



# State of the States 2022

## The AGA Analysis of the Commercial Casino Industry



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# A Message from the American Gaming Association

May 2022

## Dear Gaming Industry Colleague:

I am pleased to present *State of the States 2022: The AGA Analysis of the Commercial Casino Industry*, the American Gaming Association's (AGA) signature research report and the definitive economic analysis of U.S. commercial gaming in 2021.

Following a devastating year in which COVID-19 closed our properties and impacted every one of our employees and customers, we entered 2021 without a historical roadmap, but with cautious optimism. The pandemic upended how we do business and what is expected from us, but the gaming industry rose to the challenge: attracting new customers, adapting to ever-changing operational constraints, and expanding into new states. As a result, 2021 was a record-breaking year for gaming, with commercial gaming revenue reaching an annual record of \$53 billion, more than 21 percent above the previous high set in 2019.

Despite continuing pandemic-related uncertainties, including labor shortages and supply chain issues, our incredible rate of recovery set us apart from others in the hospitality sector and the broader economy. Over the past year, innovation accelerated as suppliers and operators found new ways to strengthen customer engagement. This includes the expansion of omnichannel gaming, giving more consumers access to a truly integrated gaming experience—one that enables players to interact with us how, where, and when they want.

As the national gaming landscape expanded into seven new commercial sports betting markets and two new iGaming states, the AGA focused on creating an environment for sustainable growth. We promoted consumer education with members and sports partners through our *Have A Game Plan®. Bet Responsibly™* campaign, set standards through the Responsible Marketing Code for Sports Wagering, and elevated the conversation on our industry's commitment to responsibility.

Here in Washington, D.C., we promoted policies to provide pandemic relief, advocated for reopening safely to international travelers, and drove support for legislation to bring back business travel. The AGA also continued to pursue the repeal of the sports betting excise tax and made a strategic push to combat illegal and unregulated gaming machines that are still pervasive in many states.

Our work to inform and educate the media, policymakers and gaming stakeholders on industry developments and trends was bolstered by the launch of the Gaming Industry CEO Outlook, providing a biannual snapshot of the current and future economic health of the industry. This, alongside our other research initiatives, help inform business and policy decisions and shape the public narrative around gaming.

Finally, we safely and successfully reconvened the global gaming industry at Global Gaming Expo (G2E) 2021, where the latest innovations, insights and technology were showcased at the largest industry gathering in nearly two years.

Although 2021 was a tumultuous year, I'm confident it set a new baseline for gaming in the long-term as we provide consumers with cutting-edge entertainment and anticipate the full recovery of travel, events, and entertainment. I look forward to continuing to work with you to pursue our common priorities.

With detailed information on the U.S. gaming market and financial performance data for every commercial gaming state, *State of the States 2022* provides the most comprehensive economic guide to the commercial casino industry. I would like to thank our partners at VIXIO GamblingCompliance for their invaluable collaboration on this seminal report.

I hope you will find this a useful reference and thank you for your continued partnership and support.

All the best,

**William C. Miller, Jr.**  
President and CEO  
American Gaming Association



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## About This Report

This report provides a comprehensive overview of the commercial casino gaming industry in each of the 34 jurisdictions with legal commercial casino gaming or sports betting as of December 31, 2021.

For each of the jurisdictions, the report analyzes gaming revenue and gaming taxes generated by commercial casino locations, as well as sports betting and internet gaming platforms, for the calendar year 2021. In addition, the report provides an overview of the primary competition faced by the gaming industry in each state and summarizes the year's major gaming policy discussions in those jurisdictions.

Tables at the beginning of this report provide a comparative summary of the main licensing, taxation, and responsible gaming requirements applied to casino and sports betting operators, as well as to suppliers of electronic gaming devices and table game equipment.

This report defines commercial casino locations as licensed land-based casinos, riverboat casinos, racetrack casinos (racinos), and jai alai frontons with gaming operations. It also includes casino locations in states such as Delaware, New York, Ohio, and Rhode Island that offer electronic gaming devices classified as video lottery terminals and are operated by commercial casinos under the authority of those states' lotteries.

For the purposes of identifying commercial casino location numbers, we do not include certain other types of gaming locations, such as horse or dog racetracks without electronic gaming devices, historical horse racing terminal locations or off-track betting operations, lottery retail locations, charitable gaming venues, tribal gaming facilities as defined by the National Indian Gaming Commission, card rooms or other locations at which gaming is incidental to the primary business.

State gaming and tax revenue totals do not include revenue and taxes from these non-commercial casino locations, with the exception of Nevada. Due to its unique nature, revenue and tax data from some Nevada locations which offer "non-restricted" gaming as incidental to their primary business is included.

Also excluded from state gaming revenue and tax totals is revenue derived from convenience locations

with electronic gaming devices—such as video lottery terminals or video gaming terminals—in Illinois, Louisiana, Montana, Nevada, Oregon, Pennsylvania, South Dakota, and West Virginia. The competitive impact of each of the above operations, however, is noted where warranted.

State gaming revenue and tax totals do include internet gaming operations managed by commercial casinos or affiliated companies in Connecticut, Delaware, Michigan, Nevada, New Jersey, Pennsylvania, and West Virginia. The totals also include all revenue from land-based and online sports betting in each of the states with legal sports betting, with the exception of land-based sports betting revenue earned by tribal casinos. Such totals include sports betting revenue derived from a handful of non-casino locations, such as racetracks, off-track betting outlets, and standalone sportsbook locations, in Connecticut, Delaware, Illinois, Indiana, Montana, Nevada, New Hampshire, New Jersey, Pennsylvania, and Washington D.C.

Sports betting handle and revenue information is reported differently across states. In certain states, including Arizona, Colorado, Michigan, Pennsylvania, Virginia, and Wyoming, total sports betting revenue reflects the "gross revenue" reported by sportsbooks prior to deductions to account for promotional spending or free-bet promotions extended to players. Further, certain states, including Nevada, use an accrual method of accounting that includes only revenue from completed events. Others, including New Jersey, utilize a cash method of accounting. Under this accounting, bets made during 2021 on future events, such as the 2022 Super Bowl or World Series winner, for example, are included in 2021 revenue and future monthly revenue reports would be adjusted to reflect the outcome of those sporting events and whether operators paid out winnings to customers. Readers should consult the websites of state regulatory agencies for more information on how each state accounts for

sports betting revenue. Due to reporting restrictions, commercial casino gaming revenue does not include revenue derived from parimutuel betting on horse races at commercial casino race and sportsbooks, except for such revenue derived at Nevada commercial casinos.

This report uses the term “electronic gaming device” to refer to the various types of gaming devices installed in casinos, commonly known as “slot machines.” Although the general public may not differentiate between the various types of electronic gaming devices, there are often important regulatory and technological distinctions between them and specific legal definitions are applied to different categories of devices in different states. State-specific terminology for electronic gaming devices includes video lottery terminals (VLTs), video gaming terminals (VGTs), video poker, and electronic gaming machines, among others.

All references to “gaming revenue” are used as a substitute for more specific financial terms—including “casino win,” “adjusted gross receipts,” “gross gaming revenue” and others—as reported by state regulatory agencies. Gaming regulatory agencies in each state report monthly and annual revenue differently and readers should consult those agencies’ websites for further information.

In general, gaming revenue refers to the amount earned by commercial casinos after winnings have been paid out to patrons. Importantly, gaming revenue does not equate to profits earned by commercial casinos from their operations. Such revenue is earned before properties pay for various operating expenses, marketing, and employee salaries, as well as various taxes and fees, among other things.

Similarly, gaming tax revenue figures listed in the report reflect only specific gaming taxes paid by casinos, internet gaming platforms, and commercial sportsbook operations out of monies won from patrons. They do not include various other state, local, and federal taxes that apply to casinos as they do to most other businesses. They also do not include the federal excise tax of 0.25 percent generally applied to sports betting handle across most states, nor the \$50 fee per sportsbook employee that businesses that pay the excise tax must also pay. For the purposes of calculating state gaming tax revenue totals, reported tax figures include taxes directed to state and local governments and the specific casino gaming revenue funds established by those entities. They also include mandatory allocations of gaming revenue from commercial gaming operations to non-government entities, such as problem gambling services, race purses, breeding programs, and other funds used to support local racing industries.

In certain states, gaming is operated under the authority of the state government, and a portion of casino revenue is then redistributed to private operators. Where this is the case, this report considers the effective tax rate applied to gaming operators to be the portion of gaming revenue retained by the state or its designated beneficiaries.

Information on supplier licensing in the table in this report is limited to those supplier entities that either manufacture electronic gaming devices or table game equipment or distribute or otherwise sell them to casinos. In many states, additional licensing requirements are applicable to the suppliers of various other goods and services to casinos. Readers are advised to consult the websites of state gaming regulatory agencies for more specific information.

#### ABOUT

### The American Gaming Association

The American Gaming Association is the premier national trade group representing the \$261 billion U.S. casino industry, which supports 1.8 million jobs nationwide. AGA members include commercial and tribal casino operators, as well as suppliers and other entities affiliated with the gaming industry. It is the mission of the AGA to achieve sound policies and regulations consistent with casino gaming’s modern appeal and vast economic contributions.

[americangaming.org](http://americangaming.org)

#### ABOUT

### VIXIO GamblingCompliance

VIXIO GamblingCompliance is the leading provider of independent legal, regulatory, and business intelligence to the global gaming industry, based in London, Washington D.C., and Taipei. Through our subscription services and customized research solutions, we offer market participants, regulators, governments, and investors easily accessible and up-to-date information on market realities and a reliable and independent service to monitor legislative and regulatory developments.

[vixio.com/gamblingcompliance](http://vixio.com/gamblingcompliance)



EXECUTIVE SUMMARY

# *State of the Industry*





## EXECUTIVE SUMMARY

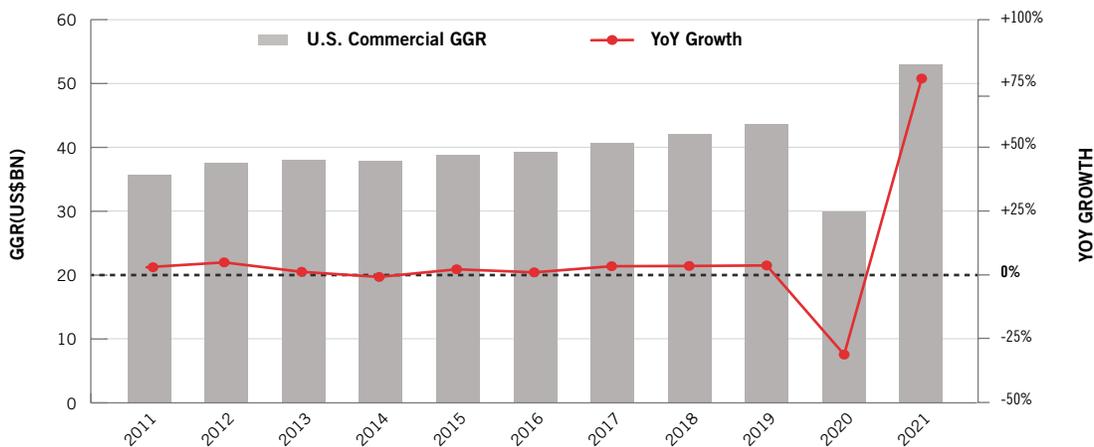
# State of the Industry

America's commercial casino gaming industry bounced back from the dramatic impact of the pandemic on casino operations in 2020 with record gaming revenue in 2021.

### ANNUAL U.S. COMMERCIAL GAMING REVENUE 2011 to 2021

After dropping below \$30 billion in 2020 due to the unprecedented shutdowns prompted by COVID-19, total nationwide consumer spending on commercial gaming increased by 76.9 percent to an all-time high of \$53.03 billion. The total was almost \$10 billion more than the previous annual record of \$43.63 billion, set in 2019.

Gaming revenue expanded at a significantly faster rate than the broader economy as strong consumer spending on travel and entertainment powered the V-shaped recovery in gaming revenue. Despite this, lagging business and international travel, depressed conventions' other amenities continued to impact the overall industry throughout 2021.



SOURCE: State Gaming Commissions

## COMMERCIAL CASINO GAMING CONSUMER SPEND BY STATE 2020 vs. 2021

All jurisdictions with commercial casino or sports betting operations reported an increase in gaming revenue compared with 2020, and 23 of 43 jurisdictions achieved record annual commercial gaming revenue in 2021.

The largest increases came in Tennessee and Michigan, both states reporting the first full year of sports betting revenue as well as internet gaming in Michigan, and New Mexico, where casinos only reopened in late February 2021 after staying closed for more than 11 months.

	2020	2021	YoY Change
Arizona		\$161,057,784	
Arkansas	\$355,521,053	\$564,788,794	58.9%
Colorado	\$636,075,328	\$1,226,331,443	92.8%
Connecticut		\$78,506,752	
Delaware	\$340,347,836	\$483,161,764	42.0%
D.C.	\$13,548,201	\$26,804,974	97.8%
Florida	\$341,331,478	\$649,472,056	90.3%
Illinois	\$743,407,000	\$1,712,380,957	130.3%
Indiana	\$1,709,481,630	\$2,724,987,164	59.4%
Iowa	\$1,167,696,185	\$1,861,329,938	59.4%
Kansas	\$299,532,543	\$403,500,148	34.7%
Louisiana	\$1,658,507,869	\$2,380,088,371	43.5%
Maine	\$71,365,416	\$146,928,173	105.9%
Maryland	\$1,225,915,686	\$1,925,556,392	57.1%
Massachusetts	\$551,935,743	\$1,020,777,309	84.9%
Michigan	\$638,661,887	\$2,700,284,120	322.8%
Mississippi	\$1,795,204,161	\$2,669,186,595	48.7%
Missouri	\$1,263,750,341	\$1,896,602,363	50.1%
Montana	\$2,363,000	\$6,406,202	171.1%
Nevada	\$7,873,313,000	\$13,429,949,000	70.6%
New Hampshire	\$23,638,791	\$43,832,454	85.4%
New Jersey	\$2,881,382,588	\$4,737,144,856	64.4%
New Mexico	\$51,837,673	\$216,197,456	317.1%
New York	\$1,184,729,013	\$2,712,733,924	129.0%
Ohio	\$1,440,278,773	\$2,310,305,409	60.4%
Oklahoma	\$101,738,407	\$145,792,270	43.3%
Oregon	\$20,072,367	\$30,398,002	51.4%
Pennsylvania	\$2,695,914,904	\$4,830,812,116	79.2%
Rhode Island	\$326,218,116	\$594,082,877	82.1%
South Dakota	\$105,271,640	\$146,063,571	38.7%
Tennessee	\$27,124,908	\$239,800,000	784.1%
Virginia		\$285,895,651	
West Virginia	\$435,516,129	\$667,980,738	53.4%
Wyoming		\$4,012,817	
<b>United States</b>	<b>\$29,981,681,664</b>	<b>\$53,033,152,440</b>	<b>76.9%</b>

SOURCE: State Gaming Regulatory Agencies

## COMMERCIAL CASINO DIRECT GAMING TAX REVENUE BY STATE 2020 vs. 2021

The strong growth in gaming revenue also generated a record \$11.69 billion in direct gaming tax revenue paid to state and local governments by commercial gaming operations. The tax total represented an increase of 75.0 percent from 2020 and was 15.1 percent more than the previous record of \$10.16 billion, set in 2019. Notably, the \$11.69 billion figure reflects only specific state and local taxes that are applied directly to gaming revenue. It does not include the billions more paid by the industry in the form of income, sales, and various other corporate taxes, nor does the total reflect payroll taxes paid by gaming operators and suppliers.

	2020 Tax	2021 Tax	YoY Change
Arizona		\$5,955,284	
Arkansas	\$50,546,548	\$80,581,343	59.4%
Colorado	\$74,690,684	\$160,850,119	115.4%
Connecticut		\$9,784,045	
Delaware	\$156,883,863	\$222,208,641	41.6%
D.C.	\$1,008,014	\$1,927,612	91.2%
Florida	\$119,466,018	\$227,315,219	90.3%
Illinois	\$162,012,206	\$400,773,047	147.4%
Indiana	\$391,730,607	\$654,823,801	67.2%
Iowa	\$248,248,195	\$390,840,981	57.4%
Kansas	\$80,888,437	\$108,960,592	34.7%
Louisiana	\$421,258,137	\$573,080,902	36.0%
Maine	\$30,032,815	\$61,252,475	104.0%
Maryland	\$507,843,226	\$814,354,161	60.4%
Massachusetts	\$157,724,930	\$288,637,795	83.0%
Michigan	\$174,352,138	\$607,607,464	248.5%
Mississippi	\$213,775,261	\$311,479,143	45.7%
Missouri	\$309,304,648	\$458,768,597	48.3%
Montana	N/A	\$1,153,545	
Nevada	\$609,481,270	\$1,023,206,554	67.9%
New Hampshire	\$11,010,088	\$20,002,022	81.7%
New Jersey	\$350,897,338	\$562,004,880	60.2%
New Mexico	\$23,974,923	\$99,991,322	317.1%
New York	\$495,199,431	\$1,097,285,389	121.6%
Ohio	\$487,945,733	\$759,325,907	55.6%
Oklahoma	\$44,747,923	\$66,047,136	47.6%
Oregon	N/A	\$18,759,574	
Pennsylvania	\$1,187,141,029	\$2,016,101,749	69.8%
Rhode Island	\$163,619,122	\$300,150,697	83.4%
South Dakota	\$14,141,509	\$17,568,000	24.2%
Tennessee	\$5,443,918	\$39,300,000	621.9%
Virginia		\$20,340,022	
West Virginia	\$189,891,979	\$272,258,463	43.4%
Wyoming		\$111,914	
<b>United States</b>	<b>\$6,683,259,991</b>	<b>\$11,692,808,395</b>	<b>75.0%</b>

SOURCE: State Gaming Regulatory Agencies

## TOP 20 U.S. COMMERCIAL CASINO MARKETS 2021

Each of the 20 largest land-based commercial casino gaming markets in the country saw significant increases in gaming revenue in 2021, reflecting the resumption of full operations after pandemic related shutdowns the previous year. As in past years, the Las Vegas Strip remained by far the largest gaming market in the country.

Elsewhere, reduced operating restrictions related to COVID-19 helped the Chicagoland market to return to the third spot, ahead of the Baltimore-Washington D.C. region, while New York City returned to number six after falling below both Philadelphia and St. Louis in 2020.

	Market	State(s)	2021 Revenue	Last Ranking
1	Las Vegas Strip	NV	\$7.05B	1 —
2	Atlantic City	NJ	\$2.57B	2 —
3	Chicagoland	IL/IN	\$2.01B	4 ↑
4	Baltimore-Washington DC	DC/MD/WV	\$2.00B	3 ↓
5	Gulf Coast	MS	\$1.61B	5 —
6	New York City	NY	\$1.46B	8 ↑
7	Philadelphia	PA	\$1.40B	6 ↓
8	Detroit	MI	\$1.29B	10 ↑
9	St. Louis	MO/IL	\$1.03B	7 ↓
10	Boulder Strip	NV	\$967M	9 ↓
11	Reno/Sparks	NV	\$889M	12 ↑
12	Kansas City	MO/KS	\$861M	13 ↑
13	Poconos	PA	\$849M	14 ↑
14	Lake Charles	LA	\$843M	11 ↓
15	Black Hawk/Central City	CO	\$812M	16 ↑
16	Downtown Las Vegas	NV	\$731M	19 ↑
17	Tunica/Lula	MS	\$696M	17 —
18	Cincinnati	OH/IN	\$655M	18 —
19	Shreveport/Bossier City	LA	\$646M	15 ↓
20	Pittsburgh/Meadowlands	PA	\$630M	N/A

\*Market revenue includes contributions from electronic gaming devices, table games, and land-based sports betting.

SOURCE: VIXIO Gambling Compliance, State Gaming Regulatory Agencies



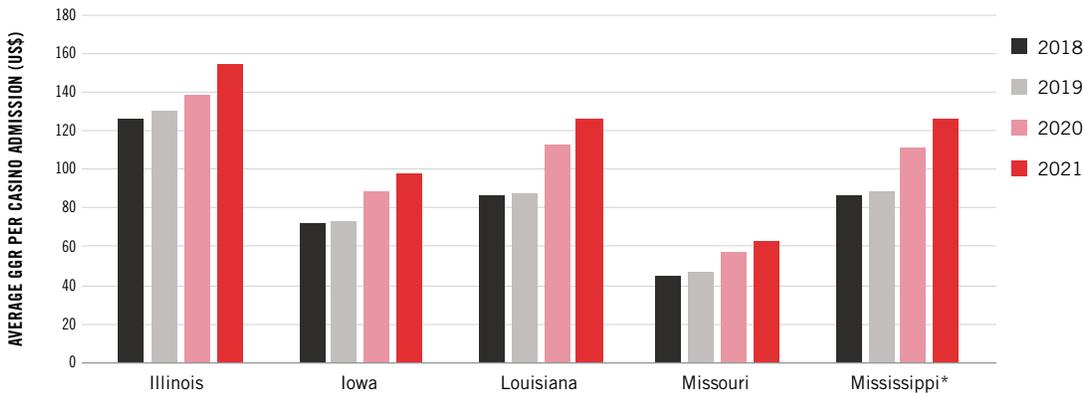
## Post-Pandemic Consumer Trends

The strong recovery in gaming revenue came as casinos resumed full operations after the loosening of COVID-19 restrictions and as consumers unleashed pent-up demand for gaming entertainment following the rollout of vaccines.

The record overall revenue was driven by higher spending per visit in many states and despite lower overall visitation compared to 2019. In the five midwestern and southern states that report such data, casino admissions were up 41.7 percent versus 2020 but down 20.7 percent versus 2019.

At the same time, average casino win per visitor increased by about 11.3 percent from the 2020 and was 34.3 percent higher than 2019 levels. Las Vegas, meanwhile, received some 10 million fewer tourist visits in 2021 compared with the year prior to the pandemic, though casino-resorts on the Las Vegas Strip managed record gaming revenue of more than \$7 billion.

