

MGHA Monthly Report



JULY 2016



Message from Executive Director

As we enter the 3rd quarter for 2016, we continue to see increases in visitation from Louisiana, Tennessee and Arkansas while we are seeing declines in visitation from Florida, Alabama and Georgia. Overall, total visitation is greater than it was at this point in 2015. As previously reported in the April 2016 newsletter, the Economic Development & Infrastructure Fund (EDI Fund) will provide us with the opportunity to increase air visitation to our state. Currently, approximately 95% of visitors drive-in to our state. MDA will be publishing guidelines for the air service program in the near future. Air service visitors typically stay longer and spend more. With the increase in regional competition, the Legislature is to be commended for creating the EDI Fund.

Third Quarter off to Good Start

With there being five full weekends in July, the positive trend continued as we moved into the third quarter of 2016. The Gulf Coast was up 1.3% on a year over year basis. Overall the Gulf Coast GGR (gross gaming revenue) is up 4.1% compared to this point in 2015. At the end of the 1st Quarter 2016, the River Counties showed a 2.6% decline compared to the same period in 2015. At the end of the 2nd Quarter of 2016, the River Counties are down 2.9%. While GGR is declining, the declines appear to be lessening. On a statewide basis, GGR is up almost 1% compared to the same period in 2015.

Table 1: Mississippi Gaming Revenues

	Gulf Coast	River Counties	Overall
Jul 2016	105,521,070	84,247,222	189,768,292
Jul 2015	104,202,529	85,374,930	189,577,459
Jul 2014	95,489,386	84,768,029	180,257,415
Jul 2013	96,441,106	95,027,999	191,469,105
Jul 2012	105,439,464	99,072,300	204,511,764
2016 vs. 2015	1.3%	-1.3%	0.1%
	Gulf Coast	River Counties	Overall
YTD 2016	712,219,261	567,639,092	1,279,858,353
YTD 2015	683,844,109	584,796,832	1,268,640,941
YTD 2014	638,488,497	605,207,525	1,243,696,022
YTD 2013	635,085,012	660,806,658	1,295,891,670
YTD 2012	667,518,321	709,571,610	1,377,089,931
2016 vs. 2015	4.1%	-2.9%	0.9%

Visitation Comparison—1st & 2nd Quarters

	1Q (2015)	1Q (2016)	2Q (2015)	2Q (2016)
Louisiana	694505	882,649	845659	987197
Alabama	671958	637157	703231	673797
Florida	531171	414,917	549304	420870
Tennessee	485929	481,583	210785	361684
Arkansas	285804	319,263	226111	282009
Georgia	219878	177,023	260247	207172
Texas	96657	94,139	131846	120142
Other	244727	208,062	193003	281467
Missouri	67889	52,749	45532	47094
Illinois	74869	55,864	49584	47360
Michigan	64083	51,438	27507	24032
Indiana	37937	29,258	21045	21393
North Carolina	21389	21,358	28068	21267
Ohio	36512	28,724	19920	19669
South Carolina	16507	17,544	22070	19655
Oklahoma	11614	11,409	11589	14287
Out of State	3568249	3,493,012	3352566	3558598
Mississippi	2042700	2,305,221	2027945	2286349
Total Visitors	5610949	5798233	5380511	5844947

