



2021 Michigan Gaming Control Board  
**ANNUAL REPORT**



# Annual Report to the Governor

**Calendar Year 2021**



Michigan Gaming Control Board  
3062 West Grand Boulevard, Suite L-700  
Detroit, MI 48202

Submitted pursuant to the  
*Michigan Gaming Control & Revenue Act*, as amended  
(Public Act 69 of 1997)

This document is also available online at  
[www.michigan.gov/mgcb](http://www.michigan.gov/mgcb)



STATE OF MICHIGAN  
MICHIGAN GAMING CONTROL BOARD  
DETROIT

GRETCHEN WHITMER  
GOVERNOR

HENRY L. WILLIAMS, JR.  
EXECUTIVE DIRECTOR

April 15, 2022

The Honorable Gretchen Whitmer  
Governor of Michigan

**AN OPEN LETTER TO GOVERNOR GRETCHEN WHITMER AND THE MICHIGAN LEGISLATURE:**

On behalf of the Michigan Gaming Control Board (Board), I am pleased to present the Annual Report to the Governor for calendar year 2021, pursuant to Section 15(1) of the *Michigan Gaming Control and Revenue Act*, as amended, Public Act 69 of 1997, MCL 432.201 (Act). This Annual Report is submitted not only to comply with the statutory reporting requirements under the Act, but to provide a summary of significant activities and operations of the Board and the Board's staff. The Annual Report includes a report on the licensure, regulation, and operations of authorized commercial casino gaming in the City of Detroit for 2021. It also includes a report on millionaire party, internet gaming and sports betting licensure, regulation, and operations following launch on January 22, 2021.

Sincerely,

A handwritten signature in cursive script that reads "Linda D. Forte".

Linda Forte  
Chairperson



# Michigan Gaming Control Board

## FROM THE EXECUTIVE DIRECTOR

The launch and subsequent interest in internet gaming and sports betting brought a significant new source of revenue to the State of Michigan in 2021. For the first year, the state received wagering revenue taxes and payments of more than \$208.9 million.

Internet gaming and sports betting began January 22 with 10 providers approved for one or both forms of gaming. Launch day operators included the three Detroit commercial casinos and seven tribal casinos. Since launch, the MGCB has authorized four more operators and their associated platform providers, bringing the year-end total to 14 authorized entities. The 15<sup>th</sup> operator, the Saginaw Chippewa Tribe, and its associated platform provider are expected to receive launch approval in 2022.

Internet gaming and sports betting taxes and payments in 2021 boosted the City of Detroit with a \$59.3 million total payment. By law, the city receives 30 percent of the tax revenue plus municipal services fees. A \$40.5 million fiscal year 2021 hold-harmless payment was sent to the city in October. The payment helped recoup fiscal year 2021 gaming tax revenue losses resulting from COVID-19-related health concerns, which either closed the Detroit casinos or required reduced capacity operations.

Additionally, tribal operators' governing bodies received \$22.39 million in payments during 2021 from internet gaming revenue.

The Detroit casinos returned to full capacity operations in late June and reported increased yearly revenue at \$1.294 billion for 2021 with a 104 percent increase in slots and table games revenue compared with 2020 results. The state received \$102.6 million in wagering taxes and \$1 million in retail sports betting taxes.

Michigan's horse racing industry benefitted from more than \$8.1 million in taxes collected in 2021 on various forms of MGCB-regulated betting. The Agriculture Equine Industry Development Fund (AEIDF) grew to \$8.2 million in 2021 compared with \$2 million in 2020 with the additional tax funding. AEIDF supports horse breeding, industry research and promotion of horse racing and equine competitions.

Millionaire Parties resumed in mid-June. Due to social distancing requirements and the nature of millionaire party events, none had been held since mid-March 2020. The agency issued 587 licenses during 2021, and qualified organizations received net profit of about \$2.2 million.

Agency staff worked very hard in 2021 on the licensing, launch and regulation of the new forms of gaming. Along with typical regulatory work, COVID-19 health-related issues required enforcement at the commercial casinos and the track in the first half of the year. As gaming grew, the agency's expanded Responsible Gaming section developed and began to distribute print materials to help citizens and their families recognize problem gambling signs and find help. I also am grateful for the assistance the Department of Attorney General and the Michigan State Police provide in accomplishing our mission to ensure the conduct of fair and honest gaming to protect the interests of Michigan citizens.

Sincerely,

/s/

Henry L. Williams, Jr.



# Michigan Gaming Control Board

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# Michigan Gaming Control Board

## Mission Statement

*"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."*

### Introduction

In November 1996, Michigan voters approved Proposal E, authorizing the development of up to three licensed commercial casinos in Detroit. Proposal E subsequently took effect as law on December 5, 1996, as the *Michigan Gaming Control & Revenue Act*. The voter-initiated Act established the Michigan Gaming Control Board (MGCB) as an autonomous agency within the Michigan Department of Treasury (Treasury) exclusively responsible for licensing and regulating the three commercial Detroit casinos. In July 1997, the voter-initiated Act was amended substantially by the Michigan Legislature. The amended Act provided for more stringent licensing criteria, substantially strengthened the licensing and regulatory authority of the MGCB and provided for a system to collect wagering taxes and fees for the City of Detroit and the State of Michigan.

The Act was amended in 2019 to set a different tax rate for sports betting. Also in December 2019, the Lawful Internet Gaming Act (PA 152 of 2019), the Lawful Sports Betting Act (PA 149 of 2019) and the Fantasy Contests Consumer Protection Act (PA 157 of 2019) were signed into law and the Traxler-McCauley-Law-Bowman Bingo Act (Act 382 of 1972) was amended.

The Board by law is comprised of five Michigan residents appointed by the Governor with the advice and consent of the Senate. One member is designated by the Governor as the chairperson. Under the Act, no more than three members may belong to the same political party. The Michigan Legislature vested the Board, Executive Director and MGCB employees with certain powers and duties specified in the Act and such other powers necessary and proper to fully and effectively implement, administer and enforce the provisions of the Act relating to the licensing and regulation of authorized commercial casino gaming in the City of Detroit.



# Michigan Gaming Control Board

## Michigan Gaming Control Board 2021 Board Members

### Ms. Linda Forte, Chair



Ms. Forte, of Detroit, has been appointed by Governor Gretchen Whitmer to serve as Board Chair for a term at the pleasure of the governor. She began her term July 22, 2021, and it expires December 31, 2024.

Ms. Forte is retired from Comerica, Inc., where she served as the senior vice president of business affairs and chief diversity officer. Ms. Forte currently serves as a board member for Blue Cross Blue Shield Michigan.

She holds a Bachelor of Science degree from Bowling Green State University and a Master of Business Administration degree from the University of Michigan.

### Ms. Deidre Lambert-Bounds



Ms. Lambert-Bounds, president and co-owner of Ignite Social Media, LLC, and the COO and co-owner of its sister company, Carusele Media, has been appointed by Governor Gretchen Whitmer to serve as a board member for a term expiring on December 31, 2024.

### Mr. Andrew T. Palms



Mr. Palms, executive director of Communications Systems at the University of Michigan, has been reappointed by Governor Gretchen Whitmer to serve as a board member for a term expiring on December 31, 2023.

### Mrs. Joni Thower-Davis

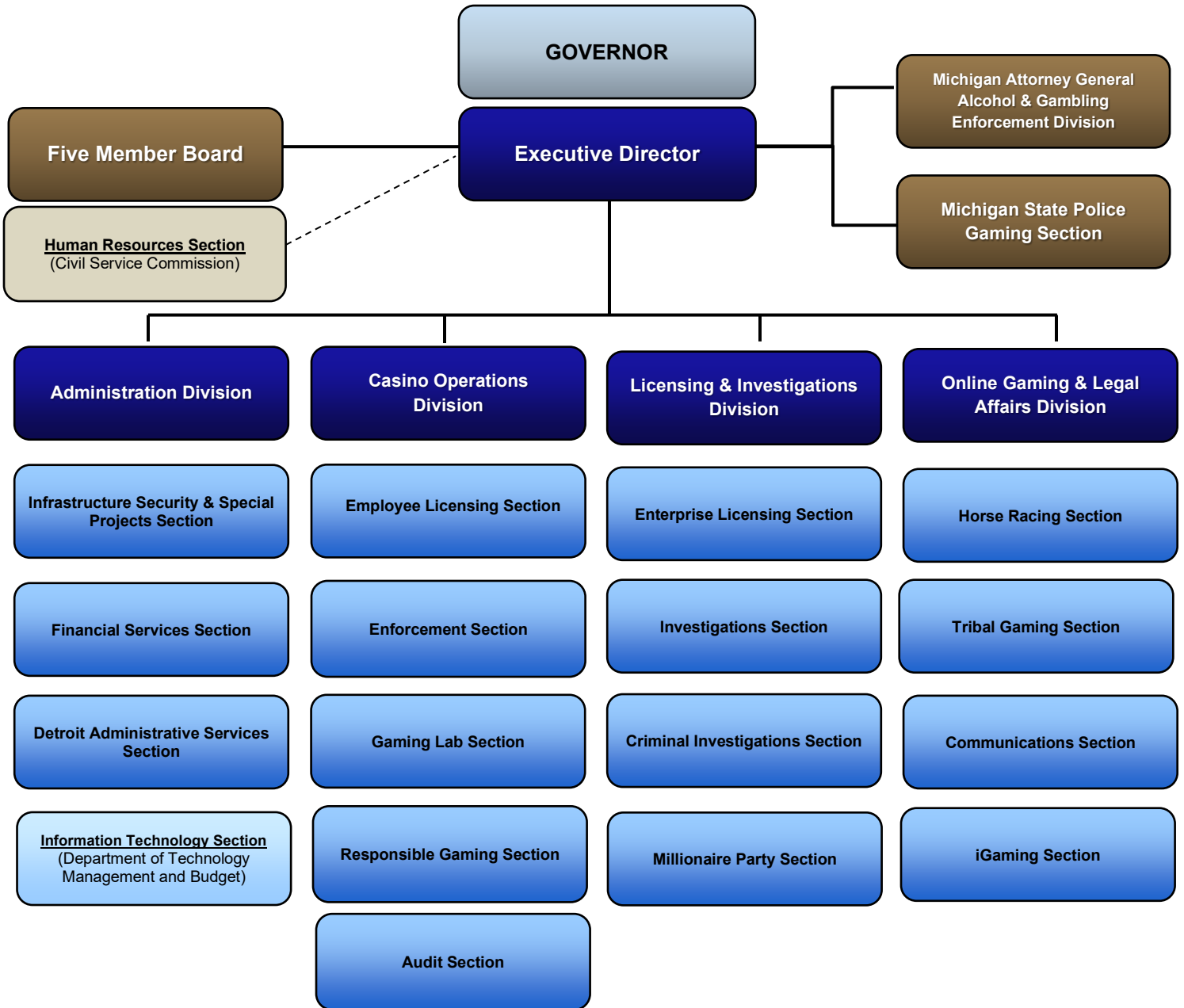


Mrs. Thower Davis, managing partner for Jamjomar Inc., has been appointed by Governor Gretchen Whitmer to serve as a board member for a term expiring on December 31, 2023.





