
Michigan Gaming Control Board



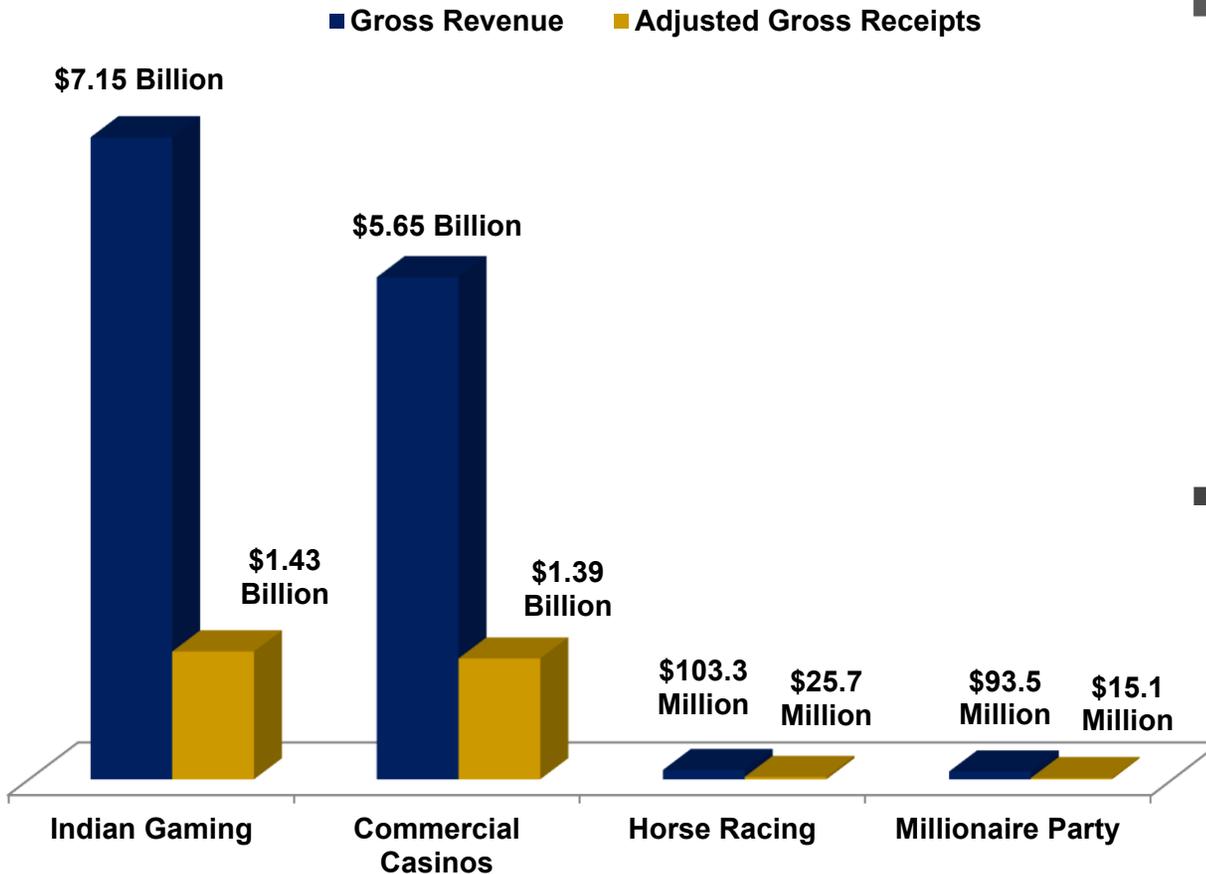
Overview

MICHIGAN'S GAMING FACILITIES





Revenue Oversight



- In 2016 MGCB had regulation or oversight authority over approximately
 - \$13.0 billion in gaming-related gross revenues
 - \$2.9 billion in gaming-related net win revenues

- In 2016 the Industry Breakdown included:
 - 23 Class III Tribal Casinos
 - 3 Commercial Casinos
 - 911 Charitable Organizations Holding MP Events
 - 2 Horse Racing Tracks