### AVERAGE CASINO GAMING REVENUE PER VISIT 2018 to 2021

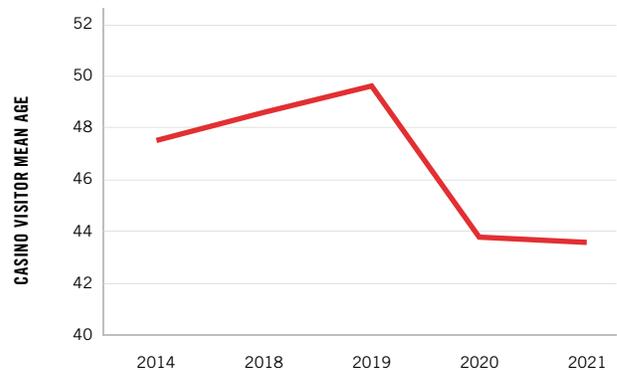


SOURCE: State Gaming Regulatory Agencies

\* Mississippi visitation data comes from a monthly survey by the regulator  
\*\* GGR excludes contributions from sports betting and internet gaming

### AVERAGE AGE OF U.S. CASINO VISITORS 2014 to 2021

Meanwhile, the average visitor to a land-based commercial casino in 2021 remained notably younger than prior to the pandemic. In 2021, the mean age of a casino patron was 43.6 years old, versus 49.6 in 2019 and 48.6 in 2018, according to AGA survey data.



SOURCE: American Gaming Association



## Traditional and Emerging Verticals Expand

Across the 25 states with land-based commercial casinos, revenue from traditional casino games was a record \$44.94 billion in 2021, up 67.4 percent from the prior year.

Among the 22 states that reported separate revenue statistics for electronic gaming devices and table games for both 2021 and 2020, revenue from electronic gaming devices grew 67.7 percent year-over-year to \$31.64 billion, while table game revenue increased 66.8 percent to \$8.48 billion. Both revenue figures marked new annual highs.

### ANNUAL U.S. SPORTS BETTING REVENUE 2019 to 2021

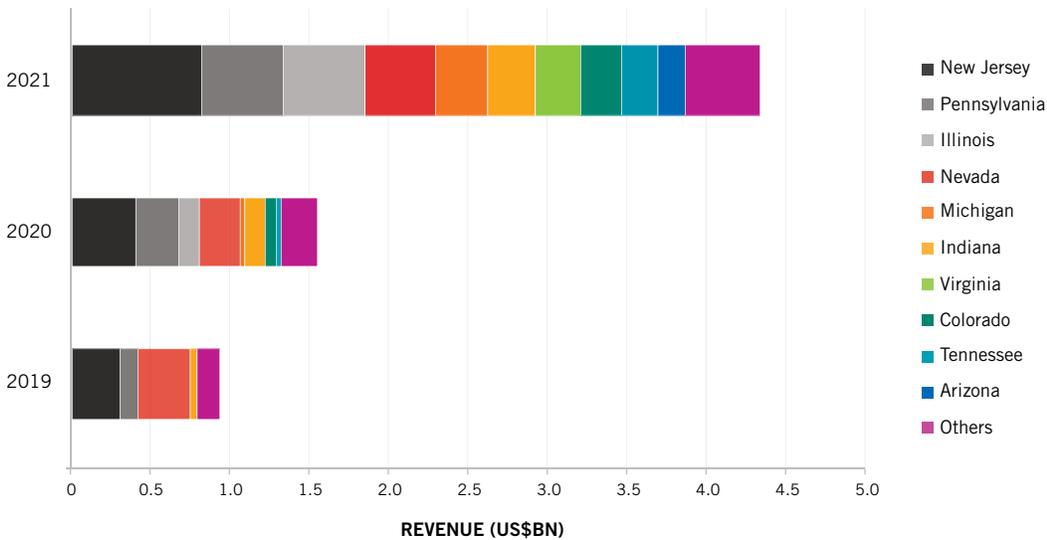
On top of the resumption of land-based casino gaming, 2021's record overall revenue reflected the increasing importance of sports betting and internet gaming within the broader gaming industry.

The regulated U.S. sports betting market generated total revenue of \$4.33 billion in 2021, not including sportsbook operations in tribal casinos. That total marked an increase of 179.7 percent on the prior year, as Americans legally bet some \$57.71 billion compared to a handle of \$21.60 billion in 2020.

2021 saw a significant expansion of the legal sports wagering industry to new markets across the country. Seven states—Arizona, Connecticut, Florida, Nebraska, Ohio, Wisconsin, and Wyoming—enacted legislation to authorize sports betting during 2021, though Florida's landmark new tribal gaming compact was later vacated by a federal court. A further three states—Louisiana, Maryland, and South Dakota—passed enabling legislation after sports betting was authorized through statewide referendums in 2020.

Finally, New York passed a new state law permitting online sports betting, expanding a market that was previously limited to physical sportsbooks.

By the end of 2021, legal sports betting was available in 30 states plus the District of Columbia, up from 19 states at the start of the year.

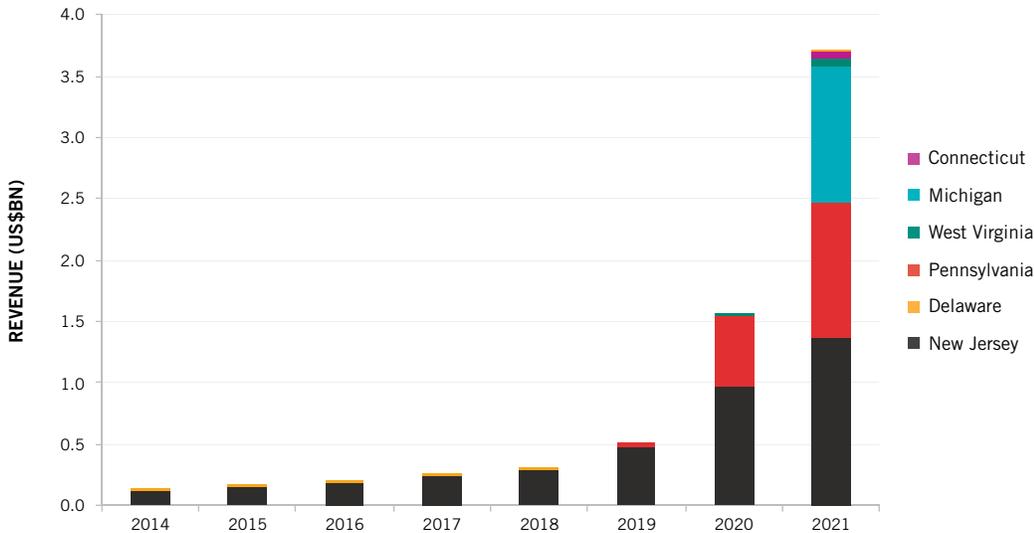


SOURCE: State Gaming Regulatory Agencies

## ANNUAL U.S. INTERNET GAMING REVENUE 2014 to 2021

Despite the full reopening of land-based casinos, total internet gaming revenue across the seven states with legal internet casinos or online poker platforms continued to grow and reached \$3.71 billion, an increase of 138.9 percent from 2020. Annual revenue surpassed \$1 billion in each of New Jersey, Pennsylvania, and newcomer Michigan, establishing all

three states as major internet casino gaming markets on a global scale. Elsewhere, West Virginia's internet gaming market reached \$60.9 million in revenue in its first full year of operations, while Connecticut's two internet casinos reported combined revenue of \$47.6 million after launching in October under a new state law enacted in May 2021.



\* Pennsylvania GGR is reported net of promotional credits

\*\* Nevada online poker revenue is unavailable

SOURCE: State Gaming Regulatory Agencies

## Regulatory Reforms and Illegal Gaming

The continued expansion of legal sports betting was not the only key theme of 2021 in terms of gaming policy and legislative developments.

Officials in Nebraska and Virginia adopted regulations for casino gaming at land-based casino or racino properties being developed in the two states, while Arizona, Connecticut, and Florida expanded their tribal gaming markets through new compacts between the states and federally recognized sovereign tribal nations, though Florida's compact remains mired in legal challenges.

South Dakota was among the states to follow Nevada in moving to permit cashless payments on gaming floors, while the proliferation of unregulated electronic gaming devices in bars, convenience stores, and gas stations attracted the attention of policymakers in Missouri, Pennsylvania, Virginia, and other states.



## Legal Status of Gambling Types in the U.S. as of 12/31/21

STATE	Commercial Casinos / Racinos	Tribal Casinos	Card Rooms	Electronic Gaming Devices*	iGaming	Brick & Mortar Sports Betting	Mobile Sports Betting	Lottery	iLottery <sup>^</sup>	NOTES
ALABAMA	● <sup>1</sup>	●								Tribal casinos offer only Class II games
ALASKA		●								Tribal casinos offer only Class II games
ARIZONA		●				●	●	●		
ARKANSAS	●					●		●		Mobile sports betting only legal within casino properties
CALIFORNIA		●	●					●		
COLORADO	●	●				●	●	●		
CONNECTICUT		●			●	●	●	●		
DELAWARE	●				●	●		●		
D.C.						●	●	●	●	
FLORIDA	●	●	●			●	●	●		Sports betting subject to legal challenges
GEORGIA								●	●	
HAWAII										
IDAHO		●						●		
ILLINOIS	●			●		●	●	●	●	
INDIANA	●	●				●	●	●		
IOWA	●	●				●	●	●		
KANSAS	●	●						●		
KENTUCKY				●				●	●	Instant racing terminals at racetracks
LOUISIANA	●	●		●		●	●	●		Sports betting legal in most parishes; mobile sports betting legal, but not active
MAINE	●							●	●	iLottery includes only subscription services
MARYLAND	●					●	●	●		Mobile sports betting legal, but not active
MASSACHUSETTS	●							●		
MICHIGAN	●	●			●	●	●	●	●	
MINNESOTA		●	●					●		
MISSISSIPPI	●	●				●		●		Mobile sports betting only available at casino properties
MISSOURI	●							●		
MONTANA		●	●	●		●		●		Mobile sports betting only available within licensed properties

**Note:** There are several different forms of gaming that are permitted in various states under charitable gambling laws. The chart above does not attempt to detail the legal status of these operations in the U.S.

\* Refers to electronic gaming devices, such as VGTs, VLTs, instant racing or video poker machines, in non-casino locations.

<sup>^</sup> iLottery comprises online computer sales and/or mobile device sales as well as online subscription services.

<sup>1</sup> As of Nov. 2016, certain racetracks are permitted under county law to operate electronic bingo devices. For years, the legal status of these machines has been the subject of protracted dispute among state and local officials. For the purpose of this report, we do not consider Alabama to have commercial gaming

● Legal, but not active



## Legal Status of Gambling Types in the U.S. as of 12/31/21 (continued)

STATE	Commercial Casinos / Racinos	Tribal Casinos	Card Rooms	Electronic Gaming Devices*	iGaming	Brick & Mortar Sports Betting	Mobile Sports Betting	Lottery	iLottery <sup>^</sup>	NOTES
NEBRASKA	●	●				●		●		Sports betting legal, but not active; commercial gaming at racetracks legal, but not active
NEVADA	●	●		●	●	●	●			iGaming includes only poker
NEW HAMPSHIRE						●	●	●	●	Brick and mortar sports betting available at lottery retailers
NEW JERSEY	●				●	●	●	●		
NEW MEXICO	●	●				●		●		Sports betting limited to tribal properties
NEW YORK	●	●				●	●	●	●	Online sports betting legal but not active as of 12/31/21; iLottery includes only subscription services
NORTH CAROLINA		●				●		●	●	Sports betting limited to tribal properties; iLottery includes only subscription services
NORTH DAKOTA		●				●		●	●	Sports betting limited to tribal properties; iLottery includes only subscription services
OHIO	●					●	●	●		Racetracks only permitted to have VLTs; sports betting legal but not active
OKLAHOMA	●	●						●		
OREGON		●		●		●	●	●		Limited EGDs and instant racing terminals at racetracks
PENNSYLVANIA	●			●	●	●	●	●	●	
RHODE ISLAND	●					●	●	●	●	iLottery includes Keno and some instant games
SOUTH CAROLINA								●		
SOUTH DAKOTA	●	●		●		●		●		Only limited-stakes gaming at commercial casinos; mobile sports betting only legal at a casino property
TENNESSEE							●	●		
TEXAS		●						●		Tribal casinos offer only Class II games
UTAH										
VERMONT								●		
VIRGINIA	●			●		●	●	●	●	Commercial casino gaming legal, but not active; instant racing terminals at racetracks; iLottery includes only subscription services
WASHINGTON		●	●			●		●		Mobile sports betting only legal within tribal properties
WEST VIRGINIA	●			●	●	●	●	●		
WISCONSIN		●				●		●		Sports betting limited to tribal properties
WYOMING		●		●		●	●	●		Instant racing terminals at racetracks

**Note:** There are several different forms of gaming that are permitted in various states under charitable gambling laws. The chart above does not attempt to detail the legal status of these operations in the U.S.

\* Refers to electronic gaming devices, such as VGTs, VLTs, instant racing or video poker machines, in non-casino locations.

<sup>^</sup> iLottery comprises online computer sales and/or mobile device sales as well as online subscription services.

<sup>1</sup> As of Nov. 2016, certain racetracks are permitted under county law to operate electronic bingo devices. For years, the legal status of these machines has been the subject of protracted dispute among state and local officials. For the purpose of this report, we do not consider Alabama to have commercial gaming

● Legal, but not active



## U.S. Gaming Locations By State *as of 12/31/21*

State	Commercial Casinos				Card Rooms <sup>2</sup>	Electronic Gaming Device Locations <sup>3</sup>
	Land-Based Casinos	Riverboat Casinos <sup>4</sup>	Racinos	Tribal Casinos <sup>1</sup>		
Alabama				3		
Alaska				2		
Arizona				27		
Arkansas	1		2			
California				82	85	
Colorado	33			2		
Connecticut				2		
Delaware			3			
Florida	6 <sup>5</sup>		2	7	16	
Idaho				10		
Illinois	1	10				7,841
Indiana	4	6	2	1		
Iowa	14	3	2	4		
Kansas	4			7		
Louisiana	1	14	4	5		1,438
Maine	1		1			
Maryland	5		1			
Massachusetts	2		1			
Michigan	3			23		
Minnesota				40	2	
Mississippi	6	20		3		
Missouri		13				
Montana				15	151	1,301
Nebraska				5		
Nevada	215			2		2,024
New Jersey	9					
New Mexico			5	21		
New York	3		9 <sup>6</sup>	19		
North Carolina				3		
North Dakota				11		
Ohio	4		7			
Oklahoma			2	136		
Oregon				10		2,087
Pennsylvania	10		6			60
Rhode Island	2					
South Dakota	24			11		1,267
Texas				2		
Washington				35	43	
West Virginia	1		4			1,199
Wisconsin				24		
Wyoming				3		
<b>TOTAL</b>	<b>349</b>	<b>66</b>	<b>51</b>	<b>515</b>	<b>297</b>	<b>17,217</b>

<sup>1</sup> Tribal casinos with either Class II and/ or Class III games

<sup>2</sup> Card rooms in states that do not have commercial casinos with poker facilities

<sup>3</sup> Non-casino or card room locations with legally authorized electronic gaming devices, including but not limited to video lottery terminals and video gaming terminals

<sup>4</sup> Casinos that are on or connected to a waterway, including in a moat

<sup>5</sup> Includes two jai alai frontons

<sup>6</sup> Includes one land-based casino that offers only VLT machines and one casino-resort that offers harness racing



## Number of Gaming Machines by State 2021

State	Machines in Commercial Casinos	Machines in Tribal Casinos	Machines in Non-Casino Locations	Total
Alabama		7,035		7,035
Alaska		90		90
Arkansas	5,795*			5,795
Arizona		18,128		18,128
California		83,356		83,356
Colorado	10,758	1,398		12,156
Connecticut		7,166		7,166
Delaware	5,186		456**	5,642
Florida	6,688	16,412		23,100
Idaho		3,622		3,622
Illinois	8,603		41,826	50,429
Indiana	14,527	1,400		15,927
Iowa	14,923	2,688		17,611
Kansas	4,957	4,113		9,070
Kentucky			5,591*	5,591
Louisiana	19,375	4,653	12,702	36,730
Maine	1,605			1,605
Maryland	9,538			9,538
Massachusetts	5,581			5,581
Michigan	7,681	21,482		29,163
Minnesota		20,238		20,238
Mississippi	22,345	3,065		25,410
Missouri	14,681			14,681
Montana		1,780	15,782	17,562
Nebraska		662		662
Nevada	122,026	1,131	19,020	142,177
New Jersey	16,516			16,516
New Mexico	2,929	16,178	604***	19,711
New York	22,198	11,960		34,158
North Carolina		4,910		4,910
North Dakota		3,949		3,949
Ohio	16,650			16,650
Oklahoma	1,000	75,821		76,821
Oregon		7,236	11,627	18,863
Pennsylvania	26,137		315	26,452
Rhode Island	4,801			4,801
South Dakota	2,636	2,717	9,624	14,977
Texas		3,765		3,765
Virginia			2,667*	2,667
Washington		32,376		32,376
West Virginia	4,610		8,122	12,732
Wisconsin		17,825		17,825
Wyoming		1,675	1,276*	2,951
<b>TOTAL</b>	<b>371,746</b>	<b>376,831</b>	<b>129,612</b>	<b>878,189</b>

SOURCE: Eilers & Krejcik Gaming, LLC

\* Includes facilities that offer Instant Racing Machines    \*\* Charitable VLTs

\*\*\* Located at qualified veteran and fraternal organizations

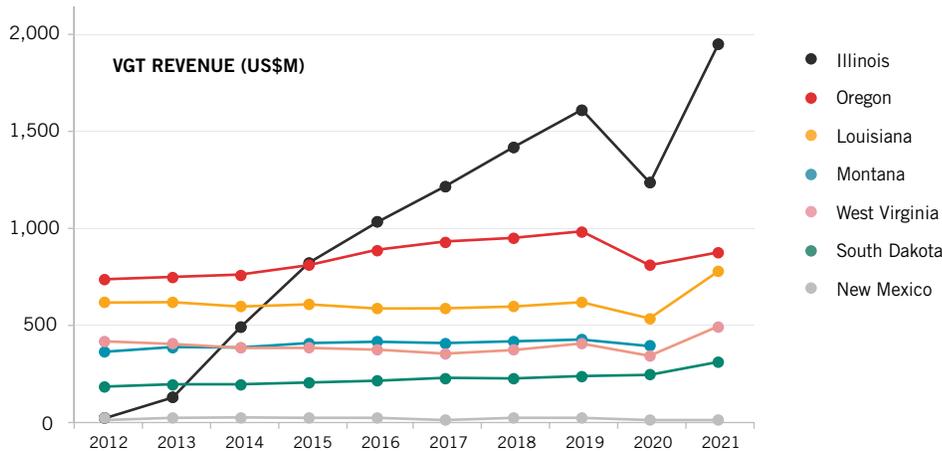
Nationwide, there were more than 878,000 electronic gaming devices installed at commercial and tribal casinos, as well as at non-casino locations such as bars, taverns, and truck stops at the end of 2021, an increase of 2.5 percent from 2020. Of the total number of devices, 42.3 percent were in commercial casinos, while 42.9 percent were located inside tribal casinos.

Nevada had an installed base of more than 140,000 machines, far and away the largest number of any state. California and Oklahoma had the second and third largest number of operating machines in 2021, each with more than 70,000.

## SELECTED STATES: ANNUAL VGT REVENUE 2012 to 2021

Electronic gaming devices in non-casino locations across six reporting states generated revenue of more than \$4.34 billion in 2021, up 39.1 percent on the previous year.

Illinois remained by far the largest market for convenience electronic gaming devices, with total annual revenue from the state's 41,800 so-called video gaming terminals, or VGTs, increasing by 58.1 percent to more than \$1.93 billion.

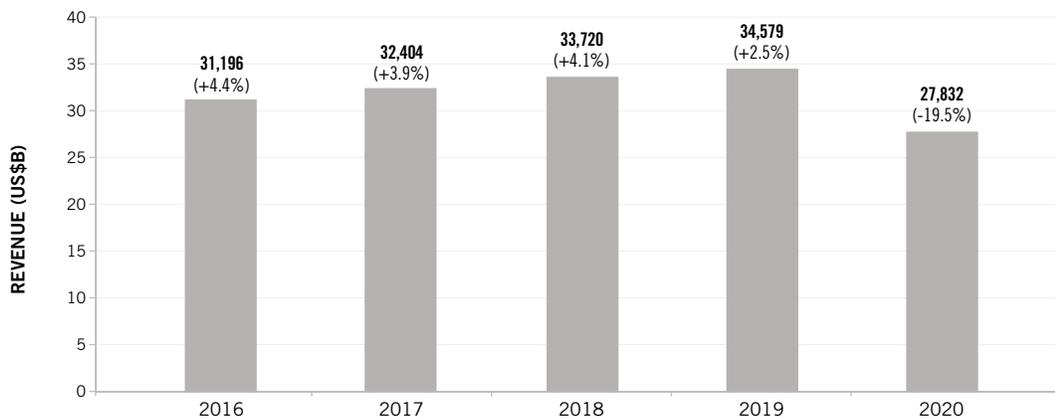


SOURCE: IGB, OR Lottery, LGCB, MT DoJ, WV Lottery, SD Lottery, NMGCB

## ANNUAL U.S. TRIBAL GAMING REVENUE 2016 to 2020

The impact of the pandemic on the tribal casino gaming market, comprising 515 tribal gaming facilities across 29 states, was made clear when the National Indian Gaming Commission published data in August 2021 showing a 19.5 percent decrease in total revenue to \$27.83 billion for Fiscal Year 2020.

Nationwide 2021 tribal gaming revenue figures were not available at the time of writing, but 2021 tribal revenue sharing numbers from Oklahoma are more than 20% percent above 2019 levels, which would put it in-line with commercial revenue growth following the pandemic.



