

MGHA Monthly Report



Message from Executive Director

As noted, GGR numbers look good so far in 2016. With new projects under construction and more planned, it is an exciting time for our industry and state. We are looking forward to SGS 2016 taking place along the Gulf Coast, May 3-5. Given all the hard work put into this year's show, it is sure to be a great event. We hope to see all of you there.

During the 2016 legislative session, MGHA has been active in sharing the good news message of gaming publishing a Gaming Fact of the Week each week. This has kept gaming top of mind. We are monitoring several bills, some of which, if passed, may help our industry compete as gaming continues to expand around us. 2016 is looking good so far...

1st Quarter Numbers Showing Promise

In 2014 and again in 2015, the industry experienced growth in terms of Gross Gaming Revenues (GGR). The overall upward trend in 2016 is showing promise with a 5.2% increase in February, and an increase of 6.2% year to date. From a tourism standpoint, we are heading into the busiest time of the year when we can showcase our state and the improvements made during the last year. We are looking ahead to the beginning of baseball season, the Gulf Coast Golf Classic, visitors during Spring Break, the Southern Gaming Summit, and our summer visitors,

Table 1: Mississippi Gaming Revenues

	Gulf Coast	River Counties	Overall
Feb 2016	104,757,190	85,568,611	190,325,801
Feb 2015	95,214,234	85,705,081	180,919,316
Feb 2014	89,379,756	92,974,650	182,354,407
Feb 2013	89,129,364	98,985,180	188,114,544
Feb 2012	98,373,412	115,708,848	214,082,260
2016 vs. 2015	10.0%	-0.2%	5.2%
	Gulf Coast	River Counties	Overall
YTD 2016	205,325,125	162,541,822	367,866,947
YTD 2015	182,504,589	163,396,425	345,901,014
YTD 2014	170,816,521	171,036,033	341,852,554
YTD 2013	172,003,504	176,704,496	348,708,000
YTD 2012	186,210,537	204,950,011	391,160,547
2016 vs. 2015	12.5%	-0.5%	6.4%

Social Media for MGHA and SGS

Part of our mission at MGHA is to enhance the reputation and success of the gaming industry within the State of Mississippi. This mission is accomplished through education and the support and promotion of the gaming & hospitality industry as well as the tourism industry in general. One of the ways we do this is through our partnership with BNP Media to produce the Southern Gaming Summit (SGS) each Spring. SGS features select speakers, a wide-variety of vendors & exhibitors, and offers excellent networking opportunities, and this all takes place along the beautiful Mississippi Gulf Coast. In order to expand our typical network at SGS, MGHA associate member, **J Carcamo & Associates (JCA)** has taken the lead and assembled a team to assist in developing a social media presence at SGS that will:

- Create an identity to an expanded audience of SGS
- Generate buzz, not only for the SGS, but for other programs we support
- Allow us to read what people are saying about MGHA, SGS and the gaming & hospitality industry within our region
- Build relationships within our association and within our industry

Plus, social networks open us up to audiences all over the world. We've already started to develop a following and we welcome you to join us on:



JCA will be posting great information before and during SGS and will continue posting more facts and great news after the show.

Alabama Supreme Court Decision—Far Reaching

By: *Mike Bruffey*



The Alabama Supreme Court’s recent decision in the case involving Victoryland may have far reaching implications. Alabama legal authorities shutdown Victoryland for operating “electronic bingo machines”, which the state deemed to be illegal gambling devices. As illegal gambling devices, the state seized the bingo machines. Victoryland fought the seizure of its property arguing the seizure was improper for two reasons: first, because the state was not applying the law even-handedly; and, second, Victoryland argued that Alabama voters having passed the recent “bingo law” intended to legalize all forms of bingo, even “electronic bingo machines.” The trial court ruled in favor of Victoryland on the first point and never addressed the second argument. Ultimately, the Alabama Supreme Court reversed the lower court, disagreeing with the court on the first point. The court also held that the recently passed “bingo law” did not specifically refer to “electronic bingo machines”; therefore, the machines at Victoryland were, in fact, illegal gambling devices subject to seizure.

