

2022 Michigan Gaming Control Board

Annual Report



Annual Report to the Governor

Calendar Year 2022



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



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD
DETROIT

HENRY L. WILLIAMS, JR.
EXECUTIVE DIRECTOR

April 14, 2023

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 2022, 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 and internet gaming and sports betting for 2022. It also includes a report on millionaire party and horse racing.

Sincerely,

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

Linda Forte
Chairperson



Michigan Gaming Control Board

FROM THE EXECUTIVE DIRECTOR

During Michigan's second year of internet gaming, patrons showed ongoing enthusiasm for playing, pushing tax revenue higher in 2022. Michigan monthly internet gaming receipts set monthly records six times during the year, generating \$1.58 billion in gross receipts and \$1.43 billion in adjusted gross receipts. Combined with \$399.58 million in internet sports betting gross receipts, commercial and tribal operators reported \$1.98 billion total gross receipts. Adjusted gross receipts at \$1.65 billion rose 47.8 percent.

The State of Michigan received \$392.98 million in internet gaming and sports betting taxes and payments during 2022, and tribal governing bodies received \$32.83 million in payments. Taxes and payments for both types of gaming go respectively to the Internet Gaming Fund and the Internet Sports Betting Fund, which yielded a combined \$259.8 million for the state's School Aid Fund at fiscal yearend.

Internet gaming offerings grew in 2022. Odawa Online and partner TSG were approved to add multistate internet poker in December 2022. Michigan joined the Multi-State Internet Gaming Agreement with Delaware, New Jersey and Nevada in May 2022, and launched on January 1, 2023. The Saginaw Chippewa Tribe's gaming business, Soaring Eagle Gaming, became the state's 15th internet gaming and sports betting operator on April 14. The Hannahville Tribe also changed its internet sports betting provider to 888 Holdings in September.

The Detroit casinos reported \$1.276 billion yearly aggregate revenue during 2022 and paid \$102.5 million in state taxes on table games, slots and retail sports betting revenue. The School Aid Fund received the tax revenue. Table games and slots declined a fractional 0.8 percent from 2021 results, and retail sports betting adjusted gross receipts fell 30.2 percent from the previous year.

As part of its work to halt illegal gambling, the MGCB and the Liquor Control Commission began a joint effort in 2022 to educate the public and business owners about illegal use of gambling machines. Additionally, eight search warrants were executed and 373 gaming machines seized through joint enforcement actions with the Michigan Department of Attorney General and local law enforcement agencies. Several illegal gambling criminal cases concluded, resulting in 17 criminal convictions.

The agency received \$7 million in additional funding for Fiscal Year 2023, which began October 1. It included funding for responsible gaming outreach and a comprehensive responsible gaming messaging campaign, new IT positions and IT support/infrastructure to assist with the surge of internet gaming and sports betting activity. Two laws signed in December changed the funding source for charitable gaming millionaire party events, making internet gaming taxes the new source beginning in March 2023.

The future of the Northville Downs racetrack may include relocation to nearby Plymouth Township, which has received proposed site plans. The track offered 61 live race days in two sessions during 2022 as plans for redevelopment of the existing site progressed through review by the City of Northville.

In 2022, the MGCB celebrated its silver anniversary as a state agency. We have relied on the assistance of the Department of Attorney General and the Michigan State Police throughout our existence. I thank both departments for working with MGCB staff 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 2022 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

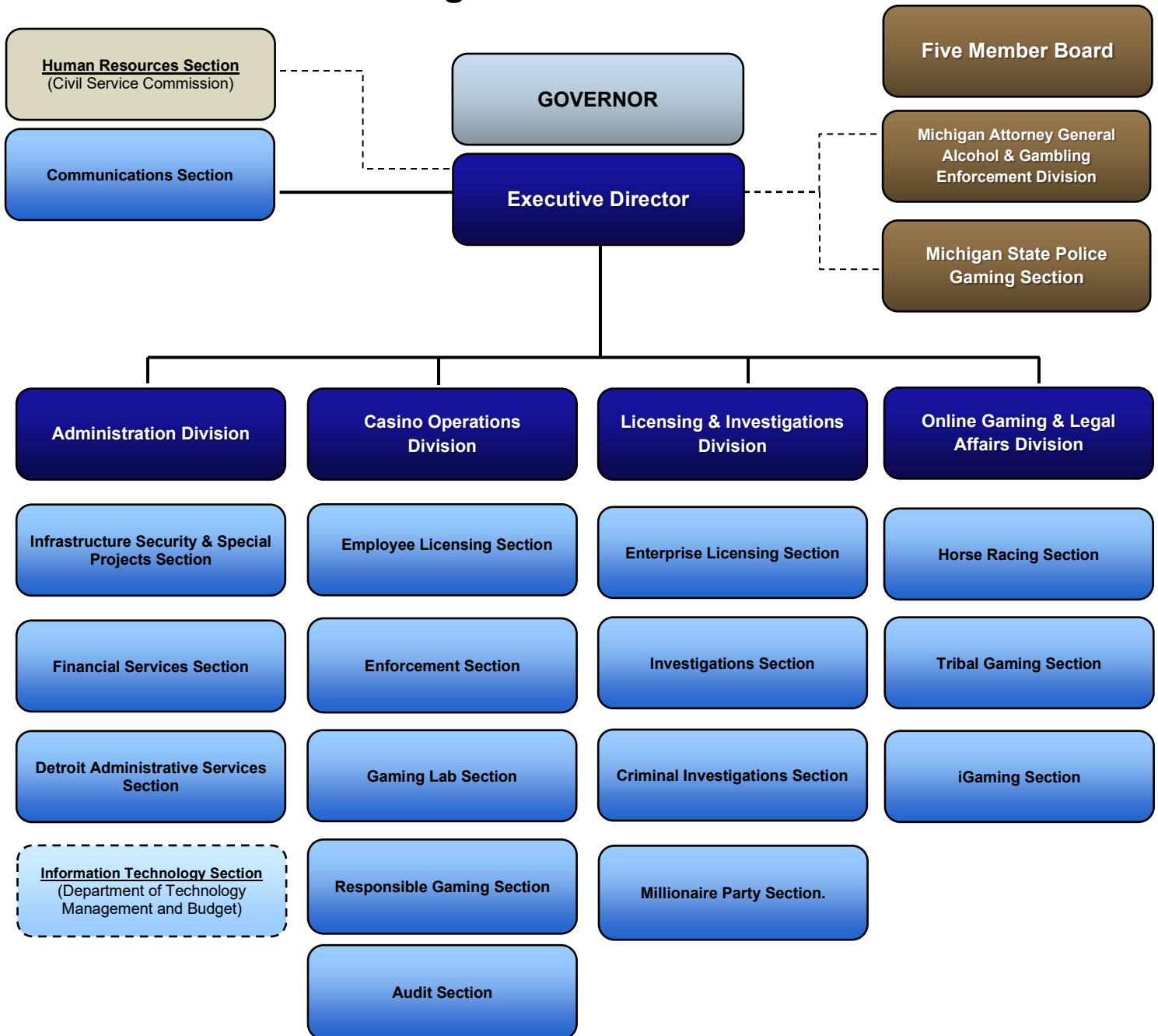


Mrs. Thower Davis, managing partner for Jamjomar Inc., has been appointed by Governor Gretchen Whitmer to serve as a board member for a term expiring on December 31, 2023.



Michigan Gaming Control Board

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 2022. 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. The Board met in person at the Detroit office located at Cadillac Place, 3062 West Grand Boulevard, Suite L-700, on the following dates:

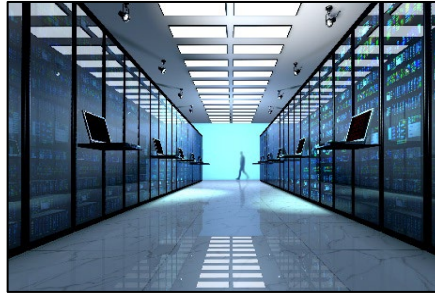
2022 Meeting Dates	
February 15	August 9
April 12	October 18
June 7	December 13

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

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 tax/payments remitted by licensed operators.