AGA Get to Know Gaming—August 3, 2016 *By: Larry Gregory*

The AGA visited Biloxi, Mississippi on August 3rd as part of their *Get To Know Gaming* campaign that highlights the beneficial role the industry plays in our communities across 40 states. Leaders from the gaming industry, legislators, non-profits, and the business community highlighted the positive impact gaming has in Mississippi and the Gulf Coast. It was an honor to have them at the IP Casino Resort Spa to tell the world what a great investment Mississippi has made in gaming and that gaming has made in Mississippi. Of course, Mississippi is no longer new to the gaming industry; next year will mark the industry's 25th anniversary in our state. Participating in the AGA event were Geoff Freeman, president and CEO, American Gaming Association; Duncan McKenzie, general manager, IP Casino Resort Spa; Jonathan Jones, senior vice president and general manager, Harrah's Gulf Coast; Wade Howk, vice president of operations, Penn National Gaming; Marcus Glover, general manager, Beau Rivage Resort & Casino; Richard Bennett, chairman of the Gaming Committee, Mississippi State Legislature, leaders of charity our partners (including the United Way and Habitat for Humanity) and other leaders within the business community at large. The roundtable discussion made it very clear; the gaming industry in Mississippi has been a huge success. Specifically, gaming tax revenue generated by Mississippi casinos is set to reach \$6.6 billion by the industry's 25th anniversary in 2017. And, in 2015 alone, the gaming industry had more than a \$4 billion impact on the state's economy. The AGA didn't come to only discuss the past; but, Freeman also discussed the future of gaming in Mississippi and across the country. Of great interest was the topic of sports betting. Sports betting may be the next step in Mississippi's gaming journey. *[Read Full Article in MS-LA Gaming News]*

Planning for Sept. 14, 2016—MGHA Quarterly Board Meeting

As we think ahead to the 2017, we are beginning plans for the roll out of our annual report, making plans for the 2017 Legislative Reception with the Mississippi Tourism Association, and considering the 2017 Legislative Session. During the upcoming legislative session, the legislature we be addressing many important topics such as Daily Fantasy Sports, the possibility of Mississippi Tax Reform, and legislation tied to the BP Oil Settlement. We are still developing the agenda of the upcoming board meeting, so please share your ideas and suggestions for topics that you would like to address. The meeting will be held on September 14, 2016 at Horseshoe Casino & Resort in Tunica. We look forward to seeing you.

Southern Gaming Summit, May 2-4, 2017

Planning for SGS 2017 is underway. With planning meetings already taking place amongst our executive committee and our partner, BNP Media, the upcoming summit promises to be one of the best ever. While we cannot provide much in terms of specifics, we can tell you that we will be working to grow the exhibit hall and to add new and innovative topics to the educational program. The primary driver amongst our exhibitors and sponsors is (I) to generate new leads, (II) to increase brand awareness followed by (III) networking with clients. These drivers will be a key focus of SGS 2017. Also, of great importance, our vendors in the exhibit hall will be able to identify buyers with specially marked badges, and we will be growing our number of gaming and non-gaming vendors. If you have suggestions or comments, please email Larry Gregory (lgregory@msgaming.org) and Mike Bruffey (mikebruffey@msgaming.org). We value your input and will ensure that SGS is everything you—the casino operators and vendors—want it to be.



MGHA News Updates

- Remember When? 2013 MS Legislature Enacts Legislation creating Coastwide Tourism Board
- GOP Leaders Planning for MS Tax Reform in 2017
- Freidmutter Group will design Casino at Biloxi Pointe
- DE Online Gaming Market Reaches New High
- Biloxi Submerged Isle of Caprice—Focus Maritime Museum
- AGA President & CEO Freeman in Biloxi to kick-off observance of 25 years of the casino industry in Mississippi.
- Sportsbetting Could Keep Casino Revenue Rolling in MS

More facts and news on



www.msgaming.org/pressroom/

Important Dates

MGHA Quarterly Board Meeting
Horseshoe Casino—Tunica
September 14, 2016
3:00 p.m.

MGHA Associate Member Meet & Greet
Horseshoe Casino—Tunica
September 14, 2016
5:30 p.m.

MGC September Meeting
Gold Strike Casino—Tunica
September 15, 2016
10:00 a.m.

Associate Member Focus



KRONOS Kronos Incorporated is a proud member of the Mississippi Gaming & Hospitality Association and an exhibitor at the **Southern Gaming Summit**.

