

MGHA Monthly Report



AUGUST 2016



Message from Executive Director

Our state has a well established reputation of sound regulatory policies and solid economic development, making us a prime target for others who want the same success we have had. It is a critical time for our state. We must take measures to solidify and protect the jobs, investment and tax revenues generated by our tourism industry, including our gaming operators. We simply cannot close our eyes to what is happening around us—see article *infra*. In 2017, legislators must act to ensure the gaming industry is able to compete with gaming operators in neighboring states. The BP settlement is a “Golden Opportunity” for Mississippi to set itself apart and to grow our tourism base. 2017 will be a critical time for MS.

Third Quarter Holding Steady

A year ago, Gulf Coast revenues exceeded prior year by 3.2%. Today, we see that gross gaming revenue (GGR) along the coast continues to climb outpacing August 2015 by almost 1% and on a year to date basis exceeding prior year by 3.7%. The GGR in the River Counties continues to decline slightly with revenues in August 2016 coming in 3.5% lower as compared the same month last year. Overall, the River Counties are down 3% for the year. The GGR on a statewide basis is still greater than it was this time last year, up almost 1%. With Summer drawing to a close, we will see if the numbers continue to hold steady.

Table 1: Mississippi Gaming Revenues

	Gulf Coast	River Counties	Overall
Aug 2016	98,038,735	72,936,477	170,975,212
Aug 2015	97,167,235	75,554,949	172,722,184
Aug 2014	94,139,559	80,956,794	175,096,352
Aug 2013	89,980,470	89,037,374	179,017,843
Aug 2012	86,340,381	92,107,180	178,447,561
2016 vs. 2015	0.9%	-3.5%	-1.0%
	Gulf Coast	River Counties	Overall
YTD 2016	810,257,996	640,575,569	1,450,833,565
YTD 2015	781,011,344	660,351,781	1,441,363,125
YTD 2014	732,628,056	686,164,319	1,418,792,375
YTD 2013	725,065,481	749,844,032	1,474,909,513
YTD 2012	753,858,702	801,678,790	1,555,537,492
2016 vs. 2015	3.7%	-3.0%	0.7%

Expansion Continues

By: Larry Gregory

Last month we featured the 2nd Quarter visitation numbers showing positive trends in visits from some states (LA, AR, TN) and declining numbers in visits from other states (FL, AL, GA). Featured in *MS-LA Gaming News*, October 2016 issue, is an article about gaming expansion taking place in the nearby states of Florida, Alabama, and Georgia, the same states where we have already seen visitation declines in the recent past. As noted in the articles posted in our Press Room, we missed a curve ball in August when Alabama came close to passing a lottery. Now, Arkansas and Louisiana are looking very closely at their gaming laws. In Arkansas, an effort called *Arkansas Wins in 2016* is a ballot committee advocating for qualification and passage of Issue 5, an amendment to the Arkansas Constitution that would authorize the operation and regulation of up to three new casinos in three counties---in Boone, Miller, and Washington. In Louisiana, leaders are looking to strengthen gaming markets, forming the Economic Development and Gaming Task Force. Arkansas and Louisiana have one thing in common-state leaders know the importance of gaming to each state's economy. The same can be said for Mississippi and that is why it is imperative that our leaders begin to study what can be done to further strengthen our gaming markets. There is much at stake as is evident by the American Gaming Association's most recent annual report estimating the gaming economic impact in Mississippi at \$3.92 billion, encompassing 36,023 jobs and \$1.44 billion in wages tied to our state's casinos.

MGHA Kicks Off Responsible Gaming Training

MGHA is now offering Responsible Gaming training to its members. Larry Gregory has over 20 years of experience working as a regulator in the gaming industry, including 16 years serving as the Executive Director of the Mississippi Gaming Commission (MGC). During his tenure, Gregory saw first-hand the effects of compulsive gaming and worked closely with operators in addressing this important topic. Michael Bruffey has over 16 years of experience working with casino operators as in-house legal counsel, including four years working as Vice President and General Counsel for a Mississippi casino operator. Together, Gregory and Bruffey offer insight with this training from the perspective of the regulatory body enforcing these regulations and the operators responsible for complying with these regulations. MGHA's training program has been approved by the MGC.