The section 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.

In addition, Financial Services helps MGCB staff complete air, hotel and rental car reservations and approves expense reimbursement requests. Monitoring fleet vehicle usage and maintenance is also a section responsibility.

Human Resources Section

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 MGCB.

In 2022, MGCB introduced 34 new staff members to the agency, while 14 employees departed through resignation or retirement. As a result, MGCB ended the year with 161 employees. In addition, 18 employees were promoted during the calendar year.



Michigan Gaming Control Board

Infrastructure, Security & Special Projects Section

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 2022, IS&SP along with DTMB successfully completed a pilot program moving some MGCB employees' computers to the State of Michigan (SOM) domain resulting in a cost savings for the agency. In October 2022, MGCB's executive director approved the request to complete the SOM domain project for the remaining agency employees.

The section effectively managed the visual and sound quality of all in-person and virtual public board meetings, ensuring an optimal live stream of the meetings was accessible. Additionally, the section modernized the equipment needed to conduct the board meetings more efficiently.

Detroit Administrative Services Section

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 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 calendar year 2022, MGCB created 135,317 records in the Content Manager (CM9) records management and retention system, an increase of 4,211 records from 2021. An estimated 811,902 to 1,082,536 pages of paper records were added to CM9. The Records Section consistently attained its measured benchmark of processing 99.5 percent of the documents received within 72 hours.



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Licensing & Investigations Division

The Licensing & Investigations Division oversees licensing for the commercial casinos, internet gaming operators, sports betting operators, and their respective suppliers; millionaire party events and millionaire party suppliers; and conducts regulatory and criminal investigations in coordination 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, 2022.

Commercial Casino Related Entities Licensed or Exempt (As of December 31, 2022)	
Commercial Casinos	3
Licensed Suppliers	91
Temporarily Licensed Suppliers	4
Supplier License Exemptions	294
Vendor Exemptions	488
Subcontractor Exemptions	21
Total	901



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Internet Gaming and Internet Sports Betting Entities Licensed or Registered (As of December 31, 2022)	
Internet Gaming Operators	15
Sports Betting Operators	15
Provisionally Licensed Internet Gaming Suppliers	11
Licensed Internet Gaming Suppliers	57
Provisionally Licensed Sports Betting Suppliers	6
Licensed Sports Betting Suppliers	44
Internet Gaming Vendor Registrations	315
Sports Betting Vendor Registrations	421
Total	884

Millionaire Party

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.

Qualified Organizations

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

As of December 31, 2022, 23 locations were used to host millionaire parties on a recurring basis.

Suppliers

Millionaire party suppliers are licensed by the Executive Director to provide goods and services to a qualified organization. As of December 31, 2022, there were 26 active millionaire party suppliers licensed by the Executive Director.



Michigan Gaming Control Board

On-Site and Post Inspections*

In 2022, the MGCB conducted 613 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 116 verbal warnings.

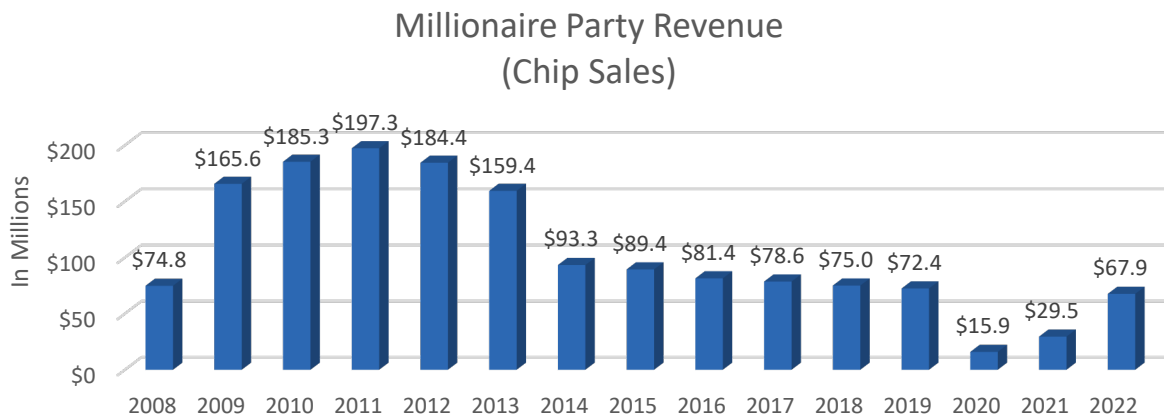
**On-Site Inspections: Regulation officers conduct inspections during ongoing millionaire party events to ensure compliance with the Act and Rules.*

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 2022, a total of 1,394 millionaire party licenses were issued authorizing 5,289 separate millionaire party event days. This resulted in the sale of approximately \$67.9 million in chips at millionaire parties with net profits to charities of approximately \$4.9 million.

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.*

Licensing and Event Days

The chart below represents licensing and event days trends since 2013.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Licenses Issued	5,339	3,022	2,820	2,619	2,387	2,228	2,149	412	587	1,394
Party Event Days	18,997	10,508	10,146	9,608	8,714	8,129	7,966	1,494	2,207	5,289



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Investigations Section

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 2022, Investigations Section staff conducted supplier investigations for suppliers located throughout the United States and worldwide. The Investigations Section conducted three casino renewal investigations, two initial internet gaming operator investigations, two initial sports betting operator investigations, 42 initial supplier license investigations, 82 supplier license renewal investigations and 102 supplemental licensing investigations during calendar year 2022. Supplemental licensing investigations include the background investigation of new key individuals, new key businesses, and transfers of ownership in a licensee.

Background investigations were conducted on 825 key individuals and 322 affiliated businesses in connection with the above noted licensing investigations during calendar year 2022.