## Organizational Chart





# Michigan Gaming Control Board

## Activities of the Board

### Board Meetings

From inception, the Board has encouraged public input regarding policies, procedures and activities related to licensing and regulating the three Detroit commercial casinos. To conduct Board business, inform and receive input from the public, the Board held six public meetings in 2021. The Board met in person at the Detroit office located at Cadillac Place, 3062 West Grand Boulevard, Suite L-700, on August 10; all other meetings were held virtually. At these meetings, the Board not only conducted its official business, it also provided the public and news media with opportunities to ask questions and offer comment regarding casino gaming issues and the Board's relevant policies, procedures, and activities.

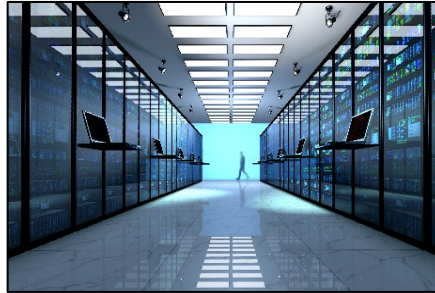
2021 Meeting Dates	
January 12	August 10
March 23	October 12
June 8	December 14

The Board adjourned to closed session after the public meetings to review confidential materials that were part of casino, internet gaming, and sports betting license applications and applications for placement on the Board's Disassociated Persons List and thus protected from public review and disclosure under Sections 4c and 25 of the *Michigan Gaming Control & Revenue Act*, as amended, Public Act 69 of 1997, MCL 432.204c and MCL 432.225(4)(c). Closed sessions are not open to the public, nor are minutes of such sessions available to the public, under *Michigan's Open Meetings Act*, as amended, Public Act 267 of 1976. All Board meetings, whether open or closed, were held in accordance with Michigan's Open Meetings Act.



# Michigan Gaming Control Board

## MGCB Notable Activities



### **Administration Division**

The Administration Division interacts with agency staff to ensure operational needs are met and provides administrative support services to all six MGCB locations.

### **Financial Services Section**

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The Financial Services Section assists MGCB staff in administrative support to ensure that commodities and services are delivered to the agency in the most efficient and effective manner. Located in MGCB's Lansing office, the section interacts with agency staff to ensure their operational needs are met. This includes assisting management in determining annual budget needs to provide the tools necessary to meet the objectives of the agency's mission. Financial Services also monitors spending and ensures accounting transactions are completed and properly executed. Notably, this includes verifying the amount of wagering tax paid by the three Detroit casinos and the state portion of internet gaming and internet sports betting taxes/payments remitted by licensed operators.

The section also facilitates the procurement of commodities and services required for operations. Maintaining records of all agency purchases and processing payments related to the acquisition of goods are significant duties related to procurement. Financial Services assists MGCB employees in completing air, hotel, and rental car reservations and approving expense reimbursement requests. Monitoring fleet vehicle usage and maintenance is the section responsibility.

The Financial Services Section also has responsibilities related to human resources, which is discussed in more detail in the Human Resources Section.

### **Human Resources Section**

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MGCB has two dedicated Civil Service Commission employees to facilitate the personnel needs of the agency. The Human Resources (HR) director and analyst are primarily responsible for the hiring of staff, performance management, labor relations, payroll, and personnel transaction processing. These employees are assisted by two HR Liaisons from the Financial Services Section.

In 2021, MGCB introduced 25 new staff members to the agency, while nine employees departed through resignation or retirement. As a result, MGCB ended the year with 145 employees. In addition, 28 employees were promoted during the calendar year.



# Michigan Gaming Control Board

## **Infrastructure, Security & Special Projects Section**

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The Infrastructure Security and Special Projects (IS&SP) Section is responsible for agency security (physical and data) and business continuity for MGCB. In addition, the section serves as the agency liaison to DTMB for the completion of IT-related projects and assists other sections of MGCB with various State of Michigan and MGCB-specific projects upon request.

In 2021, IS&SP's key project was to migrate fully all agency documents from MGCB's legacy electronic document management system to a new, more flexible program, Content Manager 9 (CM9). The migration began in February 2021 but was halted due to hardware failure. The project was postponed for a second time to allow for additional testing of browser capabilities. On March 22, the migration was completed, and CM9 went live. A total of 1.65 million documents were moved to CM9.

In June, the section began another important assignment related to the CM9 migration project. The data cleanup project included moving MGCB's network share drives to the State of Michigan (SOM) domain. The move ensured that the agency's network share drives comply with security requirements for the SOM domain.

## **Detroit Administrative Services Section**

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The Detroit Administrative Services Section provides administrative support services for the four MGCB offices in Detroit, located in Cadillac Place and in each of the three Detroit casinos.

In addition, the Detroit Administrative Services Section provides records management oversight for the agency's paper records and ensures electronic images of records are available to staff in the MGCB's online record repository. This section processes all Freedom of Information Act (FOIA) requests in accordance with the Michigan Freedom of Information Act, PA 442 of 1976, and responds to Requests for Information from neighboring jurisdictions. The section also ensures MGCB complies with the State of Michigan retention schedules established for all documents.

In March, the MGCB transitioned to using the CM9 system for records management and retention. There are currently 3,395,217 records, including folders, in CM9. In 2021, an estimated 786,626 to 1,048,848 pages were added to CM9.

The Records Section consistently attained its measured benchmark of processing 98 percent of the documents received within 72 hours throughout the processing delays affected by the migration to CM9 and the June 2021 flood that caused extensive damage to the Records Section offices and equipment.



# Michigan Gaming Control Board



## Licensing & Investigations Division

The Licensing & Investigations Division administers licensing for commercial casinos, internet gaming operators, sports betting operators, and their respective suppliers; for millionaire party events and millionaire party suppliers; and conducts regulatory and criminal investigations in conjunction with the Michigan Attorney General’s (AG) office.

### Enterprise Licensing Section

The Enterprise Licensing Section processes license applications and assists the Investigations Section with analytical review of financial documentation related to ongoing licensing investigations.

Suppliers providing gaming-related goods or services to a commercial casino, internet gaming operator, or sports betting operator must be licensed by the MGCB. Suppliers providing nongaming-related goods or services to a commercial casino also must obtain a license from the MGCB unless qualified for an exemption from licensing requirements.

Vendor exemptions, supplier license exemptions, and subcontractor exemptions are conditional waivers of the supplier licensing requirements of the Michigan Gaming Control and Revenue Act and Administrative Rules. These exemptions must be approved by the Executive Director and must meet specific eligibility requirements established by the MGCB.

Vendor registrations are required for entities providing specific nongaming-related goods and/or services under the Lawful Internet Gaming Act or Lawful Sports Betting Act.

The following charts depict the number of entities holding a license, registration, or exemption from licensing requirements as of December 31, 2021.

<b>Commercial Casino Related Entities Licensed or Exempt (As of December 31, 2021)</b>	
Commercial Casinos	3
Licensed Suppliers	91
Temporarily Licensed Suppliers	8
Supplier License Exemptions	298
Vendor Exemptions	464
Subcontractor Exemptions	14
<b>Total</b>	<b>878</b>





# Michigan Gaming Control Board

<b>Internet Gaming and Internet Sports Betting Entities Licensed or Registered (As of December 31, 2021)</b>	
Internet Gaming Operators	13
Provisionally Licensed Internet Gaming Operators	1
Sports Betting Operators	13
Provisionally Licensed Sports Betting Operators	1
Licensed Internet Gaming Suppliers	24
Provisionally Licensed Internet Gaming Suppliers	28
Licensed Sports Betting Suppliers	18
Provisionally Licensed Sports Betting Suppliers	23
Internet Gaming Vendor Registrations	228
Sports Betting Vendor Registrations	302
<b>Total</b>	<b>651</b>

## **Millionaire Party**

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The Executive Director enforces the oversight of millionaire party events through the *Traxler-McCauley-Law-Bowman Bingo Act*, Public Act 382 of 1972 (Bingo Act).

A millionaire party is an event where imitation money or chips are used to place wagers on games of chance customarily associated with casino gaming. The most common millionaire party game conducted throughout the state is Texas Hold'em poker. Millionaire parties are held by non-profit organizations to generate funds for charitable purposes.

Millionaire Party events were severely affected by the COVID-19 pandemic. After March 16, 2020, all millionaire party events were canceled. Due to the social distancing requirements and the nature of millionaire party events, no events were scheduled from March 16, 2020, through June 16, 2021. The first millionaire party event of 2021 occurred on June 17, 2021.

## **Qualified Organizations**

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Qualified organizations (commonly referred to as "charities") are defined in the Bingo Act as bona fide religious, educational, service, senior citizens, fraternal or veterans' organizations that operate without profit to their members and either have been in existence continuously as an organization for a period of five years or are exempt from taxation as 501(c).

## **Locations**

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As of December 31, 2021, 41 locations were used to host millionaire parties on a recurring basis.

## **Suppliers**

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Millionaire party suppliers are licensed by the Executive Director to provide goods and services to a qualified organization. As of December 31, 2021, there were 25 active millionaire party suppliers licensed by the Executive Director.





# Michigan Gaming Control Board

## On-Site and Post Inspections\*

In 2021, the MGCB conducted 234 on-site and post-event inspections. Each inspection is an opportunity for Board staff to interact with and counsel charitable organizations on how to manage their events while complying with the Bingo Act and Administrative Rules. The on-site and post-event inspections resulted in 37 verbal warnings and one Notice of Opportunity to Show Compliance (NOSC) being issued.

