

MGHA Monthly Report



OCTOBER 2016



Message from Executive Director

The year 2016 has been a banner year for MGHA. With your support, we have continued to become a well recognized and respected association throughout this state and across the country. This has been achieved through the collective effort, support and commitment of you—our members. With a unified voice, our story is being heard—a story of jobs in Mississippi (supporting nearly 21,000 direct jobs), tax revenue (an industry generating billions in tax revenue), and investment (an industry investing billions in Mississippi). This coming year, we will celebrate 25 Years of Gaming. As we mark this milestone, we will continue to share our story seeking support of our state leaders during the 2017 Legislative Session—support for this industry that serves Mississippi so well. *Wishing all of you a Happy Thanksgiving!!!*

October Numbers Show Strength & Stability

It is nice to be heading into the holiday season with 10 months of numbers behind us that show strength and stability. In October 2016, GGR (gross gaming revenue) across the entire state held steady or increased. In the Tunica Region, we saw an increase in GGR compared to October last year (\$50,935,435 compared to \$49,825,060) and in the Lower River Region we saw GGR hold steady (\$23,243,442 compared to \$23,864,433). Along the Gulf Coast, the growth not only continued, but accelerated with the 12 casino-resorts generating nearly \$100 million in GGR (an increase of 12.9% compared to October 2015)—approaching numbers not seen since 2008. With two months left in the year, we are optimistic this story will continue.

Table 1: Mississippi Gaming Revenues

	Gulf Coast	River Counties	Overall
Oct 2016	99,865,965	74,178,877	174,044,842
Oct 2015	88,483,322	73,689,493	162,172,815
Oct 2014	90,931,389	76,051,391	166,982,780
Oct 2013	83,231,403	82,225,655	165,457,058
Oct 2012	83,451,387	83,941,595	167,392,983
2016 vs. 2015	12.9%	0.7%	7.3%

	Gulf Coast	River Counties	Overall
YTD 2016	1,008,623,098	787,901,011	1,796,524,109
YTD 2015	961,533,424	807,047,617	1,768,581,041
YTD 2014	912,013,028	833,863,334	1,745,876,361
YTD 2013	896,466,576	908,164,720	1,804,631,296
YTD 2012	924,017,486	976,856,016	1,900,873,502
2016 vs. 2015	4.9%	-2.4%	1.6%

Q3 Visitation Trends—Positive Overall

Through September 30, 2016, the total number of casino visits, including visits by Mississippians, reached 17,590,221 compared to 16,853,711 during the same period in 2015, an increase of 4.3%. Out-of-state visitation numbers showed a slight increase reaching 10,706,875 on a statewide basis compared to 10,580,949 last year (a 1.3% increase). A look at visitation on a state-by-state basis reveals positive trends in the number of visits from Louisiana outpacing prior year through the 3rd quarter (2,898,589 compared to 2,472,810) and, for the first time, exceeding one million visits during a single quarter (1,028,743). The visits from four other key states showed steady results with slight increases in the visits from Tennessee (1,234,138 compared to 1,101,433) and Arkansas (901,926 compared to 837,252) and slight decreases in visits from Alabama (1,992,775 compared to 2,062,295) and Texas (347,105 compared to 371,880). Unfortunately, we continued to see substantial declines in visits from two key states, namely, Florida, with visitation down 22% (1,253,345 compared to 1,598,088) and Georgia, with visitation down 20% (584,257 compared to 725,526). To help offset these declines, a substantial increase in the total number of visits from “Other” states occurred, exceeding prior year by almost 24% (798,132 compared to 610,468 through the same period). Overall, the visitation trends are positive, while also showing the impact one might expect to see from the expansion of gaming around our state. As we continue to see headlines of other states planning to expand gaming, it is important that we continue to focus our efforts on ways to make our state gaming markets stronger premier tourism destinations, while also improving air service, supporting special events and marketing Mississippi to those beyond our borders.