SOURCE: National Indian Gaming Commission



## State By State Regulations, Taxes & Fees

	ARKANSAS	COLORADO	DELAWARE	FLORIDA	ILLINOIS
<b>Statutory Funding for Responsible Gaming</b>	No	Casino: 2% of casino gaming revenue Sports betting: \$130,000 annually from sports betting tax proceeds	\$1 million or 1% of electronic gaming device revenue, whichever greater \$250,000 or 1% of table game revenue, whichever greater	\$250,000 per casino	Annual appropriation is required
<b>Statewide Self-Exclusion Program</b>	No	No	Yes	Yes	Yes
<b>Gambling Age</b>	21	21	21	21	21
<b>Smoke-Free (Y/N/Partial)</b>	No	Yes	Yes	Yes	Yes
<b>Complimentary Alcohol</b>	Yes	Yes	No	No	No
<b>Player Credit</b>	Yes	No	Yes	No	Yes
<b>Restrictions on Operating Hours</b>	No	No	No	No	No
<b>Commercial Casino Licenses Allowed</b>	4	Unlimited	3	8*	20
<b>Commercial Casinos</b>	3	33	3	8	11
<b>Effective Tax Rate</b>	13% on the first \$150 million in casino gaming revenue, 20% thereafter	Graduated rate ranging from 0.25% on gaming revenue up to \$2 million to 20% on gaming revenue of more than 13 million	57% effective rate on electronic gaming device revenue; 20% effective rate on table games revenue Internet casino versions of games are taxed at the same rates after paying the first \$3.75 million in revenues and costs for lottery administration	35% electronic gaming device revenue	Electronic gaming devices: Graduated rate ranging from 15% on revenue up to \$25 million to 50% on revenue of more than \$200 million Table games: Graduated rate ranging from 15% of revenue up to \$25m to 20% on revenue above that amount
<b>Casino License Renewal Term and Fee</b>	\$10,000 every 10 years	\$3,700-\$7,400 every two years	\$3 million annually (combined)	\$2.25 million annually	License renewal every 4 years with \$250,000 annual fee \$17,500-\$30,000 per gaming position annually
<b>Supplier License Renewal Term and Fee</b>	\$1,000 annually	Manufacturer/Distributor: \$3,700-\$7,400 every two years	Gaming vendor: \$4,000 every three years	\$2,000 every three years	Every 4 years with \$5,000 annual fee
<b>Minimum Investment</b>	No	No	No	No	No
<b>Admissions Tax</b>	No	No	No	No	\$2-3 per admission
<b>Taxation of Promotional Credits (Y/N/Partial)</b>	Yes	Yes	Partial	No	Partial
<b>Withholdings on Winnings</b>	Yes	Yes	No	No	Yes

Number of licenses allowed\* = Assuming no additional race tracks open in the state.



## State By State Regulations, Taxes & Fees (continued)

	INDIANA	IOWA	KANSAS	LOUISIANA	MAINE
<b>Statutory Funding for Responsible Gaming</b>	Riverboat: 3.33% of the supplemental wagering tax; Racino: \$500,000 per licensee annually; Sports betting: 3.33% of tax revenue to the addiction services fund	Up to \$6 million annually	2% of casino gaming revenue	1% of casino gaming revenue; max. \$500,000 per facility	Land-Based: 3% of electronic gaming device revenue. Racino: \$100,000 from electronic gaming device revenue and 9% of table game revenue
<b>Statewide Self-Exclusion Program</b>	Yes	Yes	Yes	Yes	Yes
<b>Gambling Age</b>	21	21	21	21	21
<b>Smoke-Free (Y/N/Partial)</b>	No	No	No	Partial	Partial
<b>Complimentary Alcohol</b>	No	Yes	No	Yes	No
<b>Player Credit</b>	Yes	No	No	Yes	No
<b>Restrictions on Operating Hours</b>	No	No	No	No	No
<b>Commercial Casino Licenses Allowed</b>	13*	Unlimited	4*	20*	2
<b>Commercial Casinos</b>	13	19	4	19	2
<b>Effective Tax Rate</b>	Riverboat: Graduated rate ranging from 15% on gaming revenue of up to \$25 million to 40% on gaming revenue of more than \$600 million. Casinos, with one exception, also pay a supplemental wagering tax of 3.5%. Racino: Graduated rate ranging from 25% of revenue up to \$100 million to 35% on revenue exceeding \$200 million	Riverboat/Land-based: Graduated rate ranging from 5% on gaming revenue up to \$1 million to 22% on revenue of more than \$3 million. Racino: 22% or 24% depending on various conditions	Minimum 27% on casino gaming revenue	Riverboat: 21.5% of gaming revenue, with additional taxes and fees applied by local governments. Racino: effective rate of around 36% of gaming revenue Land-Based: either 21.5% on gaming revenue or an annual fee of \$60 million, whichever is greater, plus rent and various other payments to local authorities	Racino: 39% on electronic gaming device revenue and 1% on handle; 16% on table game revenue Land-Based: 46% on electronic gaming device revenue; 16% on table game revenue
<b>Casino License Renewal Term and Fee</b>	Riverboat: \$5,000 annually; Racino: \$100 per electronic gaming device annually	Riverboat/Land-based: \$5 per person per facility capacity (min. \$1,250); Racino: \$1,000 annually	Maximum initial term of 15 years	Riverboat: \$100,000 annually Land-Based: Fees est. by management contract	\$80,000 annually
<b>Supplier License Renewal Term and Fee</b>	\$7,500 annually	Distributor: \$1000 annually; Manufacturer: \$250 annually	Gaming Supplier Certification is valid for two years. No licensing fees	Manufacturer: \$15,000 annually; Supplier: \$3,000 annually	Slot machine distributor: \$75,000 annually; Table games distributor: \$1,000 annually; Gambling service vendor: \$2,000 annually
<b>Minimum Investment</b>	No	No	Yes	No	No
<b>Admissions Tax</b>	No	No	No	Riverboat: Max \$3 per admission	No
<b>Taxation of Promotional Credits (Y/N/Partial)</b>	Partial	Partial	No	Yes	Yes
<b>Withholdings on Winnings</b>	Yes	Yes	Yes	Yes	Yes

Number of licenses allowed\* = Assuming no additional race tracks open in the state.



## State By State Regulations, Taxes & Fees *(continued)*

	MARYLAND	MASSACHUSETTS	MICHIGAN	MISSISSIPPI	MISSOURI
<b>Statutory Funding for Responsible Gaming</b>	\$425 per electronic gaming device and \$500 per table game	At least \$5 million annually	\$2 million annually	Subject to annual appropriation	1% of casino admission fee
<b>Statewide Self-Exclusion Program</b>	Yes	Yes	Yes	Yes	Yes
<b>Gambling Age</b>	21	21	21	21	21
<b>Smoke-Free (Y/N/Partial)</b>	Yes	Yes	Partial	No	Partial
<b>Complimentary Alcohol</b>	No	Yes	Yes	Yes	No
<b>Player Credit</b>	Yes	Yes	Yes	Yes	Yes
<b>Restrictions on Operating Hours</b>	No	No	No	No	No
<b>Commercial Casino Licenses Allowed</b>	6	4	3	Unlimited	13
<b>Commercial Casinos</b>	6	3	3	26	13
<b>Effective Tax Rate</b>	40-61% on electronic gaming device revenue; 20% on table game revenue	Casino-Resort: 25% on casino gaming revenue; Slot Parlor: 49% on electronic gaming device revenue	Casino gaming: 19% on casino gaming revenue; Internet gaming: Graduated tax ranging from 20% on internet gaming revenue up to \$4 million to 28% on revenue of more than \$12 million	Graduated rate ranging from 4% on gaming revenue up to \$50,000 per month to 8% on gaming revenue of more than \$134,000 per month, plus additional host municipality license fee at an average rate of 3-4% on gaming revenue annually	21% on gaming revenue
<b>Casino License Renewal Term and Fee</b>	\$3 million for every 500 electronic gaming devices following 15-year initial license term	\$600 per electronic gaming device annually	Casino gaming: \$25,000 annually Internet gaming: \$50,000 annually	Licenses valid 3 years but subject to an annual fee of \$5,000 and additional fee based on number of games offered	\$25,000 annually
<b>Supplier License Renewal Term and Fee</b>	Manufacturer: \$5,000 every five years; Distributor: \$1,000 every five years	Gaming Vendor: \$15,000 every three years	Casino gaming supplier: \$5,000 annually; Internet gaming supplier: \$2,500 annually	Manufacturer: \$1,000 annually; Distributor: \$500 annually	Supplier: \$5,000 annually
<b>Minimum Investment</b>	Yes	Yes	No	Yes	No
<b>Admissions Tax</b>	No	No	No	No	\$2 per admission
<b>Taxation of Promotional Credits (Y/N/Partial)</b>	Partial	No	Yes	Partial	Yes
<b>Withholdings on Winnings</b>	Yes	Yes	Yes	Yes	Yes

Number of licenses allowed\* = Assuming no additional race tracks open in the state.



## State By State Regulations, Taxes & Fees (continued)

	NEVADA	NEW JERSEY	NEW MEXICO	NEW YORK	OHIO
<b>Statutory Funding for Responsible Gaming</b>	Subject to annual appropriation	\$600,000 annually and \$250,000 per Internet gaming licensee	0.25% of gaming revenue	Subject to annual appropriation	Land-Based: 2% of gaming revenue; Racino: 0.5% of a video lottery agent's commission
<b>Statewide Self-Exclusion Program</b>	No	Yes	Yes	Yes	Yes
<b>Gambling Age</b>	21	21	21	Land-Based: 21; Racino: 18	21
<b>Smoke-Free (Y/N/Partial)</b>	No	No	No	Yes	Yes
<b>Complimentary Alcohol</b>	Yes	Yes	No	Yes	No
<b>Player Credit</b>	Yes	Yes	No	No	Yes
<b>Restrictions on Operating Hours</b>	No	No	Yes	Land-Based: No; Racino: Max 20 hours per day	No
<b>Commercial Casino Licenses Allowed</b>	Unlimited	Unlimited	6	13*	11*
<b>Commercial Casinos</b>	215	9	5	12	11
<b>Effective Tax Rate</b>	Graduated rate ranging from 3.5% on gaming revenue up to \$50,000 per month to 6.75% on gaming revenue of more than \$134,000 per month	9.25% on land-based gaming revenue; 17.5% on internet gaming revenue	46.25% on electronic gaming device revenue	Land-Based: 30%–45% on electronic gaming device revenue; 10% on table game revenue Racino: average effective rate of 55% on electronic gaming device revenue	Land-Based: 33% on casino gaming revenue Racino: 33.5% on electronic gaming device revenue
<b>Casino License Renewal Term and Fee</b>	\$250 per electronic gaming device as excise tax, plus additional \$80 per device annually. Table games fees are dependent on the amount of games in operation	License renewal every 5 years; fee of \$500 per electronic gaming device annually	\$4,000 and \$25 per electronic gaming device annually	Land-Based: \$500 per electronic gaming device and table game annually Racino: N/A	Land-Based: \$1.5 million license fee every three years; Racino: \$10,000 every three years
<b>Supplier License Renewal Term and Fee</b>	Manufacturer: \$1,000 annually; Distributor: \$500 annually; Interactive gaming system or equipment manufacturer: \$25,000 annually	Gaming related casino service industry enterprise: \$5,000 every 5 years	Manufacturer: \$2,000 annually; Distributor: \$400 annually	Investigation fees	Gaming-related vendor: \$15,000 every three years
<b>Minimum Investment</b>	No	Yes	No	Yes	Yes
<b>Admissions Tax</b>	No	No	No	No	No
<b>Taxation of Promotional Credits (Y/N/Partial)</b>	No	Partial	Yes	Yes	No
<b>Withholdings on Winnings</b>	No	Yes	Yes	Yes	Yes

Number of licenses allowed\* = Assuming no additional race tracks open in the state.



## State By State Regulations, Taxes & Fees *(continued)*

	OKLAHOMA	PENNSYLVANIA	RHODE ISLAND	SOUTH DAKOTA	WEST VIRGINIA
<b>Statutory Funding for Responsible Gaming</b>	No	\$2 million or 0.002% multiplied by gross terminal revenue, whichever greater, plus additional \$3 million	Min. \$200,000 in aggregate annually	Up to \$30,000 transferred annually from state gaming fund	Subject to annual appropriation of \$150,000-\$500,000, in amount determined by the commission
<b>Statewide Self-Exclusion Program</b>	No	Yes	Yes	No	Yes
<b>Gambling Age</b>	18	21	18	21	21
<b>Smoke-Free (Y/N/Partial)</b>	No	Partial	Partial	Yes	No
<b>Complimentary Alcohol</b>	No	Yes	Yes	Yes	Yes
<b>Player Credit</b>	No	Yes	Partial	No	Yes
<b>Restrictions on Operating Hours</b>	No	No	No	No	No
<b>Commercial Casino Licenses Allowed</b>	2*	23	2	Unlimited	5*
<b>Commercial Casinos</b>	2	16	2	24	5
<b>Effective Tax Rate</b>	Graduated rate ranging from 35% on casino gaming revenue up to \$10 million to 50% on gaming revenue of more than \$70 million	Land-Based/Racino: 55% on electronic gaming device revenue; 16% table game revenue. Internet gaming: 54% on virtual electronic gaming device-type games; 16% on virtual table games/poker revenue	68.85–74% on electronic gaming device revenue; 17%–19% on table game revenue	9% on casino gaming revenue	53.5% on electronic gaming device revenue; 35% on table game revenue; 15% on internet gaming revenue
<b>Casino License Renewal Term and Fee</b>	\$50,000 annually	Casino/Racino: \$1.5 million every five years; Casino-Resort: \$150,000 every five years; Interactive gaming certificate: \$250,000 every five years	N/A	\$200 and \$2,000 per device annually	Casino gaming: \$500,000-\$2.5 million annually Interactive wagering: \$100,000 every five years
<b>Supplier License Renewal Term and Fee</b>	Manufacturer: \$15,000 annually; Distributor: \$7,500 annually	Initial fees: Manufacturer: \$170,000; Supplier: \$85,000; Interactive gaming operator (platform provider): \$1 million. Renewal fees every 5 years: Manufacturer: \$150,000; Supplier: \$75,000; Interactive gaming operator (platform provider): \$100,000	Gaming Vendor: \$750 annually	Manufacturer/Distributor: \$250 annual renewal	Manufacturer: \$10,000 annually; Supplier: \$100 annually Interactive gaming provider/management services provider: \$100,000 annually
<b>Minimum Investment</b>	No	No	No	No	No
<b>Admissions Tax</b>	No	No	No	No	No
<b>Taxation of Promotional Credits (Y/N/Partial)</b>	Yes	No	Partial	Yes	Partial
<b>Withholdings on Winnings</b>	Yes	Yes	Yes	No	Yes

Number of licenses allowed\* = Assuming no additional race tracks open in the state.



## State Sports Betting Regulations, Taxes & Fees

STATE	Authorized Locations	Tax Rate	Mobile/ Online	Collegiate Restrictions	Initial License Fee	License Renewal Fee	League Data Mandate
<b>ARKANSAS</b>	Commercial casinos	13-20%	On property	None	None	None	No
<b>ARIZONA</b>	Sports arenas, OTBs, tribal casinos	Land-based: 8% Online 10%	Statewide	No player prop bets on collegiate athletes	\$750,000	\$150,000 annually	Yes
<b>COLORADO</b>	Commercial and tribal casinos	10%	Statewide	No prop bets on collegiate events	\$2,000	Varies annually (\$17,900 - \$77,000 in 2020)	No
<b>CONNECTICUT</b>	Tribal casinos, other retail locations	13.75%	Statewide	In-state collegiate teams	None	N/A	No
<b>DELAWARE</b>	Commercial casinos and retail lottery outlets	50% (state share)	Statewide, but not active	In-state collegiate teams	None	None	No
<b>DISTRICT OF COLUMBIA</b>	Sports arenas, lottery retail outlets, other retail locations	10% (non-lottery operated sports betting)	Statewide (lottery only)	In-state collegiate teams	\$100,000 or \$500,000	\$50,000 or \$250,000 every five years	No
<b>ILLINOIS</b>	Commercial casinos, racetracks, OTBs, sports arenas	15-17%	Statewide	In-state collegiate teams (online only)	\$10 million or \$20 million	\$1 million or every four years	Yes
<b>INDIANA</b>	Commercial and tribal casinos, OTBs	9.5%	Statewide	No player prop bets on collegiate athletes	\$100,000	\$50,000 annually	No
<b>IOWA</b>	Commercial and tribal casinos	6.75%	Statewide	No player prop bets on athletes from in-state collegiate teams	\$45,000	\$10,000 annually	No
<b>LOUISIANA</b>	Commercial and tribal casinos, other locations	Land-based: 10% Online: 15%	Statewide, but not active	None	\$750,000	\$500,000 every five years	No
<b>MARYLAND</b>	Commercial casinos, other locations	15%	Statewide, but not active	None	\$50,000-\$2 million	1% of average annual revenue every five years	No
<b>MICHIGAN</b>	Commercial and tribal casinos	8.40-9.65%	Statewide	None	\$150,000	\$50,000 annually	Yes
<b>MISSISSIPPI</b>	Commercial and tribal casinos	11-12%	On property	None	None	None	No
<b>MONTANA</b>	Retail locations	N/A	On property	None	N/A	N/A	No
<b>NEVADA</b>	Commercial casinos and other retail locations	6.75%	Statewide	None	\$500	None	No
<b>NEW HAMPSHIRE</b>	Retail lottery outlets and other retail locations	50% (state share)	Statewide	In-state collegiate teams	None	None	Partial (by contract)



## State Sports Betting Regulations, Taxes & Fees *(continued)*

STATE	Authorized Locations	Tax Rate	Mobile/ Online	Collegiate Restrictions	Initial License Fee	License Renewal Fee	League Data Mandate
<b>NEW JERSEY</b>	Commercial casinos, racetracks	Land-based: 9.75% Online: 14.25%	Statewide	In-state collegiate teams	\$100,000	Min. \$100,000 annually	No
<b>NEW MEXICO</b>	Tribal casinos	N/A	No	None	None	None	No
<b>NEW YORK</b>	Commercial and tribal casinos	Land-based: 10% Online: 51%	Statewide, but not active	In-state collegiate teams	Online: \$25 million	None	Yes (online)
<b>NORTH CAROLINA</b>	Tribal casinos	N/A	No	None	None	None	No
<b>NORTH DAKOTA</b>	Tribal casinos	N/A	No	None	None	None	No
<b>OREGON</b>	Lottery retail outlets, tribal casinos	N/A	Statewide	No collegiate events (lottery)	None	None	No
<b>PENNSYLVANIA</b>	Commercial casinos, OTBs	36%	Statewide	None	\$10 million	\$250,000 every five years	No
<b>RHODE ISLAND</b>	Commercial casinos	51% (state share)	Statewide	In-state collegiate teams	None	None	No
<b>SOUTH DAKOTA</b>	Commercial and tribal casinos	9%	On property	In-state collegiate teams and college prop bets prohibited	None	None	No
<b>TENNESSEE</b>	N/A	20%	Statewide	No player prop bets on collegiate athletes	\$750,000	\$750,000 annually	Yes
<b>VIRGINIA</b>	N/A	15%	Statewide	In-state collegiate teams and college prop bets prohibited	\$250,000	\$200,000 every three years	Yes
<b>WASHINGTON</b>	Tribal casinos	N/A	On property	In-state collegiate teams	None	None	No
<b>WEST VIRGINIA</b>	Commercial casinos	10%	Statewide	None	\$100,000	\$100,000 every five years	No
<b>WISCONSIN</b>	Tribal casinos	N/A	On property	In-state collegiate teams	N/A	N/A	No
<b>WYOMING</b>	Tribal casinos	10%	Statewide	None	\$100,000	\$50,000 every five years	No



# *State of the States*





# Arizona

In 2021, Arizona reported total sports betting revenue of \$161.1 million in less than four months of operations since launching in September. The total made Arizona the fifth largest sports betting market in the country for the final quarter of the year.

## NUMBER OF COMMERCIAL CASINOS

0

## CASINO FORMAT

N/A

## NOTABLE FORMS OF GAMING

Sports Betting

## REGULATORY AUTHORITY

Arizona Department of Gaming

## GROSS GAMING REVENUE 2021

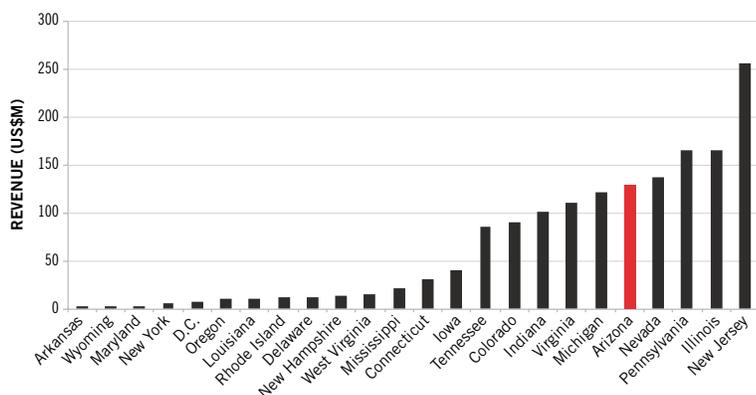
\$161.1M

## GAMING TAX REVENUE 2021

\$6.0M



## UNITED STATES: COMMERCIAL SPORTSBOOK GGR BY STATE 2021Q4



SOURCE: State Gaming Regulatory Agencies

## Market Overview

Arizona has no commercial casino venues but offers sports betting through commercial sportsbook operators subject to regulation by the Arizona Department of Gaming.

A state law passed in April 2021 authorized land-based sports betting at Arizona’s major professional sports arenas and facilities, as well as at up to 10 affiliated racetrack or off-track betting locations. Online sports betting can also be offered by a maximum of 20 licensed platforms partnered with either a professional sports team or facility, or with one of Arizona’s federally recognized Indian tribes.

At the end of 2021, sports betting was offered by two retail sportsbooks and 11 online betting platforms.

## Market Performance

In 2021, total sports betting revenue in Arizona was \$161.1 million on handle of \$1.74 billion.

The revenue total accrued since the launch of legal sports wagering in September meant Arizona quickly established itself as one of the country's prominent sports betting markets. In the final quarter of the year, Arizona was the fifth largest market by revenue, behind New Jersey, Illinois, Pennsylvania, and Nevada.

## Gaming Tax Distribution

Revenue from land-based sports betting in Arizona is taxed at a rate of 8 percent, while revenue from online sports betting is taxed at 10 percent. The tax is applied after limited deductions of free bets and other bonuses and promotions, up to a maximum of 20 percent of total revenue in 2021. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle. Federal excise payments are deductible from revenue subject to the state's sports betting tax.