Criminal Investigations Section

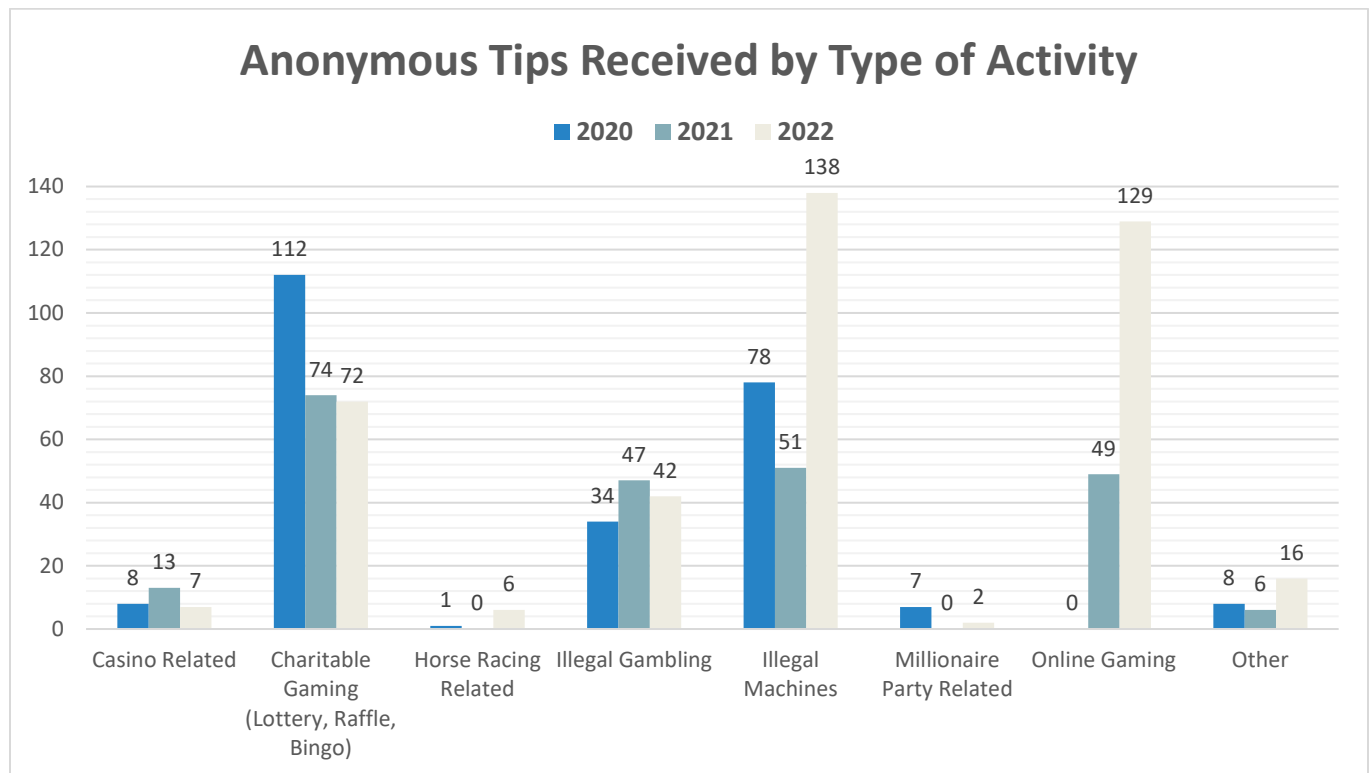
The Criminal Investigations Section (CIS) functions as a professional resource providing gaming investigative expertise to Board staff as well as federal, state, county and local law enforcement and regulatory agencies. The main purpose of the CIS is the administration of criminal justice. This includes 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 2022, CIS recorded a total of 412 tips. As a result, the CIS forwarded 53 anonymous tips to other MGCB sections or State of Michigan agencies for follow up and initiated 61 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 eight residents of Michigan who were conducting illegal online gambling.

The Michigan Gaming Control Board and Michigan Liquor Control Commission partnered in 2022 on an education and enforcement initiative to encourage businesses to remove unregulated machines used for illegal gaming. This partnership has led to the identification of hundreds of locations throughout the state with suspected illegal gambling machines.

As a result of MGCB investigations, and in partnership with the Attorney General's office, 373 machines used for illegal gambling were seized, 17 individuals received criminal gambling convictions and seven illegal gambling locations were closed during calendar year 2022.

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)(l) 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. Twelve individuals were added to the exclusion list during 2022.



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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 \$6.9 million in taxes collected in 2022 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.

Summary of Horse Racing Revenue		
January 1, 2022, through December 31, 2022		
Simulcast Wagering Taxes*	\$	1,761,512
Third Party Facilitator Taxes**		877,925
Occupational License Fees		22,835
Outs***		140,204
Racing Fines		15,425
Track Licenses		1,000
Third Party Facilitator Licenses		1,500
Revenue Transfers/Reductions		(36,320)
Total	\$	2,784,081

* Simulcast Wagering Taxes were 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.

**Licensed Third-Party Facilitators allow Michigan residents the opportunity to place wagers on horse races from a funded account. Third-Party Wagering is commonly known as Advance Deposit Wagering.

*** "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 percent is deposited into the Agriculture Equine Industry Development 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 2022, the Fund received \$3,502,553 in internet gaming taxes and \$701,292 in internet sports betting taxes. Total Fund revenue for calendar year 2022 was \$6.9 million.



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Summary of Horse Racing Expenditures		
January 1, 2022, through December 31, 2022		
Salaries, Wages, Retirement, and Benefits	\$	1,211,737
Contractual Services, Supplies, and Materials		219,219
Travel		11,275
Total	\$	1,442,231

For additional information regarding horse racing, please refer to the MGCB 2022 Horse Racing Annual Report.

iGaming Section

The iGaming Section performs regular 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

At the end of 2022, 14 internet gaming operators and 15 sports betting operators were authorized to conduct internet gaming and internet sports betting, respectively. The Hannahville Indian Community and its new platform provider partner are working to obtain MGCB regulatory approval to relaunch internet gaming in 2023.



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

Authorized Operators and Platform Providers	
Operator	Platform Provider
Bay Mills Indian Community	DraftKings
Nottawaseppi Huron Band of the Potawatomi	NYX Digital Gaming
Pokagon Band of Potawatomi Indians	Pala Interactive
Hollywood Casino at Greektown	Barstool Sportsbook & Casino (Platform Provider: Penn Sports Interactive)
Gun Lake Tribe	Parx Casino
Hannahville Indian Community	*Sports Illustrated Sportsbook (Sports Betting Platform Provider: VHL Michigan, LLC.) (Approved only for internet sports betting)
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
Saginaw Chippewa Indian Tribe of Michigan	GAN

** In September 2022, VHL Michigan, LLC replaced TwinSpires as Hannahville Indian Community's sports betting platform provider. Hannahville Indian Community/VHL Michigan LLC have been authorized to operate Internet casino gaming as of February 2023.*

In May 2022, Michigan signed a Multi-State Internet Gaming Agreement which allows internet poker players in Michigan to compete against players in Delaware, Nevada, and New Jersey. Internet gaming operators and internet gaming platform providers must complete several steps to obtain MGCB authorization to launch multi-state poker. The MGCB granted authorization to the Little Traverse Bay Bands of Odawa Indians and its platform provider the Stars Group (TSG) on December 20, 2022, and New Jersey granted authorization on December 23, 2022, for Michigan players to play with New Jersey players starting on January 1, 2023.



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The following charts depict the internet gaming adjusted gross receipts and related payments under LIGA as of December 31, 2022:

Internet Gaming Adjusted Gross Receipts and Related Payments January 2022 – December 2022 (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	\$ 533,328,056	\$ 104,056,299	\$ 51,262,157	\$ 0
MotorCity Casino	232,820,149	45,156,749	22,263,144	0
Hollywood Casino at Greektown	46,772,859	8,691,480	4,309,581	0
Bay Mills Indian Community	223,527,803	49,526,228	0	12,381,557
Nottawaseppi Huron Band of Potawatomi Indians	14,373,020	2,675,556	0	668,889
Grand Traverse Band of Ottawa and Chippewa Indians	59,576,366	12,801,106	0	3,200,277
Gun Lake Tribe	19,632,918	3,853,774	0	963,443
Hannahville Indian Community	5,579,686	918,025	0	229,506
Keweenaw Bay Indian Community	65,334,984	14,091,037	0	3,522,759
Lac Vieux Desert Band of Lake Superior Chippewa Indians	9,750,717	1,680,138	0	420,034
Little River Band of Ottawa Indians	93,469,683	20,393,209	0	5,098,302
Little Traverse Bay Bands of Odawa Indians	\$26,926,879	5,487,621	0	1,371,905
Pokagon Band of Potawatomi Indians	30,281,832	6,239,130	0	1,559,783
Soaring Eagle Gaming	17,506,576	3,377,473		844,368
Sault Ste. Marie Tribe of Chippewa Indians	48,392,935	10,296,017	0	2,574,004
Total	\$ 1,427,274,463	\$ 289,243,842	\$ 77,834,882	\$ 32,834,827