FLSA—New Overtime Regulations

On May 18, 2016, President Obama and Secretary Perez announced the publication of the Department of Labor’s final rule updating the overtime regulations, which will automatically extend overtime pay protections to over 4 million workers within the first year of implementation. **The effective date of the final rule is December 1, 2016.**

The Final Rule focuses primarily on updating the salary and compensation levels needed for Executive, Administrative and Professional workers to be exempt. Specifically, the Final Rule:

1. Sets the standard salary level at the 40th percentile of earnings of full-time salaried workers in the lowest-wage Census Region, currently the South (\$913 per week; \$47,476 annually for a full-year worker);
2. Sets the total annual compensation requirement for highly compensated employees (HCE) subject to a minimal duties test to the annual equivalent of the 90th percentile of full-time salaried workers nationally (\$134,004); and
3. Establishes a mechanism for automatically updating the salary and compensation levels every three years to maintain the levels at the above percentiles and to ensure that they continue to provide useful and effective tests for exemption. Future automatic updates to those thresholds will occur beginning on January 1, 2020.
4. Additionally, the Final Rule amends the salary basis test to allow employers to use nondiscretionary bonuses and incentive payments (including commissions) to satisfy up to 10 percent of the new standard salary level.

To read more and watch webinars on this topic go to <https://www.dol.gov/WHD/overtime/final2016/>. **Be sure to consult with legal counsel** to obtain guidance with implementing procedures to ensure compliance with the new guidelines.

Air Service Incentive Development Program

In 2016, the Mississippi Legislature passed HB 1074 and created the Economic Development Infrastructure Fund, which authorized the creation of the Air Service Incentive Development Program to be administered by the Mississippi Development Authority (MDA). On October 23, 2016, MDA published the final guidelines for the program, which will become effective on November 23, 2016. MGHA has been working with operators and air carriers to help facilitate discussions about the expansion of air service. After November 23, 2016, air carriers that qualify will be able to apply for the incentives available under the program. To view the program guidelines, go to <http://www.sos.ms.gov/ACProposed/00022283b.pdf>. Also, you may go to > www.msgaming.org, select >> **Studies & Analysis**, and click on >>> **“Air Service Development Overview”** to read more about the program.

Hard Rock Opens New Gaming & Dining Space

Hard Rock Hotel & Casino Biloxi is topping the charts again by adding another hit restaurant, **MACAU KITCHEN 澳門廚房**, which opened on Thursday, October 27, 2016. Macau



Kitchen is located inside Hard Rock Hotel & Casino Biloxi’s all new **Fortune Palace gaming area**, just off the main lobby and at the main entrance to the gaming floor and high limit room. **Fortune Palace** gaming includes an array of popular games including Mini and Midi Baccarat, Pai Gow Poker Progressive and Double Deck Blackjack. **Macau Kitchen** is open Sunday and Monday, 2pm-10pm; and Thursday – Saturday, 4pm-2am. It is closed Tuesday and Wednesday. The **Fortune Palace** gaming area is open 24 hours, 7 days a week.



MGHA News Updates

- Mississippi Joins Fight for Legal Sports Betting
- MS and Four Other States file briefs with US Supreme Ct.
- American Gaming Association hopes to thrive under Trump Administration
- New York's Gaming Tax Revenue May Surpass Nevada's
- Louisiana Creates Riverboat Economic Development & Gaming Task Force
- Atlantic City Retains Its Crucial Casino Monopoly in NJ
- St. Lucie, FL County Voters Want Slot Machines
- AL Appoints Members to Advisory Council on Gaming

More facts and news on



www.msgaming.org/pressroom/

Upcoming Dates

MDA Air Incentive Guidelines
Become Effective
November 23, 2016

HAPPY THANKSGIVING
November 24, 2016

MGHA 4th Quarterly Meeting
December 1, 2016
MGHA Jackson Office or
MGHA Conference Line