In 2021, sports betting generated total state tax revenue of approximately \$6.0 million.

Under the state's 2021 legislation, all revenue generated through sports betting "privilege fees," or taxes, are deposited on a monthly basis into Arizona's General Fund and used for general state budgetary purposes as approved by the legislature.

## Competitive Landscape

Arizona's nascent commercial sports betting operations compete with land-based sports betting that can be offered by the state's 27 tribal casinos and gaming venues in accordance with amendments to tribal gaming compacts that were approved in 2021.

With only a limited number of operators live by the close of 2021, the state's sports betting market is set to become increasingly competitive in 2022 and beyond. In addition to sportsbooks in tribal casinos, Arizona's 2021 law allows for the opening of at least 17 additional land-based sportsbooks and seven more online sports betting platforms.

## Policy & Regulatory Review

### *Sports Betting*

In April, Gov. Doug Ducey (R) signed a bill to legalize sports wagering in Arizona, making it one of seven states to legalize sports betting in 2021.

The legislation was unique for splitting access to the state's sports betting market between Indian tribes and Arizona's major league sports teams, NASCAR racetrack, and PGA Tour championship golf course.

Under the law, a total of 10 tribes and 10 sports entities are entitled to nominate a designated partner to operate statewide online sports betting on their behalf under licenses issued by the Arizona Department of Gaming. Sportsbook operators partnered with a sports team are also eligible to operate retail sportsbooks within a five-block radius of the team's home facility. Operators can also open a sportsbook at an affiliated location that is already licensed to accept bets on horse races.

In August, the Department of Gaming adopted implementing regulations for sports wagering and chose 18 initial licensees from a total of 25 applications in accordance with the selection criteria included in its rules.

Sports betting was launched a few hours before the kick-off of the 2021 NFL season on September 9.

### *Tribal Gaming*

On the same day he signed the legislation to legalize sports betting, Gov. Ducey also signed a new tribal-state compact to govern tribal gaming operations in Arizona.

Among other changes, the new compact updated an initial agreement from 2003 to authorize tribes to operate sports betting and additional table games, including roulette and craps. Tribal casinos were formerly limited to electronic gaming devices plus specific card games such as blackjack.

The new compact also permitted additional tribal casino facilities in different areas of the state and updated the allocation of electronic gaming devices that can be offered by Arizona's sovereign tribal nations.

The new compact took effect in May when it was approved by the U.S. Department of Interior and published in the Federal Register.

## *Fantasy Sports*

Alongside its provisions to legalize sports betting, April's landmark legislation also authorized online fantasy sports contests in Arizona.

Regulations for fantasy contests were adopted in August alongside those related to sports betting, with a total of five operators approved to offer fantasy sports in Arizona before the end of the year.

Until 2021, Arizona was one of a small handful of states where popular fantasy sports operators such as DraftKings and FanDuel were unable to operate due to narrow legal definitions of gambling. The legislation made Arizona the 22nd state to formally regulate fantasy sports since 2016.

Additionally, legislation enacted in 2021 also authorized the Arizona Lottery to offer online sales of lottery draw games and launch keno at retail locations and via an online platform.



# Arkansas

In 2021, statewide commercial casino gaming revenue reached a record \$564.8 million, an increase of 58.9 percent from 2020 amid strong growth in table games and sports betting revenue.

## NUMBER OF COMMERCIAL CASINOS

3

## CASINO FORMAT

Land-Based Casinos; Racinos

## NOTABLE FORMS OF GAMING

Sports Betting

## REGULATORY AUTHORITY

Arkansas Racing Commission

## GROSS GAMING REVENUE 2021

\$564.8M

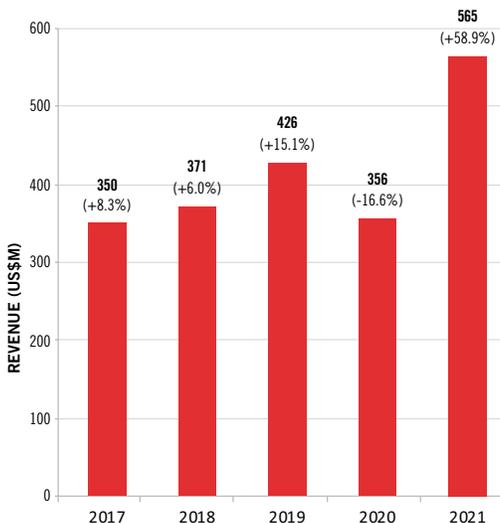
## GAMING TAX REVENUE 2021

\$80.6M



## ARKANSAS: COMMERCIAL CASINO GAMING REVENUE

2017 to 2021



SOURCE: Arkansas Department of Finance and Administration

## Market Overview

Arkansas offers commercial casino gaming at two racinos and one land-based casino, each of which operates electronic gaming devices, table games and sports betting.

In 2018, voters approved a state constitutional amendment to allow casino gaming at the state's two racetracks, Oaklawn Park and Southland Park, as well as at two new facilities located in Jefferson and Pope counties. Prior to the constitutional amendment, gaming operations at the two tracks were restricted to electronic gaming devices offering games of skill or games determined by the outcome of historical horse races. Casino gaming is regulated by the Arkansas Racing Commission.

## Market Performance

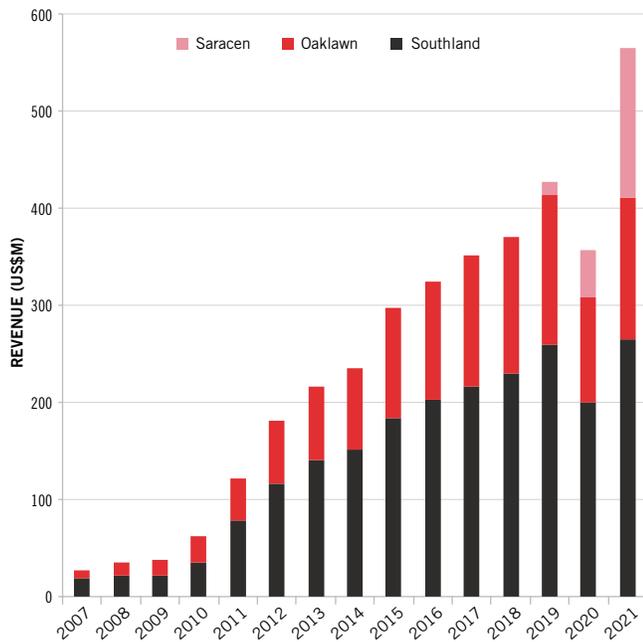
In 2021, total statewide commercial casino gaming revenue was \$564.8 million, up 58.9 percent versus 2020 and 32.4 percent from 2019, when Arkansas racetracks became eligible to operate a full range of casino gaming.

Total statewide revenue from electronic gaming devices was \$505.7 million, up 56.6 percent from 2020.

The two newer segments of Arkansas' commercial gaming market both reported more impressive growth, however. Revenue from table games was \$50.6 million, up 78.2 percent year-over-year, while total revenue from sports betting was \$8.5 million, up 97.9 percent.

### ARKANSAS: GAMING REVENUE BY CASINO 2007 to 2021

**Arkansas' two legacy gaming properties, Southland Casino Racing and Oaklawn Racing Casino Resort, continued to account for more than 72 percent of total statewide casino gaming revenue in 2021 as Saracen Casino Resort continued ramping up operations after its opening in 2019. A fourth casino has also been licensed in Pope County but has yet to commence operations.**



SOURCE: Arkansas Department of Finance and Administration

## Gaming Tax Distribution

In accordance with 2018's state constitutional amendment, Arkansas commercial casinos are subject to a graduated tax on their revenue. Casino revenue up to \$150 million is taxed at a rate of 13 percent, while a 20 percent rate is applied to revenue above that amount. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2021, Arkansas casinos and racinos generated approximately \$80.6 million in direct gaming tax revenue, up 59.4 percent against 2020.

Under Arkansas' constitution, 55 percent of casino gaming tax revenue is allocated to the state's General Revenue Fund, and funds are appropriated each year for education, public safety, and various other purposes. A further 27.5 percent of tax revenue is distributed to the cities and counties that host casinos, with the remainder used to supplement race purses at the state's two racetracks.

## Competitive Landscape

In addition to competition among the state's newly authorized casinos and racinos, Arkansas gaming operators also compete with various casinos in neighboring jurisdictions.

Southland Casino Racing in West Memphis competes directly with several casinos in Tunica, Mississippi for patrons from the Memphis metropolitan area, while several large-scale tribal casino-resorts located just across Arkansas' western border in Oklahoma provide competition to Oaklawn Racing Casino Resort as well as a forthcoming casino in Pope County.

## Policy & Regulatory Review Expansion

In November, the Arkansas Racing Commission awarded the state's fourth and final commercial casino license to a business subsidiary of Oklahoma's Cherokee Nation to develop the \$225 million Legends Resort and Casino project in Pope County.

The commission's 3-2 vote came one month after the Arkansas Supreme Court upheld a legal challenge by Cherokee Nation Business against a 2020 decision to award the license to rival applicant Gulfside Casino Partnership.

The Cherokee entity insisted the other project was invalid because a 2018 state constitutional amendment requires casino developers to have the support of local officials in office at the time of submitting their application, whereas Gulfside Casino Partnership received support from a former county judge.

### *Sports Betting*

In late December, the Arkansas Racing Commission unanimously approved regulatory amendments to authorize statewide online sports betting via the state's commercial casinos.

Existing regulations adopted in 2019 limited sports betting to wagers placed from within the physical casino property. The new rules would allow each of Arkansas' casinos to deploy up to two mobile sports betting platforms, or "skins," with the casino required to receive at least 50 percent of the revenue generated by any skins affiliated with its license. The revenue-sharing requirement was sharply criticized by leading national sports betting operators, who typically share approximately 5-15 percent of revenue with casino partners in other states.

Following their adoption by the racing commission, the online sports betting regulations required further approval by a state legislative committee before coming into effect.



# Colorado

In 2021, statewide commercial casino gaming revenue reached a record \$1.23 billion as casinos resumed table game operations and Colorado’s online sports betting market more than tripled its 2020 revenue total.

**NUMBER OF COMMERCIAL CASINOS**

**33**

**CASINO FORMAT**

Land-Based Casinos

**NOTABLE FORMS OF GAMING**

Sports Betting

**REGULATORY AUTHORITY**

Colorado Division of Gaming; Colorado Limited Gaming Control Commission

**GROSS GAMING REVENUE 2021**

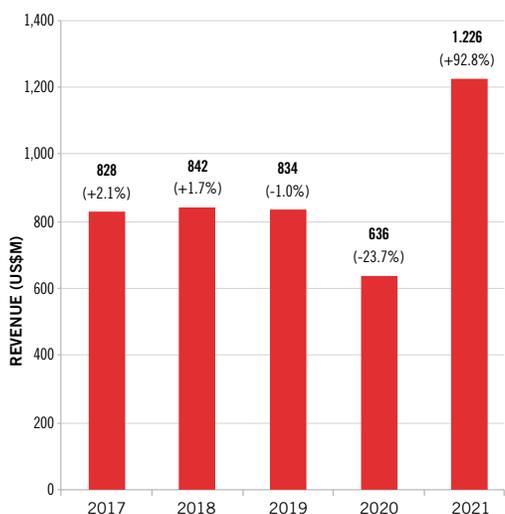
**\$1.23B**

**GAMING TAX REVENUE 2021**

**\$160.9M**



## COLORADO: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Colorado Department of Revenue

## Market Overview

Colorado offers commercial casino gaming at 33 facilities in three historic towns—Black Hawk, Central City, and Cripple Creek—which were approved for gaming by voters in a 1990 statewide referendum. Each casino is authorized to operate electronic gaming devices, table games, and land-based sports betting. The casinos can also offer online sports betting in accordance with a state law approved by voters in 2019. At the end of 2021, 25 online sports platforms were available.

Commercial casino gaming and sports betting are regulated by the Colorado Division of Gaming, which is supported by the Colorado Limited Gaming Control Commission—a five-member regulatory oversight body appointed by the governor.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was \$1.23 billion, up 92.8 percent from 2020.

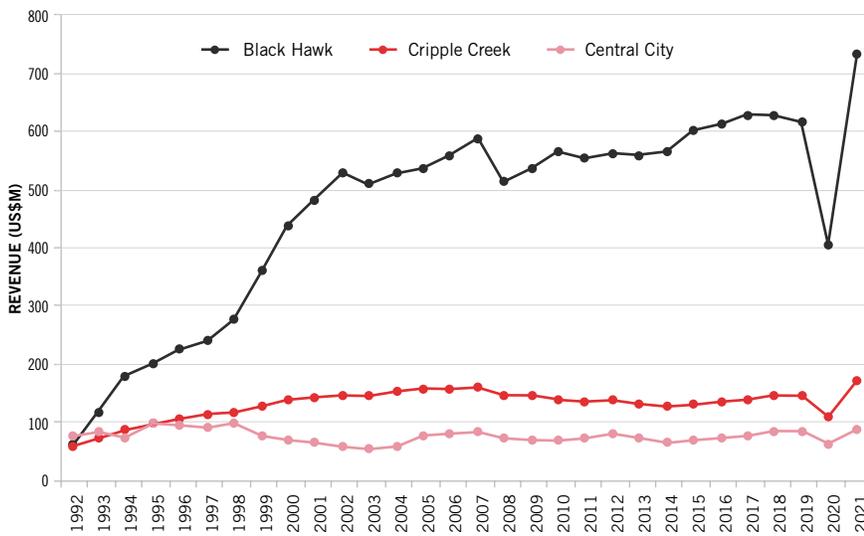
The record total reflects the resumption of operations following the pandemic-related shutdowns of 2020, the first full year of legal sports betting, as well as the impact of regulatory changes that took effect in 2021 to allow a wider range of table games and remove a maximum wager limit in Colorado casinos.

Total statewide revenue from electronic gaming devices was \$861.8 million, an increase of 63.9 percent from the previous year. Revenue from table games was \$114.4 million, more than triple the total of 2020 when casinos in Cripple Creek were prevented from offering table games as a COVID-19 mitigation measure and casinos in the two other mountain towns were forced to suspend table operations in November for the same reason.

Total annual revenue from sports betting was \$250.1 million versus the \$75.8 million accrued in the eight months after sports wagering began in May 2020. Online sports betting accounted for almost all the revenue total and over 98 percent of sports wagering handle. The \$250.1 million total made Colorado the eighth largest sports betting market in the country in 2021.

### COLORADO: ANNUAL TRADITIONAL GAMING REVENUE BY MARKET 1992 to 2021

Traditional casino gaming revenue increased from 2020 in all three of Colorado’s commercial casino gaming markets, with Black Hawk and Cripple Creek reporting new revenue records.



SOURCE: Colorado Division of Gaming

## Gaming Tax Distribution

**TABLE: COLORADO GAMING TAX**

Casino Gaming Revenue	Tax Rate Applied
\$0-\$2M	0.25%
\$2M-\$5M	2%
\$5M-\$8M	9%
\$8M-\$10M	11%
\$10M-\$13M	16%
\$13M+	20%

Colorado applies a graduated tax to electronic gaming device and table game revenue, ranging from 0.25 percent on revenue up to \$2 million to 20 percent on gaming revenue of more than \$13 million.

Sports betting revenue is taxed at a rate of 10 percent, applied after deductions of free bets and other bonuses and promotions. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle. Federal excise payments are deductible from revenue subject to the state’s sports betting tax.

In 2021, Colorado commercial casinos generated \$160.9 million in gaming tax revenue, up more than 115 percent compared to the prior year.

All gaming tax revenues from electronic gaming devices and table games, including license and application fees, are placed in the Colorado Limited Gaming Fund. After deducting an amount of typically about \$17 million to cover state costs associated with gaming oversight and regulation of casinos, the remaining money is distributed according to the following formula:

- 50 percent to the “state share,” which funds grant programs that benefit higher education, tourism, and select industries in Colorado
- 28 percent to a fund dedicated to historic preservation and restoration
- 12 percent to the two counties that host commercial casinos

- 10 percent to the three historic cities that host commercial casinos

Tax revenue generated by sports betting, meanwhile, is placed in the state’s newly established Sports Betting Fund. In 2021, this amounted to approximately \$11.7 million.

After deducting initial amounts to cover the state’s direct costs of regulating sports wagering, and then setting aside additional monies for Colorado colleges, local governments hosting casinos, and gambling addiction services, the majority of remaining sports betting tax revenue is distributed to a state water preservation fund. Some sports betting tax revenue is also dedicated to the same historic preservation fund that receives a portion of gaming tax revenue generated by traditional casino games.

## Competitive Landscape

Commercial casinos face limited competition from two tribal casinos in the southern part of Colorado, which are not regulated or taxed by the state. One of the tribal casinos also offers both retail and statewide online sports betting pursuant to its tribal gaming compact.

The competitive environment for Colorado’s commercial casinos is likely to remain stable in the near term, with the addition of sports betting and removal of maximum wager limits expected to boost both revenue and visitation to the casinos of Black Hawk, Cripple Creek, and Central City in the years following the pandemic.

## Policy & Regulatory Review

### Regulatory Reform

In February, the Colorado Limited Gaming Control Commission adopted new regulations to implement the results of a November 2020 statewide referendum, abolishing the maximum bet restriction previously applied to table games and electronic gaming devices in commercial casinos.

Effective May 1, the new regulations meant patrons of Colorado’s commercial casinos were no longer prevented from wagering more than \$100 at a time. When commercial gaming was first permitted in Colorado, the maximum bet was just \$5. The new rules adopted in 2021 also allowed casinos to offer baccarat and other new table games, whereas previously they were restricted to blackjack, poker, craps, and roulette.

In another regulatory reform, Gov. Jared Polis (D) signed a bill in June to permanently remove certain other restrictions that were applied to commercial casinos. The new legislation allows more than seven players to be seated at a blackjack table, enables casinos to establish more than two gaming areas within their facilities, and permits applicants for gaming or sports betting licenses to submit fingerprints for background checks as a later supplement to their applications.

### *Horse Racing*

In November, the Colorado Division of Gaming and Division of Racing held a series of stakeholder workshops to consider the authorization of fixed-odds wagering on horse races and potential integration of racing with the state's sports betting market. More specific regulations on the topic were expected to be considered in early 2022.

Unlike fixed-odds bets on football or other sports, a bettor placing a wager through the traditional pari-mutuel system used for horse racing enters a pool and will not know the odds he or she is receiving until the pool is closed and the race begins. Fixed-odds betting on horse races is commonly offered alongside other sports on sportsbook platforms in Europe, Australia, and other global markets.

New Jersey passed legislation and adopted regulations to govern fixed-odds betting on horse races in 2021 and similar legislation was proposed in New York.



# Connecticut

Connecticut's newly authorized internet gaming and sports betting operations generated \$78.5 million in revenue in the three-month period after launching in October 2021.

## NUMBER OF COMMERCIAL CASINOS

0

## CASINO FORMAT

N/A

## NOTABLE FORMS OF GAMING

Internet Gaming;  
Sports Betting

## REGULATORY AUTHORITY

Connecticut  
Department of  
Consumer Protection

## GROSS GAMING REVENUE 2021

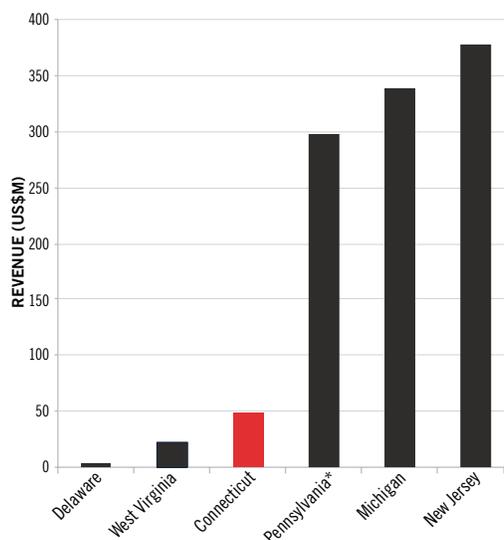
\$78.5M

## GAMING TAX REVENUE 2021

\$9.8M



## SELECTED STATES: TOTAL IGAMING GGR 2021Q4



\*Pennsylvania iGaming revenue is reported net of promotional credits

SOURCE: State Gaming Regulatory Agencies

## Market Overview

Connecticut has no commercial casino venues but offers internet gaming through commercial internet casinos affiliated with the state's two sovereign tribal nations: the Mohegan and Mashantucket Pequot tribes.

Sports betting is also offered by three online sportsbook platforms affiliated with the two tribes and with the Connecticut Lottery Corporation. The state lottery is also eligible to offer sports betting at up to 15 land-based locations.

Both internet gaming and sports betting were legalized by a May 2021 state law, with operations commencing in October.

Commercial gaming is regulated by the Connecticut Department of Consumer Protection.

## Market Performance

In 2021, total commercial gaming revenue in Connecticut amounted to \$78.5 million, reflecting the state's first three months of internet gaming and sports betting.

Revenue from internet gaming was \$47.6 million. Sports betting revenue was \$30.9 million, of which \$30.4 million, or around 98 percent, came from online sports betting.

## Gaming Tax Distribution

Revenue from internet gaming in Connecticut is taxed at a rate of 18 percent, while revenue from online and land-based sports betting is subject to a tax rate of 13.75 percent. Sportsbook operations are subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2021, internet gaming and sports betting generated total tax revenue of approximately \$9.8 million.

All tax revenue generated by internet gaming and commercial sports betting is deposited in Connecticut's General Fund and redistributed to various state programs including education, infrastructural investments, policing, and emergency services in accordance with the state's annual budget.

## Competitive Landscape

Connecticut's wider gaming market is dominated by the Mohegan Sun and Foxwoods tribal casino-resorts operated by the Mohegan and Mashantucket Pequot sovereign tribal nations on their reservation lands. The two tribal casino-resorts, both among the largest in the United States, opened in the mid-1990s and were expanded in 2021 to include retail sportsbook operations in accordance with amendments to the two tribes' gaming compacts.

