

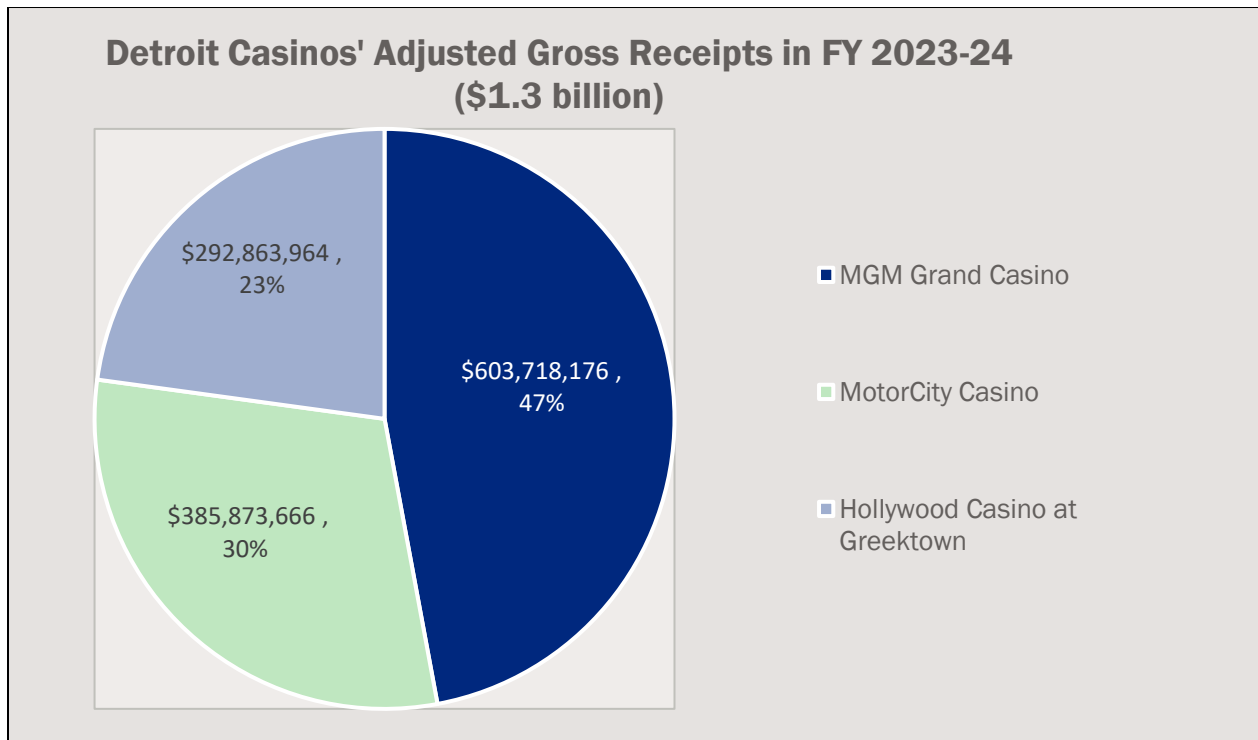
# OneFAB

Information Delivered on One Page, Front And Back

## Commercial Casino Gaming History

In 1996, Michigan voters approved Proposal E, which authorizes up to three licensed commercial casinos in the City of Detroit. Following approval, the Michigan Gaming Control Board was established under the Michigan Gaming Control and Revenue Act. The Board was created as an autonomous agency within the Department of Treasury. The Board is led by an executive director who is appointed by the Governor and approved by the Senate to serve a six-year term. The Board consists of five members, not more than three of whom may be of the same political party, who are appointed by the Governor to four-year terms. The purpose of the Michigan Gaming Control Board is to administer the Act and the licensing, regulation, and enforcement of commercial casino gaming in the City of Detroit.

