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The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES & WAGERING TAXES FOR MARCH 2018, 1ST QUARTER 2018

In a [press release](#) dated April 12, 2018, the Michigan Gaming Control Board (“MGCB” or “Board”) released the March 2018 revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Total March revenue for the casinos set an overall record high gain since the opening of the casinos in 1999 and 2000.

The three Detroit casinos reported \$138.6 million in aggregate revenue for March 2018, a 5.7 percent increase from the same month last year. The results were 25.9 percent higher than February 2018 revenue. The previous record of \$135.3 million was set in March 2012.

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

Revenue at MGM increased a record high of 7.3 percent to \$58.1 million. MotorCity also recorded its highest ever revenue increase of 9.3 percent to \$49.3 million. Greektown revenue decreased by 2.3 percent to \$31.2 million compared with March 2017 results.

The March 2018 market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino were 42%, 36% and 21% respectively.

During March 2018, the three Detroit casinos paid \$11.2 million in gaming taxes to the State of Michigan, compared with \$10.6 million for the same month last year. The three casinos reported submitting \$16.5 million in wagering taxes and development agreement payments to the City of Detroit in March.

First-quarter 2018 aggregate revenue of \$360.2 million dropped 0.1 percent from last year's first-quarter results. The three Detroit casinos paid \$29.18

million in state gaming taxes during the first quarter of 2018 compared with \$29.20 million during the first quarter of 2017.

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.

CAESARS WINDSOR AND UNION LOCAL TO RESUME BARGAINING ON APRIL 18TH

The [Windsor Star](#) reported yesterday that the strike at Caesars Windsor will continue at least another week. The company and union local are expected to resume bargaining on April 18th. According to the article, pay rates and job security have been the major issues in the dispute. The strike began last week when the union local rejected the contract proposed. See [Caesars Windsor Closed: Labor Agreement Rejected](#) in last week's Michigan Gaming Newsletter.

TRIBAL CHAIRMAN WILL NOT FACE RECALL

The Tribal Chairman of the Grant Traverse Band of Ottawa and Chippewa Indians, Sam McClellan, was the target of a recall election late last week. The voters elected to keep McClellan despite unproven accusations that he misused a tribal credit card last year. McClellan says the accusations are false.

"The issue they were trying to recall me on was all fabricated," says McClellan. "There was nothing there, and it's sad that our nation – the Grand Traverse Band – that we would take it that far."

McClellan says the recall attempt was attributed to his outspoken opposition to a proposed casino in Peshawbestown.

Mr. McClellan has stated that the tribe's Leelanau Sands Casino loses money and building a new casino would be a bad idea. "I made my view and apparently, it wasn't liked," he says. "But there was no one who repudiated it or could even show that what I was writing and what I was reporting on was false."

OHIO CASINO CONTROL COMMISSION IMPLEMENTS NEW SKILL GAME RULES

On April 23, 2018, new rules take effect related to skill games in Ohio. Beginning on April 23 and running through July 22, all type B and C operators and vendors that want to continue conducting or participating in skill-based amusement games (SBAM) must register with the Commission. All key employees must also separately apply for and obtain a license, as well as the locations for type C operators. The Commission will also begin accepting requests for game and technology approval on April 23.

Vendors and type C operators must pay a \$3,000 application fee and then a \$3,000 license fee for a three-year license. Type B operators must pay a \$1,500 application fee and then a \$1,500 license fee for a three-year license. Type C locations and key employees must pay a \$250 application fee and then a \$250 license fee for a five-year license.

The regulations divide SBAMs into three categories: A, B, and C. Type A SBAMs allow a player to win free replays but cannot offer tickets, tokens, vouchers, coupons or any other thing of value. Type A SBAMs are machines like pinball games or video games. Type B SBAMs may allow a player to win a merchandise prize worth no more than \$10 and cannot be a gas card. Type B SBAMs are the typical crane/claw type games. Type C SBAMs are all other machines that don't fall into type A or type B.

A copy of the new rules can be accessed [here](#).

MGHA ANNOUNCES FIRST CLASS OF THE MISSISSIPPI GAMING HALL OF FAME

On April 6, the Mississippi Gaming & Hospitality Association (MGHA) announced the inaugural class of the Mississippi Gaming Hall of Fame. The honorees include local developers, industry pioneers, gaming influencers and risk takers. The awards will be presented at a Gala Dinner presented at the close of the [Southern Gaming Summit](#) on May 3.

“These inductees of the first class to the Mississippi Gaming Hall of Fame truly played crucial roles in the development of our industry in the state,” said Larry Gregory, executive director of the MGHA. “Without any one of these gentlemen, there might not have been an industry or at least one as successful as we see today. We’re proud to recognize them as the initial members of the Hall.”

The honorees in the three categories are:

INDUSTRY PIONEER

- **Lyle Berman** is the Co-Founder of Grand Casinos. Mr. Berman played a major role in both development of the Mississippi Gaming industry and Indian gaming in Minnesota.
- **Bernie Goldstein** is the founder of Isle of Capri Casinos and opened the first riverboat casino in the Gulf Coast.

INDUSTRY INFLUENCER

- **William S. Boyd** is the Executive Chairman of Boyd Gaming and developer of Sam’s Town Casino in Tunica. Mr. Boyd also helped to develop Indian gaming in Mississippi.
- **Tommy Gollott**, is a Senator in the Mississippi State Senate, District 50 – Harrison County. Senator Gollott was instrumental in writing and promoting the passing of casino gaming legislation in Mississippi, including the dockside element.

COMMERCIAL GAMING

- **Jack Binion** is the founder of Horseshoe Gaming Corporation recognized the potential for gaming in the South. His Horseshoe casino in Tunica is the most successful casino in the state.
- **Rick Carter** and **Terry Green** are the co-founders of the Island View Casino Resort. The developers also were pioneers in the industry when they converted a cruise ship into the Copa Casino in the early 1990’s.

To view full bios on the honorees, please visit <http://www.sgsummit.com/gaming-hall-fame/>.