

Presentation Prepared for:

Joint House Gaming Subcommittee/ Sales and Other Tax Subcommittee

**Trends/Observations of the Gaming Industry and Revenue Estimates
for SB 7, as engrossed, HA3, and Other Related Scenarios**



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Commission on Government Forecasting and Accountability

703 Stratton Office Building; Springfield, Illinois 62706

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<http://cgfa.ilga.gov>

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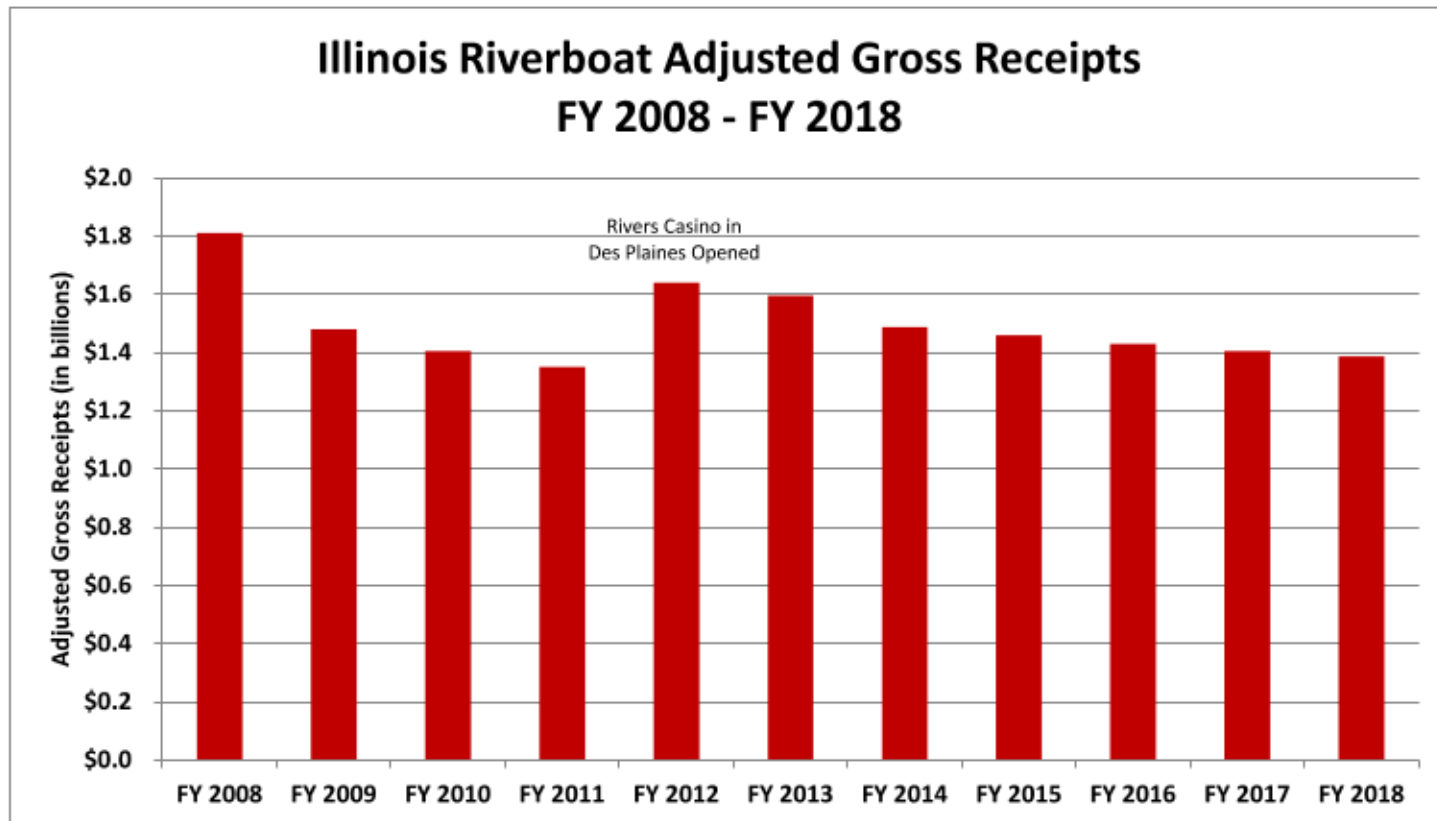
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CGFA Background & Responsibilities

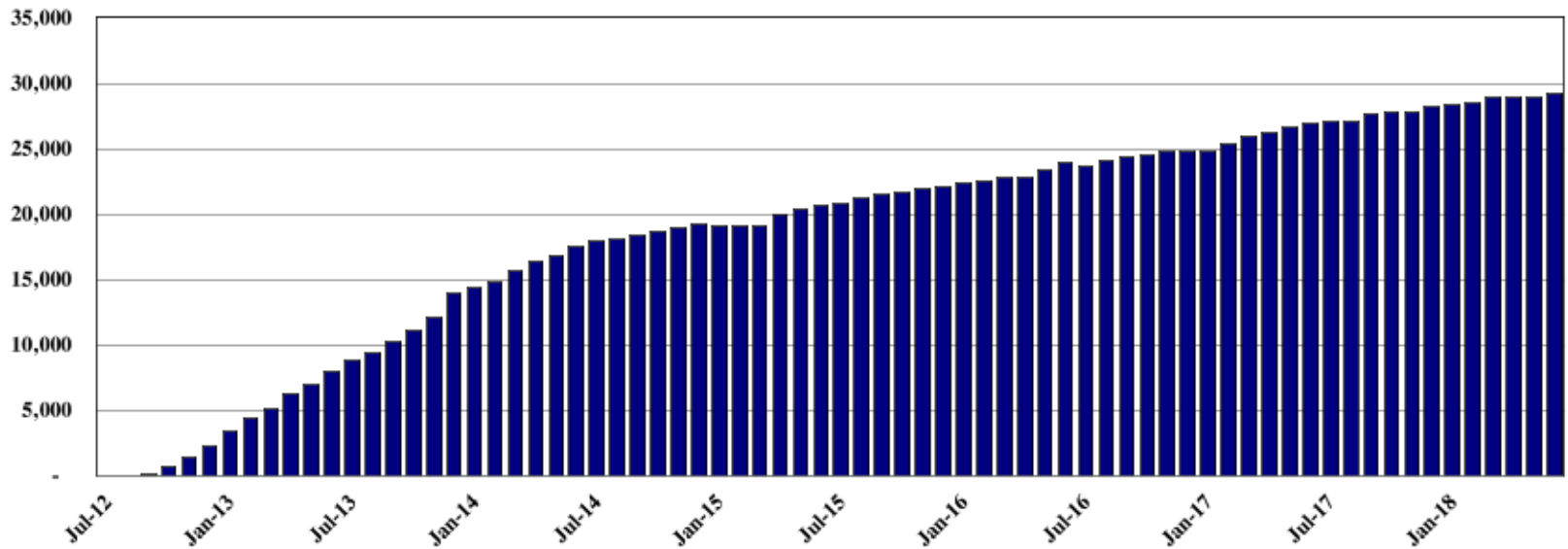
- Bi-Partisan, joint legislative commission, provides the General Assembly with information relevant to the Illinois economy, taxes and other sources of revenue and debt obligations of the State.
- Preparation of annual revenue estimates with periodic updates;
- Analysis of the fiscal impact of revenue bills;
- Preparation of State Debt Impact Notes;
- Periodic assessment of capital facility plans;
- Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services;
- Implement the provisions of the State Facility Closure Act;
- Annual estimates of public pension funding requirements and preparation of pension impact notes.

Current Trends of the Gaming Industry



- Between FY 2008 and FY 2011, AGR totals in Illinois fell from \$1.8 billion to under \$1.4 billion. The opening of the Des Plaines casino increased AGR levels to a little over \$1.6 billion in FY 2012.
- **Since FY 2012, AGR totals have fallen in six consecutive fiscal years to its current (FY 2018) level of \$1.4 billion. This FY 2018 total is only \$36 million or 2.7% above the revenue totals of FY 2011, when the State had only nine casinos.**