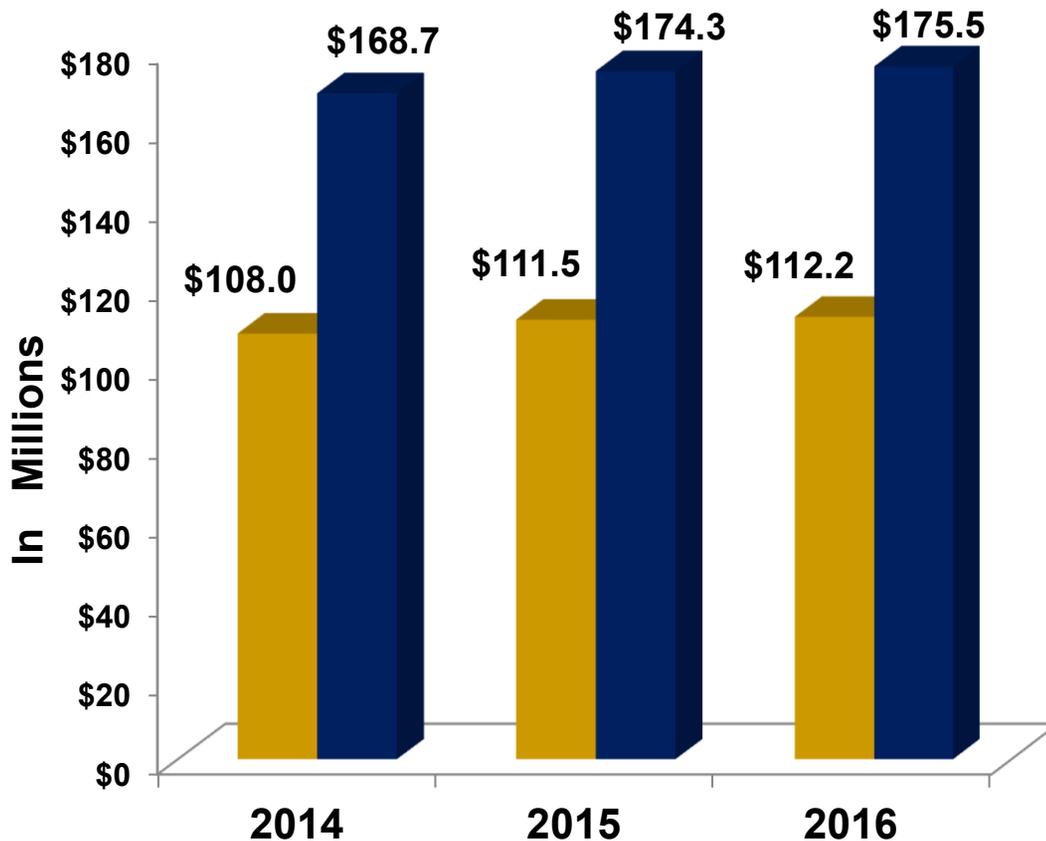
Notes:

1. Indian Gaming revenues include only electronic gaming devices (slots); revenues for commercial casinos include slots and table games.
2. Gross revenue calculations for Indian Gaming and commercial casinos assume 80% slot payout.
3. Indian Gaming revenues for 2016 not available; 2015 revenue data was used for estimation purposes.
4. Little Traverse Bay Band operates a Class II gaming facility in Mackinaw City that is not included in the tribal casino facility total.



MGCB Overview

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.
- A significant portion 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, 2016)	
Commercial Casinos	3
Licensed Suppliers	123
Supplier and Vendor License Exemptions	928
Total	1,054