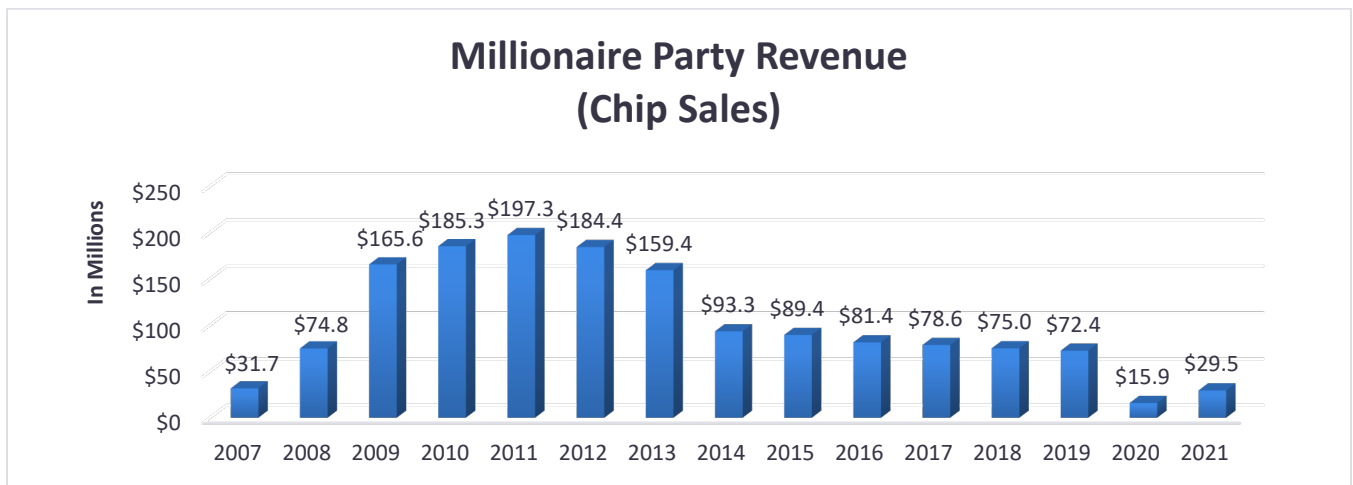
*\*On-Site Inspections: Regulation officers conduct inspections during ongoing millionaire party events to ensure compliance with the Act and Rules.*

*Post Inspections: Regulation officers conduct inspections of qualified organizations after a millionaire party event has taken place. All game documents and financial records are reviewed, and the principal officer is interviewed.*

## Licensing Activity

For calendar year 2021, a total of 587 millionaire party licenses were issued authorizing 2,207 separate millionaire party event days. This resulted in the sale of approximately \$29.5 million in chips at millionaire parties with net profits to charities of approximately \$2.2 million. Licensing volumes in 2021 steadily increased each month since June when COVID-related restrictions were lifted, and millionaire party events resumed.

The charitable organizations self-report financial data for their millionaire party events to the MGCB.



\*2016 revenue differs from that reported in the 2016 Annual Report due to a calculation error identified and corrected.



# Michigan Gaming Control Board

## Licensing and Event Days

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The chart below represents licensing and event days trends since 2012.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Licenses Issued</b>	7,218	5,339	3,022	2,820	2,619	2,387	2,228	2,149	412	587
<b>Party Event Days</b>	27,119	18,997	10,508	10,146	9,608	8,714	8,129	7,966	1,494	2,207

## Investigations Section

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The Investigations Section conducts licensing investigations of the commercial casinos, internet gaming operators, sports betting operators, and their respective suppliers. The licensing investigations are used to evaluate the eligibility and suitability of applicants and key individuals and businesses associated with the applicants.

In 2021, Investigations Section staff conducted supplier investigations for suppliers located throughout the United States and worldwide. The Investigations Section conducted investigations for three casino renewals, 13 initial internet gaming operators, 13 initial sports betting operators, 22 initial supplier license investigations, 89 supplier license renewal investigations and 49 supplemental licensing investigations during calendar year 2021. Supplemental licensing investigations include the background investigation of new key individuals, new key businesses, and transfers of ownership in a licensee.

Background investigations were also conducted on 1,118 key individuals and 377 affiliated businesses in connection with the above noted licensing investigations during calendar year 2021.

## Criminal Investigations Section

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The Criminal Investigations Section (CIS) functions as a professional resource providing gaming investigative expertise to Board staff as well as federal, state, county, and local law enforcement and regulatory agencies. The main purpose of the CIS is the administration of criminal justice. This includes conducting investigations, in conjunction with Attorney General investigators and state and local police departments, into allegations of illegal gambling which could constitute a violation of the Michigan Penal Code. In addition, the CIS conducts regulatory and administrative investigations into matters falling under the jurisdiction of the Board and/or its Executive Director.

The CIS administers an anonymous tip phone line and email address for the public to report illegal or suspected illegal gambling activity. All information received is reviewed for credibility and appropriately assigned to gather additional information. In 2021, CIS recorded a total of 240 tips. As a result, the CIS forwarded 39 anonymous tips to other MGCB sections or State of Michigan agencies for follow up and initiated 79 CIS investigations.



# Michigan Gaming Control Board

The following table illustrates the types of activity reported to the MGCB:



The CIS continues to receive information related to illegal online gambling. As a result, warning letters were mailed to 20 residents of Michigan who were conducting illegal online gambling.

## Exclusion List

The MGCB is committed to ensuring a safe environment for those who patronize the three licensed casinos in Detroit and the horse racing track. One way to accomplish this goal is to exclude individuals who may adversely affect the public's confidence and trust in the integrity of casino gaming from entering the three state-licensed casinos as outlined in MCL 432.204a(1)(I) or the licensed horse racing track as stated in MCL 431.307(3); Mich Admin Code, R 431.1130.

The exclusion list, which is posted on the MGCB website, contains the names of individuals who met the criteria for exclusion. Ten individuals were added to the exclusion list during 2021.



# Michigan Gaming Control Board



## Online Gaming & Legal Affairs Division

### Tribal Gaming Section

Notable accomplishments and further details of actions completed by the Tribal Gaming Section can be found in the separate Tribal Gaming Annual Report.

### Horse Racing Section

Michigan's horse racing industry will benefit from more than \$8.2 million in taxes collected in 2021 on various forms of betting regulated by the Michigan Gaming Control Board, including internet wagering and simulcast wagering on horse races, internet casino gaming, and online sports betting.

<b>Summary of Horse Racing Revenue</b>		
<b>January 1, 2021, through December 31, 2021</b>		
Simulcast Wagering Taxes*	\$	1,855,598
Advance Deposit Wagering*		1,301,142
Occupational License Fees		21,682
Outs**		77,002
Racing Fines		10,825
Track Licenses		1,000
ADW License		1,000
Revenue Transfers/Reductions		(33,579)
<b>Total Horse Racing Revenue</b>	<b>\$</b>	<b>3,234,670</b>

\* The simulcast wagering tax is 3.5% of all wagers on simulcast races at each licensed track. Live wagering is not taxed in Michigan. The simulcast wagering tax total was calculated based on date earned and verified by independent auditors. Timing differences exist when reconciling to the State accounting system due to the actual depositing of revenue occurring in the subsequent calendar year.

\*\* "Outs" are uncashed winning tickets. Governed by Public Act 505, 1998, the race meeting licensee (the track) keeps 50 percent of the winning payout on the tickets and the other 50% is deposited into the Agriculture Equine Fund.

Note: The above represents horse racing-related revenues and expenditures deposited and expended from the Agriculture Equine Industry Development Fund (Fund). The Fund also receives internet gaming tax revenue pursuant to the Lawful Internet Gaming Act Section 15(1)(c) and internet sports betting tax revenue pursuant to the Lawful Internet Sports Betting Act Section 15(c). For calendar year 2021, the Fund received \$4,576,014 in internet gaming taxes and \$412,498 in internet sports betting taxes. Total Fund revenue for calendar year was \$8.2 million.



# Michigan Gaming Control Board

<b>Summary of Horse Racing Expenditures</b>	
<b>January 1, 2021, through December 31, 2021</b>	
Salaries, Wages, Retirement, and Benefits	\$ 1,018,659
Contractual Services, Supplies, and Materials	188,465
Travel	10,580
<b>Total Horse Racing Expenditures</b>	<b>\$ 1,217,704</b>

For additional information regarding horse racing, please refer to the MGCB 2021 Horse Racing Annual Report.

## **iGaming Section**

The iGaming Section performs daily monitoring of the internet gaming and internet sports betting platforms to ensure gaming integrity. Regulation officers and auditors are authorized by the Lawful Internet Gaming Act, 2019 PA 152, MCL 432.310, and Lawful Internet Sports Betting Act, PA 149 of 2019, to audit and investigate alleged violations of the Act, Administrative Rules, and internal controls systems to ensure all online facilities, activities and games comply with the applicable Act.

### *Internet Gaming and Sports Betting*

On January 22, 2021, internet gaming and sports betting launched. Since then, 14 operators and their associated platform providers were approved to go live. The Saginaw Chippewa Indian Tribe and its platform provider currently are working to obtain MGCB regulatory approval to launch in 2022.