Air Service Development Program



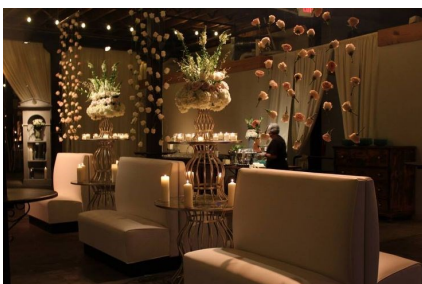
[Overview of MDA Proposed Guidelines](#)
[Air Service Development Program](#)

HB 1074 created the Economic Infrastructure Fund, which authorized the Air Service Development Program to be administered by the Mississippi Development Authority (MDA). Since August, MDA has been drafting guidelines for administering the \$2.5 million air incentive program. The program will offer air carriers offering "New Service or Additional Service" financial incentives, including a Revenue Guarantee, Seat Cost Mitigation or Seat Block incentives as well as grants to offset Landing Fees and Marketing expenses. A special thank you to MDA for working so hard to put the guidelines in order. The guidelines will be published for public comment for a 25 day period and then will be published in final form. MGHA

recently held a meeting with its members to provide an overview of the guidelines. Armed with these incentives, MGHA is working with local airport authorities to identify low cost carriers willing to bring additional air service to Mississippi.

2017 MTA / MGHA Legislative Reception

On **January 25, 2017**, MGHA and MTA once again will be co-hosting a legislative reception focusing on tourism and gaming in Mississippi. This year the event will be held at the **South Warehouse** on State Street in Jackson. The venue is spacious and welcoming. We expect the event to be bigger and better than ever. MGHA will be selling sponsorships to you (our members). More information will be forthcoming. Thank you in advance for your support!



MGHA News Updates

- Sci Games Appoints Kevin Sheehan as CEO & President
- Appeals Court hands loss to NJ Sports Betting Effort
- MS Casinos on Pace to Generate \$6.5 Billion in Gaming Tax Revenue by 25th Anniversary
- AL Lottery Bill Does Not Pass—Update as of August 26
- GPT Airport Receives \$3 Million in Federal Funding
- Ark. Measure Makes November Ballot to Add 3 Casinos
- Group Files Lawsuit to Block Ballot Measure
- Gulfport Casino Developer Receives 2 Month Rent Break
- Victory Land Reopens to Crowd
- El Dorado Resorts to Purchase Isle of Capri \$1.7 Billion

More facts and news on



Important Dates

Global Gaming Expo
September 26-29, 2016

MGHA Members
Meeting with Speaker Gunn
Horseshoe Casino—Tunica
September 30, 2016

MGHA Members
Meeting with Speaker Gunn
Beau Rivage—Biloxi
October 13, 2016

MGC October Meeting
October 20, 2016—Jackson

Associate Member Focus



Mississippi supports business ventures that create new opportunities for its people. You can see it in the incentives and tax advantages offered. You can see it in the attitudes of leaders; you can see it in the success ratios of new and expanding businesses. According to an independent study by a major American manufacturer, Mississippi's favorable business climate ranked number one among 23 states in which it has manufacturing operations. Factors weighed included taxes, unemployment compensation, workers' compensation, operating costs, labor, transportation, energy, health care, job growth and quality of life. MDA has worked hard to support tourism in Mississippi as the 4th largest industry in the state. Go to www.visitmississippi.org to read more. Congratulations **Craig Ray** on your recent appointment to **MDA—Visit Mississippi**.

Regional Statistics

Chart 1: August 2016 Gaming Revenue Data

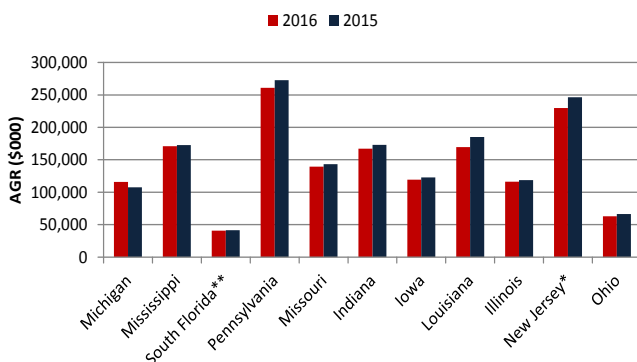


Table 2: AGR Summaries (\$000)