While Connecticut is the only state in New England with internet gaming, the state's nascent online sports betting market will quickly experience an injection of regional competition in 2022 as mobile sports betting launches in New York, where many Connecticut residents commute for work. Online sports betting is also legal in neighboring Rhode Island, while Massachusetts is actively considering legislation.

## Policy & Regulatory Review

### *Internet Gaming*

After a series of failed efforts over the past five years, Connecticut legalized internet gaming and sports betting in 2021 when a bill was passed by the state legislature and then signed into law by Gov. Ned Lamont (D) in May.

The legislation authorized the governor to amend the state's gaming compacts with Connecticut's two sovereign tribal nations to enable them to conduct on-reservation sports betting, statewide online sports wagering, and statewide internet gaming.

Regulations governing sports betting and internet gaming were adopted by Connecticut's Department of Consumer Protection in August and compact amendments were approved by the federal government in September.

The new state law further authorized the Connecticut Lottery Corporation to operate online sports betting and internet-based lottery draw and keno games, as well as up to 15 retail sportsbook locations across the state.

In 2021, the Mashantucket Pequot and Mohegan tribes announced partnerships with DraftKings and FanDuel, respectively, for the two sportsbook operators to deploy branded online sports betting platforms on their behalf, while the Connecticut Lottery Corporation agreed a similar partnership with Rush Street Interactive.

### *Fantasy Sports*

In addition to sports betting and internet gaming, May's gaming law also made Connecticut the 22nd state to expressly regulate fantasy sports contests.

The law signed by Gov. Lamont authorized fantasy contest operators licensed in at least one other state to operate in Connecticut only if partnered with either the Mashantucket Pequot or Mohegan sovereign tribal nations, or with the Connecticut Lottery Corporation. Operators are also required to be licensed as an internet gaming operator and pay a 13.75 percent tax on fantasy contest revenue derived in Connecticut.

Regulations governing fantasy sports contests were adopted by the Connecticut Department of Consumer Protection in September.



# Delaware

In 2021, total statewide commercial casino gaming revenue was \$483.2 million, up 42.0 percent from 2020 and the state's highest revenue total in a decade.

## NUMBER OF COMMERCIAL CASINOS

3

## CASINO FORMAT

Racinos

## NOTABLE FORMS OF GAMING

Internet Gaming;  
Sports Betting

## REGULATORY AUTHORITY

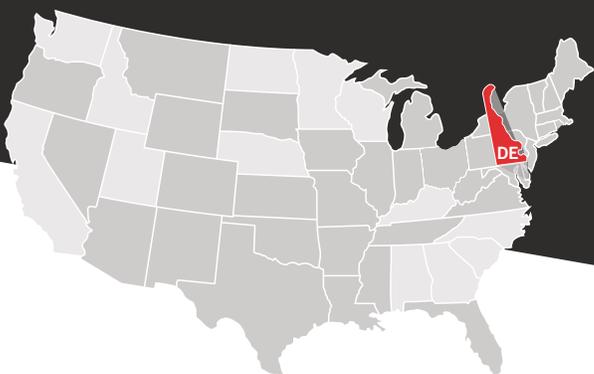
Delaware Lottery;  
Delaware Division of  
Gaming Enforcement

## GROSS GAMING REVENUE 2021

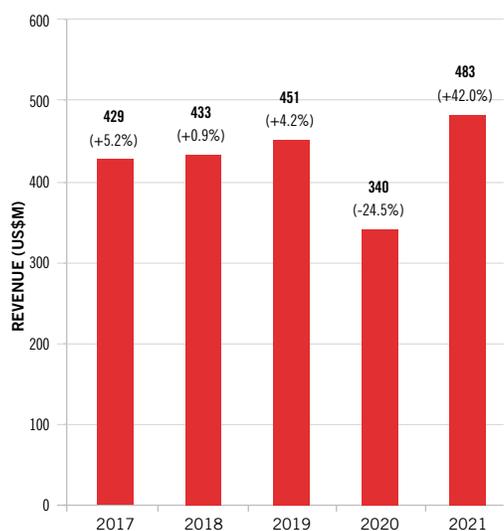
\$483.2M

## GAMING TAX REVENUE 2021

\$222.2M



## DELAWARE: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Delaware Lottery

## Market Overview

Delaware offers commercial casino gaming at three racinos, each of which operates electronic gaming devices, table games, sports betting, and internet gaming under the authority of the Delaware Lottery.

In 1994, the Delaware legislature approved the Horseracing Redevelopment Act, which authorized racetracks to install electronic gaming devices. Table games and limited sports betting (parlay wagers on professional football games) were approved by the legislature in 2009 and 2010, respectively. Internet gaming was authorized in 2012.

After the U.S. Supreme Court ruling overturned the federal prohibition on expanded sports wagering, Delaware racinos in June 2018 broadened their sports betting operations to include a full range of single-game and proposition wagers on all sports, not just football. Alongside full sportsbook operations at racinos, the Delaware Lottery also offers football parlay cards at certain retail outlets, including liquor and grocery stores.

## Market Performance

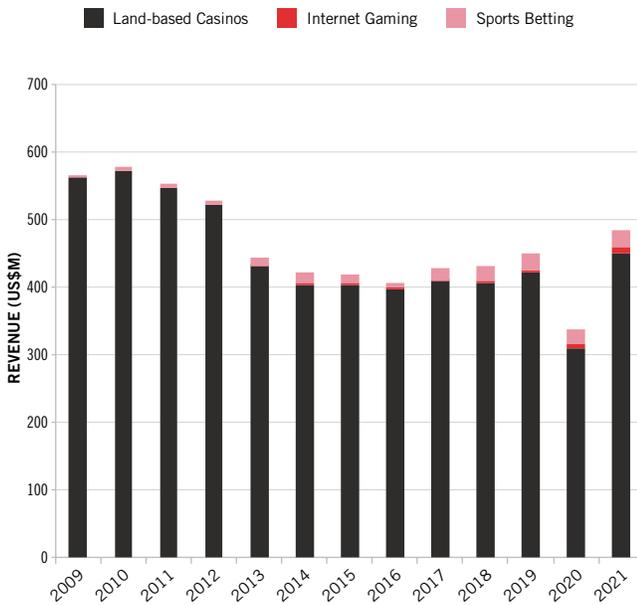
In 2021, total statewide commercial casino gaming revenue was \$483.2 million, up 42.0 percent from 2020 and 7.2 percent from 2019. It was the state's highest annual revenue total since 2012, when a major competing casino-resort opened in Maryland, serving the Baltimore-Washington D.C. market.

Total statewide revenue from electronic gaming devices was \$398.1 million, up 44.5 percent against 2020, while table game revenue increased to \$51.4 million, up 56.8 percent.

Combined sports betting revenue from racinos' sportsbook operations and sports lottery parlays was \$23.1 million, a decrease by 2.0 percent from the previous year. Internet gaming revenue increased by 25.0 percent to a total of \$10.6 million in 2021.

### DELAWARE: COMMERCIAL CASINO GAMING REVENUE 2009 to 2021

**While internet gaming and sports betting now account for significant proportions of overall commercial gaming revenue in neighboring Pennsylvania and New Jersey, the two segments represented less than 7 percent of total revenue in Delaware in 2021.**



SOURCE: Delaware Lottery

## Gaming Tax Distribution

Delaware's commercial casinos are subject to an effective tax rate of approximately 56 percent on their gross revenue from electronic gaming devices and a 20 percent tax on their gross table game revenue, both inclusive of payments used to subsidize race purses.

The effective taxation structure applied to internet gaming is roughly the same as the structure applied to the equivalent games in racinos. However, racinos are entitled to a share of internet gaming revenue only after the first \$3.75 million in proceeds has been transferred to the state lottery fund.

Meanwhile, Delaware racinos retain approximately 40 percent of revenue from sports betting. The state keeps 50 percent of revenue but must pay additional commissions to providers of the Delaware Lottery's sports betting system and risk-management services. Approximately 10 percent of sports betting revenue is distributed to the local horse racing industry.

In 2021, Delaware's racinos and sports lottery retailers generated total gaming tax revenue of approximately \$222.2 million, up 41.6 percent versus 2020.

Of the total tax revenue generated by commercial gaming operations in 2021, approximately \$175 million was returned to Delaware's General Fund. Monies in the fund are appropriated annually for various purposes, including public and higher education, health and social services, and public safety. An additional \$46 million was allocated to Delaware's racing industry for the purpose of supplementing race purses.

## Competitive Landscape

Delaware racinos compete in a crowded Mid-Atlantic market that includes more than two-dozen commercial casinos in Maryland, Pennsylvania, and Atlantic City, New Jersey. Delaware Park Casino, located near Wilmington, directly competes for patrons in a Greater Philadelphia market now served by five casinos and racinos following the opening of a new casino-resort in the city's Stadium District in February 2021.

## Policy & Regulatory Review

### *Regulatory Reform*

In June, Gov. John Carney (D) signed a bill reforming Delaware's state lottery law.

Among other things, the new legislation removed statutory requirements for employees working in Delaware's casino gaming industry to renew their personal licenses at set intervals ranging from every two to six years, depending on their position. The change granted the director of the Delaware Lottery greater regulatory flexibility to determine the appropriate length of employee licenses.

The bill also updated the state's distribution formula for revenue derived from internet gaming and clarified the regulatory responsibilities of the Delaware Division of Gaming Enforcement relative to the State Police to conduct background suitability investigations regarding gaming license applicants. The bill further extended statutory prohibitions on the sale of lottery tickets, including sports parlay games, for greater than the face value as determined by the Delaware Lottery director.



# District of Columbia

The District of Columbia reported total sports betting revenue of \$26.8 million in 2021, almost double the total of the previous year.

## NUMBER OF COMMERCIAL CASINOS

0

## CASINO FORMAT

N/A

## NOTABLE FORMS OF GAMING

Sports Betting

## REGULATORY AUTHORITY

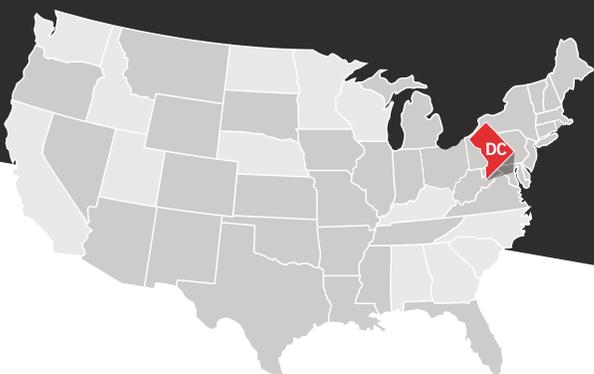
DC Office of Lottery and Gaming

## GROSS GAMING REVENUE 2021

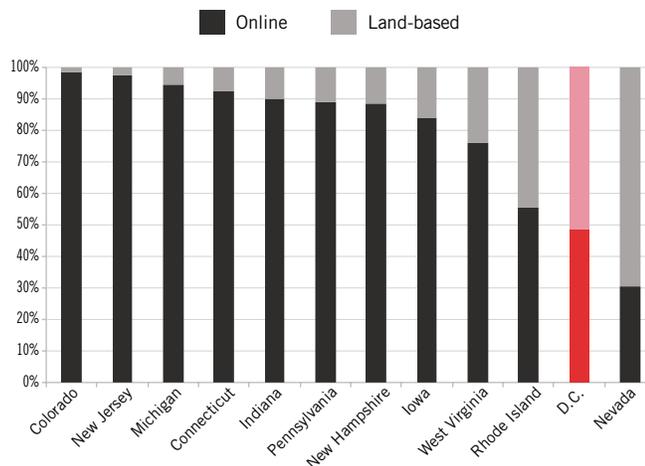
\$26.8M

## GAMING TAX REVENUE 2021

\$1.9M



## SELECTED STATES: REGULATED SPORTSBOOK GGR SPLIT BY CHANNEL 2021



SOURCE: State Gaming Regulatory Agencies

## Market Overview

The District of Columbia has no commercial casino venues but offers commercial and lottery-operated sports wagering at two retail sportsbooks and via three mobile platforms.

The city authorized sports betting in 2019 when the D.C. Council passed a law authorizing the DC Lottery to directly operate sports wagering via licensed retailers and through a mobile platform available in all parts of the city, with the exception of federal lands.

The law also authorized Washington D.C.'s four major sports arenas to host retail sportsbook operations and offer limited mobile wagering within a two-block radius of their facilities. Finally, bars and restaurants licensed to serve alcohol in the District of Columbia are eligible to apply for licenses to offer on-site sports betting strictly within their premises.

In addition to directly operating sports wagering, the DC Lottery also regulates privately operated sports betting operations via the city's Office of Lottery and Gaming (OLG).

## Market Performance

In 2021, total sports betting revenue in the District of Columbia was \$26.8 million on handle of \$203.3 million. The revenue total was up 97.8 percent from 2020, when sports betting operations were launched at the height of the pandemic.

Despite restrictions on their ability to offer mobile sports wagering, non-lottery sports betting operations accounted for the majority—approximately 71.8 percent—of overall district-wide revenue in 2021.

The rebranded Caesars Sportsbook at downtown Washington D.C.'s Capital One Arena reported revenue of \$18.4 million, while the DC Lottery's GambetDC platform generated \$7.6 million in revenue. Two newly launched commercial sportsbooks accounted for the remainder of the total.

## Gaming Tax Distribution

Revenue from privately-operated sports betting in the District of Columbia is taxed at a rate of 10 percent. Private sportsbook operations are also subject to a 0.25 percent federal excise tax applied to wagering handle.

DC Lottery-operated sports betting is not subject to taxation per se; instead, the lottery returns all net revenue after operating expenses to the city's General Fund.

In 2021, commercial sports betting operations generated total tax revenue of approximately \$1.9 million, up 91.2 percent versus the previous year.

Of this amount, \$200,000 was dedicated to problem gambling services in the District of Columbia, with the remainder split evenly between two city funds to support early childhood education and community engagement initiatives.

## Competitive Landscape

Sports betting operators in the District of Columbia face an increasingly competitive market, both within the city and across the Greater Washington D.C. metropolitan area that includes millions of residents of Virginia and Maryland.

Within the city, sportsbooks are under development at Washington D.C.'s Major League Baseball and Major League Soccer stadiums, as well as at several bar and restaurant locations. Operators also compete with Virginia's online sports betting platforms, the first of which went live in January 2021.

In-person sports betting was also launched in Maryland's land-based casinos in the final weeks of the year, including at the MGM National Harbor casino-resort located within a few miles of the District of Columbia-Maryland border. Online sports betting was also legalized under a 2021 Maryland law and is expected to launch in late 2022.

In addition to sports betting, the District of Columbia also offers traditional and online lottery games via the DC Lottery, charitable gaming, and electronic gaming devices based on player skill that are permitted in bars and other licensed establishments.

## Policy & Regulatory Review

### *Sports Betting*

The unique structure of the District of Columbia sports betting market was highlighted by several developments in 2021.

In June, BetMGM launched its mobile sportsbook app to allow players to establish and fund accounts, but only place wagers when either at Washington Nationals Park or within the two-block radius exclusivity zone of the stadium, as defined by the District of Columbia's 2019 sports betting law. The online sports betting app was launched while BetMGM develops a land-based sportsbook at the stadium ahead of the 2022 Major League Baseball season.

In October, the District of Columbia market also saw the opening of the city's first so-called Class B sportsbook when sports betting was launched at the Grand Central Restaurant, Bar & Sportsbook. The 2019 law allows licensed bars to apply for licenses to offer retail and mobile sports betting strictly on an on-property basis. In July, the first sports wagering kiosks run by the DC Lottery were also installed in four bars across the city, to complement the GambetDC mobile platform.

Aspects of the District of Columbia's unique sports betting law have been borrowed by several states that passed legislation during 2021. New laws in Arizona, Maryland, and Ohio all authorized sports betting at professional sports stadiums, while Maryland and Ohio will also permit smaller standalone sportsbook locations. In addition, lottery-operated kiosks will be permitted in bars in both Louisiana and Ohio.



# Florida

In 2021, total statewide commercial casino gaming revenue was a record \$649.5 million, up 90.3 percent from 2020. 2021 also saw the state execute a landmark new tribal gaming compact with the Seminole Tribe, only to see the agreement vacated by a federal court.

## NUMBER OF COMMERCIAL CASINOS

8

## CASINO FORMAT

Land-Based Casinos;  
Racinos

## NOTABLE FORMS OF GAMING

Jai Alai Betting

## REGULATORY AUTHORITY

Florida Gaming  
Control Commission

## GROSS GAMING REVENUE 2021

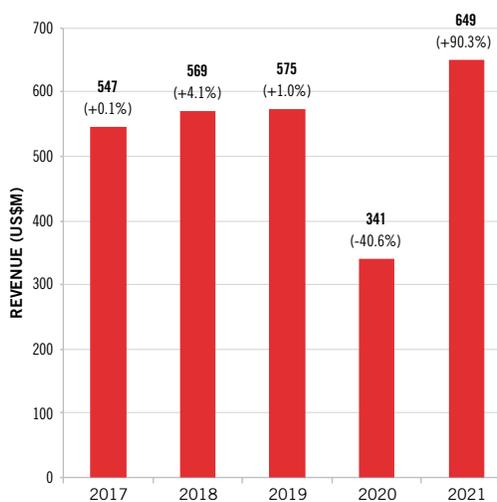
\$649.5M

## GAMING TAX REVENUE 2021

\$227.3M



### FLORIDA: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Florida Division of Pari-Mutuel Wagering

## Market Overview

Florida offers commercial casino gaming at eight properties, each of which is limited to the operation of electronic gaming devices. The five land-based casinos and three racinos are regulated by the newly formed Florida Gaming Control Commission.

In 2004, voters amended the Florida Constitution to allow a maximum of 2,000 electronic gaming devices at eligible pari-mutuel wagering facilities in Broward and Miami-Dade counties, subject to local voter approval.

As a result of a 2018 constitutional amendment, any further expansion of commercial casino gaming in Florida must be initiated by a citizens' ballot initiative and approved by voters in a statewide referendum.

## Market Performance

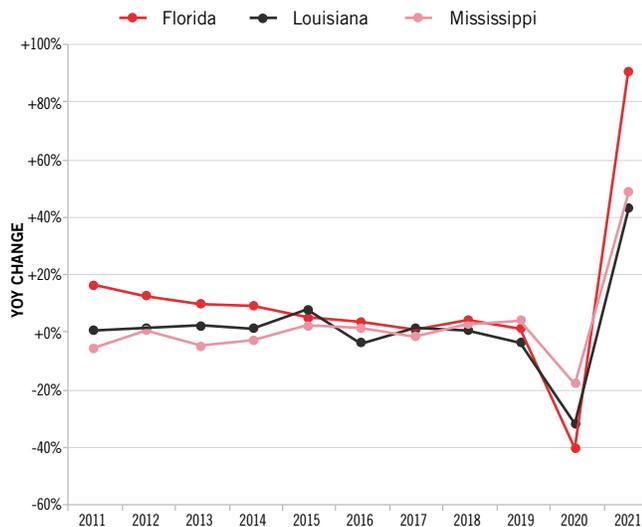
In 2021, total statewide commercial casino gaming revenue was a record \$649.5 million, up 90.3 percent from 2020 and 13.0 percent from 2019.

The strong growth reflected both pent-up demand among consumers for gaming and entertainment, as well as the resumption of full operations following the unprecedented shutdowns caused by the COVID-19 pandemic in 2020.

Gaming revenue at the four commercial casino properties in Miami-Dade County was \$397.7 million, an increase of more than 110 percent versus 2020 when local casinos were required to close for a second time during July and August due to a local government order. Revenue at the four commercial casinos in Broward County, which were able to reopen in June 2020, was \$251.8 million, up 65.9 percent on the prior year.

### FL, LA & MS: YEAR-ON-YEAR CHANGE IN COMMERCIAL GGR 2011 to 2021

**After commercial casinos in Miami-Dade and Broward counties were affected by longer shutdowns due to the pandemic in 2020, Florida's commercial casino gaming industry bounced back to report a stronger recovery relative to its nearest Southern competitors in 2021.**



SOURCE: FL Division of Pari-Mutuel Wagering, LA Gaming Control Board, MS Gaming Commission

## Gaming Tax Distribution

Florida's commercial casinos are taxed at a rate of 35 percent of electronic gaming device revenue.

In 2021, Florida commercial casinos generated total tax revenue of \$227.3 million, up 90.3 percent from 2020.

Under Florida law, all tax revenue from commercial casinos is deposited into Florida's Educational Enhancement Trust Fund (EETF). The fund was established in 1986 to allocate annual revenue from the then-newly created Florida Lottery for Florida school districts, public colleges, and universities. Additional sums are also used to provide financial aid to Florida students. Each year, the Florida Legislature determines which programs are funded and at what level under the EETF.

## Competitive Landscape

Florida's commercial casinos face significant competition from the state's seven tribal casinos, including six that are owned and operated by the Seminole Tribe of Florida and one by the Miccosukee Tribe of Indians of Florida. In addition to electronic gaming devices, the Seminole casinos are eligible to offer blackjack and baccarat. In 2021, the tribe agreed a new compact with the state allowing it to offer roulette, craps, and both land-based and online sports betting.

Card rooms at racetracks and jai alai frontons outside of Miami-Dade and Broward counties also offer gaming but are limited to the operation of non-banked card games, such as poker.

## Policy & Regulatory Review

### Tribal Gaming

After several years of negotiations, the administration of Gov. Ron DeSantis (R) in April 2021 reached an agreement on a new tribal-state gaming compact with the Seminole Tribe of Florida.

In return for a guaranteed \$2.5 billion in payments to the state over the first five years, the new 30-year compact would allow the Seminole Tribe to develop three new casino-resorts on its reservation land near Fort Lauderdale and to offer craps, roulette, and sports betting at its tribal casinos. In addition, the tribe was authorized to offer online sports betting to players throughout the state of Florida on the grounds that the wagers would be accepted via servers located on sovereign tribal lands.

The new compact was ratified by the Florida legislature in May and received federal approval from the U.S. Department of Interior in August. The agreement was vacated by a federal court in November, however, after the operator of Florida's Magic City Casino successfully argued that provisions permitting online sports betting beyond Indian lands were impermissible under the 1988 federal Indian Gaming Regulatory Act that governs tribal gaming.