MGC Monthly Meeting
December 15, 2016
MGC Jackson Office

Associate Member Focus

Mississippi Gulf Coast Marathon December 9-11, 2016



To learn more, go to

www.mississippigulfcoastmarathon.com

With over 2,400 runners already registered to participate in this inaugural event, the weekend of **December 9-11, 2016** is expected to draw more visitors than Gulf Coast businesses would normally expect to see this time of year. Historically considered a “slow weekend” for hotel operators, the second weekend in December is now expected to be a “peak weekend.” This event came about through **Craig Sweeney and his team** (pictured left), but also, due to efforts by **Visit Mississippi Gulf Coast** and **several casino operators** who came together to support this event. With 26 miles of roadway along the coastline, the course is a natural marathon distance that is both fast and scenic, making it appealing to those wishing to qualify for the Boston Marathon and to those who simply want to stay fit and enjoy some good food and fun. **Join in and Soak up the Run!**

Regional Statistics

Chart 1: October 2016 Gaming Revenue Data

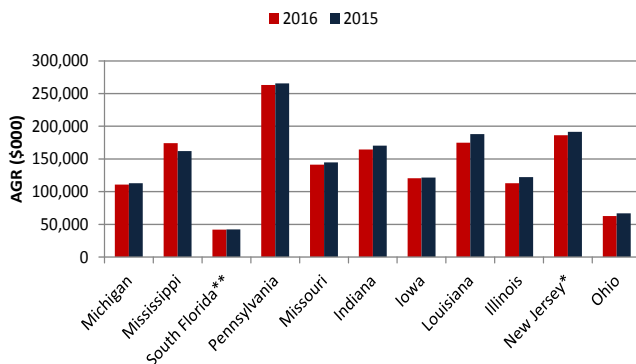


Table 2: AGR Summaries (\$000)

	Oct. '16	Oct. '15	Change	Trailing 3 Mos. Current	Trailing 3 Mos. Prior Yr.	Change
Mississippi	174,045	162,173	7.3%	516,666	499,940	3.3%
Pennsylvania	263,012	265,421	-0.9%	784,854	791,516	-0.8%
Iowa	120,384	121,495	-0.9%	358,243	358,806	-0.2%
South Florida**	41,785	42,297	-1.2%	125,343	123,478	1.5%
Michigan	110,738	112,839	-1.9%	338,809	327,850	3.3%
Missouri	141,223	144,602	-2.3%	420,835	422,636	-0.4%
New Jersey*	186,369	191,597	-2.7%	626,534	656,060	-4.5%
Indiana	164,441	170,523	-3.6%	493,126	501,958	-1.8%
Ohio	62,609	66,766	-6.2%	189,219	197,361	-4.1%
Louisiana	174,694	188,113	-7.1%	526,267	550,870	-4.5%
Illinois	112,748	122,333	-7.8%	343,814	352,591	-2.5%

* Excludes \$16.7 million in online gaming revenue

**South Florida only includes slots at racetracks

Mississippi Gaming Statistics (Monthly)

October 2016 Table Game Analysis

Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	4,669,186	1,867,159	615,006	348,316	1,143,442	Win	8,643,109
	WPUD	\$1,099	\$2,151	\$1,102	\$624	\$858	WPUD	\$1,143
	Units	137	28	18	18	43	Units	244
	Unit Mix	56.1%	11.5%	7.4%	7.4%	17.6%		
	Drop	21,871,474	12,067,707	2,175,681	1,246,124	4,896,254	Drop	42,257,240
	% of Drop	51.8%	28.6%	5.1%	2.9%	11.6%	As % Prior year	98.6%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	1,233,930	482,796	136,997	164,674	243,205	Win	2,261,602
	WPUD	\$561	\$1,298	\$631	\$759	\$1,308	WPUD	\$708
	Units	71	12	7	7	6	Units	103
	Unit Mix	68.9%	11.7%	6.8%	6.8%	5.8%		
	Drop	6,731,415	2,101,691	519,235	396,570	694,204	Drop	10,443,115
	% of Drop	64.5%	20.1%	5.0%	3.8%	6.6%	As % Prior year	96.4%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	7,248,322	2,170,733	1,171,291	1,309,857	4,814,136	Win	16,714,339
	WPUD	\$853	\$1,893	\$1,219	\$1,457	\$1,652	WPUD	\$1,160
	Units	274	37	31	29	94	Units	465
	Unit Mix	58.9%	8.0%	6.7%	6.2%	20.2%		
	Drop	40,869,304	15,843,134	5,330,389	3,881,885	22,736,937	Drop	88,661,649
	% of Drop	46.1%	17.9%	6.0%	4.4%	25.6%	As % Prior year	108.3%