A list of authorized internet gaming and sports betting operators and platform providers follows:

<b>Authorized Operators and Platform Providers</b>	
<b>Operator</b>	<b>Platform Provider</b>
Bay Mills Indian Community	DraftKings
Nottawaseppi Huron Band of the Potawatomi	NYX Digital Gaming
Pokagon Band of Potawatomi Indians	Pala Interactive
Greektown Casino	Barstool Sportsbook & Casino (Platform Provider: Penn Sports Interactive)
Gun Lake Tribe	Parx Casino
Hannahville Indian Community	TwinSpires
Sault Ste. Marie Tribe of Chippewa Indians	WynnBet
Little River Band of Ottawa Indians	BetRivers
MGM Grand Detroit	BetMGM
MotorCity Casino	FanDuel
Lac Vieux Desert Band of Lake Superior Chippewa Indians	PointsBet
Little Traverse Bay Bands of Odawa Indians	The Stars Group/FoxBet/Pokerstars
Keweenaw Bay Indian Community	Golden Nugget Casino
Grand Traverse Band of Ottawa and Chippewa Indians	Caesars



# Michigan Gaming Control Board

## Internet Gaming Adjusted Gross Receipts and Related Payments January 2021 – December 2021 (Rounded to the nearest dollar)

Operator	Internet Gaming Adjusted Gross Receipts	Internet Gaming State Payment	City Wagering Taxes and Municipal Service Fees*	Governing Body of Jurisdiction Payments*
MGM Grand Detroit	\$ 375,360,967	\$ 73,094,750	\$ 36,018,333	\$ 0
MotorCity Casino	166,229,368	32,104,956	15,837,134	0
Greektown Casino	37,595,317	6,892,682	3,423,948	0
Bay Mills Indian Community	166,751,886	36,808,422	0	9,202,106
Nottawaseppi Huron Band of Potawatomi Indians	6,079,087	1,005,919	0	251,480
Grand Traverse Band of Ottawa and Chippewa Indians	11,254,294	1,988,893	0	497,223
Gun Lake Tribe	8,472,661	1,434,751	0	358,687
Hannahville Indian Community	15,044,227	2,825,907	0	706,477
Keweenaw Bay Indian Community	45,511,997	9,650,687	0	2,412,672
Lac Vieux Desert Band of Lake Superior Chippewa Indians	4,967,088	810,208	0	202,552
Little River Band of Ottawa Indians	67,104,690	14,487,450	0	3,621,863
Little Traverse Bay Bands of Odawa Indians	36,787,735	7,696,453	0	1,924,113
Pokagon Band of Potawatomi Indians	19,532,029	3,831,175	0	957,794
Sault Ste. Marie Tribe of Chippewa Indians	42,762,417	9,034,781	0	2,258,695
<b>Total</b>	<b>\$ 1,003,453,763</b>	<b>\$ 201,667,034</b>	<b>\$ 55,279,415</b>	<b>\$ 22,393,662</b>

\*As reported by operator and has not been audited. Internet gaming operators must remit monthly payments. Payments are due the month following the current period.

Note: Internet Gaming taxes presented are calculated based on date earned. Timing differences exist when reconciling to the State accounting system due to the actual depositing of revenue occurring in the subsequent calendar year.





# Michigan Gaming Control Board

## Internet Sports Betting Adjusted Gross Receipts and Related Payments January 2021 – December 2021 (Rounded to the nearest dollar)

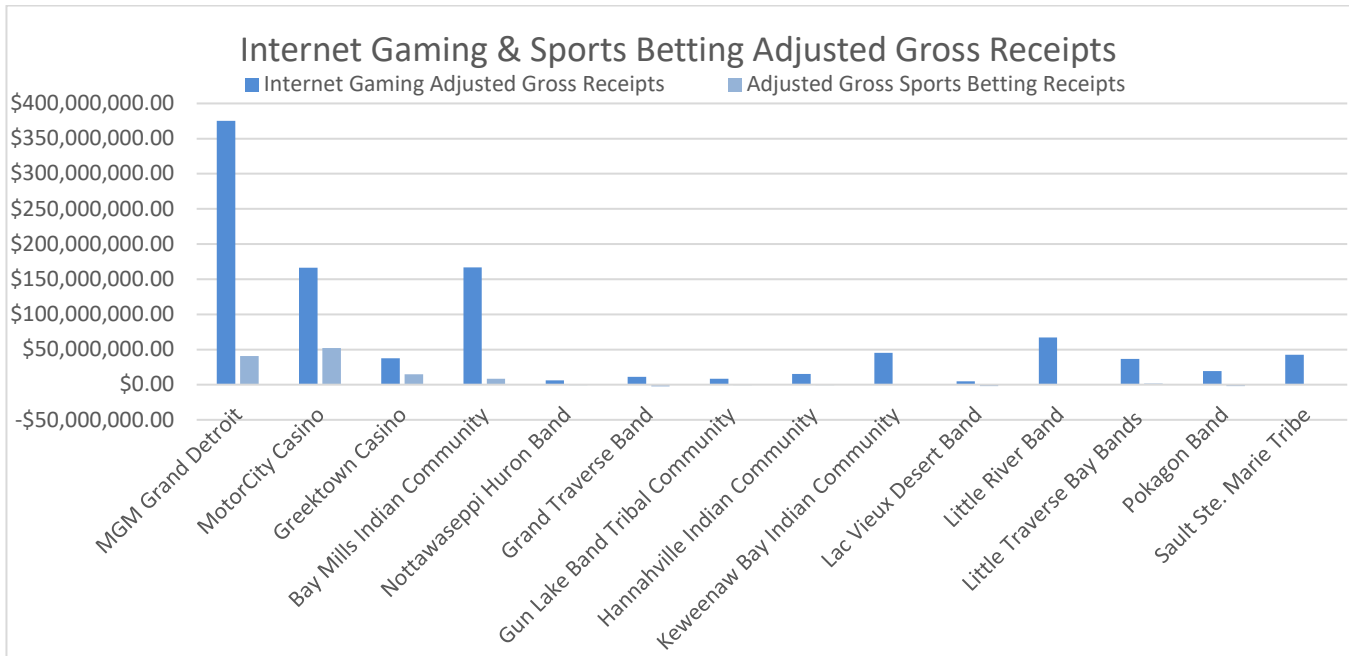
Operator	Sports Betting Adjusted Gross Receipts	Internet Sports Betting State Payment	City Wagering Taxes and Municipal Service Fees*
<b>MGM Grand Detroit</b>	\$ 40,715,838	\$ 2,394,091	\$ 1,534,987
<b>MotorCity Casino</b>	52,298,406	3,075,146	1,971,650
<b>Greektown Casino</b>	14,866,585	874,155	560,470
<b>Bay Mills Indian Community</b>	8,228,592	691,202	0
<b>Nottawaseppi Huron Band of Pottawatomi Indians</b>	(137,030)	0	0
<b>Grand Traverse Band of Ottawa and Chippewa Indians</b>	(2,569,869)	40,811	0
<b>Gun Lake Tribe</b>	(531,442)	0	0
<b>Hannahville Indian Community</b>	(886,291)	0	0
<b>Keweenaw Bay Indian Community</b>	143,828	12,082	0
<b>Lac Vieux Desert Band of Lake Superior Chippewa Indians</b>	(1,831,551)	0	0
<b>Little River Band of Ottawa Indians</b>	46,633	3,917	0
<b>Little Traverse Bay Bands of Odawa Indians</b>	1,664,668	139,832	0
<b>Pokagon Band of Potawatomi Indians</b>	(1,871,764)	0	0
<b>Sault Ste. Marie Tribe of Chippewa Indians</b>	452,243	37,988	0
<b>Total</b>	<b>\$ 110,588,846</b>	<b>\$ 7,269,224</b>	<b>\$ 4,067,107</b>

\*As reported by operator and has not been audited. Sports betting operators may carry forward calculated negative tax amounts. For months in which there are negative adjusted gross receipts, the amount of payment and fees is recorded as \$0 since no funds were remitted. Sports betting operators must remit monthly payments. Payments are due the month following the current period.

Note: Internet Sports Betting taxes presented are calculated based on date earned. Timing differences exist when reconciling to the State accounting system due to the actual depositing of revenue occurring in the subsequent calendar year.



# Michigan Gaming Control Board



## Fantasy Contests

During 2021, Board staff drafted Administrative Rules for fantasy contests as required by the Fantasy Contests Consumer Protection Act. The Administrative Rules are expected to take effect in 2022. Operators that met the definition of a fantasy contest operator in Michigan on May 1, 2018, by law may continue to offer fantasy contests until issued or denied a license under the Act.

See the below chart of fantasy contests adjusted revenue and related fantasy contests calculated tax for 2021 rounded to the nearest dollar.

Fantasy Contest Operator	Fantasy Contest Adjusted Revenue*	Fantasy Contest Tax*
FanDuel	\$ 6,411,939	\$ 538,603
DraftKings	9,273,225	778,951
SportsHub	73,267	6,154
FFPC, LLC	(132,456)	(11,126)
FullTime	22,544	1,894
Yahoo	(57,503)	(4,830)
Fantasy Sports Shark	210,706	17,699
PrizePicks	371,706	31,223
RealTime Fantasy Sports	15,833	1,330
<b>Total</b>	<b>\$ 16,189,261</b>	<b>\$ 1,359,898</b>

\*As reported by operator and has not been audited. The Fantasy Contest Tax is computed at 8.4% of fantasy contest adjusted revenue. Fantasy contest operators may carry forward calculated negative fantasy contest tax amounts. The Fantasy Contest Tax does not include any additional payments made by fantasy contest operators as penalty for late submissions. Fantasy contest operators must remit monthly payments. Payments are due the month following the current period.

Note: Fantasy Contest taxes presented are calculated based on date earned. Timing differences exist when reconciling to the State accounting system due to the actual depositing of revenue occurring in the subsequent calendar year.



# Michigan Gaming Control Board



## Casino Operations Division

### Employee Licensing Section

The Detroit casinos and related suppliers employ approximately 6,000 personnel in positions requiring an occupational license. These individuals are licensed for a two-year period. In 2021, the section received 4,707 new and renewal occupational applications for investigation.

Occupational and Renewal Applications Received in 2021	
Supplier/Vendor	1,500
MGM Grand Casino	1,318
MotorCity Casino	828
Greektown Casino	409
Internet Gaming	652
<b>Total</b>	<b>4,707</b>

In addition, licensing actions were taken against occupational licensees due to various violations of the Michigan Gaming Control & Revenue Act and Administrative Rules as depicted below:

Licensing Actions Against Occupational Licensees in 2021	
Voluntary Surrender	1
Voluntary Withdrawal	28
Warning Letter	1
Summary Suspension	6
Notice of Opportunity to Show Compliance	19
Occupational License Waiver	18

In September 2019, the Board began issuing Debt Acknowledgement Letters to Licensees with past due debt, overdue tax filings, overdue tax liabilities, or overdue liabilities to creditors. Licensees who signed a Debt Acknowledgement Letter agreed to make payments on these liabilities before submitting their next occupational license renewal application.

In September 2020, the Board began issuing Follow-up Debt Acknowledgement Letters to Licensees who failed to make payments toward the debt brought to their attention in the Debt Acknowledgement



# Michigan Gaming Control Board

Letter during their prior investigation period. Licensees who did not adhere to their agreement were assessed fines for noncompliance.