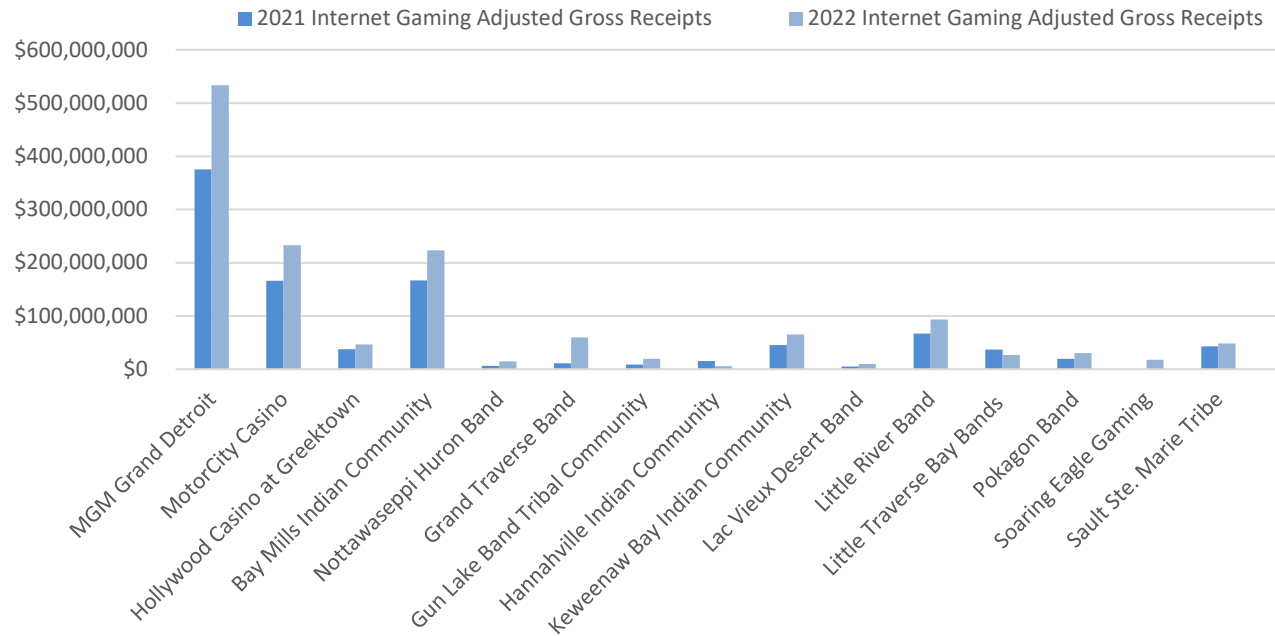
*As reported by operator and has not been audited. Internet gaming operators must remit monthly payments. Payments are due the month following the current period. Column totals may not equal due to rounding to the nearest dollar.

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



Michigan Gaming Control Board

Internet Gaming Adjusted Gross Receipts





Michigan Gaming Control Board

The following charts depict the internet sports betting adjusted gross receipts and related payments under LSBA as of December 31, 2022:

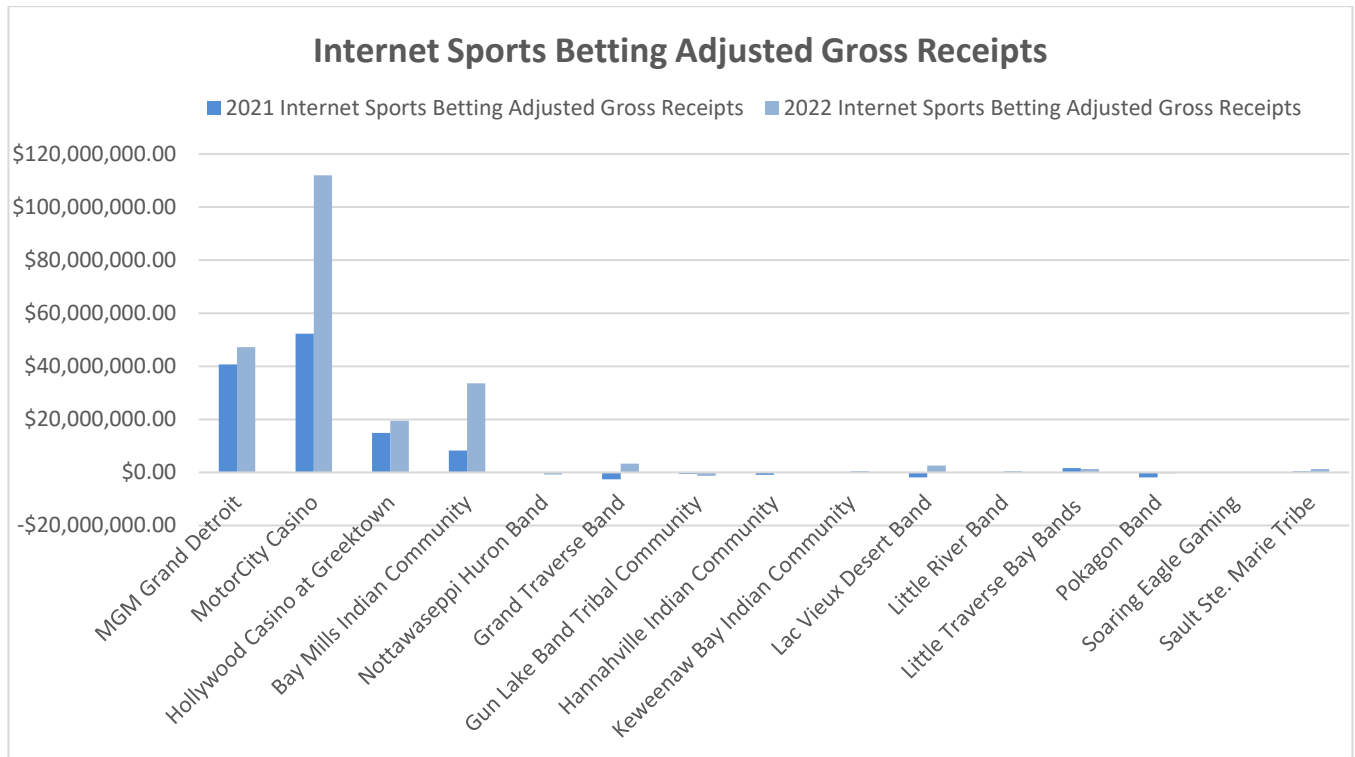
Internet Sports Betting Adjusted Gross Receipts and Related Payments January 2022 – December 2022 (Rounded to the nearest dollar)			
Operator	Sports Betting Adjusted Gross Receipts	Internet Sports Betting State Payment*	City Wagering Taxes and Municipal Service Fees*
MGM Grand Detroit	\$ 47,263,202	\$ 2,779,076	\$ 1,781,823
MotorCity Casino	112,020,789	6,586,822	4,223,184
Hollywood Casino at Greektown	19,448,140	1,143,551	733,195
Bay Mills Indian Community	33,626,135	2,824,595	0
Nottawaseppi Huron Band of Pottawatomi Indians	(762,339)	0	0
Grand Traverse Band of Ottawa and Chippewa Indians	3,295,279	20,123	0
Gun Lake Tribe	(1,265,858)	0	0
Hannahville Indian Community	32,148	0	0
Keweenaw Bay Indian Community	545,990	45,863	0
Lac Vieux Desert Band of Lake Superior Chippewa Indians	2,582,120	63,048	0
Little River Band of Ottawa Indians	598,128	64,362	0
Little Traverse Bay Bands of Odawa Indians	1,239,712	104,136	0
Pokagon Band of Potawatomi Indians	(261,481)	0	0
Soaring Eagle Gaming	(83,599)	0	0
Sault Ste. Marie Tribe of Chippewa Indians	1,302,757	109,432	0
Total	\$ 219,581,123	\$ 13,741,008	\$ 6,738,202

**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. Column totals may not equal due to rounding to the nearest dollar.*