The tribe immediately appealed the ruling to the U.S. Court of Appeals for the District of Columbia, which denied a motion to enjoin the lower court ruling while it considers the case.

### ***Expansion***

Agreement on a new tribal gaming compact was not the only initiative to expand Florida's legal gaming market in 2021.

In June and July, two separate ballot initiatives were filed with the Florida Division of Elections proposing to expand both commercial casino gaming at Florida pari-mutuel facilities located outside of Miami-Dade and Broward counties, as well as statewide online sports betting via commercial sportsbook operators.

Both initiatives face a tall order to qualify for the November 2022 statewide ballot. Proponents would have to gather almost 892,000 valid Florida voter signatures before February 1, 2022, with sufficient support from voters in counties across the state. If any measure does qualify for the ballot, it would then need to be approved by a 60 percent majority of all Florida voters.

### ***Regulatory Reform***

During a special session of the state legislature to ratify the new Seminole tribal gaming compact, Florida lawmakers also approved several accompanying measures to reform the state's gambling laws.

One bill established a five-member Florida Gaming Control Commission to assume the authority of the state's Division of Pari-Mutuel Wagering to oversee licensing, enforcement, and rulemaking for all forms of legal gaming in the state.

In addition, a bill was approved permitting Florida commercial casinos to stay open on a 24-hour basis and serve complimentary alcoholic beverages to guests. Certain commercial casinos in Miami-Dade and Broward counties would also be able to continue to operate electronic gaming devices without an obligation to offer live standardbred horse racing or jai alai games.



# Illinois

In 2021, total statewide commercial casino gaming revenue was \$1.71B, up more than 130 percent from 2020 as land-based casino resumed full operations after shutdowns caused by the pandemic, and Illinois emerged as a major market for online sports betting.

## NUMBER OF COMMERCIAL CASINOS

11

## CASINO FORMAT

Riverboat Casinos;  
Land-Based Casinos

## NOTABLE FORMS OF GAMING

Sports Betting

## REGULATORY AUTHORITY

Illinois Gaming Board

## GROSS GAMING REVENUE 2021

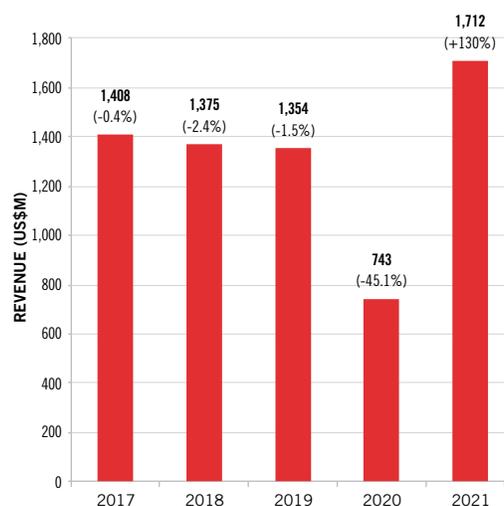
\$1.71B

## GAMING TAX REVENUE 2021

\$400.8M



## ILLINOIS: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2017 to 2021



SOURCE: Illinois Gaming Board

## Market Overview

Illinois offers commercial casino gaming at 10 riverboat casinos and one land-based casino under the regulation of the Illinois Gaming Board (IGB).

In 1990, the Illinois legislature approved the Riverboat Gambling Act, which authorized the IGB to grant up to 10 riverboat casino licenses. A gaming law passed in 2019 expanded the market by authorizing up to six new land-based casinos in different areas of the state, including the City of Chicago, while also permitting Illinois racetracks to apply for licenses to become racinos offering electronic gaming devices and table games.

In addition, the 2019 law legalized sports wagering at casinos and racinos, as well as at up to three off-track betting facilities affiliated with racinos and at major sports arenas across the state.

Casinos and racetracks are also eligible to operate statewide mobile sports betting. At the end of 2021, legal sports betting was available at 11 retail sportsbook locations and via six online platforms.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was \$1.71 billion, up 130.3 percent from 2020 and 26.4 percent from 2019 when legal sports betting had not yet launched in Illinois.

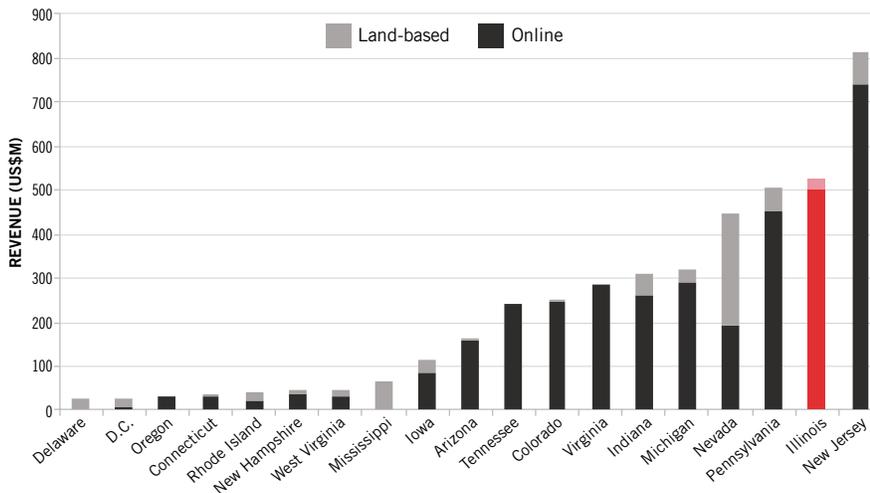
Combined revenue from electronic gaming devices and table games at Illinois casinos was \$1.19 billion in 2021, up 92.1 percent against the previous year when all casinos were required to close between March 16 and July 1 and then again from November 19 through the end of December. Illinois casinos were permitted to reopen for a second time in mid to late January 2021, depending on the region of the state.

Electronic gaming devices in Illinois casinos generated revenue of \$890.5 million in 2021, while table game revenue was \$296.8 million. Comparable totals were not published by the Illinois Gaming Board in 2020.

In 2021, Illinois also continued its emergence as a major sports betting market. Statewide sports betting revenue was \$524.8 million, more than four times the total from the previous year when online sports betting was only available from mid-June. Illinois was the nation's second largest sports betting market in 2021, behind New Jersey.

### SELECTED STATES: REGULATED SPORTSBOOK GGR (US\$M) 2021

**With total revenue of \$524.8 million, Illinois was the second largest U.S. sports betting market in 2021 behind only New Jersey. That was achieved despite the return of a regulatory requirement for all online sports betting accounts to be established in-person at a land-based gaming property.**



SOURCE: State Gaming Regulatory Agencies

## Gaming Tax Distribution

**TABLE: ILLINOIS GAMING TAX**

EGD Revenue	Tax Rate Applied
\$0-\$25M	15%
\$25M-\$50M	22.5%
\$50M-\$75M	27.5%
\$75M-\$100M	32.5%
\$100M-\$150M	37.5%
\$150M-\$200M	45%
\$200M+	50%

Illinois applies a graduated tax to commercial casino gaming revenue, ranging from 15 percent on electronic gaming device revenue up to \$25 million, to 50 percent on revenue of more than \$200 million. Casino table games are taxed at 15 percent on revenue up to \$25 million, and then 20 percent on revenue exceeding that amount. Illinois also imposes an admissions tax of \$2 per patron at Bally's Quad Cities Casino and \$3 at all other casinos.

Sports betting revenue is taxed at a rate of 17 percent on wagers placed in Cook County, which includes Chicago, and 15 percent in all other areas of the state.

In 2021, Illinois commercial casinos and sports betting operators generated total gaming tax revenue of approximately \$400.8 million, up 147.4 percent against 2020.

Of that total, roughly \$327.4 million was paid to the state government with the majority of state tax revenue then redistributed to specific state funds for education programs and capital projects, among others. Approximately \$67.0 million in gaming tax revenue was generated for local governments that host casinos, with a further \$5.9 million provided to Cook County in the form of sports wagering taxes.

## Competitive Landscape

The sweeping gaming expansion law enacted in June 2019 means Illinois commercial casinos face a significant increase in competition in the coming years.

A temporary gaming facility was opened in November 2021 at the site of a newly licensed casino-resort in the city of Rockford, with additional casinos either under development or planned for the cities of Chicago, Danville, and Waukegan and in Cook and Williamson counties. Meanwhile, Illinois' two racetracks have applied for licenses to offer electronic gaming devices and table games at their facilities.

The influx of new casinos will add to the significant competition already faced by Illinois commercial casinos in the form of electronic gaming devices (VGTs) in bars, restaurants, truck stops and other retail establishments, as authorized under a 2009 state law. In 2021, Illinois' network of more than 41,800 VGTs in some 7,840 establishments generated total revenue of \$2.47 billion, or more than two times the total revenue generated by commercial casinos.

In addition to the in-state competition, Illinois commercial casinos in the Greater Chicago and East St. Louis markets also compete directly with gaming properties in northwestern Indiana and eastern Missouri, respectively.

## Policy & Regulatory Review

### *Sports Betting*

In December, Gov. J.B. Pritzker (D) signed legislation to make various amendments to Illinois' 2019 sports wagering law.

One provision of the bill specified that Illinois patrons will be able to register for online sports betting accounts remotely without visiting a casino, racetrack or off-track betting facility starting March 5, 2022, regardless of whether or not the IGB has authorized standalone online sportsbook operators by that time.

The 2019 law originally required bettors to register in-person until the first of three standalone online-only licenses was issued. The IGB opened an application process for the licenses in August 2021 but may not award any of them before March 2022. The in-person registration requirement was suspended by Gov. Pritzker in August 2020 due to the COVID-19 pandemic, but it returned for all new accounts created from April 2021 after the governor allowed his emergency order to expire.

Elsewhere, the 2021 sports betting bill authorized betting on games involving Illinois college teams, albeit only at land-based sportsbook locations and with wagering on the performance of individual Illinois collegiate athletes remaining prohibited.

The bill further authorized sports betting at an eighth Illinois sports arena and clarified that holders of supplier licenses for other Forms of Gaming in Illinois do not need to undergo an additional licensing investigation to be licensed as a sports wagering supplier.

### *Expansion*

In 2021, the Illinois Gaming Board granted licenses for several of the new casinos authorized under the state's 2019 gaming expansion law.

In November, the board selected two developers for casinos in the city of Waukegan and in Chicago's southern suburbs in Cook County. In June, the IGB authorized the construction of a temporary gaming facility at the site of the Hard Rock Rockford project, which was the lone bidder on the license earmarked for that city. A license was also awarded in September for a casino at the site of the Walkers Bluff resort in Carterville, Williamson County.

Elsewhere, the City of Chicago in April issued a request for proposals from casino developers interested in partnering with the city to develop a major casino-resort and also operate electronic gaming devices at Chicago's major airports. The city received a total of five proposals and is expected to select its partner in 2022 before submitting a license application to the IGB.



# Indiana

In 2021, total statewide commercial gaming revenue was \$2.72 billion, up 59.4 percent from 2020, reflecting the reopening of commercial casinos, as well as strong growth in Indiana’s online sports betting market.

## NUMBER OF COMMERCIAL CASINOS

12

## CASINO FORMAT

Land-Based Casinos;  
Riverboat Casinos;  
Racinos

## NOTABLE FORMS OF GAMING

Sports Betting

## REGULATORY AUTHORITY

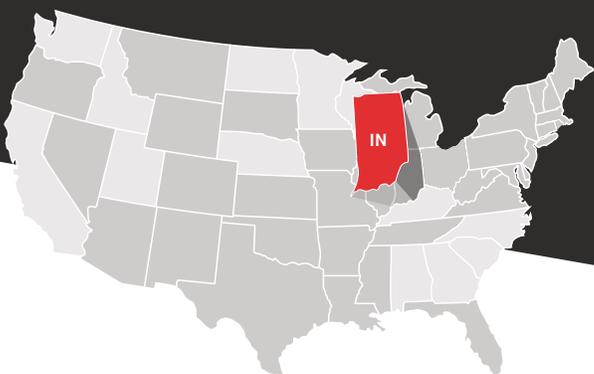
Indiana Gaming Commission

## GROSS GAMING REVENUE 2021

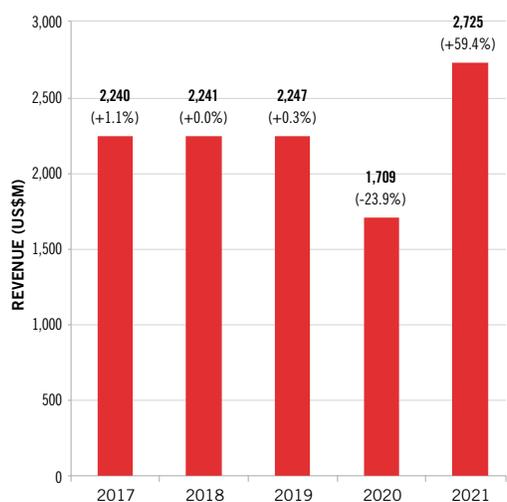
\$2.72B

## GAMING TAX REVENUE 2021

\$654.8M



## INDIANA: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Indiana Gaming Commission

## Market Overview

Indiana offers commercial casino gaming at six riverboat casinos, four land-based casinos and two racinos, all of which are authorized to operate electronic gaming devices, table games, and sports betting. All 12 commercial casinos are regulated by the Indiana Gaming Commission (IGC).

In 1993, the Indiana legislature approved the Riverboat Gambling Act, which authorized the IGC to grant up to 10 casino licenses. Legislation authorizing an 11th commercial casino within a “historic hotel district” was approved in 2003, paving the way for the opening of French Lick Resort Casino.

The state legislature in 2007 authorized the installation of up to 2,000 electronic gaming devices at each of Indiana’s two racetracks. Under legislation passed in 2015 and later amended in 2019, racetracks were approved to install live-dealer table games.

In 2019, the legislature passed a bill authorizing sports betting at commercial casinos and racinos, as well as at off-track betting facilities affiliated with racinos. Casinos and racinos are also permitted to deploy online sports betting through a maximum of three platforms operating under their licenses. At the end of the year, Indiana’s online sports betting market was served by 13 digital sportsbook platforms.

## Market Performance

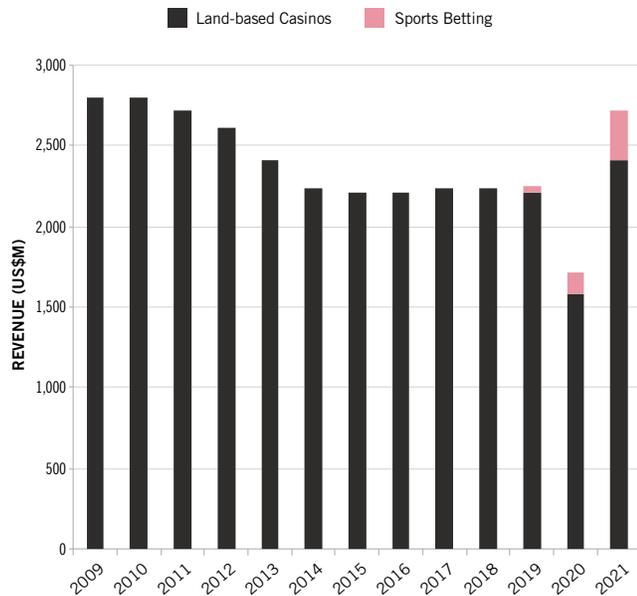
In 2021, total statewide commercial casino gaming revenue was a \$2.72 billion, an increase of 59.4 percent from 2020 and 21.3 percent from the pre-pandemic year of 2019 that included less than four months of revenue from legal sports betting.

Total statewide revenue from electronic gaming devices was \$1.98 billion, up 53.4 percent from the prior year, while revenue from table games was \$434.9 million, up 54.8 percent.

Statewide sports betting revenue was \$308.3 million, an increase of 126.0 percent relative to 2020. Online sports betting accounted for 83.8 percent of the total, as revenue increased by 148.4 percent to \$258.9 million. Land-based sports betting revenue was \$49.4 million versus \$32.2 million in the previous year.

### INDIANA: COMMERCIAL GAMING REVENUE 2009 to 2021

**In 2021, strong growth in sports betting led Indiana to report its highest annual commercial gaming revenue total in more than a decade. Sports betting revenue more than doubled to over \$308 million, making Indiana the sixth largest market in the country.**



SOURCE: Indiana Gaming Commission

## Gaming Tax Distribution

TABLE: INDIANA GAMING TAX

Casino Gaming Revenue	Tax Rate Applied
\$0-\$25M	15%
\$25M-\$50M	20%
\$50M-\$75M	25%
\$75M-\$150M	30%
\$150M-\$600M	35%
\$600M+	40%

Indiana applies a graduated tax to electronic gaming devices and table games at riverboat and land-based casinos, ranging from 15 percent on gaming revenue of up to \$25 million, to 40 percent on gaming revenue of more than \$600 million.

Riverboat and land-based casinos are also subject to a supplemental wagering tax, which is capped at a maximum of 3.5 percent of total gaming revenue.

Racinos are taxed at a rate of 25 percent of revenue up to \$100 million, 30 percent on revenue between \$100 million to \$200 million, and 35 percent on revenue exceeding \$200 million.

Meanwhile, sports betting operated by casinos, racinos and affiliated online platforms is taxed at 9.5 percent of revenue. Sportsbook operations are also subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2021, Indiana saw total commercial casino gaming tax revenue of approximately \$654.8 million, up 67.2 percent against 2020.

Pursuant to state law, the majority of gaming tax revenue is held in Indiana's General Fund and used for general state budgetary purposes. Additional allocations are made to Indiana's horse racing industry, problem gambling services, and to local city and county governments, among other things.

## Competitive Landscape

Commercial casinos in northern Indiana compete with one tribal casino in the city of South Bend that, as a result of a new 2021 tribal gaming compact, now offers a full range of electronic gaming devices, table games and sports betting. That property was previously limited to electronic bingo games.

Thanks to a 2019 Illinois gaming expansion law, northwestern Indiana casinos, already in competition with various Illinois casinos located in the Greater Chicago area, face the prospect of several new casinos that will be located within the City of Chicago, as well as in Cook County to the city's south and Waukegan to Chicago's north.

Elsewhere, riverboat casinos in southeastern Indiana compete with a trio of Ohio casinos and racinos serving the Greater Cincinnati market. Casinos in southeastern and southern Indiana also face growing competition from the expansion of historical horse racing devices at racing venues in Kentucky.

## Policy & Regulatory Review

### *Expansion*

In November, the Indiana Gaming Commission (IGC) selected a licensee for a land-based casino in the city of Terre Haute in Vigo County.

The commission reopened applications for the license in June after declining to renew the license it initially awarded in 2020 due to the lack of financing and a sufficiently experienced executive team at the selected company following a series of changes to its management.

After a competitive application process, the IGC selected Churchill Downs Incorporated to develop a \$190 million casino project in Terre Haute.

The licensing process followed a May 2019 law that reconfigured Indiana's commercial casino gaming market by authorizing one riverboat casino in the city of Gary, near Chicago, to move to a new land-based site, while also relocating the license for an affiliated Gary riverboat casino to Vigo County in western Indiana. Voters in Vigo County agreed to host a casino through a local referendum that was held in November 2019.

## *Internet Gaming*

In January, members of the Indiana House and Senate introduced companion bills proposing to authorize internet gaming in the state.

Under the legislation, each of Indiana's commercial casinos and racinos would be able to apply for additional licenses for interactive gaming and deploy up to three internet casino platforms, replicating the state's regulatory structure for online sports wagering.

The bills were never passed out of committee, however, underlining the slower pace at which states are moving to regulate internet gaming relative to sports betting. In 2021, just one state—Connecticut—approved legislation for internet gaming, compared with eight states that passed new laws to authorize online sports betting.



# Iowa

In 2021, total statewide commercial gaming revenue reached a record \$1.86 billion as casinos resumed full operations after the pandemic and online sports betting boomed after a regulatory change to allow remote account registration.

## NUMBER OF COMMERCIAL CASINOS

19

## CASINO FORMAT

Land-Based Casinos;  
Riverboat Casinos;  
Racinos

## NOTABLE FORMS OF GAMING

Sports Betting

## REGULATORY AUTHORITY

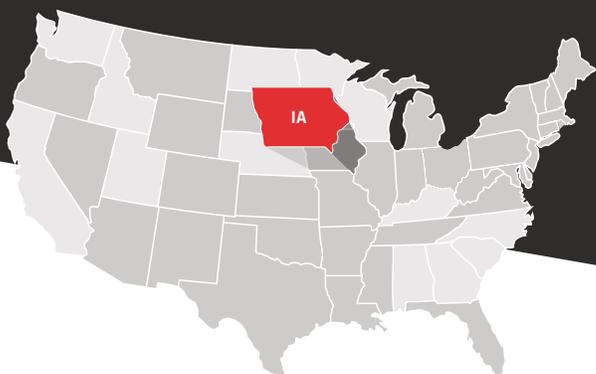
Iowa Racing and Gaming Commission

## GROSS GAMING REVENUE 2021

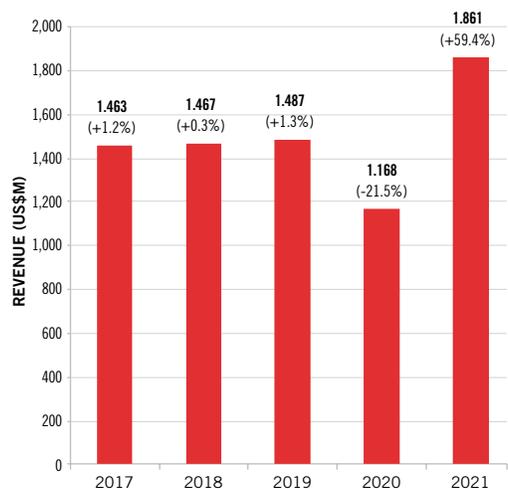
\$1.86B

## GAMING TAX REVENUE 2021

\$390.8M



## IOWA: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Iowa Racing and Gaming Commission

## Market Overview

Iowa offers commercial casino gaming at 14 land-based casinos, three riverboat casino, and two racinos. The 19 properties, all of which offer electronic gaming devices, table games and sports betting, are regulated by the Iowa Racing and Gaming Commission (IRGC).

