
Michigan Gaming Control Board



Overview

“The Michigan Gaming Control Board shall ensure the conduct of fair and honest gaming to protect the interests of the citizens of the State of Michigan.”

- **Commercial casinos (1997)**

- **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

- **Oversight of tribal gaming compacts (1999)**
- **Licensing and regulation of live horse racing (2010)**
- **Licensing and regulation of charitable gaming millionaire party events (2012)**

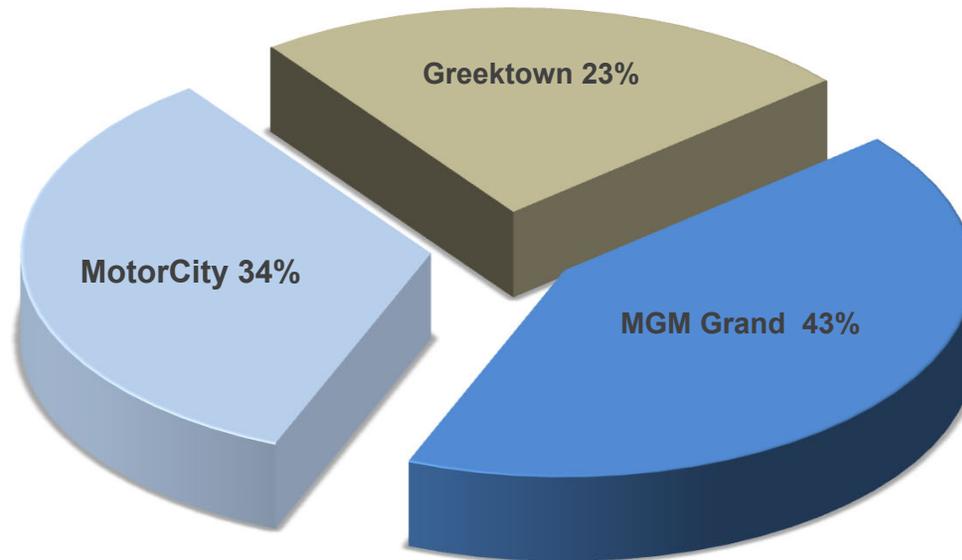




Casino Revenues

- The three Detroit casinos during 2018 reported a historic \$1.44 billion in annual revenue, which was \$20 million higher than the previous annual record of \$1.42 billion set in 2011.

Detroit Adjusted Gross Receipts
\$1,444,099,784





Wagering Tax

State

- In calendar year 2018, the combined 8.1 percent State Wagering Taxes paid by the three Detroit casino licensees and deposited in the School Aid Fund totaled \$116,972,082.

City of Detroit

- In calendar year 2018, the combined 10.9 percent City of Detroit Wagering Taxes paid by the three Detroit casino licensees totaled \$182,937,021.
 - Currently, this represents approximately 16% of the City of Detroit's budget.
 - The Detroit casinos also have development agreements with the city of Detroit that require an additional 1 percent tax to be paid when the casino's adjusted gross revenue reaches \$400 million in adjusted gross revenue for a calendar year. The additional 1% tax exceeds what is required by the Act.