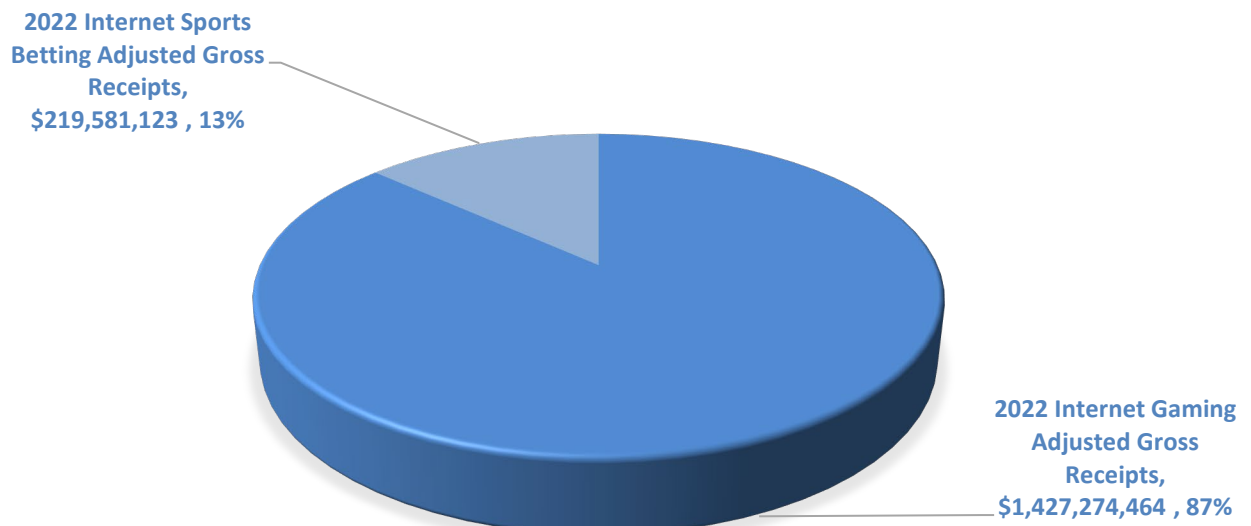
Note: Internet Sports Betting payments presented are calculated based on date earned. Timing differences exist when reconciling to the State's accounting system due to the actual depositing of portions of the payments occurring in the subsequent calendar year.



Michigan Gaming Control Board



The following chart compares the internet sports betting adjusted gross receipts under LSBA and the internet gaming adjusted gross receipts under LIGA as of December 31, 2022:





Michigan Gaming Control Board

Fantasy Contests

MGCB 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 2023. Operators that met the definition of a fantasy contest operator in Michigan on May 1, 2018, and applied for a license by July 1, 2022, 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 2022 rounded to the nearest dollar.

Fantasy Contest Operator	Fantasy Contest Adjusted Revenue*	Fantasy Contest Tax*
FanDuel	\$ 3,997,281	\$ 335,772
DraftKings	7,902,429	663,804
SportsHub	14,879	1,250
FFPC, LLC	358,124	30,082
FullTime	(24,417)	(2,051)
Yahoo	101,983	8,567
Fantasy Sports Shark	35,901	3,016
Boom Shakalaka Inc.	35,301	2,965
PrizePicks	4,373,200	367,349
RealTime Fantasy Sports	49,472	4,155
Total	\$ 16,844,153	\$ 1,414,909

**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's accounting system due to the actual depositing of portions of the tax occurring in the subsequent calendar year.

Authorized Participant Complaints

The iGaming Section processes complaints received from authorized participants pursuant to Rules 432.641(7) and 432.741(7). There were 602 authorized participant complaints received in 2022 which were reviewed and responded to by MGCB during 2022 and the first quarter of 2023.



Michigan Gaming Control Board

Violations Issued/Fines Imposed

During 2022, the Online Gaming and Legal Affairs Division issued violations, warning letters and imposed fines as follows:

BetMGM, L.L.C.

2/10/2022: BetMGM was issued a warning letter for violation of MGCB Internet Gaming Rules 432.632b(2) and 432.641(4) as well as BetMGM internal controls 2.17.2.2 and 8.1.1. The violation occurred on 3/24/2021.

2/15/2022: BetMGM was issued a warning letter for violation of MGCB Internet Sports Betting Rule R432.755d(2), Michigan Gaming Control Board Internet Gaming Rule R432.655d(2), BetMGM Internet Sports Betting Internal Controls 7.28.2 and BetMGM Internet Gaming Internal Controls 7.28.2. The violation occurred on 8/24/2021.

6/7/2022: BetMGM was issued a Final Decision and Order for violation of Mich Admin Code R 432.716(3) for its failure to conduct sports betting in compliance with the Lawful Sports Betting Act, MCL 432.401, et seq., and Rule 432.746 by accepting sports betting data from an unlicensed supplier. BetMGM was ordered to pay a \$150,000 fine, with \$100,000 to be paid upon the issuance of the final Board Order, and the remaining \$50,000 to be held in abeyance for 24 months.

Penn Sports Interactive, L.L.C.

12/13/2022: Penn Sports Interactive, L.L.C. was issued a Final Decision and Order for failure to conduct internet gaming in compliance with Internet Gaming Rule 432.616(3), distributing internet games without approval of the Board Rule 432.632(1) and failure to comply with Internal Controls Rule 432.664. Penn Sports Interactive, LLC was ordered to pay a \$30,000 fine, with \$20,000 to be paid upon the issuance of the final Board Order, and the remaining \$10,000 to be held in abeyance for 24 months.



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 2022, the section received 4,689 new and renewal occupational applications for investigation.

Occupational and Renewal Applications Received in 2022	
Supplier/Vendor	792
MGM Grand Casino	1,199
MotorCity Casino	893
Hollywood Casino at Greektown	793
Internet Gaming	1,012
Total	4,689

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 2022	
Voluntary Surrender	7
Voluntary Withdrawal	104
Warning Letter	4
Summary Suspension	11
Notice of Opportunity to Show Compliance	13
Occupational License Waiver	39



Michigan Gaming Control Board

Enforcement Section

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 are in compliance.

In the fourth quarter of 2022, MGCB Enforcement staff conducted unannounced financial counts of all three Detroit casinos' cage departments to verify the reporting and accountability of cash and cash equivalents.

Violations Issued/Fines Imposed

During 2022, the Enforcement Section issued violations, warning letters and imposed fines as follows:

Hollywood Casino at Greektown (GTC)

1/28/2022: Four GTC occupational licensees were issued warning letters for allowing a patron to past post bets multiple times at CR-403. The violation occurred on 6/21/2021.

4/4/2022: MGCB settled a violation with a fine of \$6,000 related to GTC allowing a minor to enter the casino. The violation occurred on 4/10/2021.

5/11/2022: A GTC occupational licensee was issued a warning letter for allowing a minor to enter the casino. The violation occurred on 12/24/2021.

5/11/2022: A GTC occupational licensee was issued a warning letter for failure to scan a sportsbook ticket and paid a guest an incorrect amount, causing a variance. The violation occurred on 12/31/2021.

7/11/2022: Three GTC occupational licensees were issued warning letters for failure to remove and process the top shelf of a cart containing 48 bill validator cans. The violation occurred on 11/28/2021.

7/29/2022: A GTC occupational licensee was issued a warning letter for failure to comply with the rules of the game for roulette. The violation occurred on 10/10/2021.

9/27/2022: MGCB settled a violation with a fine of \$5,000 for GTC's failure to monitor dollar amount of business conducted and failure to comply with internal control procedures. The violation was acknowledged on August 25, 2022.

12/22/2022: A GTC occupational licensee was issued a warning letter for failure to meet the criteria that the Board considers appropriate for suitability. The violation occurred 7/23/2022.

12/29/2022: MGCB settled a violation with a fine of \$10,000 for offering credit, check cashing privileges, or offer coupons to a disassociated person. The violation occurred on 2/4/2022.