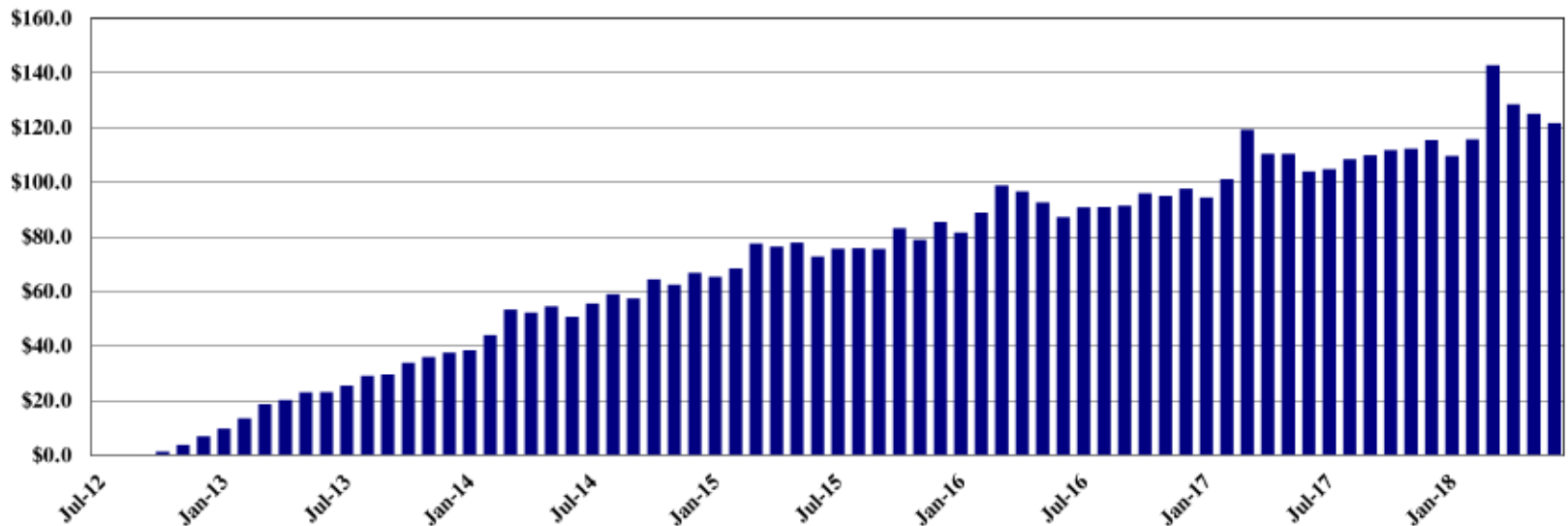
Video Gaming Terminals in Operation in Illinois per Month



Source: Illinois Gaming Board

Net Terminal Income from Illinois Video Gaming Machines per Month

\$ in millions



Source: Illinois Gaming Board

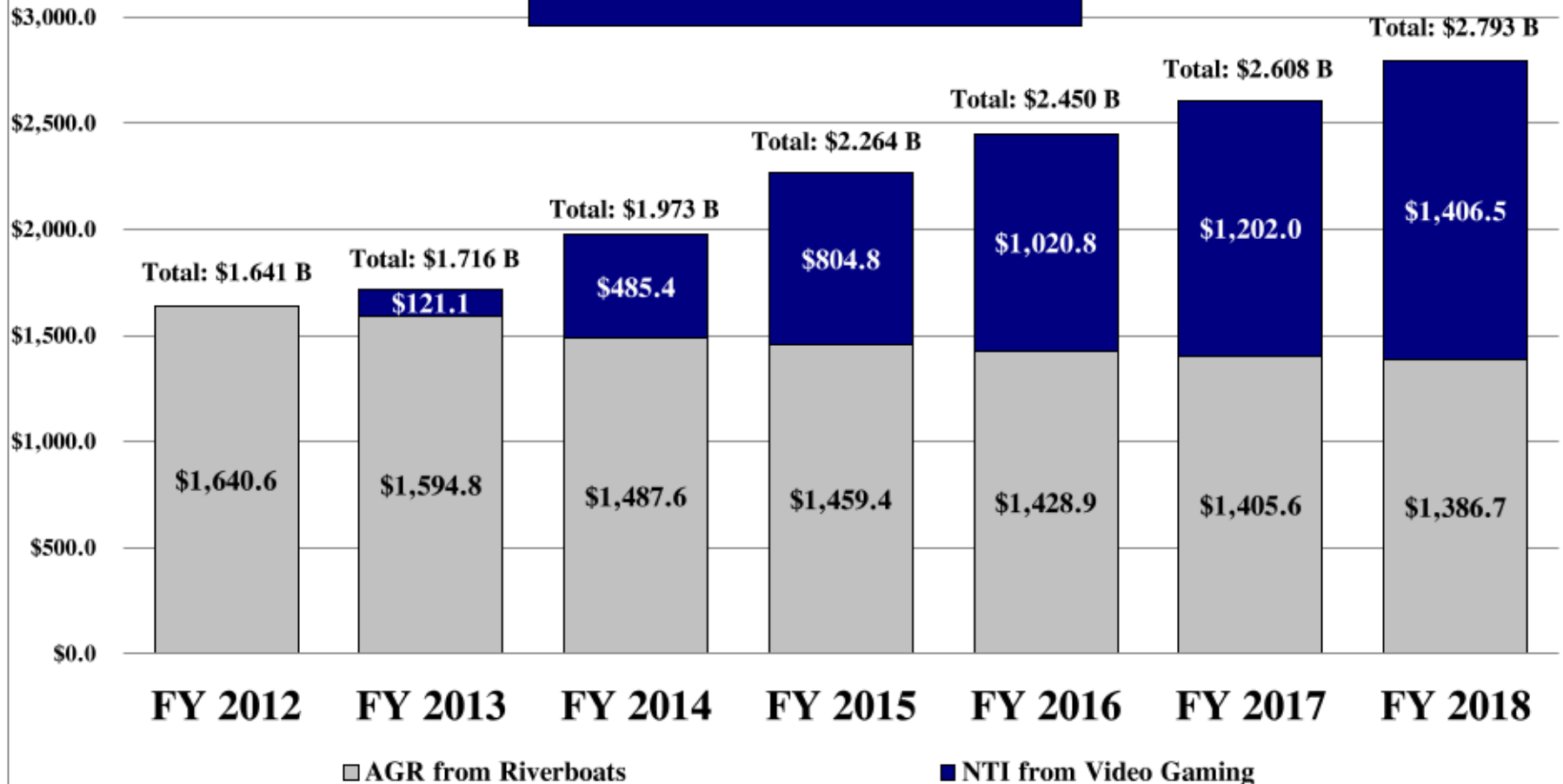
Adjusted Gross Receipts (AGR) of Illinois Riverboats vs Net Terminal Income (NTI) of Illinois Video Gaming Machines

\$ in millions

FY 2018 % Change over FY 2012

Casino AGR: -15.5%

AGR+NTI: +70.3%

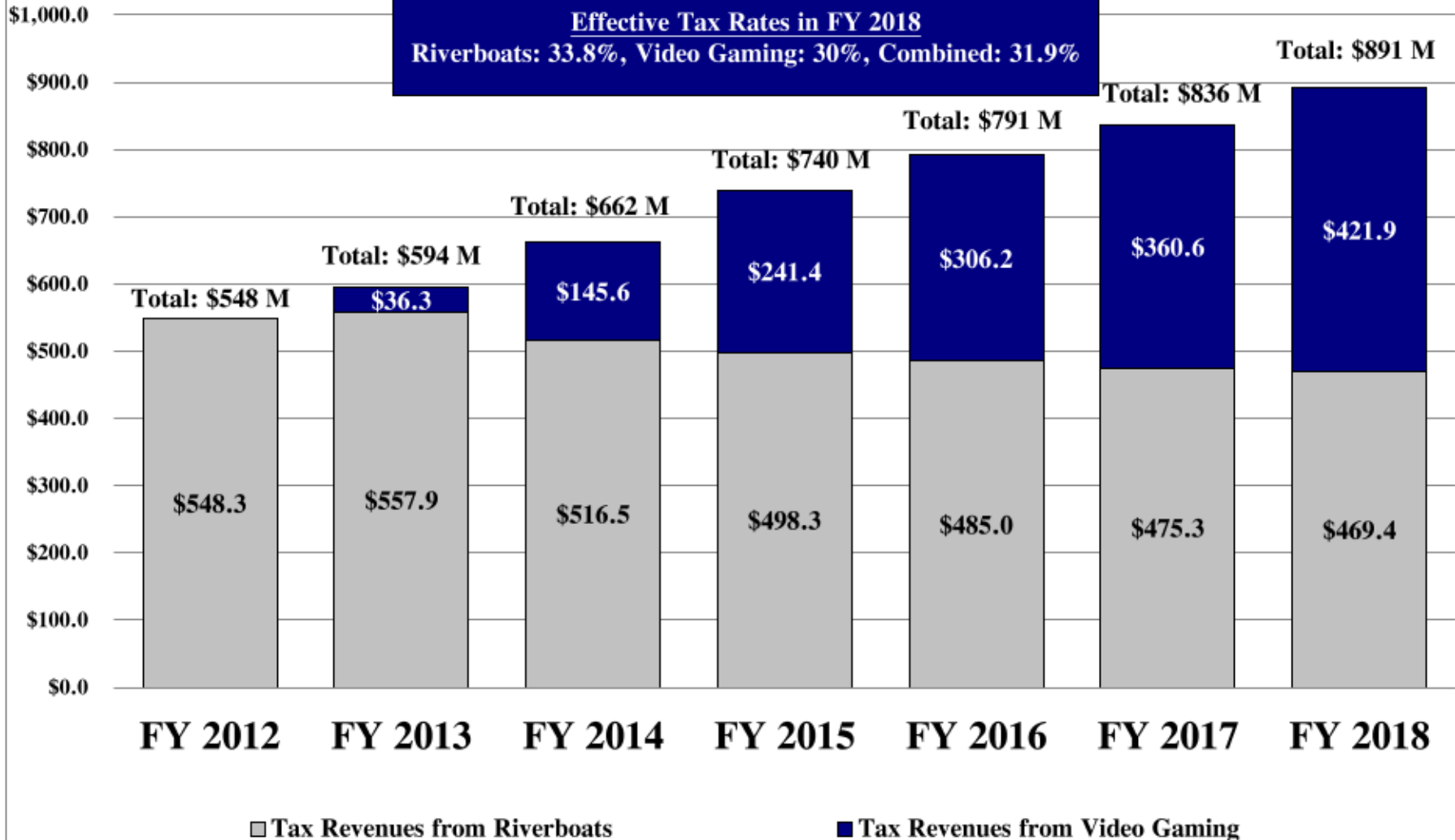


Tax Revenue from Riverboats and Video Gaming in Illinois

\$ in millions

FY 2018 % Change over FY 2012
 Tax Revenue from Riverboats: -14.4%
 Tax Revenue from Riverboats and Video Gaming: +62.6%