From an outsider’s perspective, the Alabama Supreme Court’s decision appears to be the right result as “electronic bingo machines” look and play like slots and do not resemble the game of bingo. While operators of the machines (and manufactures) argue the “electronic bingo machines” are not slots, they do so by pointing to the inner workings of the machines. Neither side can (or should) deny that these machines look and play like slots and that these machines create competition for casinos that operate traditional slot machines. In the end, the decisions surrounding whether to classify “electronic bingo machines” under state law as “bingo” games and whether they are to be classified under IGRA as Class III “slot machines or Class II “bingo” games is of great importance.

In the first instance, if the machines are deemed to be “bingo” games then, you will surely see attempts to operate these machines in states where bingo has been legalized even if slots have not been legalized. This has been Victoryland’s approach. In the second instance, by treating “electronic bingo games” differently than slots and categorizing them under IGRA as Class II “bingo” games rather than Class III “slots” tribes can operate them on Indian Lands without a compact with the state. Both scenarios affect competition and impact tax revenues to the states. The outcome of this debate is far reaching.

Following the Alabama Supreme Court’s recent decision, the U.S. Attorney in Alabama wrote to the National Indian Gaming Commission to obtain a clarification on its classification of the machines as “bingo” games currently being operated on Indian Lands. Victoryland has decided to pursue its appeals in federal court. We will continue to follow and report on these developments.

SGS 2016—Summary of CLE Programs (Earn up to 5 hours)

CLE Opportunities during SGS sponsored by

BAKER DONELSON

- **Wednesday, May 4**
 - Commerical Gaming State of the States (Hall D, Room 1)(10:15-11:15 a.m.)
 - Fantasy Sports & the Law: Implications for Casinos (Hall D, Room 1)(11:30 a.m.-12:30 p.m.)
- **Thursday, May 5**
 - Tribal Gaming: Legal & Regulatory Update (Hall D, Room 1)(9-10 a.m.)
 - Executive Roundtable (Hall D, Rooms 5/6)(10:15-11:15 a.m.)
 - Rules and Regs: What Should be on Your Radar? (Hall D, Room 1)(11:30 a.m.-12:30 p.m.)

MGHA Website Updates

Press Room Updates

- IP Casino Gives \$1 million to Coast Non-Profits
- Georgia—House Delays Vote Effectively Killing Casino Bill for 2016 Session
- Tony Scudiero Named VP & General Manager of Diamond Jacks Casino and Hotel in Vicksburg
- Hangout with Habitat at IP Casino—May 21st
- Foundation Gaming Group Announces a New Brand for its Diamond Jacks Casino and Hotel in Vicksburg
- Going for Silver! Waveland Announces Plan to Annex Parts of Clermont Harbor (including Silver Slipper Casino and Bayou Caddy Fishery)
- Florida Legislature Rejects \$3 Billion Gaming Deal with Seminoles
- Caesars Adds More than 5,000 Rooms to Renovation Program (including MS Casinos)
- America’s Newest Marathon is a Great 26.2 Miles—Especially for First Time Runners (MS Gulf Coast)
- Indian Gaming Group (PCI) Buys Land In D’Iberville
- Alabama Supreme Court Keeps Victoryland Closed
- AL US Attorney’s Gambling Inquiry Moves to Indians

www.msgaming.org

Important Dates

MGC March Meeting
(March 17 at 9 a.m.)
MGC Office in Jackson

MGHA Quarterly Meeting
(May 4 at Noon)
(room tbd—adjacent to expo floor)
Biloxi

Quick Reference to Legislative Bills

- HB842** – Tourism Tax Incentive Program – authority to MDA over tourism projects
- HB1074** – Economic Dev. / Infra-structure Fund — funding for air service / tourism
- HB 1385** – Gulf Coast Restoration Fund – dealing with BP funds – restoration fund created but no provision for funding
- HB 1386** – spells out \$ for road and bridge improvements using BP fund (died on calendar)
- HB 1523** – entitled Protecting Freedom of Conscience from Gov’t Discrimination Act.
- SB 2362** – Budget Transparency and Simplification Act; all special fund agencies funded through General Fund; MGC taken out.
- SB2419** – ABC felony except.; moving ahead
- SB 2541** – Fantasy sports bill; to be studied

