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# Michigan Gaming Control Board

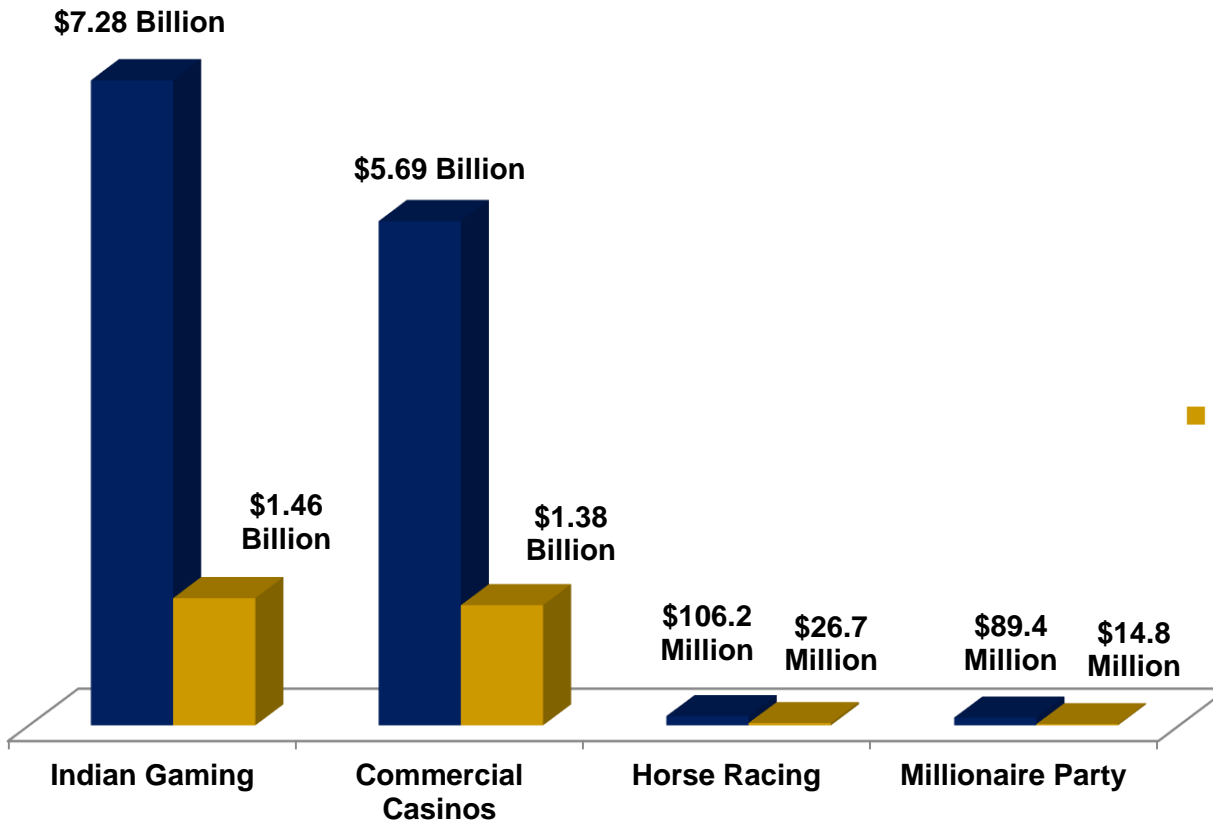


## Overview



# Revenue Oversight

■ Gross Revenue    ■ Adjusted Gross Receipts



- In 2015 MGCB had regulation or oversight authority over approximately
  - \$13.2 billion in gaming-related gross revenues
  - \$2.9 billion in gaming-related net win revenues
  
- In 2015 the Industry Breakdown included:
  - 23 Tribal Casinos
  - 3 Commercial Casinos
  - 1,055 Charitable Organizations Holding MP Events
  - 2 Horse Racing Tracks