	August '16	August '15	Change	Trailing 3 Mos. Current	Trailing 3 Mos. Prior Yr.	Change
Michigan	115,903	107,454	7.9%	342,978	332,158	3.3%
South Florida**	40,907	41,292	-0.9%	128,199	123,362	3.9%
Mississippi	170,975	172,722	-1.0%	536,241	535,107	0.2%
Illinois	116,078	118,539	-2.1%	355,394	364,233	-2.4%
Missouri	139,357	143,291	-2.7%	424,079	423,057	0.2%
Iowa	119,449	122,923	-2.8%	364,657	359,227	1.5%
Indiana	167,288	172,980	-3.3%	517,386	528,141	-2.0%
Pennsylvania	260,904	272,577	-4.3%	807,779	811,822	-0.5%
Ohio	62,784	66,323	-5.3%	191,767	199,292	-3.8%
New Jersey*	229,787	246,364	-6.7%	685,196	696,201	-1.6%
Louisiana	169,462	185,104	-8.5%	545,937	580,625	-6.0%

* Excludes \$16.1 million in online gaming revenue

** South Florida only includes slots at racetracks

Mississippi Gaming Statistics (Monthly)

August 2016 Table Game Analysis

Game Type	Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
Win	2,717,820	2,463,092	456,120	449,967	1,710,838	Win	7,797,837
WPUD	\$626	\$2,740	\$817	\$806	\$1,346	WPUD	\$1,023
Units	140	29	18	18	41	Units	246
Unit Mix	56.9%	11.8%	7.3%	7.3%	16.7%		
Drop	23,195,644	12,484,681	2,113,503	1,406,995	5,098,781	Drop	44,299,604
% of Drop	52.4%	28.2%	4.8%	3.2%	11.5%	As % Prior year	100.5%
Game Type	Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
Win	1,448,268	574,932	209,961	131,703	203,276	Win	2,568,140
WPUD	\$658	\$1,427	\$968	\$607	\$1,093	WPUD	\$797
Units	71	13	7	7	6	Units	104
Unit Mix	68.3%	12.5%	6.7%	6.7%	5.8%		
Drop	6,831,587	2,136,867	586,375	467,129	691,821	Drop	10,713,779
% of Drop	63.8%	19.9%	5.5%	4.4%	6.5%	As % Prior year	93.0%
Game Type	Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Win	6,192,858	2,420,418	1,235,042	1,146,050	4,744,713	Win	15,739,081
WPUD	\$726	\$2,110	\$1,285	\$1,275	\$1,611	WPUD	\$1,087
Units	275	37	31	29	95	Units	467
Unit Mix	58.9%	7.9%	6.6%	6.2%	20.3%		
Drop	41,188,807	15,376,982	5,217,641	3,758,232	23,047,597	Drop	88,589,259
% of Drop	46.5%	17.4%	5.9%	4.2%	26.0%	As % Prior year	95.7%

August 2016 Slot Analysis

Denomination	\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
Win	26,140,929	821,947	3,124,770	6,952,487	3,172,874	Win	40,213,007
WPUD	\$148	\$116	\$113	\$202	\$170	WPUD	\$152
Units	5,712	228	892	1,108	603	Units	8,543
Unit Mix	66.9%	2.7%	10.4%	13.0%	7.1%		
Coin In	293,629,618	14,472,316	41,963,354	89,813,303	67,080,254	Coin In	506,958,845
% of Coin in	57.9%	2.9%	8.3%	17.7%	13.2%	As % Prior year	90.3%
Denomination	\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
Win	15,557,425	268,254	906,610	2,450,643	749,047	Win	19,931,979
WPUD	\$134	\$80	\$73	\$120	\$175	WPUD	\$127
Units	3,738	108	403	658	138	Units	5,045
Unit Mix	74.1%	2.1%	8.0%	13.0%	2.7%		
Coin In	179,140,698	6,974,522	15,140,869	42,451,499	14,894,831	Coin In	258,602,419
% of Coin in	69.3%	2.7%	5.9%	16.4%	5.8%	As % Prior year	93.5%
Denomination	\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Win	56,365,253	2,701,405	6,994,700	9,566,978	5,859,597	Win	81,487,933
WPUD	\$180	\$142	\$137	\$201	\$313	WPUD	\$181
Units	10,117	614	1,646	1,534	604	Units	14,515
Unit Mix	69.7%	4.2%	11.3%	10.6%	4.2%		
Coin In	624,555,223	51,647,966	131,838,761	147,723,532	92,863,657	Coin In	1,048,629,139
% of Coin in	59.6%	4.9%	12.6%	14.1%	8.9%	As % Prior year	99.5%