We are also looking forward to exhibiting at the upcoming G2E: Global Gaming Expo in Las Vegas, the Tribal Net Annual Conference in San Diego and the Indian Gaming Tradeshow & Convention, also in San Diego. Kronos partners with Tribal Gaming & Tribal Nations all across the U.S. and we look forward to continuing our partnership with this community. As a supplier to the Tribal Gaming & Tribal Nations community, we urge all members to be aware of the recent ruling updating overtime regulations published by the Department of Labor. Effective as of December 1, 2016, this new rule is expected to extend overtime pay protections to more than 4 million Americans not currently eligible under federal law. Make sure your organization is ready to comply with the new regulations by following our comprehensive readiness checklist. Kronos can help – reach out to Scott Niedermaier – Scott.Niedermaier@Kronos.com to receive your copy.

Regional Statistics

Chart 1: July 2016 Gaming Revenue Data

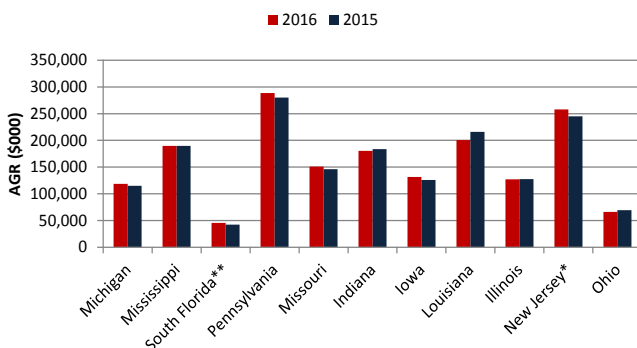


Table 2: AGR Summaries (\$000)

	July '16	July '15	Change	Trailing 3 Mos. Current	Trailing 3 Mos. Prior Yr.	Change
South Florida**	45,298	42,068	7.7%	133,951	128,575	4.2%
New Jersey*	257,915	244,971	5.3%	658,704	658,443	0.0%
Iowa	131,486	125,687	4.6%	366,700	365,160	0.4%
Michigan	118,463	114,774	3.2%	345,610	344,519	0.3%
Missouri	150,851	146,177	3.2%	429,011	432,169	-0.7%
Pennsylvania	288,451	280,177	3.0%	827,070	817,213	1.2%
Mississippi	189,768	189,577	0.1%	542,077	547,353	-1.0%
Illinois	127,206	127,578	-0.3%	362,062	376,068	-3.7%
Indiana	180,178	183,757	-1.9%	534,445	550,870	-3.0%
Ohio	66,064	69,475	-4.9%	195,503	204,018	-4.2%
Louisiana	200,635	215,924	-7.1%	553,523	598,967	-7.6%

* Excludes \$17.4 million in online gaming revenue
**South Florida only includes slots at racetracks

MGHA MONTHLY REPORT

July 2016 Table Game Analysis

Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	North River Summary	
North River	Win	6,122,203	2,782,021	620,851	561,098	1,231,567	Win	11,317,740
	WPUD	\$1,411	\$3,095	\$1,113	\$1,006	\$1,019	WPUD	\$1,496
	Units	140	29	18	18	39	Units	244
	Unit Mix	57.4%	11.9%	7.4%	7.4%	16.0%		
	Drop	28,315,460	14,946,453	2,447,529	1,701,128	5,274,180	Drop	52,684,750
	% of Drop	53.7%	28.4%	4.6%	3.2%	10.0%	As % Prior year	111.9%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	South River Summary	
South River	Win	1,490,124	514,775	145,066	164,021	319,994	Win	2,633,980
	WPUD	\$677	\$1,277	\$669	\$661	\$1,475	WPUD	\$802
	Units	71	13	7	8	7	Units	106
	Unit Mix	67.0%	12.3%	6.6%	7.5%	6.6%		
	Drop	7,803,888	2,413,271	684,513	561,494	773,629	Drop	12,236,795
	% of Drop	63.8%	19.7%	5.6%	4.6%	6.3%	As % Prior year	97.4%
Game Type		Twenty-One	Craps	Roulette	Three Card Poker	Other	Gulf Coast Summary	
Gulf Coast	Win	6,527,310	2,833,535	1,194,571	1,450,246	4,560,324	Win	16,565,986
	WPUD	\$771	\$2,470	\$1,243	\$1,613	\$1,517	WPUD	\$1,144
	Units	273	37	31	29	97	Units	467
	Unit Mix	58.5%	7.9%	6.6%	6.2%	20.8%		
	Drop	48,563,303	17,491,661	5,933,175	4,436,165	27,168,956	Drop	103,593,260
	% of Drop	46.9%	16.9%	5.7%	4.3%	26.2%	As % Prior year	104.4%