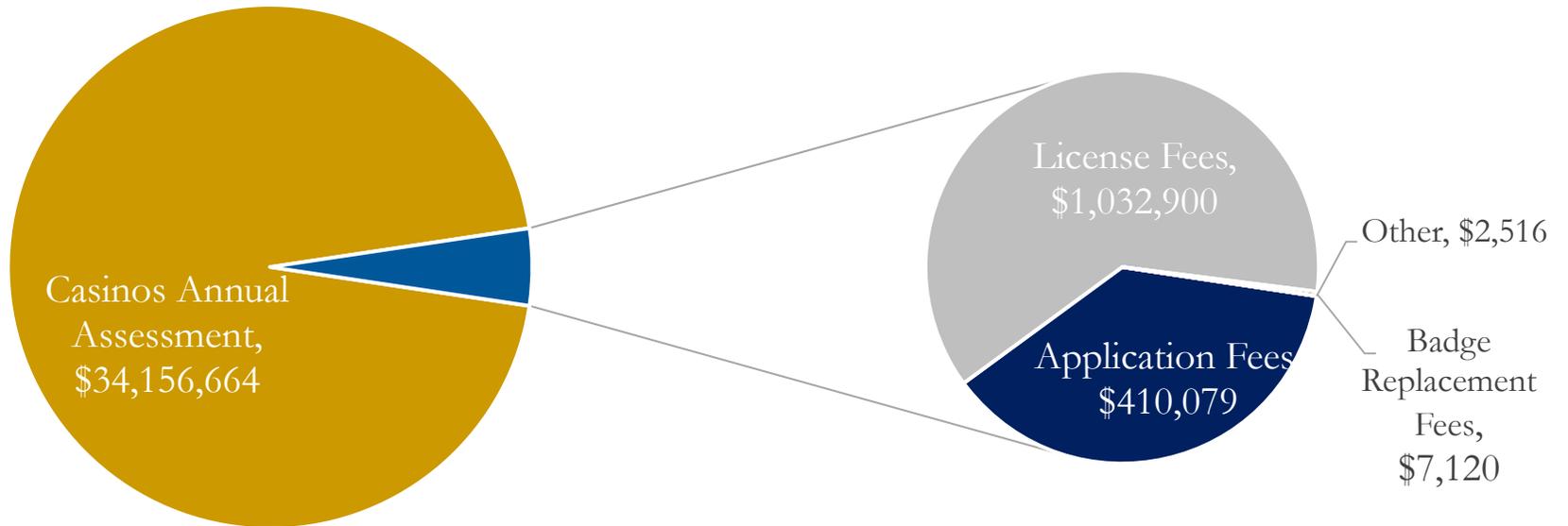
Indian Gaming Revenue Sharing Payments

Tribe	Compact Year	Percentage of Net Win to Local Gov't	2017 Amount	Percentage of Net Win to MEDC/MSF*	2017 Amount
Bay Mills Indian Community	1993	2%	\$ 449,179	0%	\$ -
Grand Traverse Band of Ottawa and Chippewa Indians	1993	2%	\$ 1,606,414	0%	\$ -
Hannahville Indian Community	1993	2%	\$ 1,066,903	2-8%	\$ 570,009
Keweenaw Bay Indian Community	1993	2%	\$ 549,288	8%	\$ 2,197,152
Lac Vieux Desert Band of Lake Superior Chippewa Indians	1993	2%	\$ 303,514	0%	\$ -
Saginaw Chippewa Indian Tribe	1993	2%	\$ 5,863,508	0%	\$ -
Sault Ste. Marie Tribe of Chippewa Indians	1993	2%	\$ 1,575,177	0%	\$ -
Little River Band of Ottawa Indians	1998	2%	\$ 1,665,457	6%	\$ 4,996,373
Little Traverse Bay Bands of Odawa Indians	1998	2%	\$ 973,182	6%	\$ 2,777,952
Nottawaseppi Huron Band of the Potawatomi	1998	2%	\$ 5,656,690	4-8%	\$ 18,126,760
Pokagon Band of Potawatomi Indians	1998	2%	\$ 6,178,492	6-8%	\$ 20,196,107
Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians	2007	2%	\$ 3,861,464	8-12%	\$ 8,476,076
Total			\$ 29,749,268		\$ 57,340,429

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



Funding Operations



■ State Services Fee Fund (SSFF)

- Total revenue in the SSFF for fiscal year 2018 was \$35,609,279.
- The Act authorizes the following (432.212a):
 - Each casino licensee must pay equal to 1/3 of \$25,000,000 adjusted annually by multiplying the previous year's assessment by the Detroit Consumer Price Index.
 - Application fees to fund the cost of conducting required background investigations for casino, supplier, and occupational licenses.
 - The collection of initial issuance and subsequent renewal of casino, supplier, and occupational licenses. This also includes vendor exemptions.
 - Other authorized fees and reimbursement of costs.



Funding Operations



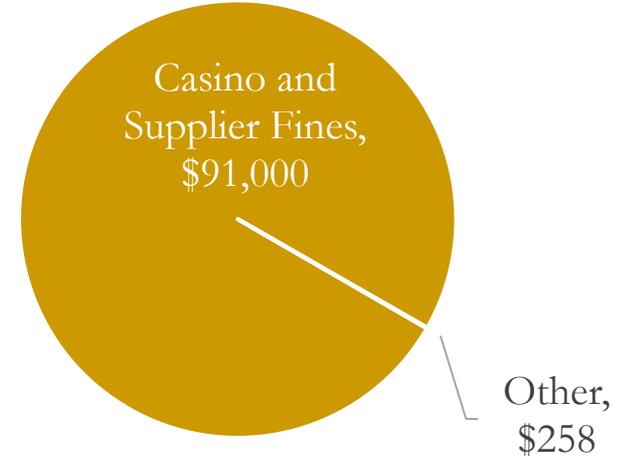
**Casino Gambling
Agreements Fund
(Indian Gaming)**

Tribal-State Gaming Compacts outline that the Tribe shall make annual payments to the State to fund the costs incurred carrying out functions authorized by the terms of the compacts.



**Laboratory Fees Fund
(Gaming Lab)**

The manufacturer or distributor of equipment and gaming devices is required to pay the cost of testing. (Administrative Rule 432.1842)



**State Casino Gaming
Fund**

All fees, fines, and charges imposed by the State shall be deposited in this fund, except where indicated to deposit elsewhere. (432.212)



MGCB Overview

Fiscal Year 2020 Executive Budget Recommendation

	FY 2020	FY 2019	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	\$26,833,000	\$26,604,600	\$228,400
Information Technology Services and Projects	2,585,500	2,556,400	29,100
Michigan Gaming Control Board (5 Board Members)	50,000	50,000	0
Office of Racing Commissioner (10.0 FTE)	2,060,500	2,052,100	8,400
Casino Gaming:	\$31,529,000	\$31,263,100	\$265,900

- Overall increase of \$265,900 is all for economic increases.
- Boilerplate Sec. 979 provides funding for millionaire party from State Lottery Fund not to exceed \$3 million.
- Note: No General Fund money or casino tax money is used to fund the Casino Gaming budget.