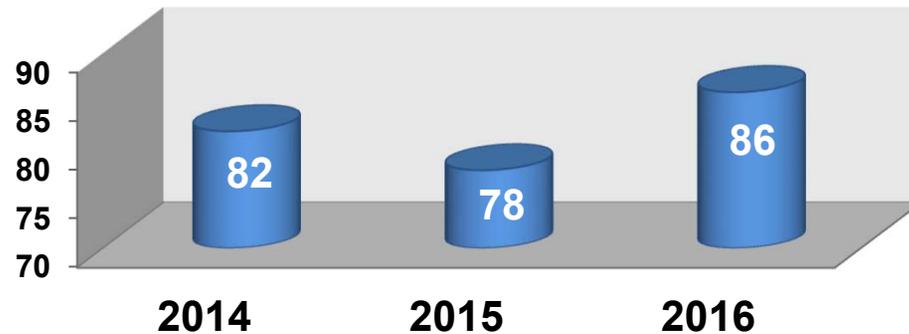
Occupational Licensees Not Including Temporary Licenses (As of December 31, 2016)	
MGM Grand Casino	1,726
MotorCity Casino	1,638
Greektown Casino	1,437
Suppliers/Vendors	1,927
Total	6,728

- 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**

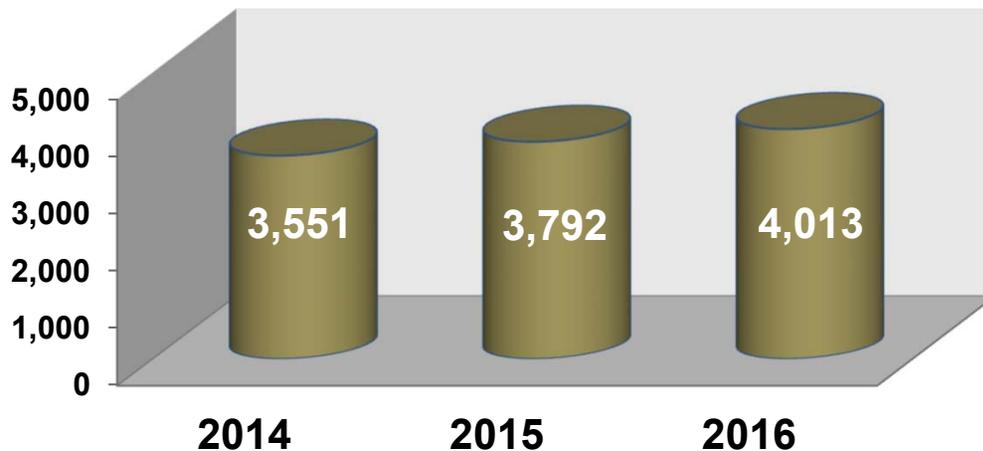


Disassociated Persons List (DPL)

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 2016, there were 4,013 individuals on the DPL.
- Average of 229 approved DPL applications per year over the last 3 yrs.
- 97 arrests in 2016, 86 first time offenders offered diversion with MDHHS.



Other Responsibilities

2016 Horse Racing Licensing

Individuals	1,664
Licenses Issued	2,148

Note: There are 58 different licensing categories for racing.

Number of Live Horse Racing Dates

Track	2015	2016
Hazel Park Raceway	30	37
Northville Downs	71	60

2016 Millionaire Party Licensing

Charities	911
Licenses Issued	2,619
Event Days	9,608

- 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
Totals:				\$ 43,883,346	\$28,603,988

*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.



MGCB Overview

Fiscal Year 2018 Executive Budget Recommendation

	FY 2018	FY 2017	Increase (Decrease)
Casino Gaming Control Administration (133.0 FTE) - 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	\$26,457,300	\$26,196,700	\$260,600
Information Technology Services and Projects	2,526,000	2,012,700	513,300
Michigan Gaming Control Board (5 Board Members)	50,000	50,000	0
Office of Racing Commissioner (10.0 FTE)	2,021,400	2,462,600	(441,200)
Casino Gaming:	\$31,054,700	\$30,722,000	\$332,700

- **Detroit casinos will pay approximately \$33.6 million in fiscal year 2017 to fund the Casino Gaming Control budget.**
- Casino Gaming Control Administration line includes an investment request for 1 FTE to dedicate to conducting risk assessments and detailed reviews of commercial casino IT accounting systems.
- Overall increase of \$332,700 includes funding for the requested position and economics.
- Information Technology Services and Projects line includes a transfer from the Office of Racing Commissioner line. An approved PFC for \$500,000 from FY17 was erroneously added to the Racing Commissioner Line in PA 268 of 2016.
- 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.**