July 2016 Slot Analysis

Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	North River Summary	
North River	Win	30,427,280	990,141	3,792,609	6,444,196	4,405,061	Win	46,059,287
	WPUD	\$172	\$136	\$139	\$187	\$231	WPUD	\$174
	Units	5,713	234	880	1,112	616	Units	8,555
	Unit Mix	66.8%	2.7%	10.3%	13.0%	7.2%		
	Coin In	349,280,898	16,654,523	49,763,879	109,343,353	75,325,817	Coin In	600,368,470
	% of Coin in	58.2%	2.8%	8.3%	18.2%	12.5%	As % Prior year	96.7%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	South River Summary	
South River	Win	18,091,120	334,198	1,184,488	2,856,502	788,437	Win	23,254,745
	WPUD	\$157	\$90	\$93	\$140	\$183	WPUD	\$148
	Units	3,724	120	412	658	139	Units	5,053
	Unit Mix	73.7%	2.4%	8.2%	13.0%	2.8%		
	Coin In	206,376,616	7,459,442	17,819,533	49,622,753	17,452,568	Coin In	298,730,912
	% of Coin in	69.1%	2.5%	6.0%	16.6%	5.8%	As % Prior year	99.9%
Denomination		\$0.01	\$0.05	\$0.25	\$0.50 - \$2.00	High Limit/Other	Gulf Coast Summary	
Gulf Coast	Win	58,832,311	2,994,400	8,832,572	11,466,349	5,568,106	Win	87,693,738
	WPUD	\$188	\$155	\$178	\$240	\$298	WPUD	\$196
	Units	10,070	623	1,599	1,542	603	Units	14,437
	Unit Mix	69.8%	4.3%	11.1%	10.7%	4.2%		
	Coin In	705,338,699	56,294,985	148,387,966	170,625,619	100,725,743	Coin In	1,181,373,012
	% of Coin in	59.7%	4.8%	12.6%	14.4%	8.5%	As % Prior year	102.6%

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

MGHA now has 44 associate members and we are growing. Our associate members are vendors, professional service providers, associations and other organizations supporting the Mississippi gaming and hospitality industry—the 4th largest industry in our state. You can find our list of associate members on our website under the Members tab.

Thank you for being part of MGHA and supporting our industry.

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.*



120 N. Congress Street 4th Floor
Jackson, MS 39201
(601) 965-6992
www.msgaming.org

Appeals Court Overturns NJ Sports Betting Law



At the beginning of August, the federal 3rd Circuit Court of Appeals voted 10-2 to hold that New Jersey's 2014 law to legalize sports betting in the state violated federal statute. The NCAA, NBA, NFL, NHL, and MLB sued New Jersey after the state passed the legislation in June of 2014. At issue was whether the state law violated the federal Professional and Amateur Sports Protection Act's (PASPA) prohibition against states' legalizing sports betting. PASPA was passed in 1992, just as legalized gaming expanded across the country. PASPA allowed four states that already had some form of sports betting to continue, but it also included a provision that would have allowed only New Jersey to legalize sports betting within the first year after it became

law. Of course, New Jersey didn't take that opportunity to do so. This most recent opinion is important because when the case first made it to the 3rd Circuit, a three-judge panel voted 2-1 to hold the NJ law violated PASPA. It made it before the entire 3rd Circuit after it granted NJ a hearing before the entire court, something that is extremely rare. NJ could appeal to the Supreme Court, but it's unlikely it would even hear the case. And if it did, it's hard to imagine it turning out any differently from the solid 10-2 appeals court vote. It seems the only way to expand sports betting beyond the four states where it is legal, would be for Congress to update federal law, which the American Gaming Association wants.

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