## **Enforcement Section**

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The Enforcement Section continues daily monitoring of the casinos' responsibilities to ensure gaming integrity. Regulation officers located in the three Detroit casinos are authorized by the Act to investigate alleged violations of the Act, Administrative Rules, and internal controls systems to ensure all casino facilities, activities and games comply.

In the fourth quarter of 2021, MGCB Enforcement staff conducted unannounced financial counts of all three Detroit casinos' cage and cage departments to verify the reporting and accountability of cash and cash equivalents.

### *Violations Issued/Fines Imposed*

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During 2021, the Enforcement Section issued violations, warning letters and imposed fines as follows:

#### **Greektown Casino, L.L.C. (GTC)**

12/3/2021: The MGCB settled a violation with a fine of \$7,000 related to GTC sending a promotional flyer to a person on the disassociated persons list. The violation occurred on 9/3/2020.

5/21/2021: GTC was issued a warning letter for allowing an impermissible wager to be posted at the Barstool retail sports book. Penn Interactive, as the sports book operator, was issued a warning letter for allowing the same impermissible wager to be posted at the Barstool retail sports book. The violation(s) occurred on 1/27/2021.

6/4/2021: A GTC occupational licensee was issued a warning letter for failing to follow internal controls regarding kiosk replenishments procedures. The violation occurred on 3/26/2021.

10/5/2021: The MGCB settled a violation with a fine of \$2,500 related to GTC allowing a minor to enter the casino. In addition, a GTC occupational licensee was issued a warning letter for the same violation. The violation occurred on 6/19/2021.

11/05/2021: A GTC occupational licensee was issued a warning letter for failure to comply with the Rules of the game for Three Card Poker. The violation occurred on 7/10/2021.

12/03/2021: A GTC occupational licensee was fined \$100 for allowing a disassociated person to establish a second player's account and then accepted two (2) sports wagers from that disassociated person. The violation occurred on 10/4/2020.

12/03/2021: The MGCB settled a violation with a fine of \$2,500 related to GTC allowing a disassociated person to establish a second player's account and then accepted two (2) sports wagers from the disassociated person. The violation occurred on 10/4/2020.



# Michigan Gaming Control Board

## **Detroit Entertainment, L.L.C. d/b/a MotorCity Casino-Hotel (MCC)**

1/21/2021: The MGCB settled a violation with a fine of \$1,405 and issued a warning letter for paying a disassociated person a jackpot won on a slot machine. The violation occurred on 8/23/2020.

9/16/2021: The MGCB settled a violation with a fine of \$2,500 for allowing a disassociated person to redeem chips at the cage. In addition, an MCC occupational licensee was issued a warning letter for the same offense. The violation occurred on 6/11/2021.

10/31/2021: The MGCB settled a violation with a fine of \$6,000 for allowing a minor to enter the casino and gamble. In addition, three MCC occupational licensees were issued warning letters for the same offenses. The violation occurred on 6/12/2021.

## **MGM Grand Detroit, L.L.C. (MGM)**

2/18/2021: MGM was issued a warning letter for allowing unauthorized sports wagers to be offered on its platform(s). The violation occurred on 8/19/2020.

3/17/2021: MGM was issued a warning letter for allowing unauthorized sports wagers to be offered on its platform(s). The violation occurred on 8/29/2020.

4/13/2021: An MGM occupational licensee was issued a warning letter for failing to wear their occupational license while working on the gaming floor. The violation occurred on 1/14/2021.

6/14/2021: An MGM occupational licensee was issued a warning letter for allowing a minor to walk across the gaming floor. The violation occurred on 3/14/2021.

9/16/2021: The MGCB settled a violation with a fine of \$2,000 related to MGM allowing an unapproved player prop wager on their sports book platform(s). The violation occurred on 1/9/2021.

11/19/2021: Two MGM occupational licensees were issued warning letters for failing to follow internal control standards (ICS) related to confirming the audit process of clearing bill validators. In addition, MGM was issued a warning letter on 12/9/2021 for failing to retain surveillance video of this incident.

## **Suppliers Fines:**

2/18/2021: A BetMGM occupational licensee was issued a warning letter for allowing unauthorized sports book wagers to be offered on its platform(s). The violation occurred on 8/19/2020.

2/18/2021: A BetMGM occupational licensee was issued a warning letter for allowing unauthorized sports book wagers to be offered on its platform(s). The violation occurred on 8/29/2020.

2/18/2021: BetMGM was issued a warning letter for allowing unauthorized sports wagers to be offered on its platform(s). The violation occurred on 8/19/2020.

3/17/2021: BetMGM was issued a warning letter for allowing unauthorized sports wagers to be offered on its platform(s). The violation occurred on 8/29/2020.

9/16/2021: A BetMGM occupational licensee was issued a warning letter for accepting a wager on an unapproved player prop wager on their sports book platform. The violation occurred on 1/9/2021.



# Michigan Gaming Control Board

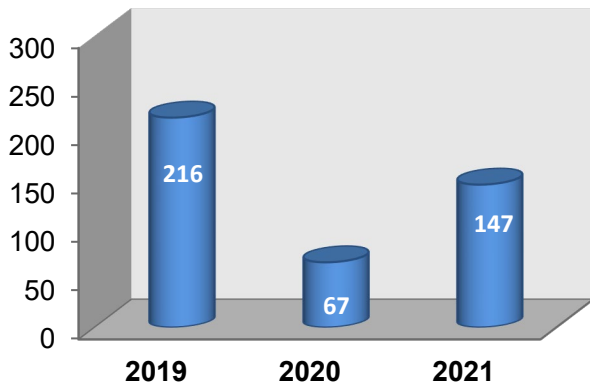
## Responsible Gaming Section

### Disassociated Persons List and Problem Gambling Diversion Program

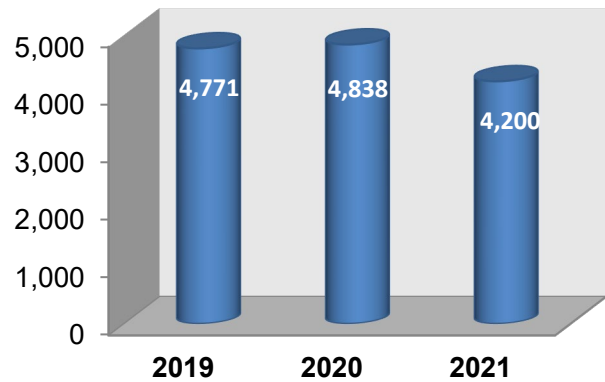
The Act created the Disassociated Persons List (DPL), which was designed for problem gamblers who request self-exclusion from entering and gaming at the three commercial casinos in the City of Detroit. The Act also states an individual who violates the terms and conditions of their agreement is guilty of criminal trespassing, which is punishable by imprisonment for not more than one year, a fine of not more than \$1,000 or both. As of December 31, 2021, the DPL program included 4,200 people.

The Act allows disassociated persons to request removal of their names after five or more years on the list. As of December 31, 2021, 769 persons had been removed from the list.

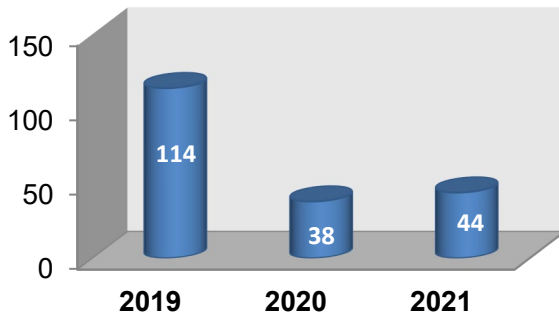
**Approved DPL Applications by Year**



**Cumulative Approved DPL Applications Per Year**



**Diversion Program Completions by Year**



In 2021, 63 first-time DPL offenders were offered the Diversion Program\* and 44 discharge summaries were received for those completing the program. Since inception, a cumulative total of 1,023 DPL offenders have been offered the Diversion Program and 821 have completed it.

\*The Diversion Program offers a first-time offender the option of completing a treatment program rather than burdening the criminal justice system further. First-time offenders offered the Diversion Program within a calendar year may not complete the program until the following year. Statistics provided above are the number of completed individual diversion programs per calendar year.





# Michigan Gaming Control Board

## *Responsible Gaming Database (RGD)*

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In December 2019, the Lawful Internet Gaming Act and Lawful Internet Sports Betting Act were signed into law. Under these laws, the RGD was established to create a list of individuals who are prohibited from establishing an online gaming account. Individuals may self-exclude themselves voluntarily from establishing an internet wagering account or an internet sports betting account, or both, with internet gaming operators and internet gaming platform providers and/or internet sports betting operators and internet sports betting platform providers for one year or five years. As of December 31, 2021, 78 individuals were added to the RGD, self-excluding from internet gaming, and 74 individuals were added to the RGD, self-excluding from internet sports betting.

## **Gaming Lab Section**

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In 2021, the Gaming Lab Section completed 1,444 gaming product evaluations to ensure compliance with all technical standards and regulations prior to approval for use within the State of Michigan. Of these evaluations, 1,384 were for new gaming software and 60 were for new gaming hardware. The lab also processed three revocations of previously approved product submissions. Once revoked, a product is no longer approved for use in the Detroit commercial casinos, internet gaming platforms, or internet sports betting platforms operating in the State of Michigan.

The Gaming Lab section completed 259 audits of the authorized Independent Test Laboratories software certifications which were submitted by the licensed software manufacturers. The audits performed by the gaming lab found no issues.

Additionally in 2021, the Gaming Lab Section conducted inspections of 1,025 newly installed slot machines at the three Detroit commercial casinos to ensure these devices were running gaming software approved by the Michigan Gaming Control Board.

The Gaming Lab Section also performs forensic evaluations of computers, cell phones, and electronic gaming devices to support investigations conducted by the Michigan Gaming Control Board, state regulatory agencies, and law enforcement agencies within the State of Michigan; reviews progressive liability transfers by the three Detroit commercial casinos; investigates malfunction occurrences of gaming devices; researches emerging technologies; reviews data and reports used in gaming tax calculations; drafts rule waivers; creates policies; and assists in addressing patron disputes.