Regional Statistics

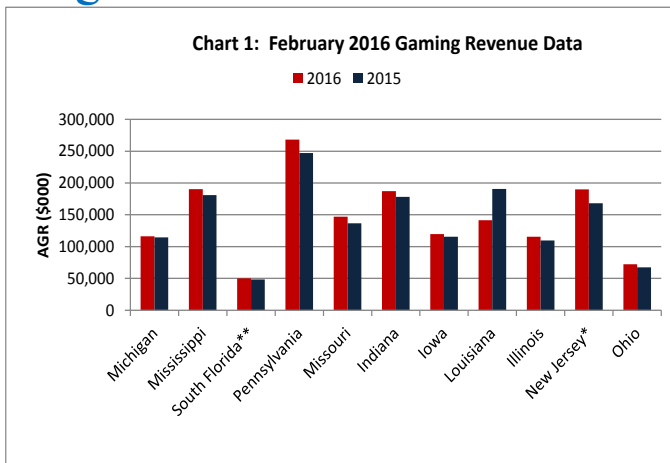


Table 2: AGR Summaries (\$000)

	Feb. '16	Feb. '15	Change	Trailing 3 Mos. Current	Trailing 3 Mos. Prior Yr.	Change
New Jersey*	189,968	168,041	13.0%	543,064	533,779	1.7%
Pennsylvania	268,354	247,120	8.6%	794,031	750,533	5.8%
Missouri	147,071	136,579	7.7%	428,263	411,769	4.0%
Ohio	72,106	67,510	6.8%	209,210	203,058	3.0%
Mississippi	190,326	180,919	5.2%	534,977	513,898	4.1%
Illinois	115,390	109,723	5.2%	351,296	347,040	1.2%
Indiana	187,360	178,313	5.1%	538,494	532,676	1.1%
Iowa	119,692	115,548	3.6%	350,867	346,197	1.3%
South Florida**	50,153	48,499	3.4%	141,261	140,163	0.8%
Michigan	116,401	114,422	1.7%	350,931	343,579	2.1%
Louisiana	141,676	190,846	-25.8%	505,573	582,020	-13.1%

Mississippi Gaming Statistics

February 2016 Table Game Analysis

Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	3,328,244	1,912,004	603,314	616,112	1,410,412	Win	7,870,086
	WPUD	\$832	\$2,355	\$1,156	\$1,118	\$1,057	WPUD	\$1,090
	Units	138	28	18	19	46	Units	249
	Unit Mix	55.4%	11.2%	7.2%	7.6%	18.5%		
	Drop	21,935,156	13,476,033	2,453,693	1,818,738	5,386,218	Drop	45,069,838
	% of Drop	48.7%	29.9%	5.4%	4.0%	12.0%	As % Prior year	98.6%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	1,652,991	729,651	179,659	139,126	288,865	Win	2,990,292
	WPUD	\$864	\$1,935	\$1,033	\$600	\$1,245	WPUD	\$1,021
	Units	66	13	6	8	8	Units	101
	Unit Mix	65.3%	12.9%	5.9%	7.9%	7.9%		
	Drop	8,218,782	2,547,346	685,406	481,894	813,312	Drop	12,746,740
	% of Drop	64.5%	20.0%	5.4%	3.8%	6.4%	As % Prior year	88.2%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	5,071,847	2,772,264	1,360,328	1,284,769	4,399,022	Win	14,888,230
	WPUD	\$697	\$2,584	\$1,421	\$1,528	\$1,379	WPUD	\$1,116
	Units	251	37	33	29	110	Units	460
	Unit Mix	54.6%	8.0%	7.2%	6.3%	23.9%		
	Drop	40,911,221	15,981,070	5,502,118	4,183,015	24,517,691	Drop	91,095,115
	% of Drop	44.9%	17.5%	6.0%	4.6%	26.9%	As % Prior year	103.9%