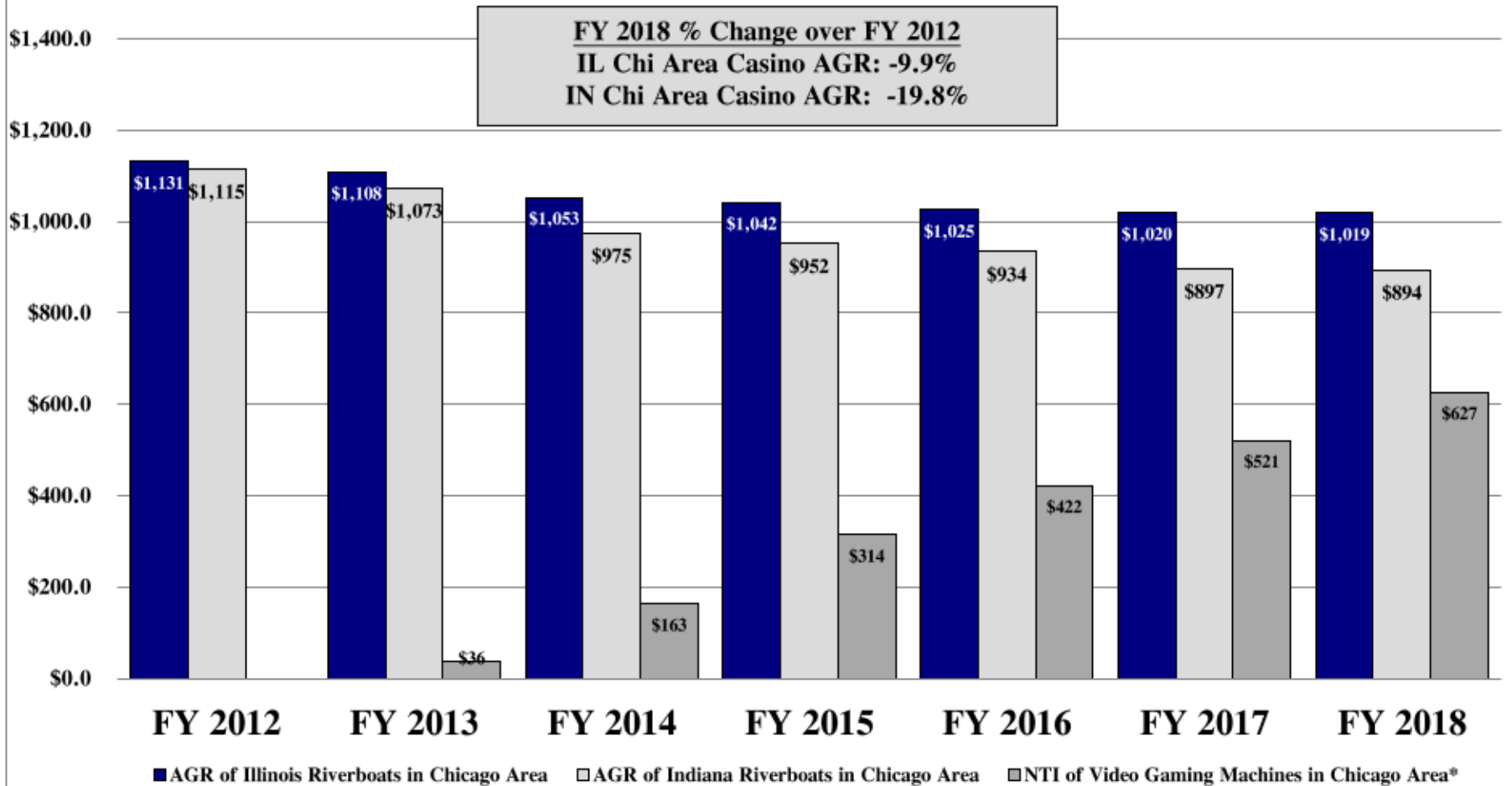
Effective Tax Rates in FY 2018
 Riverboats: 33.8%, Video Gaming: 30%, Combined: 31.9%





- In terms of gaming positions, Indiana continues to have significantly more gaming positions (20,108 in June 2018) than Illinois (10,498 in June 2018).
- As shown in the chart above, the number of gaming positions in the Chicago metro area continues to be much higher on the Indiana side of the border (8,257 vs 5,792).
- However, the chart also displays how this discrepancy has shrunk in recent years. Competition from Video Gaming in Illinois is believed to be a primary reason for the reduced AGR and position figures in this area of the country.

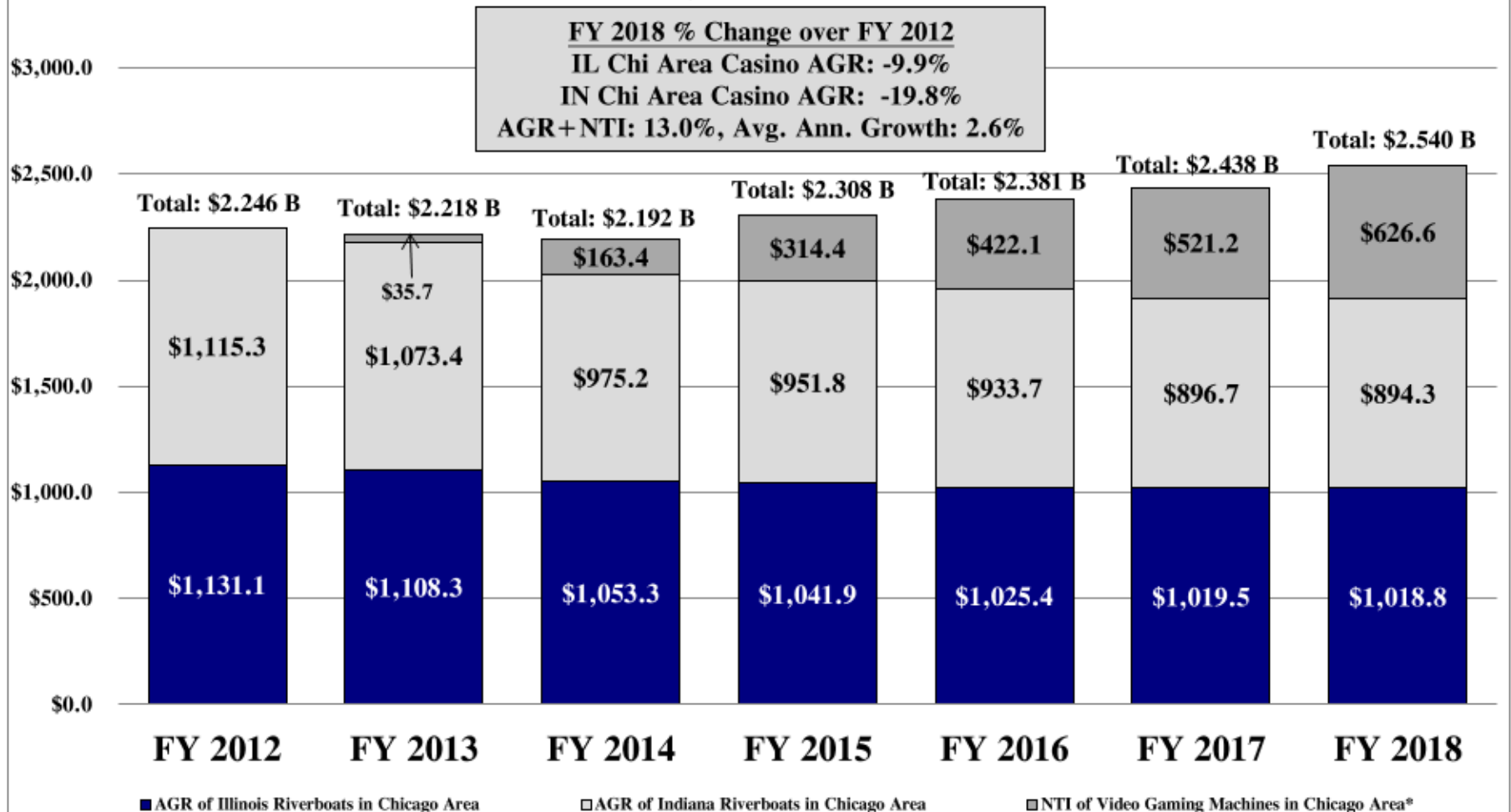
**AGR of Illinois and Indiana Riverboats in Chicago Area vs
Net Terminal Income of Illinois Video Gaming Machines in Chicago Area***
\$ in millions



* Net Terminal Income from video gaming in Chicago Area consists of video gaming revenue in the Chicago Metropolitan Statistical Area, which is currently defined by the Census Bureau to include the Illinois Counties of Cook, DeKalb, DuPage, Grundy, Kane, Kendall, McHenry, Will, and Lake. As of June 2018, there were 10,949 video gaming terminals in operation in this region.