## Minors and Compulsive Gambling

### Annual Underage and Compulsive Gaming Studies

Section 15(2) of the Act, MCL 432.215(2), requires each Detroit commercial casino licensee to conduct an annual study on minors and compulsive gaming. Section 15(1) of the Act further requires the MGCB include certain information regarding minors on casino premises, which each licensee must compile as part of the annual study. The following table summarizes the required information compiled and reported by each of the three Detroit commercial casino licensees in their respective annual studies on minors and compulsive gaming for calendar year 2021:

**Casino Licensees' Reported Contacts with Minors  
On Licensed Casino Premises During Calendar Year 2021**

<i>Number of Minors</i>	<b>MGM Grand</b>	<b>MotorCity</b>	<b>Greektown</b>
<b>Denied entry into the casino*</b>	<b>1,312</b>	<b>13, 054</b>	<b>1,250</b>
<b>Physically escorted from the casino premises</b>	<b>9</b>	<b>0</b>	<b>5</b>
<b>Detected participating in gambling games other than slot machines</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Detected using slot machines</b>	<b>2</b>	<b>2</b>	<b>0</b>
<b>Taken into custody by a law enforcement agency on the casino premises</b>	<b>0</b>	<b>2</b>	<b>0</b>
<b>Detected illegally consuming alcohol on the casino premises</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Numbers indicate all patrons denied entry as reported by the casinos



# Michigan Gaming Control Board

## **Audit Section**

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In 2021, the Audit Section performed audits to ensure revenue was reported properly by the three Detroit casinos and complied with their internal control standards (ICS), Administrative Rules, and the Act ); continued a risk assessment of the three Detroit casinos; conducted compliance audits in the areas of Accounting, Drop & Count, and Retail Sports Betting; reviewed 79 ICS modification submissions of internet gaming operators, internet sports betting operators, and their respective platform providers, as required by the MGCB's Administrative Rules; and reviewed 67 ICS modification submissions of the three licensees of the Detroit casinos, as required by the MGCB's Administrative Rules.

Two compliance audits were completed in 2021 and final audit reports were issued. As a result of these compliance audits, two instances of non-compliance to the ICS were discovered and warning letters were subsequently issued to the licensees as a result of these findings. The casino licensees were notified of the findings and have responded with their remedial action plans accordingly. Three additional compliance audits are near completion, and four more will be started in 2022.

The Audit Section completed the review of 1,095 daily tax returns; 36 monthly tax returns for table games and slots; and 1,095 daily retail sports betting tax returns. This provides reasonable assurance the reporting of \$1,293,709,080 in gaming revenue (\$1,266,762,531 from table games/slots and \$26,946,549 from retail sports betting) to the State of Michigan and payment of \$103,639,314 (\$102,607,765 from table games/slots and \$1,031,549 from retail sports betting) in state wagering taxes were free of material misstatement.

In 2021, the Audit Section confirmed \$162,070,277 (\$160,809,495 from table games/slots and \$1,260,782 from retail sports betting) in wagering taxes and development agreement payments were made to the City of Detroit.



# Michigan Gaming Control Board

## Casino Revenues and Wagering Taxes

### Covid-19 Impact

The Detroit casinos were required to operate at limited capacity January through June 22 under State of Michigan orders.

### Casino Revenues

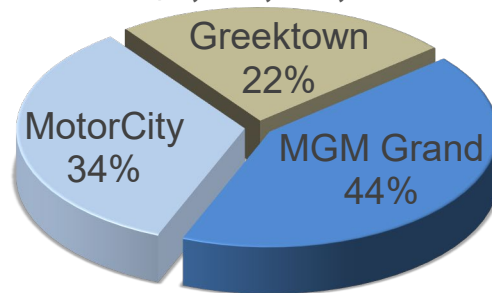
The Act defines “adjusted gross receipts” as the licensee’s gross gaming receipts less winnings paid to wagerers. “Gross receipts” are defined as the monetary value collected from gaming less a deduction for bad gaming debt. The adjusted gross receipts of the Detroit commercial casinos include both table games and electronic games of chance.

A monthly and annual summary of the adjusted gross receipts and market share for the three Detroit casinos for calendar year 2021 follows:

Month	MGM GRAND CASINO	MOTORCITY CASINO	GREEKTOWN CASINO	TOTAL DETROIT CASINOS
January	\$ 33,957,127	\$ 33,176,437	\$ 19,646,777	\$ 86,780,341
February	34,429,911	31,239,263	20,792,515	86,461,689
March	43,207,338	42,043,354	25,616,035	110,866,727
April	43,201,091	39,917,531	24,322,725	107,441,347
May	46,152,074	38,190,753	23,595,342	107,938,169
June	46,356,296	37,166,568	22,278,145	105,801,009
July	53,755,967	38,545,171	23,377,641	115,678,779
August	52,238,796	36,523,491	23,404,727	112,167,014
September	48,406,506	36,503,803	22,023,288	106,933,597
October	52,672,008	36,941,265	21,857,333	111,470,606
November	48,287,023	33,041,372	22,530,549	103,858,944
December	51,365,597	34,982,643	25,016,069	111,364,309
<b>Total</b>	<b>\$ 554,029,734</b>	<b>\$ 438,271,651</b>	<b>\$ 274,461,146</b>	<b>\$ 1,266,762,531</b>

### Detroit Casinos Adjusted Gross Receipts

\$1,266,762,531





# Michigan Gaming Control Board

## State Casino Wagering Tax

Section 432.212 of the Act imposed an 8.1 percent State Wagering Tax on the adjusted gross receipts received by each Detroit casino licensee from casino gaming authorized by the Act. The 8.1 percent is deposited in the State's School Aid Fund to provide additional funds for K-12 public classroom education.

In calendar year 2021, the combined 8.1 percent State Wagering Taxes paid by the three Detroit casino licensees and deposited in the State School Aid Fund totaled \$102,607,765.

A monthly and annual summary of the State Wagering Tax payments for the three Detroit commercial casinos for calendar year 2021 follows:

Month	MGM GRAND CASINO	MOTORCITY CASINO	GREEKTOWN CASINO	TOTAL DETROIT CASINOS
January	\$ 2,750,527	\$ 2,687,291	\$ 1,591,389	\$ 7,029,207
February	2,788,823	2,530,380	1,684,194	7,003,397
March	3,499,794	3,405,512	2,074,899	8,980,205
April	3,499,288	3,233,320	1,970,141	8,702,749
May	3,738,318	3,093,451	1,911,223	8,742,992
June	3,754,860	3,010,492	1,804,530	8,569,882
July	4,354,233	3,122,159	1,893,589	9,369,981
August	4,231,343	2,958,403	1,895,783	9,085,529
September	3,920,927	2,956,808	1,783,886	8,661,621
October	4,266,433	2,992,243	1,770,444	9,029,120
November	3,911,249	2,676,351	1,824,974	8,412,574
December	4,160,613	2,833,594	2,026,301	9,020,508
<b>Total</b>	<b>\$ 44,876,408</b>	<b>\$ 35,500,004</b>	<b>\$ 22,231,353</b>	<b>\$ 102,607,765</b>

## City of Detroit Wagering Tax

Section 432.212 of the Act imposed a 9.9 percent wagering tax on the adjusted gross receipts received by each Detroit casino licensee from casino gaming authorized by the Act. Public Act 306 of 2004 amended the original Act. Effective September 1, 2004, the City of Detroit wagering tax was increased temporarily by 2 percent to 11.9 percent. The elevated tax rate was reduced by 1 percent to the current rate of 10.9 percent when each of the three Detroit casinos became fully operational.

Development agreements also exist between each of the three Detroit casinos and the City of Detroit. Within these agreements, an additional 1 percent of each casino's adjusted gross revenue is required to be disbursed daily to the city. Once a casino reaches \$400 million in adjusted gross revenue for a calendar year, an additional 1 percent is required. The requirements outlined within the development agreements are in excess of what is required by the Act.

In calendar year 2021, the combined City of Detroit Wagering Taxes paid by the three Detroit casino licensees totaled \$160,809,495. Currently, this represents a significant percentage of the City of Detroit's budget.



# Michigan Gaming Control Board

A monthly and annual summary of the City of Detroit Wagering Tax payments for the three Detroit commercial casinos for calendar year 2021 follows:

Month	MGM GRAND CASINO	MOTORCITY CASINO	GREEKTOWN CASINO	TOTAL DETROIT CASINOS
January	\$ 4,040,898	\$ 3,947,996	\$ 2,337,967	\$ 10,326,861
February	4,097,159	3,717,472	2,474,309	10,288,940
March	5,141,673	5,003,159	3,048,308	13,193,140
April	5,140,930	4,750,186	2,894,404	12,785,520
May	5,492,097	4,544,700	2,807,846	12,844,643
June	5,516,399	4,422,822	2,651,099	12,590,320
July	6,396,960	4,586,875	2,781,939	13,765,774
August	6,216,417	4,346,295	2,785,163	13,347,875
September	9,835,769	4,343,953	2,620,771	16,800,493
October	6,794,689	4,396,011	2,601,023	13,791,723
November	6,229,026	4,048,210	2,681,135	12,958,371
December	6,626,162	8,512,761	2,976,912	18,115,835
<b>Total</b>	<b>\$ 71,528,179</b>	<b>\$ 56,620,440</b>	<b>\$ 32,660,876</b>	<b>\$ 160,809,495</b>





# Michigan Gaming Control Board

## Retail Sports Betting Revenues and Wagering Taxes

### Casino Revenues

The Act defines “qualified adjusted gross receipts” as the licensee’s gross sports betting receipts minus the monetary value of free play provided to and wagered by persons authorized by law to participate in sports betting as an incentive to place or as a result of their having placed sports betting wagers. “Gross sports betting receipts” are defined as the monetary value actually wagered less winnings, amounts returned due to a game, platform, system malfunction, or uncollectible markers

A monthly and annual summary of the qualified adjusted gross receipts for the three Detroit casinos for calendar year 2021 follows:

Month	MGM GRAND CASINO	MOTORCITY CASINO	GREEKTOWN CASINO	TOTAL DETROIT CASINOS
January	\$ 863,439	\$ 1,566,019	\$ 1,633,659	\$ 4,063,117
February	(8,761)	(183,680)	114,814	(77,627)
March	868,206	1,276,470	825,479	2,970,155
April	604,701	420,605	517,224	1,542,530
May	402,223	709,796	636,547	1,748,566
June	680,435	796,206	819,272	2,295,913
July	136,948	637,682	437,203	1,211,833
August	851,921	232,675	565,432	1,650,028
September	1,341,262	1,237,488	883,813	3,462,563
October	1,385,030	671,009	588,846	2,644,885
November	1,031,457	1,472,396	1,824,845	4,328,698
December	631,703	(150,664)	624,849	1,105,888
<b>Total</b>	<b>\$ 8,788,564</b>	<b>\$ 8,686,002</b>	<b>\$ 9,471,983</b>	<b>\$ 26,946,549</b>



# Michigan Gaming Control Board

## State Casino Wagering Tax

Section 432.212 (16) of the Act imposed an 8.4 percent Wagering Tax on the qualified adjusted gross receipts received by each Detroit casino licensee from sports betting authorized by the Act. Per the Act, 45 percent of the 8.4 percent (3.78 percent) is deposited in the State's School Aid Fund to provide additional funds for K-12 public classroom education.