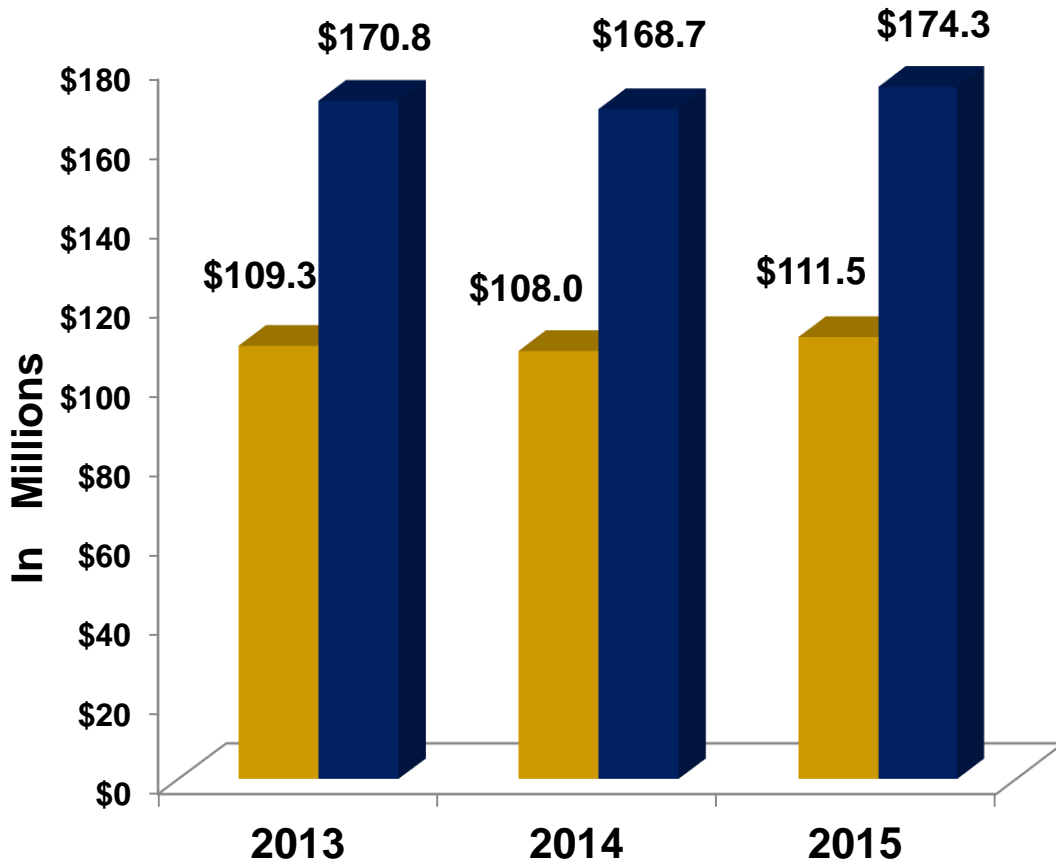
\*Indian Gaming revenues include only electronic gaming devices (slots); revenues for commercial casinos include slots and table games.

\*\*Gross revenue calculations for Indian Gaming and commercial casinos assume 80% slot payout.

\*\*\*Indian Gaming revenues for 2015 not available; 2014 revenue data was used for estimation purposes.



# State of Michigan/City of Detroit Wagering Tax Payments



- State Wagering Tax Payments
- City of Detroit Wagering Tax Payments

- **The Gaming Control & Revenue Act requires the Detroit casinos to pay:**
  - 8.1% of Adjusted Gross Receipts (AGR) to the State of Michigan
  - 10.9% of AGR to the City of Detroit
  - In addition, the Detroit casinos can pay up to another 2% annually to the City of Detroit based on development agreements with the City
- **State wagering tax money goes to the School Aid Fund.**
- **Approx. 17% of the budget for the City of Detroit is dependent on Detroit casino revenues for the next 10 years.**
- **Amounts reported are by calendar year.**



# Responsibilities Detroit Commercial Casinos

## Commercial Gaming (Detroit Casinos):

Entities Licensed or Exempt Through MGCB (As of December 31, 2015)	
Commercial Casinos	3
Licensed Suppliers	120
Supplier License Exemptions	363
Vendor Exemptions	756
<b>Total</b>	<b>1,242</b>