Mississippi Gaming Statistics (Aggregate)

YTD July 2016 Table Game Analysis

Game Type	Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
Win	35,694,379	15,211,494	4,059,157	3,978,636	9,357,603	Win	68,301,269
WPUD	\$1,224	\$2,500	\$1,059	\$1,022	\$992	WPUD	\$1,304
Units	137	29	18	18	44	Units	246
Unit Mix	55.6%	11.6%	7.3%	7.4%	18.0%		
Drop	171,642,581	96,475,947	16,727,788	11,896,040	36,909,458	Drop	333,651,814
% of Drop	51.4%	28.9%	5.0%	3.6%	11.1%	As % Prior year	101.6%
Game Type	Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
Win	10,266,326	4,247,190	1,180,569	1,191,133	1,775,304	Win	18,660,522
WPUD	\$700	\$1,551	\$882	\$712	\$1,144	WPUD	\$849
Units	69	13	6	8	7	Units	103
Unit Mix	66.8%	12.5%	6.1%	7.6%	7.1%		
Drop	53,862,131	17,469,067	4,860,672	3,593,915	5,401,460	Drop	85,187,245
% of Drop	63.2%	20.5%	5.7%	4.2%	6.3%	As % Prior year	92.8%
Game Type	Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Win	40,709,510	19,882,845	8,376,630	9,089,586	35,756,100	Win	113,814,671
WPUD	\$750	\$2,513	\$1,218	\$1,472	\$1,558	WPUD	\$1,159
Units	255	37	32	29	108	Units	461
Unit Mix	55.3%	8.1%	7.0%	6.3%	23.4%		
Drop	301,256,293	116,171,088	37,954,555	29,009,067	184,287,871	Drop	668,678,874
% of Drop	45.1%	17.4%	5.7%	4.3%	27.6%	As % Prior year	106.4%

YTD July 2016 Slot Analysis

Denomination	\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
Win	201,607,858	5,970,420	24,643,930	47,104,034	25,991,781	Win	305,318,023
WPUD	\$167	\$126	\$131	\$196	\$115	WPUD	\$160
Units	5,652	223	883	1,127	1,060	Units	8,945
Unit Mix	63.2%	2.5%	9.9%	12.6%	11.9%		
Coin In	2,223,288,229	91,565,813	319,924,883	698,119,979	497,466,602	Coin In	3,830,365,506
% of Coin in	58.0%	2.4%	8.4%	18.2%	13.0%	As % Prior year	97.0%
Denomination	\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
Win	128,660,589	2,732,170	7,597,662	19,047,546	5,468,724	Win	163,506,691
WPUD	\$164	\$85	\$88	\$19	\$183	WPUD	\$85
Units	3,688	151	405	4,628	140	Units	9,013
Unit Mix	40.9%	1.7%	4.5%	51.3%	1.6%		
Coin In	1,437,630,942	55,242,468	114,564,839	322,570,425	113,619,596	Coin In	2,043,628,270
% of Coin in	70.3%	2.7%	5.6%	15.8%	5.6%	As % Prior year	99.7%
Denomination	\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Win	401,232,047	20,594,008	57,613,379	72,735,352	39,169,828	Win	591,344,614
WPUD	\$187	\$151	\$159	\$214	\$302	WPUD	\$190
Units	10,072	641	1,703	1,594	609	Units	14,619
Unit Mix	68.9%	4.4%	11.7%	10.9%	4.2%		
Coin In	4,622,106,007	388,875,344	1,025,016,350	1,103,474,163	652,190,591	Coin In	7,791,662,455
% of Coin in	59.3%	5.0%	13.2%	14.2%	8.4%	As % Prior year	106.0%