Michigan Gaming Control Board

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

1/3/2022: An MCC occupational licensee was issued a warning letter for leaving cards in the shuffler of a closed table game. The violation occurred on 7/21/2021.

1/10/2022: MGCB settled a violation with a fine of \$9,000 for allowing a minor to enter the casino and game. In addition, three MCC occupational licensees were issued a warning letter for the same offense. The violation occurred on 6/10/2021.

1/10/2022: MGCB settled a violation with a fine of \$2,500 and an additional \$2,500 deposited into the Compulsive Gambling Fund for assisting a disassociated person to obtain funds 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.

4/18/2022: An MCC occupational licensee was issued a warning letter for taking chips out of a poker pot and placing them in a tip cup. The violation occurred on 9/11/2021.

6/15/2022: MCC was issued a warning letter for sending promotional mailers to a disassociated person. The violation occurred on 11/30/2021.

7/27/2022: An MCC occupational licensee was issued a warning letter for failing to remove EGD keys from an EGD. The violation occurred on 4/24/2022.

8/2/2022: MGCB settled a violation with a fine of \$2,500 for accepting an underage ID. In addition, an MCC occupational licensee was issued a warning letter for the same offense. The violation occurred on 12/3/2021.

8/4/2022: MCC was issued a warning letter for leaving tournament chips unattended. The violation occurred on 3/14/2022.

9/1/2022: MGCB settled two violations with a fine of \$6,000 each for a minor gambling in the casino. The violation occurred on 3/19/2022.

9/1/2022: MCC occupational licensee was issued a warning letter for allowing a minor to gamble in the casino. The violation occurred on 3/19/2022.

10/13/2022: The MGCB settled a violation with a fine of \$6,000 for a minor gambling in the casino. In addition, an MCC occupational licensee was issued a warning letter for the same offense. The violation occurred on 2/19/2022.

12/7/2022: An MCC occupational licensee was issued a warning letter for granting a patron access to a restricted area. The violation occurred on 9/18/2022.



Michigan Gaming Control Board

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

1/4/2022: Three MGM occupational licensees were issued a warning letter for failing to properly collect cash boxes from the casino floor. The violation occurred on 7/20/2021.

4/11/2022: MGCB settled a violation with a fine of \$3,000 for allowing a minor to enter the casino and gamble. In addition, one MGM occupational licensee was issued a warning letter for the same offense. The violation occurred on 6/18/2021.

7/25/2022: One MGM occupational licensee was issued a warning letter for failing to verify a patron who won a jackpot before paying the winnings to the patron. The violation occurred on 4/27/2022.

8/29/2022: One MGM occupational licensee was issued a warning letter for providing services to an identified disassociated person. The violation occurred on 4/16/2022.

11/7/2022: One MGM occupational licensee was issued a warning letter for failing to properly collect cash boxes from the casino floor. The violation occurred on 3/12/2022.

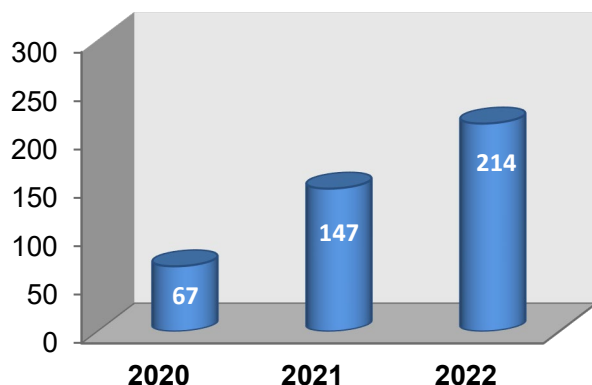
Responsible Gaming Section

Disassociated Persons List and Problem Gambling Diversion Program

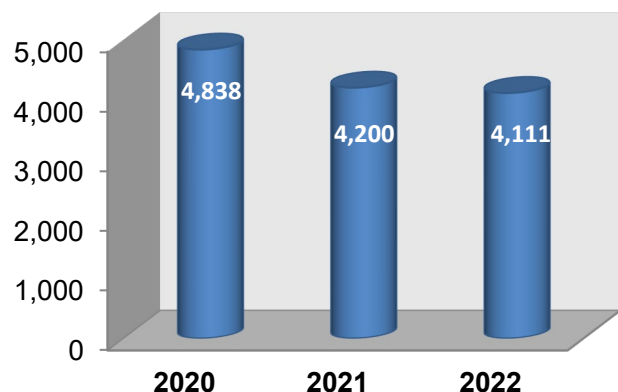
The Act created the Disassociated Persons List (DPL), which was designed for problem gamblers who request self-exclusion from entering and gaming at the three commercial casinos in the City of Detroit. The Act also states an individual who violates the terms and conditions of their agreement is guilty 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, 2022, the DPL program included 4,111 people.

The Act allows disassociated persons to request removal of their names after five or more years on the list. As of December 31, 2022, 1,038 persons had been removed from the list.

Approved DPL Applications by Year



Cumulative Approved DPL Applications Per Year

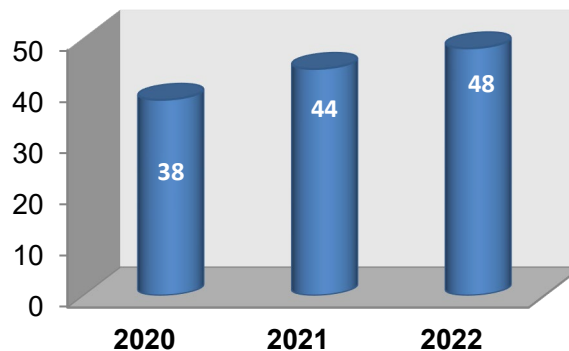




Michigan Gaming Control Board

In 2022, 47 first-time DPL offenders were offered the Diversion Program* and 48 discharge summaries were received for those completing the program. Since inception, a cumulative total of 1,070 DPL offenders have been offered the Diversion Program and 869 have completed it.

**Diversion Program Completions
by Year**



**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.*

Responsible Gaming Database (RGD)

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, 2022, 343 individuals were added to the RGD, self-excluding from internet gaming, and 311 individuals were added to the RGD, self-excluding from internet sports betting.



Michigan Gaming Control Board

Gaming Lab Section

In 2022, the Gaming Lab Section completed 1,825 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, 1,738 were for new gaming software and 87 were for new gaming hardware. The lab also processed nine 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 227 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 2022, the Gaming Lab Section conducted inspections of 1,400 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.



Michigan Gaming Control Board

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 2022:

Casino Licensees' Reported Contacts with Minors On Licensed Casino Premises During Calendar Year 2022

<i>Number of Minors</i>	MGM Grand	MotorCity	Hollywood Casino at Greektown
Denied entry into the casino*	1,259	11,039	854
Physically escorted from the casino premises	6	0	2
Detected participating in gambling games other than slot machines	0	1	0
Detected using slot machines	0	3	0

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



Michigan Gaming Control Board

Audit Section

In 2022, 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; conducted compliance audits in the areas of Accounting, Drop & Count, Retail Sports Betting, and Key Controls; reviewed 64 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 31 ICS modification submissions of the three licensees of the Detroit casinos, as required by the MGCB's Administrative Rules.

Five compliance audits were completed in 2022 and final audit reports were issued. As a result of these compliance audits, six instances of non-compliance with the ICS and one administrative modification requiring amendment to the ICS were discovered. The casino licensees were notified of the findings and have responded with their remedial action plans. Three additional compliance audits are near completion, and seven more will be started in 2023.

To ensure corrective actions were implemented, the Audit Section also performed nine follow-up reviews originating from audit findings and warning letters issued under previous audit plans.

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 \$1,275,786,578 in gaming revenue (\$1,256,974,742 from table games/slots and \$18,811,836 from retail sports betting) to the State of Michigan and payment of \$102,526,041 (\$101,814,954 from table games/slots and \$711,087 from retail sports betting) in state wagering taxes were free of material misstatement.

