages and salaries during 2016. The report titled “[Industry Impact Analysis: Global Gaming Supplier 2017](#)” was the result of an independent study commissioned by AGEM and conducted by the Las Vegas based Applied Analysis.

Highlights of the report:

- Including direct (\$17.9 billion), indirect (\$14.9 billion) and induced (\$14.7 billion) impacts, the global gaming supplier segment generated a total of \$47.5 billion of economic output (revenue) in 2016.
- Including direct (\$4.9 billion), indirect (\$4.7 billion) and induced (\$4.6 billion) impacts, the global gaming supplier segment supports a total of approximately \$14.2 billion in annual wages and salaries to 55,145 direct, 68,128 indirect and 88,833 induced employees for a total, with the multiplier effect, of 212,106 employees.
- The average direct wage per employee in the industry reached approximately \$89,400 in 2016, reflecting a significant premium to the current U.S. average annual wage of \$49,630, as listed by the Bureau of Labor Statistics.
- The industry has an especially strong impact in Nevada and overall employs a broad range of workers, including high-end technical professionals and engineers responsible for hundreds of millions of dollars in research and development expenditures annually.

“A lot has changed in our sector during the past several years, but what hasn’t changed is the impressive output of the global gaming suppliers and technology providers,” said Marcus Prater, Executive Director of AGEM. “While there have been a variety of consolidation events at the very top in the past few years, the rise of the next level of manufacturers along with a general expansion of new products and technology created by supplier innovations have resulted in impressive growth and a strong overall impact.”

In addition, AGEM announced the addition of four new members to the organization, bringing the trade group of gaming suppliers to a total of 151. The new members are: London-based Passport Technology, Inc.; Walldorf, Germany-based SAP; Slovenia-based Spintec, and Las Vegas-based William Hill US.

For more information on AGEM and the benefits it provides to its gaming sector members, please visit: www.agem.org.