Member Directory

- Ameristar Casino Hotel, Vicksburg
- Bally's Casino, Tunica
- Beau Rivage Resort Casino, Biloxi
- Boomtown Casino, Biloxi
- Fitz Casino & Hotel, Tunica
- Golden Nugget Biloxi
- Gold Strike Casino Resort, Tunica
- Hard Rock Casino, Biloxi
- Harlow's Casino Resort, Greenville
- Harrah's Gulf Coast, Biloxi
- Hollywood Casino Gulf Coast
- Hollywood Casino, Tunica
- Horseshoe Casino, Tunica
- IP Casino Resort Spa, Biloxi
- Island View Casino Resort, Gulfport
- Isle of Capri, Lula
- Lady Luck Casino, Vicksburg
- Magnolia Bluffs Casino, Natchez
- Palace Casino Resort, Biloxi
- Resorts Tunica Hotel & Casino
- Riverwalk Casino Hotel, Vicksburg
- Roadhouse Casino, Tunica
- Sam'sTown Hotel & Gambling Hall, Tunica
- Scarlet Pearl Casino & Hotel, D'iberville
- Silver Slipper Casino, Bay St Louis
- Treasure Bay Resort, Biloxi
- Trop Casino, Greenville
- Waterview Casino & Hotel-Vicksburg

Associate Member Corner



**Thank you for being part of MGHA !!!
We are so glad to have you all join us.**

The Mississippi Gaming & Hospitality Association (MGHA)* is a non-profit organization made up of casino operators and vendors whose mission it is to protect and enhance the reputation and success of the gaming industry within the State of Mississippi. We seek to accomplish our mission by:

- ♦ Cooperating with government officials in advancing the gaming industry's common goals and objectives;
- ♦ Promoting comprehensive and fair regulation of the gaming industry to insure integrity at all levels of operation;
- ♦ Advocating fair and reasonable taxation of the industry, which will permit operators to maximize employment opportunities and re-invest, expand and improve existing facilities;
- ♦ Promoting and participating in public education throughout Mississippi regarding the benefits of casino gaming, including job creation, economic development and how the industry can help the State in maximizing its tax revenues; and
- ♦ Supporting and enhancing responsible gaming programs and offering education and assistance to individuals with gambling problems.

For questions about membership contact Executive Director Larry Gregory or Deputy Director Mike Bruffey via email (lgregory@msgaming.org or mikebruffey@msgaming.org) or by phone 601-965-6992.

**The MGHA was originally chartered in 1993 as the Mississippi Casino Operators Association (MCOA). In March 2013, the Board of Directors voted to change the name of the association to better reflect its mission.*



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VictoryLand Reopens in Alabama



VictoryLand, an establishment offering electronic bingo in Macon County, Alabama recently reopened.

It was shut down by the state's attorney general (AG) in 2013. The AG and opponents of electronic bingo claim they are nothing more than slot machines. The governor had previously granted the AG authority to enforce the state's gambling laws, leading to the 2013 raid, and ongoing legal disputes between the state and electronic bingo halls. The reopening of VictoryLand comes after the governor recently removed the authority for enforcing gambling laws from the AG and gave it to county sheriffs and district attorneys. Despite an Alabama Supreme Court opinion that electronic bingo machines are illegal, local authori-

ties are of the opinion that the county's voters authorized them in 2003, when they voted to amend the Alabama Constitution to allow bingo in all forms.

The addition of hundreds of jobs to the local economy has helped garner local support for VictoryLand. As AL.com reported on September 13, 2016, VictoryLand's owner says that he hired 200 employees for its reopening and has over 4,000 applications for job openings. As of yet, it is unclear, what action, if any, state AG Luther Strange will take against VictoryLand.

This probably isn't the end of the ongoing battle between VictoryLand and the State of Alabama, and it demonstrates what can happen when the law isn't clear.

Patrick Zimmerman is an MGHA Associate Member and attorney-at-law. He welcomes your comments or suggestions at 601-376-9741 or pat@zimmermanlawfirm.ms