Did Adding Video Gaming to the Chicago Metro Area Merely “Reshuffle the Deck Chairs”?

**AGR of Illinois and Indiana Riverboats in Chicago Area vs
Net Terminal Income of Illinois Video Gaming Machines in Chicago Area***
\$ in millions



* Net Terminal Income from video gaming in Chicago Area consists of video gaming revenue in the Chicago Metropolitan Statistical Area, which is currently defined by the Census Bureau to include the Illinois Counties of Cook, DeKalb, DuPage, Grundy, Kane, Kendall, McHenry, Will, and Lake. As of June 2018, there were 10,949 video gaming terminals in operation in this region.

Major Changes Under SB7, as Engrossed

Impacting Gaming Tax Revenues

- Additional Positions Can be Purchased by Current Riverboats (above 1,200 position limit).
- Chicago Casino with 4,000 gaming positions.
- New Casinos in Danville, Waukegan, Rockford, South Suburbs, and Williamson County.
- Racinos at Illinois Horse Racing Tracks.
- One-Time Revenues from the bidding of the new casinos, license fees, position fees, application fees, and potentially from reconciliation payments collected three years after the additional gaming positions become operational.
- No major changes to the video gaming industry.

Graduated Tax Structure Under SB7

Beginning on January 1 following the opening of the Chicago Casino (at a permanent and not temporary facility), the privilege tax structure on riverboats, the Chicago casino, and racinos would be modified to look as follows:

Adjusted Gross Receipts	Current Law	Gaming Proposal Tax on Table Games	Gaming Proposal Tax on Electronic Gaming Devices
Up to \$25M	15.0%	10.0%	10.0%
\$25M to \$50M	22.5%	17.5%	17.5%
\$50M to \$70M	27.5%	22.5%	22.5%
\$70M to \$75M	27.5%	16.0%	22.5%
\$75M to \$100M	32.5%	16.0%	27.5%
\$100M to \$150M	37.5%	16.0%	32.5%
\$150M to \$200M	45.0%	16.0%	35.0%
\$200M to \$300M	50.0%	16.0%	40.0%
\$300M to \$350M	50.0%	16.0%	30.0%
\$350M to \$800M	50.0%	16.0%	20.0%
Over \$800M	50.0%	16.0%	50.0%

Estimate Methodology

- Tax revenue estimates are based on projecting the taxable base (AGR and admission figures) of a gaming facility and applying the appropriate tax structure to these estimates.
- AGR and admission estimates are based on historical trends of similar gaming locations in Illinois and throughout the nation using data from the gaming regulation boards of these states, such as the Illinois Gaming Board.
- Estimates take into account existing competition in the area, expected amount of competition in the area after gaming expansion, type of facility (casino vs racino) and the type of gaming allowed at that facility (slots and/or table games), and the number of gaming positions allowed/expected.
- A “cannibalization” component is factored in for current facilities in areas of gaming expansion to account for the expected decline of gaming revenues due to this increase in competition.
- The cannibalization factor for each location varies depending on the level of competition expected in that area. These rates are based on rates of decline experienced throughout the country as a result of increased competition in that area.
- While the proposal would allow additional positions to be purchased by the existing casinos above the current 1,200 limit, it is estimated that only a few casinos would consider this option. This is because only three Illinois riverboats are at or near the 1,200 position limit currently and because of the additional competition that would be added as a result of this proposal.

CGFA Revenue Estimate for SB7, as engrossed (including Tax Rate Reduction)

Fiscal Impact on Revenues under Full Implementation				
\$ in millions				
	Recurring Revenues			
	Adjusted Gross Receipts (AGR)	State Revenue	Local Revenue	Total Revenue
Current Law Casino Estimate (FY 2022):	\$1,382.1	\$385.6	\$80.4	\$466.0
Proposed Casino Estimate (FY 2022):	\$2,446.0	\$399.6	\$140.9	\$540.5
Difference (Net New Casino Revenue):	\$1,064.0	\$14.0	\$60.5	\$74.5
Revenue from Video Gaming Changes:	\$0.0	\$0.0	\$0.0	\$0.0
Total New Recurring Revenues:	\$1,064.0	\$14.0	\$60.5	\$74.5
<i>Note: Gaming tax revenues would be offset, to some extent, by the creation of tax credits for certain renovation costs and for reductions in "after-tax revenues" at existing casinos. The above estimate also does not include any revenues from a proposed new racino in Cook County.</i>				
	One Time Revenues			
Chicago Casino Management Contract:				\$50.0
One-Time Licence Fees:				\$1.0
Initial Position Fees:				\$354.9
Application Fees:				\$1.5
Reconciliation Payments [Collected 3yrs after new gaming begins]:				\$624.4
	Total One-Time Revenues*:			\$1,031.7
* Does not include one-time revenues from the bidding of the new casinos. The amounts of these bids are not known.				

- Proposal would increase adjusted gross receipts (taxable base) by an estimated \$1.064 billion, an increase of nearly 77%.
- One-Time revenues from license bids, fees, and reconciliation payments would amount to an estimated \$1.032 billion and would be received over several fiscal years.
- **AGR totals estimated to grow over \$1.0 billion. Tax revenues would grow by an estimated \$75M per year.**

Adjusted Gross Receipts and Tax Revenues

- ❖ AGR totals estimated to grow over \$1.0 billion and tax revenues would grow by an estimated \$75M per year. The comparatively small increase in tax revenues is a byproduct of...
 - The tax rates are significantly reduced under the proposed tax structure, thereby limiting tax revenue.
 - The proposed tax structure would tax the AGR from table games and slot machines separately. On a graduated tax rate basis, this has the effect of lowering the taxable base, thereby creating lower effective tax rates.

Note: Simply applying SB7's tax structure to the taxable base estimates of the 10 existing riverboat casinos would reduce State revenues by \$153.4 million, a reduction in State revenues of 39.8%. This is before accounting for declines due to cannibalization, as discussed below.

- Historically, competition from new gaming facilities leads to significant reductions of the taxable base (AGR) of nearby existing facilities (cannibalization). Even though overall AGR totals increase, the dispersion of AGR over multiple locations creates reduced AGR totals per location, and thus, lower taxable bases under the graduated tax format. Lower tax rates are applied to lower taxable bases thereby creating a significantly lower effective tax rate as compared to current law.

Notable Differences Between SB7, as engrossed and HA3 to SB7

- Creates Fantasy Sports Contest Act, Internet Gaming Act, and Sports Wagering Acts, but these Acts do not include substantive language.
- After providing appropriations to the IGB for administration and enforcement of the Illinois Gambling Act and the applicable provisions of the Chicago Casino Development Authority Act, remaining amounts are to be transferred in equal amounts to the State Construction Account Fund, the Pension Stabilization Fund, and the Common School Fund (instead of going to the General Revenue Fund).
- Allows for a potential racetrack/racino in Cook County.
- Increases the number of OTBs that eligible racetracks may have from 9 to 16.
- Allows both table games and slot machines at racinos (instead of just slot machines).
- The State portion of tax revenues imposed on racinos shall be transferred in equal amounts to the State Construction Account Fund, the Pension Stabilization Fund, and the Common School Fund (instead of going to the Education Assistance Fund).
- Video Gaming Terminal Limit is increased from 5 to 6 terminals.
- The flat tax on video gaming is increased from 30% to 35%.
- Half of local government tax deposits may be used for pensions.
- Provisions regarding sweepstakes kiosks, including definitional and limitation language and the imposition of an annual fee of not more than \$100 for the use of operating a sweepstakes kiosk.

CGFA Revenue Estimate for SB7, HA3 (including Proposed Tax Rate Reduction)

Fiscal Impact on Revenues under Full Implementation				
<i>\$ in millions</i>				
	Recurring Revenues			
	Adjusted Gross Receipts (AGR)	State Revenue	Local Revenue	Total Revenue
Current Law Casino Estimate (FY 2022):	\$1,382.1	\$385.6	\$80.4	\$466.0
Proposed Casino Estimate (FY 2022):	\$2,468.3	\$397.7	\$141.9	\$539.6
Difference (Net New Casino Revenue):	\$1,086.2	\$12.2	\$61.4	\$73.6
Revenue from Video Gaming Changes:	\$357.1	\$104.2	\$20.8	\$125.0
Total New Recurring Revenues:	\$1,443.3	\$116.3	\$82.2	\$198.6
<i>Note: Gaming tax revenues would be offset, to some extent, by the creation of tax credits for certain renovation costs and for reductions in "after-tax revenues" at existing casinos. The above estimate also does not include any revenues from a proposed new racino in Cook County.</i>				
One Time Revenues				
Chicago Casino Management Contract:				\$50.0
One-Time Licence Fees:				\$1.0
Initial Position Fees:				\$354.9
Application Fees:				\$1.5
Reconciliation Payments [Collected 3yrs after new gaming begins]:				\$638.2
			Total One-Time Revenues*:	\$1,045.6
* Does not include one-time revenues from the bidding of the new casinos. The amounts of these bids are not known.				