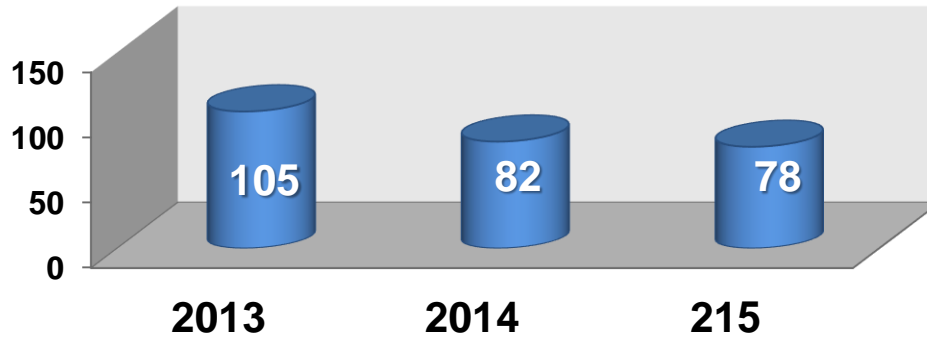
Occupational Licensees Not Including Temporary Licenses (As of December 31, 2015)	
MGM Grand Casino	2,181
MotorCity Casino	1,751
Greektown Casino	1,490
Suppliers/Vendors	1,675
<b>Total</b>	<b>7,097</b>

- ❑ **Licensing**  
Occupational and Entity
- ❑ **Enforcement**  
Ensure compliance with the Gaming Control & Revenue Act and monitor casino internal controls
- ❑ **Audit**  
Verification of tax payments, purchasing and operations
- ❑ **Lab**  
Testing of slot machines/gaming devices
- ❑ **Disassociated Persons List (DPL) Program**

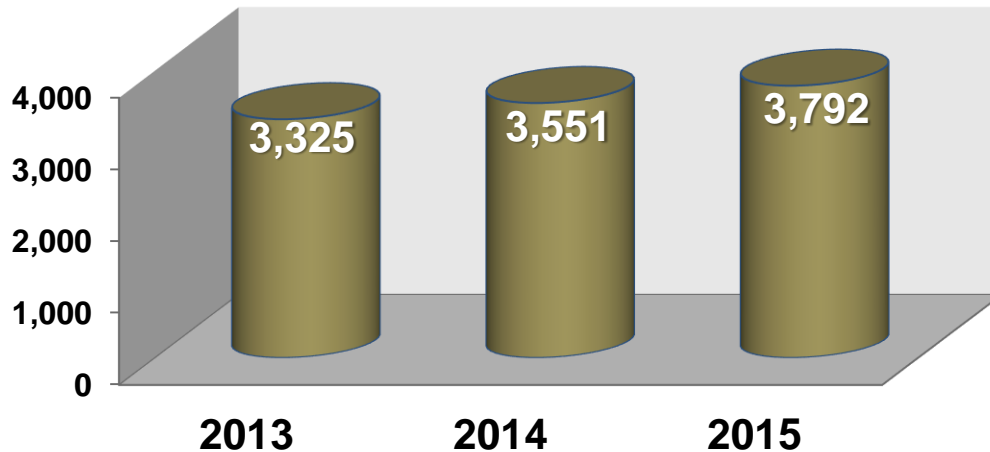


# Disassociated Persons List (DPL)

First Time Offenders Offered Diversion by Year



Cumulative Approved DPL Applications Per Year



- In 2011 a Diversion Program was put in place for first-time DPL Offenders.
- At the end of calendar year 2015, there were 3,792 individuals on the DPL.
- Average of 239 approved DPL applications per year over the last 3 yrs.
- 91 arrests in 2015, 78 first time offenders offered diversion with \$93,898 to MDHHS.



# Other Responsibilities

## 2015 Horse Racing Licensing

Individuals	1,566
Licenses Issued	1,900

Note: There are 58 different licensing categories for racing.