In calendar year 2021, the combined 3.78 percent State Wagering Taxes paid by the three Detroit casino licensees and deposited in the State School Aid Fund totaled \$1,031,549.

A monthly and annual summary of the State Wagering Tax payments for the three Detroit casinos for calendar year 2021 follows:

Month	MGM GRAND CASINO	MOTORCITY CASINO	GREEKTOWN CASINO	TOTAL DETROIT CASINOS
January	\$ 32,638	\$ 59,195	\$ 61,752	\$ 153,585
February	0	0	4,340	4,340
March	32,818	48,251	31,203	112,272
April	22,858	15,899	19,551	58,308
May	15,204	26,830	24,062	66,096
June	25,720	30,097	30,969	86,786
July	5,177	24,104	16,526	45,807
August	32,203	8,795	21,373	62,371
September	50,700	46,777	33,408	130,885
October	52,354	25,364	22,259	99,977
November	38,989	55,657	68,979	163,625
December	23,878	0	23,619	47,497
<b>Total</b>	<b>\$ 332,539</b>	<b>\$ 340,969</b>	<b>\$ 358,041</b>	<b>\$ 1,031,549</b>

## City of Detroit Wagering Tax

Section 432.212 (16) of the Act imposed an 8.4 percent Wagering Tax on the qualified adjusted gross receipts received by each Detroit casino licensee from sports betting authorized by the Act. Per the Act, 55 percent of the 8.4 percent (4.62 percent) is paid directly to the City of Detroit.

In calendar year 2021, the combined City of Detroit Wagering Taxes paid by the three Detroit casino licensees totaled \$1,260,782.



# Michigan Gaming Control Board

A monthly and annual summary of the City of Detroit Wagering Tax payments for the three Detroit casinos for calendar year 2021 follows:

Month	MGM GRAND CASINO	MOTORCITY CASINO	GREEKTOWN CASINO	TOTAL DETROIT CASINOS
January	\$ 39,891	\$ 72,350	\$ 75,475	\$ 187,716
February	0	0	5,304	5,304
March	40,111	58,973	38,137	137,221
April	27,937	19,432	23,896	71,265
May	18,583	32,792	29,409	80,784
June	31,436	36,785	37,850	106,071
July	6,327	29,461	20,199	55,987
August	39,359	10,749	26,123	76,231
September	61,966	57,172	40,832	159,970
October	63,988	31,001	27,205	122,194
November	47,653	68,025	84,308	199,986
December	29,185	0	28,868	58,053
<b>Total</b>	<b>\$ 406,436</b>	<b>\$ 416,740</b>	<b>\$ 437,606</b>	<b>\$ 1,260,782</b>



# Michigan Gaming Control Board

## Board Revenues and Expenditures

### State Services Fee Fund

Section 432.212a of the Act provides all casino-related regulatory and enforcement costs, compulsive gambling programs, and other casino-related programs, activities, and services conducted by MGCB, the MSP, AG's office, Department of Health and Human Services (DHHS), and other state agencies shall be paid from annual fees assessed on the three Detroit casino licensees. Under the Act, each casino is required to pay an annual assessment fee on or before the date on which the licensee first began operating its casino and each year thereafter on that date. The amount of each licensee's annual assessment is equal to 1/3 of \$25,000,000 adjusted annually by multiplying the previous year's assessment by the Detroit consumer price index, as defined and reported by the United States Department of Labor, Bureau of Labor Statistics. Based on this formula, each of the three Detroit casinos were assessed and paid a total of \$36,280,712 for calendar year 2021 and \$36,042,294 for fiscal year 2021.

From the annual assessment fees paid each year by the licensees, \$2,000,000 must be deposited in the State of Michigan's Compulsive Gaming Prevention Fund. Up to \$1,040,000 may be distributed annually to the Domestic Violence and Treatment Board administered by DHHS. The remaining \$960,000 is to be used exclusively for the treatment, prevention, education, training, research, and evaluation of compulsive gamblers and their families, as determined by the director of the DHHS after consulting with the Board, MGCB Executive Director, and Lottery Commissioner.

### Application and License Fees, Fines and Costs

MGCB is authorized by the Act to collect various license application fees to fund MGCB's cost of conducting required background investigations of applicants for casino, supplier, and occupational licenses. After an applicant is determined eligible and suitable for licensure, the Act authorizes MGCB to assess and collect license fees for both the initial issuance and subsequent renewals of casino, supplier, and occupational licenses. In addition to application and license fees, the Act authorizes MGCB to order reimbursement of investigative costs and to impose fines as disciplinary actions to penalize violators of the Act or Administrative Rules of the Board. MGCB collected application and license fees and other authorized fees, fines, and reimbursement of costs totaling \$1,612,193 for calendar year 2021 and \$1,580,281 for fiscal year 2021.

### Internet Gaming Fund

The Internet Gaming Fund was created by the Lawful Internet Gaming Act of 2019. Under this Act, internet gaming operators are subject to a graduated tax ranging from 20-28% on adjusted gross receipts from all internet gaming conducted. Sixty-five percent of the tax for non-tribal operators and 70 percent of the tax for tribal operators is required to be deposited in the fund. MGCB is authorized by the Lawful Internet Gaming Act to collect various license application fees to fund MGCB's cost of conducting required background investigations of applicants for operator, supplier, and occupational licenses. After an applicant is determined eligible and suitable for licensure, the Lawful Internet Gaming Act authorizes MGCB to assess and collect license fees for both the initial issuance and subsequent renewals of operator, supplier, and occupational licenses. In addition to application and license fees, the Lawful Internet Gaming Act authorizes MGCB to order reimbursement of investigative costs and to impose fines as disciplinary actions



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to penalize violators of the Lawful Internet Gaming Act or Administrative Rules of the Board. Also, the Lawful Internet Gaming Act and Administrative Rules require all platforms and internet games used to conduct internet gaming must meet specifications prescribed by MGCB. The internet gaming platform providers and internet gaming suppliers are responsible for all costs associated with testing and obtaining such certifications/approvals.

The Lawful Internet Gaming Act requires MGCB to expend money from the Internet Gaming Fund based on the following order of priority: (1) payment to the City of Detroit if the total gaming related tax revenue received by the City of Detroit falls below \$183 million for the preceding fiscal year. However, the total of this payment can never be more than 55 percent of the total gaming tax deposited in the Internet Gaming Fund, minus the 30 percent internet gaming tax revenue received by the City of Detroit; (2) expenditures for MGCB's cost of regulating and enforcing internet gaming under the Internet Gaming Act; (3) transfer \$500,000 to the Compulsive Gaming Prevention Fund administered by DHHS; (4) transfer \$2,000,000 to the First Responder Presumed Coverage Fund administered by the Department of Labor and Economic Opportunity (LEO); (5) deposit all remaining funds in the School Aid Fund (SAF) at the end of the fiscal year.

## **Internet Sports Betting Fund**

The Internet Sports Betting Fund was created by the Lawful Sports Betting Act of 2019. Under this Act, sports betting operators are subject to a tax of 8.4 percent on adjusted gross sports betting receipts. Sixty-five percent of the tax for non-tribal operators and 90 percent of the tax for tribal operators is required to be deposited in the fund. MGCB is authorized by the Lawful Sports Betting Act to collect various license application fees to fund MGCB's cost of conducting required background investigations of applicants for operator, supplier, and occupational licenses. After an applicant is determined eligible and suitable for licensure, the Lawful Sports Betting Act authorizes MGCB to assess and collect license fees for both the initial issuance and subsequent renewals of operator, supplier, and occupational licenses. In addition to application and license fees, the Lawful Sports Betting Act authorizes MGCB to order reimbursement of investigative costs and to impose fines as disciplinary actions to penalize violators of the Lawful Sports Betting Act or Administrative Rules of the Board. Also, the Lawful Sports Betting Act and Administrative Rules require all internet sports betting platforms used to conduct internet sports betting must meet specifications prescribed by MGCB. The internet sports betting platform providers are responsible for all costs associated with testing and obtaining such certifications/approvals.

The Lawful Sports Betting Act requires MGCB to expend money from the Internet Sports Betting Fund based on the following order of priority: (1) expenditures for MGCB's cost of regulating and enforcing internet gaming under the Internet Gaming Act; (2) transfer \$500,000 to the Compulsive Gaming Prevention Fund administered by DHHS; (3) transfer \$2,000,000 to the First Responder Presumed Coverage Fund administered by LEO; (4) deposit all remaining funds in the SAF at the end of the fiscal year.

## **Fantasy Contest Fund**

The Fantasy Contest Fund was created by the Fantasy Contests Consumer Protection Act of 2019. Under this Act, fantasy contest operators are subject to a tax of 8.4% on fantasy contest adjusted revenues. The law requires 100 percent of the tax be deposited in the fund. MGCB is authorized by the Fantasy Contests Consumer Protection Act to assess and collect license fees for both the initial issuance and subsequent renewals of fantasy contest operator licenses. In addition to application and license fees,



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the Fantasy Contests Consumer Protection Act authorizes MGCB to order reimbursement of investigative costs and to impose fines as disciplinary actions to penalize violators of the Fantasy Contests Consumer Protection Act or Administrative Rules of the Board.