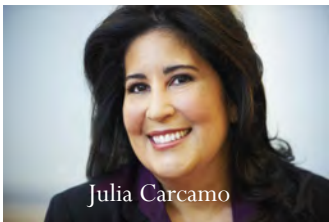
October 2016 Slot Analysis

Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	26,807,071	1,037,264	3,253,626	7,047,463	3,393,329	Win	41,538,753
	WPUD	\$152	\$149	\$120	\$203	\$183	WPUD	\$157
	Units	5,706	224	878	1,120	597	Units	8,525
	Unit Mix	66.9%	2.6%	10.3%	13.1%	7.0%		
	Coin In	303,195,629	14,893,557	42,300,842	78,692,178	65,171,662	Coin In	504,253,868
	% of Coin in	60.1%	3.0%	8.4%	15.6%	12.9%	As % Prior year	92.4%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	16,204,282	342,419	908,338	2,447,203	745,720	Win	20,647,962
	WPUD	\$142	\$99	\$71	\$119	\$174	WPUD	\$133
	Units	3,682	112	412	662	138	Units	5,006
	Unit Mix	73.6%	2.2%	8.2%	13.2%	2.8%		
	Coin In	184,199,314	7,283,885	15,650,213	39,252,462	13,271,875	Coin In	259,657,749
	% of Coin in	70.9%	2.8%	6.0%	15.1%	5.1%	As % Prior year	98.7%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	55,762,671	2,457,768	7,865,890	10,153,042	5,382,089	Win	81,621,460
	WPUD	\$180	\$132	\$156	\$215	\$294	WPUD	\$184
	Units	9,997	600	1,622	1,524	591	Units	14,334
	Unit Mix	69.7%	4.2%	11.3%	10.6%	4.1%		
	Coin In	642,351,287	51,470,604	136,182,325	154,334,839	86,689,317	Coin In	1,071,028,372
	% of Coin in	60.0%	4.8%	12.7%	14.4%	8.1%	As % Prior year	103.3%

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



Julia Carcamo

J Carcamo & Associates stepped up at SGS 2016 to bring social media to our summit for the first time. Julia and her team have volunteered to continue in this effort for SGS 2017. A huge **Thank You** to our associate member for this support!



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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Sports-betting goes to the Supreme Court



In the July newsletter, I wrote about how New Jersey lost its appeal to legalize sports wagering in the state before the 3rd Circuit Court of Appeals. Remember, sports betting is only legal in four states (NV, OR, DE, and MT) as a result of the 1992 Professional and Amateur Sports Protection Act. New Jersey has now appealed its case to the United States Supreme Court. The American Gaming Association (AGA) has come out in support of New Jersey, filing an amicus brief in the case. In its brief, the AGA points out that the federal ban on sports betting has essentially been counter-productive to its purpose, and has actually spawned a 150 billion dollar a year illegal sports betting industry. The AGA argues that PASPA "presents fundamental

questions about states' sovereignty to define their own laws and combat crime within their borders, and prevents fans from engaging with the sports they enjoy in a safe, legal way." In addition to the AGA, West Virginia, Mississippi, Louisiana, Arizona, and Wisconsin filed an amicus brief of their own to support New Jersey. If New Jersey and its supporters are completely successful, it may put the legalization and regulation of sports betting in the hands of the states, rather than the federal government. In addition to its support of legalized sports betting in the New Jersey case, the AGA has also indicated that it will continue its efforts to lobby the new congress and president for pro-gaming changes to federal law.

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