- Proposal would increase recurring casino tax revenues by nearly \$75M, but would increase video gaming tax revenues by \$125M, for a combined increase of nearly **\$200M per year**.
- The difference between HA3 and the engrossed bill, in terms of tax revenues, is approximately \$125M, which is due to the proposed video gaming changes. AGR estimates would be slightly higher under HA3, but would have little impact on tax revenues. One-time revenues would increase slightly.
- While not accounted for in this estimate due to uncertainties, additional revenues could come from the proposed new racetrack/racino proposed under HA3.

Alternative Scenario

CGFA was asked to look at how the estimate would change if...

- *The wagering tax rates imposed on all of the current and proposed riverboats/casinos/racinos would be the same as is under current law.*
- *The terminal limitation for establishments with video gaming remained at 5 terminals (instead of increasing to 6 terminals).*
- *The tax rate proposed to be imposed on video gaming machines continues in this scenario at 35%.*

Alternative Scenario Estimate

Fiscal Impact on Revenues under Full Implementation				
\$ in millions				
	Recurring Revenues			
	Adjusted Gross Receipts (AGR)	State Revenue	Local Revenue	Total Revenue
Current Law Casino Estimate (FY 2022):	\$1,382.1	\$385.6	\$80.4	\$466.0
Proposed Casino Estimate (FY 2022):	\$2,468.3	\$664.5	\$141.9	\$806.4
Difference (Net New Casino Revenue):	\$1,086.2	\$279.0	\$61.4	\$340.4
Revenue from Video Gaming Changes:	\$214.3	\$62.5	\$12.5	\$75.0
Total New Recurring Revenues:	\$1,300.5	\$341.5	\$73.9	\$415.4
<i>Note: Gaming tax revenues would be offset, to some extent, by the creation of tax credits for certain renovation costs and for reductions in "after-tax revenues" at existing casinos. The above estimate also does not include any revenues from a proposed new racino in Cook County.</i>				
	One Time Revenues			
Chicago Casino Management Contract:				\$50.0
One-Time Licence Fees:				\$1.0
Initial Position Fees:				\$354.9
Application Fees:				\$1.5
Reconciliation Payments [Collected 3yrs after new gaming begins]:				\$638.2
				Total One-Time Revenues*:
				\$1,045.6
* Does not include one-time revenues from the bidding of the new casinos. The amounts of these bids are not known.				

- The annual revenue growth under this scenario would be \$415M, which is **\$217M more than under House Amendment 3**. The net \$217M increase comes from...
 - \$267M increase (from \$74M to \$340M) from recurring casino tax revenues, reflecting the current and, thus, higher graduated tax rate structure.
 - ...offsetting
 - \$50M reduction (from \$125M to \$75M) in the video gaming tax estimate (reflecting the removal of the 6th terminal option). Video gaming tax revenue would still increase by approximately \$75M due to the proposed tax rate increase from 30% to 35%.

Estimated Performance of the Chicago Casino

- CGFA estimate assumes AGR of Chicago Casino would be around \$500 million.
 - This would make it the 4th largest revenue producing casino in the Great Lakes Region.
 - This is despite the fact that the Chicago Metro Area already contains...
 - 5,800 gaming positions at the five Illinois casinos.
 - 8,257 gaming positions at the five Indiana nearby casinos.
 - 10,949 gaming positions at 2,354 video gaming establishments.
 - ...and, at the same time, would add...
 - 3,200 gaming positions at the proposed casinos in Waukegan and the South Suburbs.
 - 2,000 gaming positions at Arlington and Hawthorne Racetrack.
 - With potentially more at the proposed new racetrack.

**Statistical Summary of the Top 25 Revenue Generating Casinos in the Great Lakes Region
(Including the States of Illinois, Indiana, Iowa, Michigan, Missouri, Ohio, and Pennsylvania)**

\$ in millions

	State	Region	CY 2013 AGR	CY 2014 AGR	CY 2015 AGR	CY 2016 AGR	CY 2017 AGR	Dec 2017 Positions	2017 AGR/ Pos/Day	1-Yr % Ch.	2-Yr % Ch.	3-Yr % Ch.	4-Yr % Ch.
MGM GRAND - Detroit	Michigan	Detroit	\$566.8	\$561.1	\$582.0	\$592.1	\$592.2	3,901	\$416	0.0%	1.7%	5.5%	4.5%
PARX - Bensalem	Pennsylvania	Philadelphia	\$487.7	\$490.6	\$523.5	\$551.7	\$566.5	4,006	\$387	2.7%	8.2%	15.5%	16.2%
SANDS - Bethlehem	Pennsylvania	Eastern PA	\$465.0	\$470.0	\$513.9	\$535.2	\$545.7	3,958	\$378	2.0%	6.2%	16.1%	17.4%
MOTORCITY CASINO - Detroit	Michigan	Detroit	\$454.3	\$445.0	\$464.5	\$467.9	\$478.6	2,740	\$479	2.3%	3.0%	7.6%	5.3%
RIVERS CASINO - Des Plaines	Illinois	Chicago	\$418.9	\$425.5	\$425.0	\$428.4	\$433.0	1,199	\$989	1.1%	1.9%	1.8%	3.4%
HORSESHOE - Hammond	Indiana	Chicago	\$480.4	\$430.5	\$421.3	\$399.5	\$403.7	2,920	\$379	1.0%	-4.2%	-6.2%	-16.0%
THE RIVERS - Pittsburgh	Pennsylvania	Pittsburgh	\$352.0	\$346.3	\$348.3	\$334.2	\$335.5	3,241	\$284	0.4%	-3.7%	-3.1%	-4.7%
GREKTOWN CASINO - Detroit	Michigan	Detroit	\$328.3	\$326.7	\$329.9	\$325.6	\$329.7	3,344	\$270	1.3%	0.0%	0.9%	0.4%
SUGARHOUSE - Philadelphia	Pennsylvania	Philadelphia	\$265.6	\$265.1	\$269.0	\$297.7	\$297.7	2,364	\$345	0.0%	10.7%	12.3%	12.1%
HARRAH'S - Chester	Pennsylvania	Philadelphia	\$311.2	\$286.8	\$286.6	\$272.1	\$263.5	2,825	\$256	-3.2%	-8.1%	-8.1%	-15.3%
INDIANA GRAND - Shelbyville	Indiana	Central IN	\$217.9	\$236.5	\$241.0	\$250.1	\$263.4	1,910	\$378	5.3%	9.3%	11.4%	20.9%
AMERISTAR - St. Charles	Missouri	St. Louis	\$258.4	\$259.8	\$265.1	\$261.1	\$263.3	2,567	\$281	0.8%	-0.7%	1.3%	1.9%
THE MEADOWS - Washington	Pennsylvania	Pittsburgh	\$264.3	\$245.4	\$251.5	\$253.0	\$250.9	3,177	\$216	-0.8%	-0.2%	2.2%	-5.1%
HORSESHOE - Harrison County	Indiana	S. Indiana	\$260.9	\$253.7	\$244.4	\$238.9	\$247.5	1,972	\$344	3.6%	1.3%	-2.4%	-5.1%
MOHEGAN SUN - Wilkes-Barre	Pennsylvania	Eastern PA	\$263.4	\$262.8	\$265.3	\$261.7	\$246.9	2,577	\$263	-5.7%	-6.9%	-6.1%	-6.3%
PENN NATIONAL - Grantville	Pennsylvania	Central PA	\$266.8	\$247.4	\$250.3	\$244.2	\$244.8	2,479	\$271	0.2%	-2.2%	-1.0%	-8.2%
HOLLYWOOD - Maryland Hts	Missouri	St. Louis	\$232.3	\$218.3	\$226.0	\$233.8	\$237.8	2,240	\$291	1.7%	5.2%	8.9%	2.3%
RIVER CITY - St. Louis	Missouri	St. Louis	\$207.4	\$209.1	\$220.9	\$224.1	\$225.7	2,009	\$308	0.7%	2.2%	8.0%	8.9%
HOLLYWOOD - Columbus	Ohio	Columbus	\$210.8	\$207.8	\$210.3	\$213.5	\$220.9	2,528	\$239	3.5%	5.0%	6.3%	4.8%
HOOSIER PARK - Anderson	Indiana	Central IN	\$191.6	\$197.4	\$205.6	\$205.2	\$208.4	1,669	\$342	1.6%	1.3%	5.6%	8.8%
AMERISTAR - East Chicago	Indiana	Chicago	\$212.5	\$216.3	\$221.7	\$215.4	\$201.7	1,933	\$286	-6.3%	-9.0%	-6.7%	-5.1%
JACK - Cleveland	Ohio	Cleveland	\$242.6	\$220.4	\$212.7	\$203.6	\$201.5	1,834	\$301	-1.0%	-5.3%	-8.6%	-17.0%
HOLLYWOOD - Toledo	Ohio	Toledo	\$183.4	\$183.3	\$192.8	\$191.6	\$198.7	2,207	\$247	3.7%	3.1%	8.4%	8.3%
JACK - Cincinnati	Ohio	Cincinnati	\$184.5	\$197.8	\$196.5	\$189.3	\$197.9	2,359	\$230	4.6%	0.7%	0.1%	7.3%
MOUNT AIRY - Mt. Pocono	Pennsylvania	Eastern PA	\$183.4	\$183.7	\$186.3	\$184.5	\$197.9	2,098	\$258	7.2%	6.2%	7.7%	7.9%

- Top revenue generating casino in this region was MGM Grand in Detroit at \$592 M.
- Only 3 casinos had AGR over \$500 M.
- Gaming Positions of top casinos were all around 4,000, which is size of proposed Chicago Casino.