In 2022, the Audit Section confirmed \$156,497,539 (\$155,628,432 from table games/slots and \$869,107 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

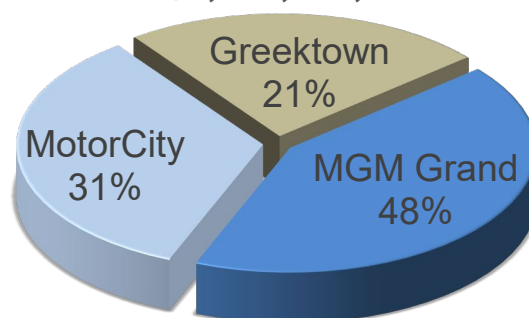
Casino Revenues

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 2022 follows:

Month	MGM GRAND CASINO	MOTORCITY CASINO	HOLLYWOOD CASINO AT GREEKTOWN	TOTAL DETROIT CASINOS
January	\$ 48,648,907	\$ 29,875,617	\$ 20,447,292	\$ 98,971,816
February	46,284,723	28,943,497	20,363,139	95,591,359
March	55,915,798	39,294,488	25,718,094	120,928,380
April	56,756,008	36,419,906	23,679,159	116,855,073
May	49,993,385	34,568,765	21,707,079	106,269,229
June	48,338,041	33,510,139	16,347,937	98,196,117
July	51,241,725	34,840,407	19,860,720	105,942,852
August	50,315,817	32,327,014	21,838,626	104,481,457
September	48,411,612	31,327,360	21,079,039	100,818,011
October	46,397,048	32,396,656	21,929,160	100,722,864
November	46,716,286	30,023,786	23,183,937	99,924,009
December	50,978,606	32,993,134	24,301,835	108,273,575
Total	\$ 599,997,956	\$ 396,520,769	\$ 260,456,017	\$ 1,256,974,742

Detroit Casinos Adjusted Gross Receipts
\$1,256,974,742





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 2022, the combined 8.1 percent State Wagering Taxes paid by the three Detroit casino licensees and deposited in the State School Aid Fund totaled \$101,814,954.

A monthly and annual summary of the State Wagering Tax payments for the three Detroit commercial casinos for calendar year 2022 follows:

Month	MGM GRAND CASINO	MOTORCITY CASINO	HOLLYWOOD CASINO AT GREEKTOWN	TOTAL DETROIT CASINOS
January	\$ 3,940,561	\$ 2,419,925	\$ 1,656,231	\$ 8,016,717
February	3,749,063	2,344,423	1,649,414	7,742,900
March	4,529,180	3,182,854	2,083,165	9,795,199
April	4,597,237	2,950,012	1,918,012	9,465,261
May	4,049,464	2,800,070	1,758,273	8,607,807
June	3,915,381	2,714,321	1,324,183	7,953,885
July	4,150,580	2,822,073	1,608,718	8,581,371
August	4,075,581	2,618,488	1,768,929	8,462,998
September	3,921,341	2,537,516	1,707,402	8,166,259
October	3,758,161	2,624,129	1,776,262	8,158,552
November	3,784,019	2,431,927	1,877,899	8,093,845
December	4,129,267	2,672,444	1,968,449	8,770,160
Total	\$ 48,599,835	\$ 32,118,182	\$ 21,096,937	\$ 101,814,954



Michigan Gaming Control Board

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 receipts 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 2022, the combined City of Detroit Wagering Taxes paid by the three Detroit casino licensees totaled \$155,628,432. Currently, this represents a significant percentage of the City of Detroit's budget.

A monthly and annual summary of the City of Detroit Wagering Tax payments for the three Detroit commercial casinos for calendar year 2022 follows:

Month	MGM GRAND CASINO	MOTORCITY CASINO	HOLLYWOOD CASINO AT GREEKTOWN	TOTAL DETROIT CASINOS
January	\$ 5,789,220	\$ 3,555,198	\$ 2,433,228	\$ 11,777,646
February	5,507,882	3,444,276	2,423,214	11,375,372
March	6,653,980	4,676,044	3,060,453	14,390,477
April	6,753,965	4,333,969	2,817,820	13,905,754
May	5,949,213	4,113,683	2,583,142	12,646,038
June	5,752,227	3,987,707	1,945,405	11,685,339
July	6,097,765	4,146,008	2,363,426	12,607,199
August	10,091,143	3,846,915	2,598,796	16,536,854
September	6,245,098	3,727,956	2,508,406	12,481,460
October	5,985,219	3,855,202	2,609,570	12,449,991
November	6,026,401	3,572,830	2,758,888	12,358,119
December	6,576,240	3,946,025	2,891,918	13,414,183
Total	\$ 77,428,353	\$ 47,205,813	\$ 30,994,266	\$ 155,628,432



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 or system malfunction, or uncollectible markers.

A monthly and annual summary of the qualified adjusted gross receipts for the three Detroit casinos for calendar year 2022 follows:

Month	MGM GRAND CASINO	MOTORCITY CASINO	HOLLYWOOD CASINO AT GREEKTOWN	TOTAL DETROIT CASINOS
January	\$ 481,785	\$ 521,493	\$ 929,796	\$ 1,933,074
February	(175,082)	(400,347)	(297,124)	(872,553)
March	545,336	718,442	664,550	1,928,328
April	405,385	552,841	912,513	1,870,739
May	220,028	575,469	1,592,834	2,388,331
June	(22,251)	165,931	305,023	448,703
July	807,710	238,321	212,205	1,258,236
August	701,876	382,147	578,829	1,662,852
September	1,007,935	822,534	768,912	2,599,381
October	711,958	680,649	702,147	2,094,754
November	807,913	741,222	313,884	1,863,019
December	723,474	548,710	364,788	1,636,972
Total	\$ 6,216,067	\$ 5,547,412	\$ 7,048,357	\$ 18,811,836



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 2022, the combined 3.78 percent State Wagering Taxes paid by the three Detroit casino licensees and deposited in the State School Aid Fund totaled \$711,087.

A monthly and annual summary of the State Wagering Tax payments for the three Detroit casinos for calendar year 2022 follows:

Month	MGM GRAND CASINO	MOTORCITY CASINO	HOLLYWOOD CASINO AT GREEKTOWN	TOTAL DETROIT CASINOS
January	\$ 18,211	\$ 19,712	\$ 35,146	\$ 73,069
February	(6,618)	(15,133)	(11,231)	(32,982)
March	20,614	27,157	25,120	72,891
April	15,324	20,897	34,493	70,714
May	8,317	21,753	60,209	90,279
June	(841)	6,272	11,530	16,961
July	30,531	9,009	8,021	47,561
August	26,531	14,445	21,880	62,856
September	38,100	31,092	29,065	98,257
October	26,912	25,729	26,541	79,182
November	30,539	28,018	11,865	70,422
December	27,347	20,741	13,789	61,877
Total	\$ 234,967	\$ 209,692	\$ 266,428	\$ 711,087



Michigan Gaming Control Board

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 2022, the combined City of Detroit Wagering Taxes paid by the three Detroit casino licensees totaled \$869,107.