## 2015 Millionaire Party Licensing

Charities	1,055
Licenses Issued	2,820
Event Days	10,146

- Oversight of tribal gaming compacts
- Licensing and regulation of live horse racing
- Licensing and regulation of charitable gaming millionaire party events



# MGCB Overview

# Tribal Gaming 2015 Net Win Payments

Tribe	Casinos	Compact Year	% Net Win to MEDC/MSF	2015 Payments to MEDC/MSF*	2015 2% Payments to Local Government
Bay Mills Indian Community	Kings Club Casino Bay Mills Resort & Casino	1993	0%		\$ 471,908
Grand Traverse Band of Ottawa and Chippewa	Leelanau Sands Casino Turtle Creek Casino	1993	0%		\$ 1,608,356
Hannahville Indian Community	Island Resort & Casino	1993	0%		\$ 1,147,169
Keweenaw Bay Indian Community	Ojibwa Casino – Baraga Ojibwa Casino – Marquette	1993	8%	\$ 2,435,062	\$ 599,500
Lac Vieux Desert Band of Lake Superior Chippewa	Lac Vieux Desert Resort Casino	1993	0%		\$ 367,176
Saginaw Chippewa Indian Tribe	Soaring Eagle Casino & Resort Soaring Eagle Slot Palace Saganing Eagles Landing Casino	1993	0%		\$ 5,684,432
Sault Ste. Marie Tribe of Chippewa Indians	Kewadin Casino – Christmas Kewadin Casino – Hessel Kewadin Casino – Manistique Kewadin Casino – Sault Ste. Marie Kewadin Casino – St. Ignace	1993	0%		\$ 1,441,561
Little River Band of Ottawa Indians	Little River Casino	1998	6%	\$ 4,852,588	\$ 1,617,529
Little Traverse Bay Bands of Odawa Indians	Odawa Casino & Hotel	1998	6% (6-10% if second facility is opened)	\$ 2,683,074	\$ 1,002,619
Nottawaseppi Huron Band of the Potawatomi	FireKeepers Casino	1998	4-8%	\$ 16,583,665	\$ 5,270,916
Pokagon Band of Potawatomi Indians	Four Winds Casino Resort Four Winds Casino – Hartford Four Winds Casino - Dowagiac	1998	6-8%	\$ 17,328,957	\$ 5,911,756
Match-E-Be-Nash-She-Wish (Gun Lake)	Gun Lake Casino	2007	8-12%	\$ 0**	\$ 3,481,066
<b>Totals:</b>				<b>\$ 43,883,346</b>	<b>\$28,603,988</b>

\*MEDC and MSF totals reported by the Tribe's fiscal year.

\*\*The Gun Lake Tribe withheld revenue sharing payments due to the MEDC/MSF for reporting period 2015.



# Fiscal Year 2017 Executive Budget Recommendation

	FY 2017	FY 2016	Increase (Decrease)
<b>Casino Gaming Control Administration (132.0 FTE)</b> - Includes 34 MSP and 10.5 AG staff - Includes \$1,040,000 to DHHS for the Domestic Violence and Treatment Prevention Board - Includes \$960,000 to DHHS for Compulsive Gambling Prevention Fund	\$26,196,700	\$25,750,800	\$445,900
Information Technology Services and Projects	2,512,700	1,979,500	533,200
Michigan Gaming Control Board (5 Board Members)	50,000	50,000	0
Office of Racing Commissioner (10.0 FTE)	1,962,600	1,677,300	285,300
<b>Casino Gaming:</b>	<b>\$30,722,000</b>	<b>\$29,457,600</b>	<b>\$1,264,400</b>

- **Detroit casinos will pay approximately \$33.7 million in fiscal year 2016 to fund the Casino Gaming Control budget.**
- Increase of \$396,100 is economics.
- Casino Gaming Control Administration line includes an investment request for 1 additional Indian Gaming Auditor.
- Information Technology Services and Projects line includes an investment request for support of additional programs.
- Office of Racing Commissioner line includes a current services baseline request to transfer appropriation from Agriculture to fund and support a per item contract with a private vendor.
- Boilerplate Sec. 20-979 provides funding for millionaire party from State Lottery Fund not to exceed \$4 million.
- **\*Note: No General Fund money or casino tax money is used to fund the Casino Gaming budget.**