Adjusted Gross Receipts from Commercial Gaming in 2017 per Metropolitan Area

Metropolitan Area	AGR in 2017 (\$ in billions)	Population (2016 est.)	AGR per Capita
Las Vegas Area (Clark County, NV)	\$9.979	2,155,664	\$4,629
Chicagoland, IL/IN*	\$2.514	9,512,999	\$264
Atlantic City	\$2.413	270,991	\$8,906
Detroit	\$1.401	4,297,617	\$326
Philadelphia	\$1.245	6,070,500	\$205
St. Louis, MO/IL	\$1.005	2,807,002	\$358

* Includes \$574 million in Video Gaming net terminal income from the Chicago Metropolitan Area

Population Source: <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>

Spending Source: Each state's gaming control board

- If the Chicago metro area were to equal Detroit's AGR per capita figure of \$326, the AGR of Chicago's region would have to grow to \$3.1 billion.
- CGFA estimate would increase AGR in the Chicago Metro area to over \$3.2 billion, increasing the AGR per capita to around \$345 (higher than Detroit and Philadelphia).
- If the Chicago metro area were to equal St. Louis' AGR per capital figure of \$358, the Chicago's region would have to grow to \$3.4 billion.

Alternate Chicago Casino Scenarios and Tax Revenue Impact

- If AGR of Chicago Casino estimate was increased by \$100 million, from \$500 million to \$600 million...
 - Tax Revenues would increase by est. \$20 million under proposed tax structure.
 - Tax Revenues would increase by est. \$50 million under current tax structure.
- If AGR of Chicago Casino estimate was increased by \$200 million, from \$500 million to \$700 million...
 - Tax Revenues would increase by est. \$40 million under proposed tax structure.
 - Tax Revenues would increase by est. \$100 million under current tax structure.
- Proposed Tax Structure: 20% tax on AGR between \$350M and \$800M.
- Current Tax Structure: 50% tax on AGR between \$350M and \$800M.

National Gaming Trends and Observations

AGR from Commercial Casino Gaming <i>(Midwest States)</i>						
\$ in billions						
CY	Illinois*	Indiana	Iowa	Michigan	Missouri	Ohio
2010	\$1.374	\$2.794	\$1.368	\$1.378	\$1.788	\$0.000
2011	\$1.477	\$2.721	\$1.424	\$1.424	\$1.805	\$0.000
2012	\$1.651	\$2.636	\$1.467	\$1.417	\$1.769	\$0.351
2013	\$1.853	\$2.332	\$1.420	\$1.350	\$1.707	\$0.821
2014	\$2.125	\$2.157	\$1.391	\$1.333	\$1.660	\$0.809
2015	\$2.352	\$2.142	\$1.424	\$1.376	\$1.702	\$0.812
2016	\$2.523	\$2.125	\$1.446	\$1.386	\$1.714	\$0.798
2017	\$2.711	\$2.153	\$1.463	\$1.401	\$1.738	\$0.819
<i>Annual % Change</i>						
CY	Illinois*	Indiana	Iowa	Michigan	Missouri	Ohio
2010	-3.8%	-0.2%	-0.9%	2.9%	3.3%	N/A
2011	7.5%	-2.6%	4.1%	3.4%	1.0%	N/A
2012	11.8%	-3.1%	3.0%	-0.5%	-2.0%	N/A
2013	12.2%	-11.5%	-3.2%	-4.7%	-3.5%	134.3%
2014	14.7%	-7.5%	-2.0%	-1.2%	-2.7%	-1.5%
2015	10.7%	-0.7%	2.4%	3.3%	2.5%	0.4%
2016	7.2%	-0.8%	1.5%	0.7%	0.7%	-1.8%
2017	7.5%	1.4%	1.1%	1.1%	1.4%	2.6%
* Includes Video Gaming Revenues						

- In 2010, Indiana was, by far, the top state in the Midwest in terms of adjusted gross receipts from Commercial Casino Gaming.
- However, Indiana's recent declines, combined with Illinois' addition of video gaming revenues, has allowed Illinois to take this top spot.
- When including video gaming revenues, as shown above, Illinois CY 2017 total of \$2.7 billion is now significantly higher than that of Indiana and the other Midwest states.

AGR from Commercial Casino Gaming

(Other Prominent Gaming States)

\$ in billions

CY	Nevada	Louisiana*	Pennsylvania	New Jersey	Mississippi	Total**
2010	\$10.405	\$2.984	\$2.486	\$3.261	\$2.389	\$30.228
2011	\$10.701	\$2.981	\$3.025	\$2.951	\$2.239	\$30.747
2012	\$10.861	\$3.014	\$3.158	\$2.707	\$2.251	\$30.931
2013	\$11.143	\$3.042	\$3.114	\$2.860	\$2.137	\$30.956
2014	\$11.019	\$3.064	\$3.069	\$2.616	\$2.068	\$30.502
2015	\$11.114	\$3.242	\$3.174	\$2.414	\$2.097	\$31.038
2016	\$11.257	\$3.115	\$3.213	\$2.280	\$2.122	\$31.181
2017	\$11.571	\$3.136	\$3.227	\$2.413	\$2.080	\$31.893
Annual % Change						
CY	Nevada	Louisiana*	Pennsylvania	New Jersey	Mississippi	Total**
2010	0.1%	-3.4%	26.6%	-17.3%	-3.1%	-1.0%
2011	2.8%	-0.1%	21.7%	-9.5%	-6.3%	1.7%
2012	1.5%	1.1%	4.4%	-8.2%	0.5%	0.6%
2013	2.6%	0.9%	-1.4%	5.6%	-5.1%	0.1%
2014	-1.1%	0.7%	-1.4%	-8.5%	-3.2%	-1.5%
2015	0.9%	5.8%	3.4%	-7.7%	1.4%	1.8%
2016	1.3%	-3.9%	1.2%	-5.6%	1.2%	0.5%
2017	2.8%	0.7%	0.4%	5.9%	-2.0%	2.3%
Average Overall Growth in Last Five Years:						0.6%
* Includes Video Gaming Revenues						
**Total includes these "Prominent Gaming States" and the "Midwest States"						

- The above table shows five of the largest gaming states in the nation (outside the Midwest).
- As expected, Nevada is by far the largest state, in terms of adjusted gross receipts from commercial casino gaming, with a CY 2017 total of \$11.6 billion. New Jersey has seen its levels decline in recent years and has now fallen behind other states, including Illinois.
- The “total” shown in the above table include revenues from these prominent gaming states (NV, PA, LA, NJ, MS) and the Midwest gaming states (IL, IN, IA, MI, MO, OH). Combined, these states have been effectively flat over the last five years, with an average growth of 0.6%.