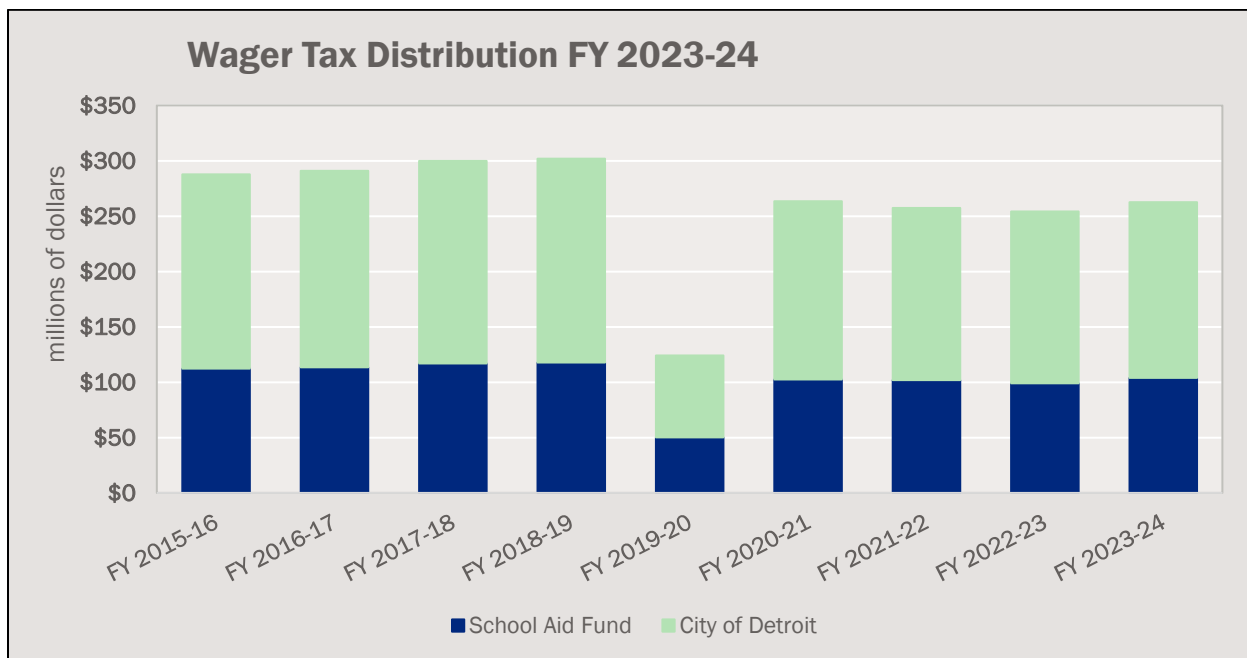
Since its creation, the Board has been expanded to regulate different gaming acts, including the Lawful Internet Gaming Act, the Lawful Sports Betting Act, the Fantasy Contests Consumer Protection Act, the McCauley-Law-Bowman Bingo Act (which includes Millionaire or Charitable Gaming), and the Horse Racing Law. The three casinos in the City of Detroit include the MGM Grand Casino, the MotorCity Casino, and the Hollywood Casino at Greektown. In fiscal year (FY) 2023-24, the three casinos generated a combined \$1.3 billion in adjusted gross receipts, i.e., the amount of gross gaming receipts less the winnings paid to wagerers. The adjusted gross receipts for the Detroit casinos include in-person gaming on table games and electronic games of chance (i.e., slots). The charts below show the percentage of adjusted gross receipts generated from each casino.



## Casino Tax Distribution

The total adjusted gross receipts received by each Detroit casino is subject to the State Wagering Tax of 8.2%, which is deposited into the School Aid Fund. The total adjusted gross receipts also are subject to a 10.9% City of Detroit Wagering Tax. Also, there are development agreements between the Detroit casinos and the City of Detroit to provide an additional 1.25% tax for each casino's adjusted gross receipts, with an additional 1% for a casino with amounts over \$400.0 million. This development agreement is in addition to the amount required in statute. Both the State Wagering Tax and the City of Detroit Wagering Tax are disbursed monthly into the School Aid Fund and to the City of Detroit.

For FY 2023-24, of the \$1.1 billion in adjusted gross receipts generated from the Detroit casinos, \$103.9 million was deposited into the School Aid Fund and \$158.7 million was sent to the City of Detroit. The chart below provides a nine-year history of the wager tax distribution from the Detroit casinos. In FY 2023-24, total revenue is down 12% from the pre-COVID-19 level, which could be the new baseline following the pandemic, and the introduction of online gaming, which came into effect for the full year of 2022.



## State Services Fee Fund

The State Services Fee Fund was created under statute to support all regulatory and enforcement costs. From the Fund, \$2.0 million is provided for compulsive gaming programs, casino-related programs, legal service provided by the Attorney General, and casino-related expenses from the State Police. The three casinos were assessed \$25.0 million in the first year of operations with each casino supporting one-third of the assessment. The amount is annually updated based on the Detroit Consumer Price Index. The amount assessed for FY 2023-24 was \$41.7 million and the total amount spent for the year was \$38.4 million. Any balance remaining in the Fund is carried forward into the next fiscal year; however, if the amount in the Fund at the end of a fiscal year exceeds \$65.0 million, the surplus money is credited in equal shares to the amount owed by each casino on their annual assessment.