A monthly and annual summary of the City of Detroit Wagering Tax payments for the three Detroit casinos for calendar year 2022 follows:

Month	MGM GRAND CASINO	MOTORCITY CASINO	HOLLYWOOD CASINO AT GREEKTOWN	TOTAL DETROIT CASINOS
January	\$ 22,258	\$ 24,093	\$ 42,957	\$ 89,308
February	(8,089)	(18,496)	(13,727)	(40,312)
March	25,195	33,192	30,702	89,089
April	18,729	25,541	42,158	86,428
May	10,165	26,587	73,589	110,341
June	(1,028)	7,666	14,092	20,730
July	37,316	11,010	9,804	58,130
August	32,427	17,655	26,742	76,824
September	46,567	38,001	35,524	120,092
October	32,892	31,446	32,439	96,777
November	37,326	34,245	14,501	86,072
December	33,424	25,351	16,853	75,628
Total	\$ 287,182	\$ 256,291	\$ 325,634	\$ 869,107



Michigan Gaming Control Board

Board Revenues and Expenditures

State Casino Gaming Fund

Section 432.212(2) of the Michigan Gaming Control and Revenue Act creates the state casino gaming fund. The fund is administered by the MGCB and all fees, fines, and charges imposed under the Michigan Gaming Control and Revenue Act and Administrative Rules that are not required to be deposited in the State Services Fee Fund are deposited into this fund.

State Services Fee Fund

Section 432.212a of the Michigan Gaming Control and Revenue Act provides all casino-related regulatory and enforcement costs, compulsive gambling programs, and other casino-related programs, activities, and services conducted by MGCB, MSP, and the AG's office must be paid by casino licensees. Under the Michigan Gaming Control and Revenue 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.

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 the Department of Health and Human Services (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.

MGCB is authorized by the Michigan Gaming Control and Revenue 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 Michigan Gaming Control and Revenue Act authorizes MGCB to assess and collect license fees for both the initial issuance and subsequent renewals of casino, supplier, and occupational licenses. The Michigan Gaming Control and Revenue Act also authorizes MGCB to order reimbursement of investigative costs incurred more than application fees paid by the casinos and suppliers. Fees are also collected from entities considered vendor exemptions.



Michigan Gaming Control Board

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% 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 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 internet gaming platforms and internet games for use 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 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% of the total gaming tax deposited in the Internet Gaming Fund, minus the 30% 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% on adjusted gross sports betting receipts. Sixty-five percent of the tax for non-tribal operators and 90% 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, 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.



Michigan Gaming Control Board

The Lawful Sports Betting Act requires MGCB to expend money from the Internet Sports Betting Fund based on the following 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 the Department of Labor and Economic Opportunity (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. One hundred percent of the tax is required to 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, 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 Fantasy Contest Fund on MGCB's cost of regulating and enforcing fantasy contests. Any remaining funds at the end of the fiscal year are 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 Tribal 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.



Michigan Gaming Control Board

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 (Agriculture Equine Industry 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.

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 remain 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 2022.

Statement of Revenues and Expenditures

REVENUES <i>(In Thousands)</i>	<u>Fiscal Year 2022</u>	<u>Calendar Year 2022</u>
State Casino Gaming Fund		
Fines	\$ 66.7	\$ 71.9
Other	0.5	0.0
State Services Fee Fund		
Annual Assessments	36,805.3	37,840.8
Laboratory Fees	0.0	37.0
Application Fees:		
Suppliers	197.0	193.2
Occupational	172.8	185.0
Vendors	12.4	10.4
License/Renewal Fees:		
Casinos	75.0	75.0
Suppliers	400.0	400.0
Occupational	347.9	382.4
Vendors	24.7	16.2
Badge Replacement Fees	5.8	6.5
Internet Gaming Fund		
Taxes	144,428.1	150,961.3
Payments - Tribal	107,235.3	112,722.2
Laboratory Fees	1,488.7	1,610.7
Application Fees:		
Suppliers	123.7	111.4
Occupational	128.7	129.1
Vendors	16.6	14.5
License/Renewal Fees:		
Operators	900.0	850.0
Suppliers	255.0	231.2
Occupational	91.4	106.3
Badge Replacement Fees	0.1	0.0
Fines	0.0	30.0
Common Cash Earnings	1,051.8	1,051.8
Other	2.9	2.9
Internet Sports Betting Fund		
Taxes	8,629.6	9,116.8
Payments - Tribal	1,748.0	2,501.0
Laboratory Fees	28.5	28.9
Application Fees:		
Suppliers	63.4	58.4
Occupational	123.5	123.4
Vendors	21.7	20.4
License/Renewal Fees:		
Operators	900.0	850.0
Suppliers	180.0	195.0
Occupational	90.9	105.0
Badge Replacement Fees	\$ 0.1	\$ 0.2
Fines	100.0	100.0
Common Cash Earnings	43.8	43.8

Statement of Revenues and Expenditures (continued)

REVENUES <i>(In Thousands) (continued)</i>	<u>Fiscal Year 2022</u>	<u>Calendar Year 2022</u>
Fantasy Contest Tax Fund		
Tax Revenue	1,299.3	1,317.6
License/Renewal Fees:		
Suppliers	70.0	90.0
Common Cash Earnings	4.9	4.9
Native American Casino Fund		
Oversight Fees	758.1	777.8
Lab Fund		
Testing Fees	298.9	268.1
Total Revenue	\$308,191.1	\$ 322,641.1
EXPENDITURES <i>(In Thousands)</i>	<u>Fiscal Year 2021</u>	<u>Calendar Year 2021</u>
State Services Fee Fund		
Board	\$ (8.4)	\$ (13.2)
Administration	(15,579.0)	(15,824.9)
Information Technology	(2,120.7)	(1,846.7)
Michigan State Police	(5,495.8)	(5,497.0)
Attorney General	(1,446.5)	(1,447.9)
Internet Gaming Fund		
Administration	(966.1)	(1,300.6)
Information Technology	(446.4)	(451.1)
Internet Sports Betting Fund		
Administration	(959.4)	(1,043.0)
Information Technology	(375.0)	(375.1)
Fantasy Contest Fund		
Administration	(178.3)	(175.4)
Information Technology	(100.0)	(112.0)
Native American Casino Fund		
Attorney General	(416.2)	(438.3)
	(87.0)	(87.0)
Lab Fund		
	(296.7)	(247.2)
State Lottery Fund		
	(2,691.8)	(2,881.1)
Agriculture Equine Industry Development Fund		
Administration	(1,366.8)	(1,393.8)
Information Technology	(35.8)	(36.5)
Total Expenditures	\$ (32,569.9)	\$ (33,170.8)

Statement of Revenues and Expenditures (continued)

OTHER FINANCING SOURCES (USES)

(In thousands)

Fiscal Year 2022

Calendar Year 2022

Transfers From Other Funds:

Department of Agriculture	\$ 1,414.5	\$ 1,414.5
Michigan State Lottery	2,777.8	2,458.7
Total Transfers from Other Funds	4,192.3	3,873.2

Transfers To Other Funds:

State Services Fee Fund

Department of Health and Human Services	(2,000.0)	(2,000.0)
Michigan Office of the Auditor General	(1,506.2)	(1,506.2)
Department of Treasury	(196.8)	(196.8)
Michigan State Police	(9,066.7)	(9,066.7)
Department of Civil Service	(199.4)	(199.4)

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	(251,786.3)	(251,786.3)
Department of Civil Service	(23.4)	(23.4)

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	(8,071.7)	(8,071.7)
Department of Civil Service	(23.4)	(23.4)

Fantasy Contest Tax Fund

Department of Education	(1,094.7)	(1,094.7)
Department of Civil Service	(1.3)	(1.3)

Native American Casino Fund

Department of Civil Service	(8.0)	(8.0)
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Lab Fund

Department of Civil Service	(2.2)	(2.2)
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State Lottery Fund

Department of Treasury	(65.6)	(65.6)
Department of Civil Service	(20.4)	(20.4)

Agriculture Equine Industry Development Fund

Department of Civil Service	(11.9)	(11.9)
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Total Transfers to Other Funds	\$ (279,078.0)	\$ (279,078.0)
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Total Other Financing Sources (Uses)	\$ (274,885.7)	\$ (275,204.8)
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Excess of Revenues and Other Sources over

(under) Expenditures and Other uses	\$ 735.5	\$ 14,265.5
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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.



This Annual Report was not produced at taxpayer expense.
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