In 1989, Iowa became the first state to legalize riverboat casinos with the passage of the Excursion Gambling Boat Act. Electronic gaming devices at racetracks were authorized in 1994, with table games approved in 2005. Iowa's commercial casinos and racinos were authorized to offer land-based and online sports betting by a law passed in May 2019.

There are no statutory limits on the number of commercial casinos that may operate in Iowa. However, counties seeking to host a casino or racino must secure the approval of a majority of their residents via a county-wide referendum. A second voter referendum is required eight years after initial approval.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was a record \$1.86 billion. The total represented an increase of 59.4 percent from 2020 and 25.2 percent from the pre-pandemic year of 2019, reflecting pent-up consumer demand for gaming and entertainment as well as the expansion of Iowa's sports betting market.

Revenue from electronic gaming devices was \$1.58 billion, up 55.2 percent versus 2020. Revenue from table games was \$172.0 million, up 55.4 percent.

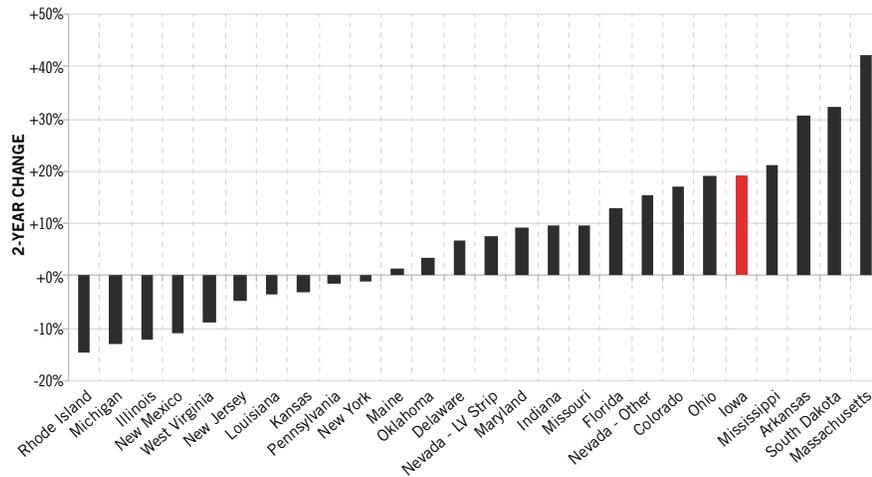
Meanwhile, Iowa's land-based and online sportsbooks generated total revenue of \$113.9 million in 2021 versus \$41.6 million the previous year.

After a statutory requirement for players to register for wagering accounts in-person at a land-based casino expired on January 1, Iowa's online sports betting market took off in 2021 and grew more than threefold to reach \$87.2 million in revenue for the year. By the end of the year, 17 online sportsbook platforms were available in Iowa versus just nine at the start of 2021.

Revenue from land-based sports betting in Iowa was \$26.7 million, up 85.4 percent from the previous year.

### USA TWO-YEAR COMMERCIAL CASINO GGR GROWTH BY STATE 2021 vs 2019

Iowa's traditional land-based casino gaming revenue of \$1.75 billion in 2021 was up 19.1 percent on the pre-pandemic year of 2019 and a record for the state's casino industry, which also reported nearly \$114 million in additional revenue from sports betting.



SOURCE: State Gaming Commissions

## Gaming Tax Distribution

**TABLE: IOWA GAMING TAX**

Gaming Revenue	Tax Rate Applied
\$0-\$1M	5 percent
\$1M-\$3M	10 percent
\$3M+	22 percent

In Iowa, riverboat and land-based casinos are subject to a graduated tax rate on electronic gaming device or table game revenue that ranges from 5 percent to 22 percent. Racino gaming revenue, meanwhile, is taxed at 22 percent or 24 percent, depending on various conditions, including prior-year revenue and whether the racino has a riverboat casino in its host county.

Sports betting revenue in Iowa is subject to a headline state tax rate of 6.75 percent, tied for the lowest rate in the country, alongside Nevada. Sportsbook operators are also required to share 0.75 percent with their affiliated casino's sponsoring charitable organization. They are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2021, Iowa's commercial casinos generated total gaming tax revenue of \$390.8 million, up 57.4 percent from the prior year.

Of the total, approximately \$373.5 million was collected in the form of state gaming taxes and allocated to various beneficiaries, including the Rebuild Iowa Infrastructure Fund, Iowa Skilled Worker & Job Creation Fund, and additional funds to service state debts and support economic development projects. Meanwhile, approximately \$17.3 million was redirected to the local governments of cities and counties that host casinos.

## Competitive Landscape

Iowa's commercial casinos compete with four tribal casinos located within the state's borders as well as various commercial and tribal casinos located in neighboring South Dakota, Nebraska, and Missouri. Casinos in eastern Iowa also face competition from electronic gaming devices (VGTs) in Illinois retail venues.

Looking ahead, further competition looms from the authorization of commercial casino gaming at state-

licensed racetracks in Nebraska. Racinos were approved by Nebraska voters in 2020 and implementing legislation to permit electronic gaming devices, table games and sports betting at tracks was adopted in May 2021.

## Policy & Regulatory Review

### *Sports Betting*

Following the January 1 expiration of the state's in-person registration requirement for online sports betting accounts, Iowa policymakers made several changes to the state's sports wagering regime during the course of 2021.

In February, a legislative committee approved new regulations promulgated by the Iowa Racing and Gaming Commission authorizing the state's commercial casinos to deploy a third online sportsbook platform, or "skin," under their licenses. The state's 2019 law initially limited casinos to a maximum of two skins each but granted the commission authority to permit a third skin per casino if necessary.

In June, Gov. Kim Reynolds (R) signed a tax-reform bill that included a provision enabling sportsbooks to deduct promotional credits from their taxable sports wagering revenue. When the tax reform took effect on July 1, Iowa joined other states, including Colorado, Michigan, Pennsylvania, and Virginia, and permitted the deduction of free bets and promotional play from sports betting taxes.

### *Expansion*

Local voters in Linn County approved a referendum in November 2021 to reauthorize casino gaming within their jurisdiction, setting up further debate over a potential 20th Iowa commercial casino in the county seat of Cedar Rapids.

Linn County voters held an original referendum to approve casino gaming in 2013 but were required by state law to hold a second referendum after an eight-year period.

The Iowa Racing and Gaming Commission twice voted to deny a new casino in Cedar Rapids in 2014 and 2017, citing concerns of market saturation. Regulators were scheduled to revisit the issue in early 2022 after receiving new market studies as to the impact of a new casino.



# Kansas

In 2021, total statewide commercial casino gaming revenue was \$403.5 million. The total was up 34.7 percent from 2020 but still less than 2019 as the Kansas Star Casino near Wichita felt the impact of new competition from a tribal gaming facility.

## NUMBER OF COMMERCIAL CASINOS

4

## CASINO FORMAT

Land-Based Casinos

## REGULATORY AUTHORITY

Kansas Racing and Gaming Commission

## GROSS GAMING REVENUE 2021

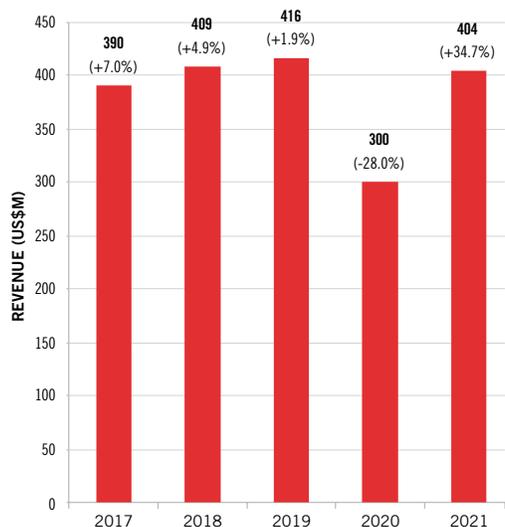
\$403.5M

## GAMING TAX REVENUE 2021

\$109.0M



## KANSAS: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2017 to 2021



SOURCE: Kansas Racing and Gaming Commission

## Market Overview

Kansas offers commercial casino gaming at four state-owned casinos, which are developed and managed by private companies. The casinos, which all operate electronic gaming devices and table games, are operated under the constitutional authority of the Kansas Lottery and regulated by the Kansas Racing and Gaming Commission (KRGCC).

In 2007, the legislature approved the Kansas Expanded Lottery Act that authorized the creation of four “lottery gaming facilities,” one in each of four designated gaming zones throughout the state. The four casinos opened between 2009 and 2017.

Kansas law also allows for the operation of electronic gaming devices at racetracks, although no tracks are currently in operation.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was \$403.5 million, up 34.7 percent from 2020 but below 2019's pre-pandemic total of \$416.2 million.

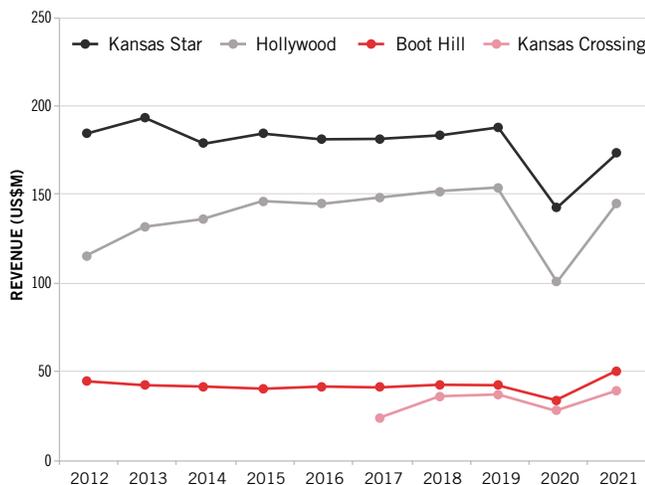
Total statewide revenue from electronic gaming devices was \$363.7 million, up 34.0 percent from 2020, while table game revenue was \$39.8 million, up 42.1 percent.

The recovery of the Kansas market was somewhat hampered by new competition faced by the state's largest commercial casino near Wichita.

Located just south of the state's largest city, Kansas Star Casino reported total gaming revenue of \$172.9 million in 2021. Whereas that represented a 22.2 percent increase over 2020, Kansas' three other commercial casinos all saw gaming revenue growth in the range of 42-53 percent from the prior year, with Boot Hill Casino and Kansas Crossing Casino reporting record revenue totals.

### KANSAS: GAMING REVENUE BY CASINO 2012 to 2021

While each of Kansas' four commercial casinos reported healthy revenue growth during 2021, the state's largest—Kansas Star Casino—saw a slightly slower recovery in part due to the impact of a new tribal gaming facility near Wichita.



SOURCE: Kansas Racing and Gaming Commission

## Gaming Tax Distribution

Kansas' commercial casinos are required by statute to pay a minimum tax rate of 27 percent on gaming revenue, which includes a minimum 22 percent contribution to the state, 3 percent to local governments, and 2 percent to fund problem gambling treatment. Casinos' management contracts also include provisions allowing for higher tax rates to be applied if revenue exceeds a certain threshold during a calendar year.

In 2021, Kansas' commercial casinos generated total gaming taxes of \$109.0 million, up 34.7 percent from 2020. Of this total amount, approximately \$88.8 million was received by the state, \$12.1 million was allocated to local governments that host casinos, and \$8.1 million was generated to fund problem gambling services.

Per Kansas law, the state portion of gaming tax revenue is distributed to the state's Expanded Lottery Act Revenues Fund. Appropriations from the fund are determined annually at the direction of the state legislature but must be allocated to specific causes that include state debt reduction, covering public employees' retirement liabilities, and an initiative to increase the number of engineering graduates at Kansas universities.

## Competitive Landscape

In addition to its four commercial casinos, Kansas hosts five tribal casinos located in the northeastern corner of the state. These properties compete with Hollywood Casino at Kansas Speedway located just outside of Kansas City. Hollywood Casino also competes directly with four casinos on the Missouri side of the Kansas–Missouri border.

A sixth tribal casino offering electronic gaming devices was opened in March 2021 in Sedgwick County, near Wichita, providing extra competition to Kansas Star Casino. Meanwhile, Kansas Crossing Casino in southeastern Kansas competes with several tribal casinos in northeastern Oklahoma.

## Policy & Regulatory Review

### *Tribal Gaming*

In 2021, the state government continued its legal challenge against a U.S. Department of Interior ruling to place land in trust for the Wyandotte Nation of Oklahoma to develop a tribal casino in Park City in Sedgwick County, just north of Wichita.

In May, a Kansas federal court judge ruled against the state as well as other local and tribal governments and in favor of the Wyandotte Nation. The Kansas Attorney General in August filed an appeal before the U.S. Court of Appeals for the Tenth Circuit.

Among other things, the plaintiffs argue that the 2020 federal government decision to allow the casino overturned a previous ruling of 2014 without adequate consultation.

In March, the Wyandotte Nation opened a temporary casino facility featuring several hundred electronic gaming devices pending development of a larger tribal casino on the same site.

### *Sports Betting*

For the second consecutive year, legislation to regulate sports betting was approved by the Kansas Senate only to stall in the House.

In March, the Senate passed a bill to legalize sports betting at Kansas' four commercial casinos and via a maximum of three affiliated online sports betting platforms, or "skins," operating under each license.

The measure was rejected in the House a few weeks later, however, after the bill was amended to also permit the Kansas Lottery to operate sports wagering via lottery retailers and through its own online platform. House and Senate proponents also disagreed on a proposed tax rate, whether use of official sports league data should be required, and the extent to which the Kansas Lottery should also be permitted to offer online lottery games.



# Louisiana

In 2021, total statewide commercial casino gaming revenue was \$2.38 billion, up 43.5 percent against the previous year. The total for the first time included revenue from legal sports betting, which launched in Louisiana in October.

## NUMBER OF COMMERCIAL CASINOS

19

## CASINO FORMAT

Land-Based Casinos;  
Riverboat Casinos;  
Racinos

## REGULATORY AUTHORITY

Louisiana Gaming Control Board

## GROSS GAMING REVENUE 2021

\$2.38B

## GAMING TAX REVENUE 2021

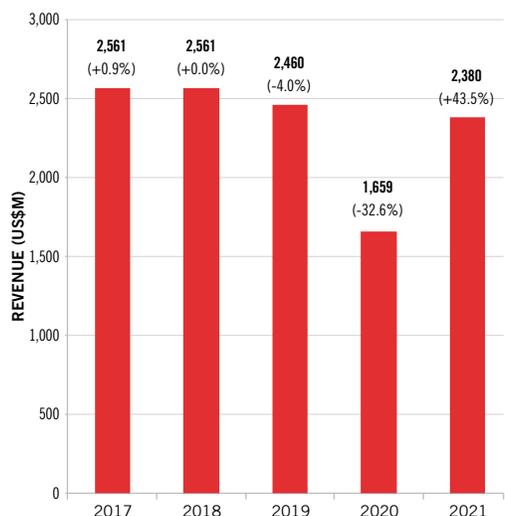
\$573.1M

## NOTABLE FORMS OF GAMING

Sports Betting



## LOUISIANA: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Louisiana Gaming Control Board

## Market Overview

Louisiana offers commercial casino gaming at 14 riverboat casinos and one land-based casino, each of which operate electronic gaming devices and table games. Four racinos—limited to offering electronic gaming devices—are also operational. All 19 properties are regulated by the Louisiana Gaming Control Board (LGCB).

Commercial casino gaming was first authorized in 1991 when the Louisiana legislature passed a law allowing a maximum of 15 riverboat casinos, either sailing or permanently moored on specific waterways in different areas of the state. The following year, legislation passed authorizing a single land-based casino in downtown New Orleans. Racinos were approved by the legislature in 1997.

In 2020, voters in 55 of 64 Louisiana parishes approved a referendum on sports betting. Legislation to enable land-based and online sports betting was approved in 2021 and retail sportsbook operations were launched at 11 Louisiana commercial casinos and racinos before the end of the year.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was \$2.38 billion, up 43.5 percent from 2020 but down 3.2 percent from the pre-pandemic year of 2019.

The lower total relative to 2019 reflected, in part, the impact of hurricanes and tropical storms on the Louisiana casino gaming market.

In August and September, various Louisiana casinos were required to close for several days due to Hurricane Ida. An earlier hurricane in 2020 led to the permanent closure of one riverboat casino in Bossier City and the long-term closure of another after the owners of the Isle of Capri Casino Lake Charles decided to delay reopening until after construction of an adjacent land-based facility has been completed. The casino remained closed throughout 2021.

The varying impacts of tropical storms meant the different regions of Louisiana’s commercial casino gaming market experienced a somewhat uneven recovery in 2021.

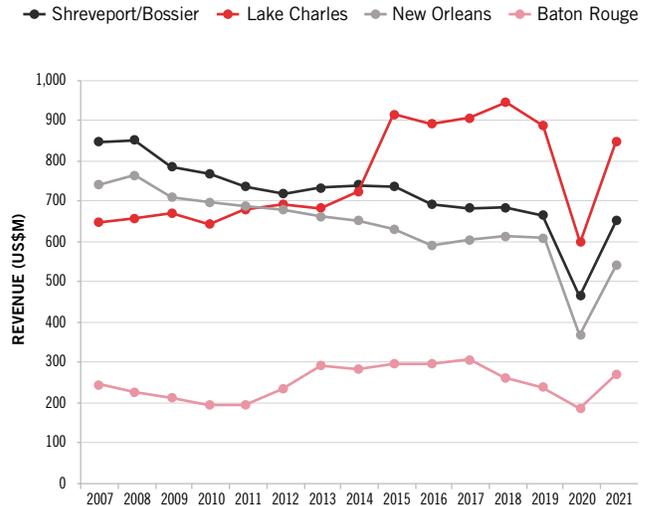
Casinos and racinos in the Greater New Orleans market reported combined revenue of \$534.0 million, up 46.8 percent, while those in the Baton Rouge region reported a revenue increase of 45.6 percent for a combined total of \$265.5 million.

The three riverboat casinos and one racino in the Lake Charles gaming market—the state’s largest—saw slightly slower revenue growth of 41.8 percent, reaching a total of \$842.7 million. Commercial casinos in the Shreveport/Bossier market reported combined revenue of \$645.7 million in 2021, up 40.0 percent on the previous year.

The Louisiana commercial casino gaming market’s overall revenue total for 2021 also included some \$10.1 million in revenue from legal sports betting, which launched in late October and was available at 11 commercial casinos by the end of the year.

## LOUISIANA CASINOS: ANNUAL GGR BY REGION 2007 to 2021

Although Louisiana commercial casino gaming revenue for 2021 was significantly ahead of the previous year, the Shreveport, Lake Charles, and New Orleans markets all reported lower annual revenue than in 2019—partly due to the impact of recent hurricanes and tropical storms.



SOURCE: Louisiana Gaming Control Board

## Gaming Tax Distribution

Revenue from each type of commercial casino establishment in Louisiana—riverboat casinos, racinos and the New Orleans land-based casino—is subject to a different tax structure.

Riverboat casinos pay a maximum effective tax rate of 27.5 percent, comprising a state gaming tax of 21.5 percent of revenue plus additional local taxes which vary according to location.

Racino revenue is taxed at an effective rate of about 36 percent. That rate comprises an 18 percent contribution to the Louisiana horse racing industry taken off the top, with the remaining revenue subject to a state tax of 18.5 percent and local taxes of 4 percent.

The New Orleans land-based casino pays the greater of either a 21.5 percent tax on gaming revenue or an annual fee of \$60 million. The land-based casino must also remit rent and various other payments to local authorities, as established under its operating contract.

Meanwhile, sports betting revenue is taxed at a rate of 10 percent for land-based sports wagering and 15 percent for online sports betting. Sportsbook operations are also subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2021, Louisiana's commercial casino gaming properties generated total gaming tax revenue of approximately \$573.1 million, up 36.0 percent from the previous year. In accordance with state law, the majority of gaming tax revenue is remitted to Louisiana's General Fund. From there, monies are appropriated at the direction of the legislature and used to pay for public education, public retirement systems, highway construction, and fire and police protection, among other things.

In addition, the state's horse racing industry received approximately \$62.1 million in 2021 from taxes on racinos' revenue from electronic gaming devices.

## Competitive Landscape

Louisiana's commercial casinos and racinos compete with five tribal casinos scattered throughout the state which offer a full range of casino gaming, including sports betting at three venues. There are also more than 12,000 electronic gaming devices offered in Louisiana at some 1,438 non-casino locations, such as bars, restaurants, truck stops, and off-track betting parlors. In 2021, total statewide revenue from electronic gaming devices in non-casino locations was \$839.2 million, up 50.9 percent from the previous year.

Casinos in southeastern Louisiana compete directly with commercial casinos in the Gulf Coast region of neighboring Mississippi that draw a significant proportion of their patrons from across the border, while those in the Lake Charles and Shreveport/Bossier regions have traditionally competed with tribal casinos in Oklahoma to attract players from Texas.

## Policy & Regulatory Review

### *Sports Betting*

In June, Gov. John Bel Edwards (D) signed a package of three bills to implement a November 2020 referendum and authorize sports betting in 55 of Louisiana's 64 parishes. The legislation authorized in-person sports betting at land-based sportsbook facilities within Louisiana commercial casinos and racinos. Casinos and racinos licensed to offer sports wagering are also eligible to deploy up to two online sports betting platforms, subject to geoblocking in the nine parishes that voted against legal sports betting. In addition, the Louisiana Lottery Corporation was authorized to operate its own online sports betting platform, as well as a network of sports betting kiosks in bars and other non-gaming locations.

In August, the Louisiana Gaming Control Board adopted specific regulations to govern sports wagering. The state's first sportsbook was opened in early October at a tribal casino, in accordance with provisions in Louisiana's tribal gaming compacts that authorize tribes to offer any form of gaming approved elsewhere in the state. Sportsbooks were opened later that month at two commercial casinos, with online sports betting expected to launch in early 2022.

### *Expansion*

Also in June, Gov. Edwards signed a separate bill to authorize electronic gaming devices based on historical horse races at Louisiana off-track wagering facilities. Among other restrictions, the bill limits facility operators to no more than 50 historical racing devices in total.

Gov. Edwards also signed another bill in June to authorize a new casino in St. Tammany Parish in eastern Louisiana. However, parish voters rejected the new casino planned for the city of Slidell in a referendum that was held in December.