Statistical Summary of the Midwestern Gaming States

\$ in millions

ILLINOIS CASINOS

\$ IN MILLIONS	Casino		FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	1-Yr.	2-Yr.	5-Yr.	June 2018	2018 AGR/
	Type	Region	AGR	AGR	AGR	AGR	AGR	AGR	Change	Change	Change	Positions	Pos/Day
ALTON ARGOSY - Alton	Casino	St. Louis	\$68.5	\$59.8	\$56.6	\$50.4	\$48.3	\$47.4	-1.7%	-5.8%	-30.8%	727	\$179
PAR-A-DICE - E. Peoria	Casino	Central IL	\$112.0	\$100.1	\$93.2	\$86.0	\$78.9	\$77.7	-1.5%	-9.6%	-30.6%	951	\$224
JUMER'S - Rock Island	Casino	Quad City	\$85.5	\$77.6	\$77.3	\$76.7	\$72.1	\$70.0	-3.0%	-8.7%	-18.1%	1,039	\$185
HOLLYWOOD CASINO - Joliet	Casino	Chicago	\$141.0	\$123.6	\$123.9	\$125.2	\$120.0	\$120.7	0.6%	-3.6%	-14.4%	1,080	\$306
HARRAH'S - Metropolis	Casino	S. Illinois	\$91.8	\$80.6	\$83.6	\$82.4	\$79.7	\$73.6	-7.7%	-10.7%	-19.8%	893	\$226
HARRAH'S - Joliet	Casino	Chicago	\$206.5	\$196.2	\$195.8	\$185.8	\$182.6	\$179.1	-1.9%	-3.6%	-13.3%	1,193	\$411
HOLLYWOOD CASINO - Aurora	Casino	Chicago	\$149.2	\$131.8	\$125.1	\$119.7	\$121.2	\$117.6	-3.0%	-1.7%	-21.2%	1,120	\$288
CASINO QUEEN - E. St. Louis	Casino	St. Louis	\$128.7	\$116.2	\$106.8	\$108.1	\$107.0	\$99.1	-7.3%	-8.3%	-23.0%	1,096	\$248
GRAND VICTORIA - Elgin	Casino	Chicago	\$201.4	\$180.2	\$168.8	\$170.0	\$166.4	\$162.9	-2.1%	-4.2%	-19.1%	1,200	\$372
RIVERS CASINO - Des Plaines	Casino	Chicago	\$410.1	\$421.5	\$428.2	\$424.7	\$429.3	\$438.5	2.1%	3.3%	6.9%	1,200	\$1,001
TOTALS			\$1,594.8	\$1,487.6	\$1,459.4	\$1,428.9	\$1,405.6	\$1,386.7	-1.3%	-3.0%	-13.1%	10,498	\$362
CHICAGO REGION TOTALS			\$1,108.3	\$1,053.3	\$1,041.9	\$1,025.4	\$1,019.5	\$1,018.8	-0.1%	-0.6%	-8.1%	5,792	\$482
CHICAGO REGION W/O DES PLAINES			\$698.2	\$631.8	\$613.7	\$600.7	\$590.2	\$580.3	-1.7%	-3.4%	-16.9%	4,592	\$346
ST. LOUIS REGION TOTALS			\$197.2	\$176.1	\$163.4	\$158.5	\$155.3	\$146.6	-5.6%	-7.5%	-25.7%	1,823	\$220

- Adjusted Gross Receipts for Illinois casinos were down 1.3% over the last fiscal year and down 13.1% over the past five fiscal years.
- Only two Illinois casinos had AGR levels increase over the past fiscal year: Joliet Hollywood [+0.6%] and Des Plaines [+2.1%].
- Only the Rivers Casino in Des Plaines has had an AGR increase over the past five fiscal years (up 6.9%). The other nine casinos have all experienced double-digit declines in AGR with falloffs as high as 31% for both Alton and East Peoria.
- Chicago area casinos have fallen a combined 8.1% over the past five fiscal years. But when Des Plaines is removed from this total, the decline increases to near 17%.

INDIANA CASINOS

\$ IN MILLIONS	Casino Type	Region (*near IL)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	1-Yr.	2-Yr.	5-Yr.	June 2018	2018 AGR/
			AGR	AGR	AGR	AGR	AGR	AGR	Change	Change	Change	Positions	Pos/Day
AMERISTAR - East Chicago	Casino	NW Indiana*	\$231.5	\$208.7	\$221.2	\$222.8	\$204.1	\$208.5	2.1%	-6.4%	-10.0%	1,738	\$329
HOLLYWOOD - Lawrenceburg	Casino	SE Indiana	\$339.0	\$214.5	\$179.2	\$168.4	\$162.9	\$167.7	3.0%	-0.4%	-50.5%	1,666	\$276
BELTERRA - Switzerland County	Casino	SE Indiana	\$140.4	\$113.2	\$110.1	\$103.2	\$111.2	\$109.2	-1.8%	5.8%	-22.2%	1,299	\$230
BLUE CHIP - Michigan City	Casino	NW Indiana*	\$166.4	\$149.7	\$152.5	\$155.1	\$152.6	\$146.4	-4.1%	-5.6%	-12.1%	1,771	\$226
TROPICANA - Evansville	Casino	S. Indiana	\$114.8	\$111.4	\$115.6	\$119.4	\$120.7	\$142.3	17.9%	19.1%	23.9%	1,243	\$314
FRENCH LICK - French Lick	Casino	S. Indiana	\$82.6	\$68.4	\$71.0	\$77.5	\$85.4	\$86.3	1.0%	11.3%	4.5%	1,033	\$229
RISING STAR - Rising Sun	Casino	SE Indiana	\$78.0	\$54.7	\$43.7	\$45.0	\$45.8	\$44.9	-2.0%	-0.1%	-42.4%	1,015	\$121
HOOSIER PARK - Anderson	Racino	Central IN	\$188.9	\$201.6	\$198.4	\$204.1	\$209.5	\$208.8	-0.3%	2.3%	10.5%	1,644	\$348
HORSESHOE - Hammond	Casino	NW Indiana*	\$489.0	\$455.8	\$427.5	\$412.0	\$399.3	\$401.4	0.5%	-2.6%	-17.9%	2,870	\$383
HORSESHOE - Harrison County	Casino	S. Indiana	\$269.9	\$257.8	\$247.6	\$244.0	\$242.1	\$238.0	-1.7%	-2.4%	-11.8%	1,969	\$331
INDIANA GRAND - Shelbyville	Racino	Central IN	\$208.8	\$236.2	\$239.3	\$245.3	\$256.1	\$261.1	2.0%	6.5%	25.1%	1,982	\$361
MAJESTIC STAR - Gary	Casino	NW Indiana*	\$102.8	\$93.5	\$87.4	\$83.8	\$86.2	\$84.3	-2.3%	0.6%	-18.1%	1,028	\$225
MAJESTIC STAR II - Gary	Casino	NW Indiana*	\$83.6	\$67.6	\$63.2	\$60.1	\$54.5	\$53.7	-1.4%	-10.6%	-35.7%	850	\$173
TOTALS			\$2,495.8	\$2,232.9	\$2,156.7	\$2,140.5	\$2,130.4	\$2,152.6	1.0%	0.6%	-13.7%	20,108	\$293
CHICAGO REGION AREA TOTALS			\$1,073.4	\$975.2	\$951.8	\$933.7	\$896.7	\$894.3	-0.3%	-4.2%	-16.7%	8,257	\$297
Composition of Chicago Region:			49.2%	48.1%	47.7%	47.7%	46.8%	46.7%					
TOTAL CASINOS			\$2,098.1	\$1,795.1	\$1,719.0	\$1,691.1	\$1,664.8	\$1,682.7	1.1%	-0.5%	-19.8%	16,482	\$280
TOTAL RACINOS			\$397.7	\$437.8	\$437.7	\$449.4	\$465.5	\$470.0	0.9%	4.6%	18.2%	3,626	\$355

- Despite having a population of about half the size of Illinois, Indiana's AGR totals of its casinos continue to be higher than Illinois. In FY 2018, Indiana's totals was \$2.153 billion compared to Illinois' total of \$1.387 billion.
- Adjusted Gross Receipts from Indiana casinos grew 1.0% in FY 2018. However, their FY 2018 total of \$2.153 billion is significantly below (-13.7%) their FY 2013 total of near \$2.5 billion. In fact, their AGR levels have been as high as \$2.8 billion as recent as FY 2009.
- The five Chicago Area casinos in Indiana remained relatively stagnant in FY 2018 (-0.3%). However, their combined total of \$0.9 billion in FY 2018 is 16.7% below levels seen just five years ago.
- Indiana has experienced increased competition on the eastern side of the state as Ohio has entered into the gaming industry with four new casinos, including one in Cincinnati. This new casino has had a significant impact on the nearby Hollywood Casino in Lawrenceburg (5-year decline of -50.5%) and the Rising Star Casino in Rising Sun (5-year decline of -42.4%).