The Fantasy Contests Consumer Protection Act requires MGCB to expend money from the Internet Sports Betting Fund on MGCB's cost of regulating and enforcing internet gaming under the Internet Gaming Act. Any remaining funds at the end of the fiscal year are to be deposited in the SAF.

## **Casino Gambling Agreements Fund (Tribal Gaming)**

The Tribal Gaming Oversight program originally was established within the Office of Racing Commissioner, Department of Agriculture. The Governor of Michigan officially designated and authorized the Executive Director of MGCB and his designees, agents, and employees as the State of Michigan's representative to conduct the State's authorized inspections of tribal Class III gaming facilities and records, pursuant to and in accordance with the provisions of the various Tribal-State Compacts for the conduct of tribal Class III gaming on Native American lands in Michigan. Oversight responsibilities include conducting financial and compliance audits of the tribal casino's operations to determine the extent of compliance with the Tribal-State Gaming Compacts and related Consent Judgments. Board members of MGCB have no oversight role or authority over the Tribal-State Gaming Compacts. Within each of these compacts, it is outlined that the tribe shall make annual payments to the State to fund the costs incurred for carrying out functions authorized by the terms of the compacts.

Subject to certain exclusivity provisions, the Tribal-State Compacts and related consent agreements stipulate a percentage of annual net win, derived from all Class III electronic games of chance, is to be paid to the Michigan Strategic Fund (MSF) or Michigan Economic Development Corporation (MEDC). The MEDC provides funding to the Board for oversight related to these payments.

## **Lab Fund**

Administrative Rule 432.1842 of the Act provides that all gaming devices and equipment distributed to a casino licensee must be approved by the Board prior to being placed on the gaming floor of the Detroit casinos. It further provides the manufacturer or distributor of the equipment is required to pay the cost of testing. The lab has an established fee schedule for payments of various testing which is designed to fund the costs associated with testing.

## **Agriculture Equine Industry Development Fund (Horse Racing)**

Per Executive Order 2009-45, the Office of the Racing Commissioner and the position of Racing Commissioner were abolished, and those functions were transferred to the Executive Director of MGCB. All powers, duties, and functions of regulating live horse racing were placed with the Executive Director effective January 17, 2010. Board members of MGCB have no authority or role in regulating live horse racing. Prior to Executive Order 2009-45, the Office of Racing Commissioner was a Type-I agency under the Michigan Department of Agriculture. Executive Order 2009-54 maintains the authority, powers, duties, and functions under Section 20 of the *Horse Racing Law of 1995*, Public Act 279 of 1995, MCL 431.320 (Equine Development Fund) within the Michigan Department of Agriculture effective March 15, 2010. These Executive Orders gave regulatory authority of racing to the Executive Director, but the funding of this function is still retained by the MDARD.





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## **State Lottery Fund (Millionaire Party)**

Per Executive Order 2012-04, the licensing and regulation of charitable millionaire party gaming was transferred from Lottery to the Executive Director of MGCB. This Executive Order transferred the licensing and regulatory authority of millionaire party gaming under the Bingo Act to the Executive Director of MGCB, however the funding of this function is still retained by Lottery through the State Lottery Fund. All fees collected by MGCB in connection with Millionaire Party are remitted for deposit into the State Lottery Fund and all necessary expenses incurred by MGCB are financed from the State Lottery Fund. Board members of MGCB have no authority or role in regulating millionaire party. Regulation of other forms of charitable gaming such as bingo and raffles remains with Lottery.

## **Board Statement of Revenues and Expenditures**

Section 432.215(1) of the Act requires MGCB's Annual Report include an account of the financial position and the results of operations under the Act, for the period covered by the report. While MGCB, like other state agencies, operates on a fiscal year (October 1 – September 30) basis, the Act requires MGCB's Annual Report be based on the calendar year.

To give a more comprehensive account of financial position and the results of operations, the following financial statement reports MGCB's revenues and expenditures for both calendar year and fiscal year 2021.

## Statement of Revenues and Expenditures

REVENUES <i>(In Thousands)</i>	<u>Fiscal Year 2021</u>	<u>Calendar Year 2021</u>
<b>State Casino Gaming Fund</b>		
Casino and Supplier Fines	\$ 212.0	\$ 224.6
Other	0.2	0.7
<b>State Services Fee Fund</b>		
Annual assessments	36,042.2	36,280.7
<b>Application Fees:</b>		
Casinos	0.0	0.0
Suppliers	153.3	154.8
Occupational	97.0	92.1
Vendors	16.0	16.7
<b>License Fees:</b>		
Casinos	75.0	75.0
Suppliers	485.0	485.0
Occupational	291.2	283.2
Vendors	42.4	42.1
Badge Replacement Fees	5.4	4.5
Other	0.0	0.0
<b>Internet Gaming Fund</b>		
Tax Revenue	75,017.4	95,505.5
Payments - Tribal	53,363.9	69,121.6
Laboratory Fees	1,514.7	1,618.4
<b>Application Fees:</b>		
Casinos	50.0	0.0
Suppliers	186.7	189.2
Occupational	75.2	88.1
Vendors	32.7	27.8
<b>License fees:</b>		
Casinos	1,200.0	1,300.0
Suppliers	55.0	110.0
Occupational	38.6	55.5
Other	21.4	21.4
<b>Internet Sports Betting Fund</b>		
Tax Revenue	3,507.6	5,362.5
Payments - Tribal	538.0	680.6
Laboratory Fees	54.1	54.1
<b>Application Fees:</b>		
Casinos	50.0	0.0
Suppliers	109.7	102.2
Occupational	75.2	88.1
Vendors	46.4	37.6
<b>License fees:</b>		
Casinos	1,200.0	1,300.0
Suppliers	50.0	90.0
Occupational	38.6	55.5
Other	1.0	1.0

## Statement of Revenues and Expenditures (continued)

REVENUES <i>(In Thousands) (continued)</i>	<u>Fiscal Year 2021</u>	<u>Calendar Year 2021</u>
<b>Fantasy Contest Tax Fund</b>		
Tax Revenue	\$ 1,592.6	\$ 1,491.9
Other	0.9	0.9
<b>Native American Casino Fund</b>		
Oversight Fees	701.4	664.3
Other	0.0	0.0
<b>Lab Fund</b>		
Testing Fees	202.8	233.6
Other	0.0	0.0
<b>Total Revenue</b>	<b>\$ 177,143.6</b>	<b>\$ 215,859.2</b>
<b>EXPENDITURES <i>(In Thousands)</i></b>		
<b>State Casino Gaming Fund</b>		
Information Technology	(1,900.0)	(1,878.4)
<b>State Services Fee Fund</b>		
Board	(7.7)	(7.8)
Administration	(19,438.1)	(19,334.8)
Information Technology	(2,437.4)	(2,820.7)
<b>Internet Gaming Fund</b>		
Administration	(1,347.7)	(1,435.9)
Information Technology	(27.7)	(27.9)
City of Detroit - Hold Harmless Payment	(40,510.6)	(40,510.6)
<b>Internet Sports Betting Fund</b>		
Administration	(1,349.4)	(1,439.2)
Information Technology	(17.7)	(17.9)
<b>Fantasy Contest Fund</b>		
Administration	(75.4)	(115.3)
Information Technology	(3.5)	(3.6)
<b>Native American Casino Fund</b>		
	(571.1)	(519.3)
<b>Lab Fund</b>		
	(200.8)	(193.8)
<b>State Lottery Fund</b>		
	(1,236.4)	(1,498.9)
<b>Agriculture Equine Industry Development Fund</b>		
Administration	(1,097.0)	(1,175.7)
Information Technology	(30.8)	(30.8)
<b>Total Expenditures</b>	<b>\$ (70,251.3)</b>	<b>\$ (71,010.6)</b>

## Statement of Revenues and Expenditures (continued)

### OTHER FINANCING SOURCES (USES)

(In thousands)

Fiscal Year 2021

Calendar Year 2021

#### Transfers from Other Funds:

Department of Agriculture	\$	1,139.0	\$	1,139.0
Michigan State Lottery		1,298.1		1,463.3
Total Transfers from Other Funds		<b>2,437.1</b>		<b>2,602.3</b>

#### Transfers to Other Funds:

##### State Services Fee Fund

Department of Health and Human Services		(2,000.0)		(666.6)
Michigan Office of the Auditor General		(1,483.9)		(1,483.9)
Department of Treasury		(247.3)		(247.3)
Michigan State Police		(9,214.5)		(9,214.5)
Department of Civil Service		(222.9)		(222.9)

##### Internet Gaming Fund

Department of Health and Human Services		(500.0)		(500.0)
Department of Labor and Economic Opportunity		(2,000.0)		(2,000.0)
Department of Education		(87,169.5)		(87,169.5)

##### Internet Sports Betting Fund

Department of Health and Human Services		(500.0)		(500.0)
Department of Labor and Economic Opportunity		(2,000.0)		(2,000.0)
Department of Education		(1,803.5)		(1,803.5)

##### Fantasy Contest Tax Fund

Department of Education		(1,514.7)		(1,514.7)
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##### Native American Casino Fund

Department of Civil Service		(12.2)		(12.2)
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##### Lab Fund

Department of Civil Service		(2.0)		(2.0)
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##### State Lottery Fund

Department of Treasury		(43.3)		(43.3)
Department of Civil Service		(18.3)		(18.3)

##### Agriculture Equine Industry Development Fund

Department of Civil Service		(11.2)		(11.2)
Total Transfers to Other Funds		(108,743.3)		(107,409.9)

Total Other Financing Sources (Uses)	\$	<b>(106,306.2)</b>	\$	<b>(104,807.6)</b>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$	<b>586.1</b>	\$	<b>40,041.0</b>

#### Footnotes:

1. Approval for calendar year presentation was received from the Department of Technology, Management and Budget, Office of Financial Management.

2. Governmental fund types are accounted for using the modified accrual basis of accounting.

3. A large discrepancy between fiscal year and calendar year "Excess of Revenues and Other Sources over (under) Expenditures and Other Uses" is presented. This is due to the timing of go-live of internet gaming and internet sports betting. Go-live was in January 2021, which results in fiscal year 2021 only including 9 months of internet gaming/sports betting tax/payments. Comparatively, calendar year 2021 includes 12 months of taxes/payments.



This Annual Report was not produced at taxpayer expense.  
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