February 2016 Slot Analysis

Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	30,994,746	899,247	3,705,029	6,771,240	3,362,658	Win	45,732,920
	WPUD	\$188	\$144	\$144	\$207	\$168	WPUD	\$183
	Units	5,690	215	886	1,127	689	Units	8,607
	Unit Mix	66.1%	2.5%	10.3%	13.1%	8.0%		
	Coin In	338,410,854	12,593,658	47,641,985	98,852,124	67,465,810	Coin In	564,964,431
	% of Coin in	59.9%	2.2%	8.4%	17.5%	11.9%	As % Prior year	108.4%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	21,657,220	390,521	1,244,716	2,824,318	1,032,416	Win	27,149,191
	WPUD	\$207	\$83	\$101	\$145	\$251	WPUD	\$187
	Units	3,600	163	424	670	142	Units	4,999
	Unit Mix	72.0%	3.3%	8.5%	13.4%	2.8%		
	Coin In	233,626,565	7,927,423	17,481,185	46,773,567	17,025,035	Coin In	322,833,775
	% of Coin in	72.4%	2.5%	5.4%	14.5%	5.3%	As % Prior year	100.1%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	60,944,362	2,925,077	8,756,276	10,428,491	5,835,131	Win	88,889,337
	WPUD	\$209	\$157	\$176	\$220	\$329	WPUD	\$209
	Units	10,049	642	1,720	1,637	612	Units	14,660
	Unit Mix	68.5%	4.4%	11.7%	11.2%	4.2%		
	Coin In	671,227,129	54,964,795	152,596,414	159,037,343	87,911,814	Coin In	1,125,737,495
	% of Coin in	59.6%	4.9%	13.6%	14.1%	7.8%	As % Prior year	107.9%

Member Directory

- Ameristar Casino Hotel, Vicksburg
- Bally's Casino, Tunica
- Beau Rivage Resort Casino, Biloxi
- Boomtown Casino, Biloxi
- DiamondJacks Casino & Hotel-Vicksburg
- 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

New Associate Members

We would like to welcome our newest associate members.

Kronos

(www.kronos.com)

Captain's Fine Foods

(www.captainsfinefoods.com)

Family Frozen Foods

(www.familyfrozen.com)

*Thank you all for being part of
MGHA.*

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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Fantasy Sports Hot Topic for 2016



Fantasy sports wagering sites, where players wager on "fantasy" teams made up of real players, have become a hot topic this year. In 2015, operators took in about \$3 billion in entry fees from players, over three times as much as the previous year. The Fantasy Sports Trade Association estimates that there are 56 million players in the U.S. and Canada, most of which play through one of two U.S. based operators, DraftKings and FanDuel.

As the industry has grown, questions about its legality have increased. Supporters in the industry claim it is a game of skill and not gambling. Opponents claim it is basically sports betting.

Recently, the Mississippi Gaming Commission sought guidance from the Mississippi Attorney General's

Office on this issue, after receiving many inquiries about it. On January 29, 2016, the AG issued Opinion No. 2015-00445, which states that under Mississippi law, fantasy sports wagering is illegal, under both the criminal statute for gambling and the Gaming Control Act, regardless of whether it would be a game of skill. That's not the last word on the issue, though. Senate Bill 2541 was introduced in the Mississippi Senate this session to make fantasy sports legal. As of this report, the bill is alive and would both create a task force to study the issue, and give some oversight to the Mississippi Gaming Commission. You can find the bill here: <http://billstatus.ls.state.ms.us/2016/pdf/history/SB/SB2541.xml>

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