MISSOURI CASINOS

\$ IN MILLIONS	Casino Type	Region (*near IL)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	1-Yr.	2-Yr.	5-Yr.	June 2018	2018 AGR/
			AGR	AGR	AGR	AGR	AGR	AGR	Change	Change	Change	Positions	Pos/Day
ARGOSY - Riverside	Casino	Kansas City	\$152.8	\$142.9	\$141.8	\$151.2	\$155.6	\$165.6	6.5%	9.6%	8.4%	1,539	\$295
ISLE OF CAPRI - Boonville	Casino	Central MO	\$82.1	\$78.0	\$81.6	\$81.6	\$81.5	\$80.2	-1.6%	-1.7%	-2.3%	910	\$242
LADY LUCK - Caruthersville	Casino	SE Missouri	\$33.2	\$31.1	\$34.2	\$37.1	\$36.9	\$37.3	1.0%	0.4%	12.3%	512	\$200
HOLLYWOOD - Maryland Hts	Casino	St. Louis*	\$243.0	\$223.4	\$218.9	\$228.5	\$239.1	\$236.1	-1.2%	3.3%	-2.8%	2,229	\$290
HARRAH'S - North Kansas City	Casino	Kansas City	\$179.9	\$175.1	\$174.6	\$172.9	\$169.6	\$174.2	2.7%	0.8%	-3.2%	1,493	\$320
ISLE OF CAPRI - Kansas City	Casino	Kansas City	\$79.9	\$75.6	\$77.7	\$77.4	\$75.0	\$70.2	-6.4%	-9.4%	-12.1%	945	\$204
LUMIERE PLACE - St. Louis	Casino	St. Louis*	\$160.3	\$145.0	\$136.0	\$138.1	\$140.5	\$159.9	13.8%	15.8%	-0.2%	1,665	\$263
AMERISTAR - Kansas City	Casino	Kansas City	\$213.2	\$197.6	\$196.2	\$199.9	\$194.3	\$191.5	-1.4%	-4.2%	-10.2%	2,303	\$228
RIVER CITY - St. Louis	Casino	St. Louis*	\$205.8	\$207.6	\$216.0	\$223.7	\$224.9	\$224.4	-0.2%	0.3%	9.0%	2,014	\$305
MARK TWAIN - LaGrange	Casino	E. Missouri*	\$38.4	\$36.6	\$36.1	\$36.1	\$34.3	\$33.6	-2.0%	-6.9%	-12.6%	461	\$200
AMERISTAR - St. Charles	Casino	St. Louis*	\$270.0	\$254.4	\$266.0	\$262.2	\$261.3	\$264.6	1.3%	0.9%	-2.0%	2,523	\$287
FRONTIER - St. Joseph	Casino	NW Missouri	\$40.4	\$37.9	\$40.0	\$39.6	\$40.1	\$43.0	7.1%	8.3%	6.4%	457	\$258
ISLE OF CAPRI - Cape Girardeau	Casino	E. Missouri*	\$45.7	\$57.3	\$63.0	\$64.8	\$65.9	\$65.0	-1.3%	0.4%	42.2%	908	\$196
TOTALS			\$1,744.8	\$1,662.5	\$1,682.1	\$1,713.1	\$1,718.9	\$1,745.6	1.6%	1.9%	0.1%	17,958	\$266
ST LOUIS REGION TOTALS			\$879.1	\$830.4	\$836.8	\$852.5	\$865.8	\$885.1	2.2%	3.8%	0.7%	8,431	\$288
Composition of St. Louis Region:			81.7%	82.5%	83.7%	84.3%	84.8%	85.8%					

- Adjusted Gross Receipts from Missouri casinos were up 1.6% over the last fiscal year and have been relatively stagnant (+0.1%) over the past five fiscal years.
- The four St. Louis area casinos near the Illinois border have increased 2.2% over the past fiscal year, but have only increased a mere 0.7% over the past five fiscal years. Increased competition from video gaming in Illinois may be contributing to this stagnant growth.
- In FY 2018, \$885.1 billion in AGR was reported by the four St. Louis area casinos in Missouri. The two Illinois casinos near St. Louis brought in \$146.6 million. Therefore, nearly 86% of the AGR revenues in this area are collected in Missouri.

IOWA CASINOS

\$ IN MILLIONS	Casino Type	Region (*near IL)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	1-Yr.	2-Yr.	5-Yr.	June 2018	2018 AGR/
			AGR	AGR	AGR	AGR	AGR	AGR	Change	Change	Change	Positions	Pos/Day
AMERISTAR - Council Bluffs	Casino	W. Iowa	\$167.8	\$163.7	\$168.6	\$169.0	\$171.4	\$170.1	-0.8%	0.6%	1.4%	1,556	\$299
ARGOSY - Sioux City	Casino	NW Iowa	\$56.1	\$48.0	\$3.1	\$0.0	\$0.0	\$0.0	N/A	N/A	N/A	-	N/A
CASINO QUEEN - Marquette	Casino	NE Iowa	\$29.8	\$26.7	\$28.6	\$27.1	\$26.4	\$23.8	-9.9%	-12.4%	-20.3%	504	\$129
CATFISH BEND - Burlington	Casino	E. Iowa*	\$38.8	\$38.3	\$42.0	\$43.8	\$41.7	\$39.3	-5.7%	-10.3%	1.5%	681	\$158
DIAMOND JO - Dubuque	Casino	E. Iowa*	\$66.5	\$63.6	\$63.9	\$67.6	\$66.9	\$69.1	3.4%	2.3%	3.9%	937	\$202
DIAMOND JO - Northwood	Casino	N. Iowa	\$88.6	\$84.2	\$84.3	\$86.5	\$85.2	\$84.8	-0.4%	-2.0%	-4.3%	989	\$235
GRAND FALLS - Larchwood	Casino	NW Iowa	\$58.2	\$59.2	\$58.2	\$55.7	\$54.8	\$56.2	2.6%	0.8%	-3.4%	889	\$173
HARD ROCK CASINO - Sioux City	Casino	W. Iowa	\$0.0	\$0.0	\$70.1	\$83.2	\$77.0	\$80.9	5.0%	-2.7%	N/A	962	\$230
HARRAH'S - Council Bluffs	Casino	W. Iowa	\$67.4	\$73.9	\$74.1	\$70.6	\$71.3	\$73.1	2.5%	3.5%	8.5%	603	\$332
HORSESHOE CASINO - Council Bluffs	Racino	W. Iowa	\$200.3	\$192.8	\$183.5	\$175.6	\$172.1	\$176.9	2.8%	0.7%	-11.7%	1,629	\$298
ISLE OF CAPRI - Bettendorf	Casino	Quad City*	\$74.5	\$70.2	\$68.5	\$69.7	\$77.5	\$69.8	-9.9%	0.1%	-6.3%	988	\$194
ISLE CASINO - Waterloo	Casino	Central IA	\$86.0	\$85.1	\$88.9	\$89.6	\$87.0	\$85.3	-2.0%	-4.8%	-0.9%	1,005	\$233
LAKESIDE - Osceola	Casino	Central IA	\$53.5	\$49.3	\$51.7	\$49.4	\$48.1	\$46.1	-4.2%	-6.7%	-13.7%	631	\$200
PRAIRIE MEADOWS - Altoona	Racino	Central IA	\$195.0	\$181.0	\$186.1	\$182.5	\$190.2	\$201.2	5.8%	10.2%	3.2%	1,777	\$310
Q CASINO - Dubuque	Racino	E. Iowa*	\$57.6	\$51.1	\$50.8	\$48.8	\$47.6	\$47.8	0.4%	-2.0%	-17.0%	856	\$153
RHYTHM CITY - Davenport	Casino	Quad City*	\$48.3	\$44.4	\$43.1	\$43.9	\$61.9	\$67.0	8.1%	52.5%	38.6%	880	\$208
RIVERSIDE CASINO - Riverside	Casino	Central IA	\$88.7	\$87.7	\$86.7	\$85.2	\$85.7	\$85.8	0.1%	0.7%	-3.3%	877	\$268
WILD ROSE - Clinton	Casino	E. Iowa*	\$37.6	\$32.8	\$32.9	\$32.9	\$31.4	\$30.2	-3.8%	-8.4%	-19.7%	561	\$147
WILD ROSE - Emmetsburg	Casino	N. Iowa	\$32.2	\$31.0	\$30.5	\$29.0	\$28.4	\$28.3	-0.4%	-2.4%	-12.2%	493	\$157
WILD ROSE - Jefferson	Casino	Central IA	\$0.0	\$0.0	\$0.0	\$26.9	\$28.2	\$28.2	-0.2%	4.9%	N/A	535	\$144
TOTALS			\$1,446.8	\$1,383.0	\$1,415.5	\$1,437.1	\$1,452.9	\$1,463.8	0.8%	1.9%	1.2%	17,353	\$231
QUAD CITY REGION TOTALS			\$122.8	\$114.7	\$111.6	\$113.6	\$139.4	\$136.7	-1.9%	20.3%	11.4%	1,868	\$201
OTHER CASINOS BORDERING ILLINOIS			\$200.5	\$185.8	\$189.6	\$193.1	\$187.6	\$186.5	-0.6%	-3.5%	-7.0%	3,036	\$168
AGR Composition of Casinos on IA/IL Border:			79.1%	79.5%	79.6%	80.0%	81.9%	82.2%					
TOTAL CASINOS			\$993.9	\$958.1	\$995.2	\$1,030.2	\$1,042.9	\$1,037.9	-0.5%	0.7%	4.4%	15,797	\$180
TOTAL RACINOS			\$452.9	\$424.9	\$420.3	\$407.0	\$410.0	\$426.0	3.9%	4.7%	-6.0%	4,262	\$274

- Despite a smaller population, the FY 2018 AGR totals were again higher in Iowa (\$1.464 billion) than Illinois (\$1.387 billion). Iowa casinos are up a modest 1.2% since FY 2013.
- On an individual basis, Illinois' Rock Island Casino (\$70.0M) barely outperformed the two nearby Iowa Casinos (Bettendorf: \$69.8M; Davenport: \$67.0M) in FY 2018. But with two casinos compared to one, Iowa brings in the majority of revenues in this area.
- An additional \$187 million in AGR was brought in by other Iowa casinos near the Illinois border. The AGR of these casinos are down a combined -7.0% since FY 2013. Increased competition from Illinois video gaming terminals is likely contributing to this falloff.