# Maine

In 2021, total statewide commercial casino gaming revenue was \$146.9 million, more than double the total of the previous year and an all-time high for Maine’s two commercial casinos.

## NUMBER OF COMMERCIAL CASINOS

2

## CASINO FORMAT

Land-Based Casinos;  
Racinos

## REGULATORY AUTHORITY

Maine Gambling Control Board

## GROSS GAMING REVENUE 2021

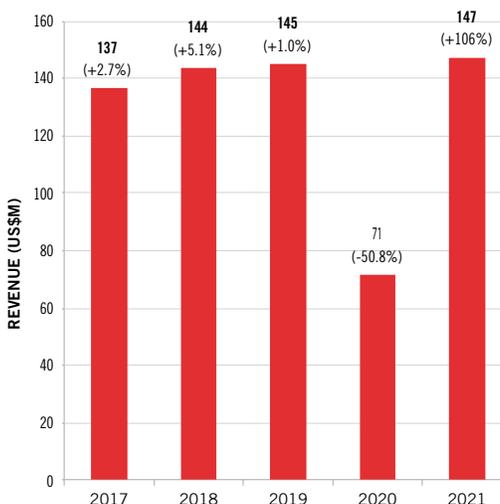
\$146.9M

## GAMING TAX REVENUE 2021

\$61.3M



### MAINE: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Maine Gambling Control Board

## Market Overview

Maine offers commercial casino gaming at one land-based casino-resort and one racino. Both properties offer electronic gaming devices and table games and are subject to oversight by the Maine Gambling Control Board and Gambling Control Unit.

Commercial casino gaming was first authorized in 2003 after voters approved a state-wide referendum allowing electronic gaming devices at Bangor Raceway—what is now Hollywood Casino Bangor. In 2011, Hollywood Casino received approval to add table games. Maine’s second casino, located in Oxford County, was authorized via a separate voter referendum held in 2010.

Under Maine’s regulatory framework, a maximum of two commercial casino gaming facilities may be operated after approval in a local referendum. There is also a statewide cap of 3,000 electronic gaming devices, with the allocation split evenly between the two properties.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was \$146.9 million.

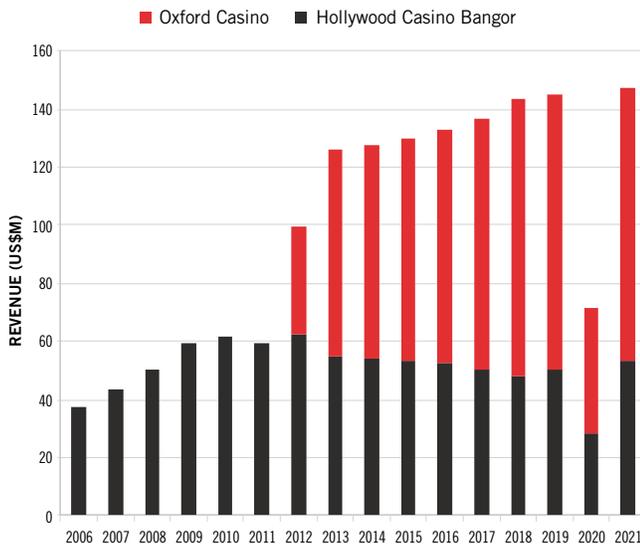
The total represented record revenue for Maine’s casinos, beating 2019’s \$145.2 million and was more than double the \$71.4 million reported in 2020, when casinos were shuttered for almost four months due to the pandemic and then subject to stringent reopening restrictions. Notably, until March 2021, casinos were able to accommodate no more than 200 guests at a time.

Electronic gaming devices at Maine’s two commercial casino properties generated a total of \$126.8 million in revenue in 2021, up 102.4 percent on the prior year. Table game revenue was \$20.1 million, up 130.9 percent.

Oxford Casino generated gaming revenue of \$93.2 million in 2021, up 116.6 percent relative to the previous year, while Hollywood Casino reported \$53.8 million in revenue, up 89.6 percent.

### MAINE: ANNUAL GAMING REVENUE BY CASINO 2006 to 2021

**Consistent with previous years, Oxford Casino accounted for the majority—roughly 63.4 percent—of total commercial casino gaming revenue in Maine in 2021.**



SOURCE: Maine Gambling Control Board

## Gaming Tax Distribution

Maine’s two commercial casinos are subject to different tax rates. Hollywood Casino, as a racino property, pays 39 percent of electronic gaming device revenue and 1 percent of electronic gaming device handle in taxes, while Oxford Casino, as a standalone casino, is subject to a tax rate of 46 percent of electronic gaming device revenue. Both casinos pay 16 percent of their table game revenue in taxes.

In 2021, Maine’s commercial casinos generated total gaming tax revenue of \$61.3 million, more than double that of the prior year.

The biggest recipients of gaming tax dollars in Maine are the state’s Department of Education to support K-12 school programs, scholarship programs to state and community colleges, and a state fund established in 2000 to provide prevention-related services and other healthcare programs for Maine families. Gaming tax revenue is also distributed to support the state’s horse racing industry, agricultural programs, and the local governments that host commercial casinos.

## Competitive Landscape

Maine’s commercial casinos operate at the outer edge of a New England market that includes commercial and tribal casino-resorts in Connecticut, Massachusetts, and Rhode Island.

Following the opening of Encore Boston Harbor in Massachusetts in 2019, there is limited new regional competition on the horizon in terms of casino-resorts, although electronic gaming devices based on historical horse races were authorized for charitable gaming locations in New Hampshire in 2021.

While there are currently no tribal casinos in Maine, several tribes have sought approval from state lawmakers and voters, via a referendum, to build casinos on reservation land. All of these efforts have so far been unsuccessful.

## Policy & Regulatory Review

### *Sports Betting*

After legislation was vetoed by Gov. Janet Mills (D) in 2020, Maine lawmakers tried again to legalize sports betting in 2021.

Revised legislation to authorize land-based and online sports betting was approved by the House and Senate in June 2021 during a special session of the state legislature. However, the bill remained pending before a committee at the end of the session in July, with further action required due to changes made by the House to amend the Senate's version of the bill.

One notable difference between the bill vetoed by Gov. Mills and the 2021 version was a requirement for online sports betting platforms to be affiliated with Oxford Casino, Hollywood Casino Bangor, a federally recognized Indian tribe, or a Maine off-track wagering facility.

### *Tribal Gaming*

In June, Gov. Mills vetoed legislation that would have permitted Maine's three federally recognized sovereign tribal nations to offer gaming on their lands pursuant to the 1988 Indian Gaming Regulatory Act.

Maine lawmakers have for many years been asked to consider legislation to authorize tribal gaming and a bill was passed by both the House and Senate in June to amend the 1980 state law that currently disallows it.

In a veto letter, Gov. Mills said she does support the rights of sovereign tribal nations to conduct gaming but that the structure of the legislation approved by lawmakers was likely to result in litigation. The governor also cited concerns that the bill would establish no restrictions of any kind on tribal gaming in Maine.



# Maryland

In 2021, total statewide commercial casino gaming revenue was \$1.93 billion, up 57.1 percent. The total included revenue contributions from legal sports betting, which was launched at Maryland casinos in December.

## NUMBER OF COMMERCIAL CASINOS

6

## CASINO FORMAT

Land-Based Casinos;  
Racinos

## NOTABLE FORMS OF GAMING

Sports Betting

## REGULATORY AUTHORITY

Maryland Lottery and Gaming Control Agency;  
Maryland Lottery and Gaming Control Commission

## GROSS GAMING REVENUE 2021

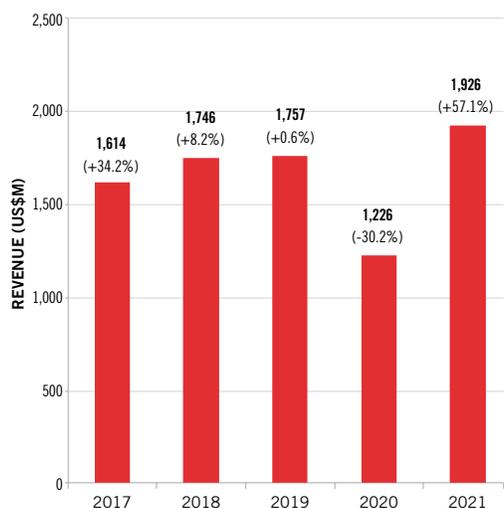
\$1.93B

## GAMING TAX REVENUE 2021

\$814.4M



## MARYLAND: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Maryland Lottery and Gaming Control Agency

## Market Overview

Maryland offers commercial casino gaming at five land-based casinos and one racino, each of which is eligible to operate electronic gaming devices, table games and sports betting. The casinos are regulated by the Maryland Lottery and Gaming Control Agency and Maryland Lottery and Gaming Control Commission.

Commercial casino gaming was first approved in 2008 when Maryland voters passed a constitutional amendment allowing a total of five casinos limited to electronic gaming devices. The market expanded in 2012 when lawmakers and voters authorized table games at all casino properties, as well as a license for a sixth commercial casino in Prince George's County, near Washington D.C. Sports betting was approved by state voters in 2020 and authorized via a state law enacted in May 2021.

## Market Performance

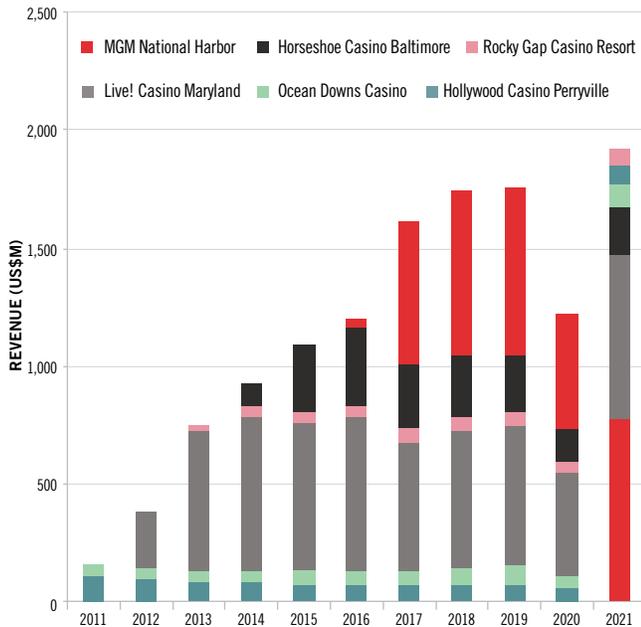
In 2021, total statewide commercial casino gaming revenue was a record \$1.93 billion, up 57.1 percent versus 2020 and 9.6 percent compared to the pre-pandemic year of 2019.

Statewide revenue from electronic gaming devices was \$1.30 billion, up 62.8 percent relative to 2020, while revenue from table games was \$622.9 million, up 45.7 percent.

The \$1.93 billion total also included some \$3.2 million in revenue from the first month of legal sports betting in Maryland. Retail sportsbook operations commenced at five of the state's six casinos in mid-December.

### MARYLAND: GAMING REVENUE BY CASINO 2011 to 2021

**In MGM National Harbor near Washington D.C. and Live! Casino on the Baltimore-Washington corridor, Maryland was home to the second and third highest grossing casinos outside of Nevada in 2021—trailing only Resorts World New York City in Queens.**



SOURCE: Maryland Lottery

## Gaming Tax Distribution

Maryland's commercial casinos pay some of the country's highest tax rates on proceeds from electronic gaming devices—between 40 and 61 percent, depending on the specific casino.

Meanwhile, table games are taxed at 20 percent. In addition to taxes on revenue, casinos must pay an annual assessment of \$425 per electronic gaming device and \$500 per table game to help fund responsible gambling programs.

In 2021, Maryland's commercial casinos generated total gaming tax revenue of \$814.4 million, up 60.4 percent from 2020.

Of the gaming tax total, approximately \$591.6 million was distributed to Maryland's Education Trust Fund, which supports public education and construction of new schools, including public colleges, throughout the state. In addition, approximately \$101.7 million was distributed in the form of local impact grants and other contributions to local governments.

The remaining tax revenue supported the state's horse racing industry, responsible gaming initiatives, and minority- or women-owned businesses.

## Competitive Landscape

Maryland's six commercial casinos operate in a competitive Mid-Atlantic region that includes properties in Delaware, eastern Pennsylvania, and New Jersey. The state's three largest casinos—MGM National Harbor, Live! Casino, and Horseshoe Casino Baltimore—also compete directly with Hollywood Casino in Charles Town, West Virginia, for customers in the populous Baltimore–Washington D.C. metro area.

The MGM, Live!, and Horseshoe casinos also compete for sports betting patrons with sportsbooks at Washington D.C.'s Capital One Arena and Nationals Park, sports betting operations in local bars, and with online betting platforms in Virginia and Washington, D.C.

## Policy & Regulatory Review

### *Sports Betting*

In 2020, Maryland voters approved a referendum on sports betting and Gov. Larry Hogan (R) signed a bill in May 2021 enabling wagering at Maryland's six commercial casinos, three major league sports stadiums, licensed racetracks, certain off-track betting facilities, and at large charitable bingo venues. Up to 30 additional retail sports wagering licenses are available for other locations, along with a maximum of 60 licenses for online sports betting.

The state law also created an independent nine-member Sports Wagering Application Review Commission to review applications for sports betting licenses and award them to qualified applicants based on criteria that will include ensuring adequate representation by minority- and women-owned businesses in Maryland's sports betting market.

The Maryland Lottery and Gaming Control Commission approved sports betting regulations on an emergency basis in July, while SWARC awarded the state's first licenses to five of Maryland's commercial casinos in November. Sports betting operations began one month later.



# Massachusetts

In 2021, total statewide commercial casino gaming revenue was \$1.02 billion, up 84.9 percent from 2020 and reflecting a first full year of operations at the Encore Boston Harbor casino-resort.

## NUMBER OF COMMERCIAL CASINOS

3

## CASINO FORMAT

Land-Based Casinos;  
Racinos

## REGULATORY AUTHORITY

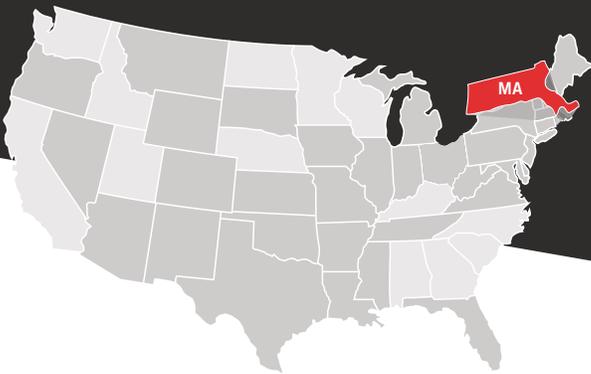
Massachusetts  
Gaming Commission

## GROSS GAMING REVENUE 2021

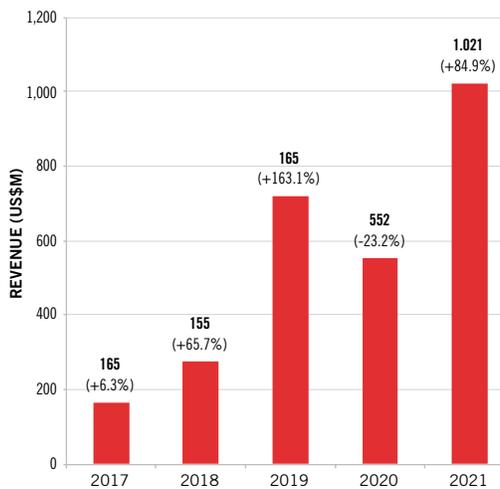
\$1.02B

## GAMING TAX REVENUE 2021

\$288.6M



## MASSACHUSETTS: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Massachusetts Gaming Commission

## Market Overview

Massachusetts offers commercial casino gaming at two casino-resorts operating electronic gaming devices and table games and at one racino, which is restricted to electronic gaming devices.

Casino gaming was legalized in 2011 when the legislature passed a law authorizing commercial gaming at three casino-resorts in different regions of the state, plus an additional “Category 2” facility limited to electronic gaming devices. The law also established the Massachusetts Gaming Commission to issue licenses for the four properties and to regulate their operations.

Massachusetts’ Category 2 casino was opened alongside Plainridge Park, a harness racing track in Plainville, in 2015. The MGM Springfield and Encore Boston Harbor casino-resorts opened in 2018 and 2019, respectively.

The license for Massachusetts’ fourth and final casino was designated under the 2011 law for the Mashpee Wampanoag Tribe to develop a tribal casino in the southeastern region of the state. The project has stalled, however, due to successful legal challenges, while the Massachusetts Gaming Commission has so far declined to move forward with licensing an alternative commercial casino project in the same region.

## Market Performance

In 2021, total statewide commercial gaming revenue was \$1.02 billion, an increase of 84.9 percent from 2020 and 42.1 percent from 2019.

The record total reflected the full reopening of Massachusetts' commercial casinos after the pandemic-related shutdowns of 2020, as well as a first full year of uninterrupted operations at Wynn Resorts' Encore Boston Harbor casino-resort, which opened in June 2019.

In May 2021, the Massachusetts Gaming Commission voted to lift all pandemic restrictions applied to commercial casinos, having initially restricted their operating capacity and applied limits to table games after the casinos were first permitted to reopen in July 2020.

Statewide revenue from electronic gaming devices in 2021 was \$690.9 million, up 88.9 percent against 2020's total. Table game revenue was \$329.9 million, up 77.1 percent.

Encore Boston Harbor accounted for \$634.4 million, or more than 62 percent, of total statewide gaming revenue in 2021. The casino-resort's revenue total was up 91.3 percent versus 2020. While MGM Springfield and Plainridge Park also reported revenue growth compared with 2020, both casinos' annual revenue was lower than that of 2019, when the Encore Boston Harbor resort was open for just half the year.

## Gaming Tax Distribution

When Massachusetts authorized commercial casino gaming in 2011 it established different tax rates for its Category 1 and Category 2 licensees.

Whereas Plainridge Park, which holds the Category 2 license, is subject to a 49 percent tax on electronic gaming device revenue, MGM Springfield and Encore Boston Harbor are subject to a lower rate of 25 percent on both electronic gaming device and table game revenue. The lower overall rate reflects, in part, the greater staff cost involved in the hosting of live table games, as well as the larger amounts Category 1 licensees were required to invest to develop their casino-resorts. In addition to the taxes on revenue, all commercial casino facilities must pay a \$600 annual fee for each of their electronic gaming devices.

In 2021, Massachusetts' three commercial casinos generated total gaming tax revenue of \$288.6 million, up 83.0 percent from 2020.

Of this amount, approximately \$100 million was distributed to Massachusetts' Gaming Local Aid Fund, which was created under the 2011 gaming law to help support the budgetary needs of city and town governments across the state.

Some 82 percent of gaming tax revenue generated by Plainridge Park is distributed to the local aid fund, with the remainder going toward the Massachusetts horse racing industry.

Tax revenue from Massachusetts' casino-resorts is more broadly distributed. While the Gaming Local Aid Fund receives the largest slice of casino-resort tax revenue, other major beneficiaries include transportation and infrastructure projects, K–12 and higher education programs, and a statewide economic development fund.

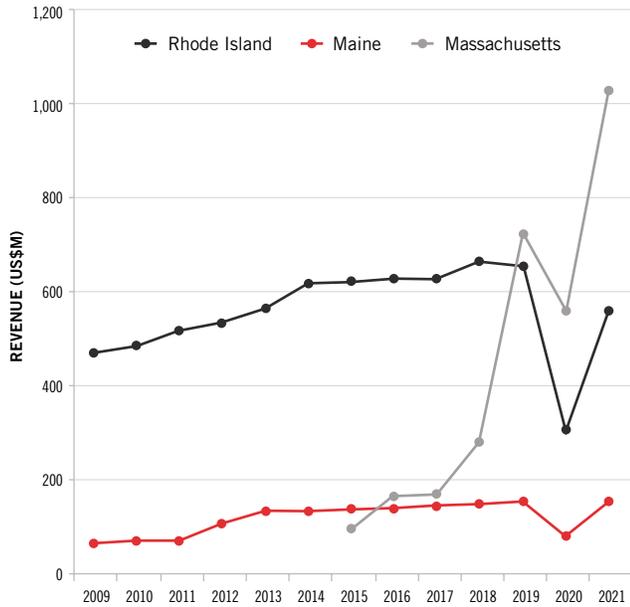
## Competitive Landscape

Massachusetts' three commercial casinos operate in a fiercely competitive New England gaming market that also includes several large-scale commercial and tribal casinos in neighboring Connecticut and Rhode Island that have traditionally drawn a significant proportion of their customers from the Bay State.

Massachusetts is also nearly surrounded by states with legal sports betting after both Connecticut and New York passed new laws in 2021 to authorize mobile sports wagering. Further competitive challenges are on the horizon in the shape of lawful internet gaming in Connecticut and electronic gaming devices based on historical horse races at charitable gaming locations in New Hampshire, both of which were also legalized in 2021.

**NEW ENGLAND STATES: ANNUAL GAMING REVENUE  
2009 to 2021**

**Boosted by the opening of Encore Boston Harbor in mid-2019, Massachusetts has been the fastest growing commercial casino gaming state over the past two years and further solidified its positions as the largest market in New England in 2021.**



SOURCE: State Gaming Commissions

**Policy & Regulatory Review  
*Sports Betting***

In a case of *deja vu* from 2020, the Massachusetts House of Representatives passed legislation to authorize sports betting in 2021 only for the measure to then stall in the state Senate.

In July, House members voted 156-3 to approve a bill authorizing statewide online sports betting as well as physical sportsbooks at the state’s three commercial casinos and two racing simulcast facilities.

Several alternative proposals were introduced in the Senate earlier in the year, but none were voted on before lawmakers adjourned for the year. Key sticking points in the Senate include potential restrictions on college sports betting, the tax rate, and whether to allow sports betting at sports stadiums or at bars and other non-gaming retail locations.

In June, the Massachusetts Gaming Commission published two white papers addressing the legal landscape for sports betting in the U.S. as well as the potential application of the state’s responsible gaming standards to sports wagering.

***Tribal Gaming***

The Mashpee Wampanoag’s years-long quest to open a tribal casino gaming facility in Massachusetts took another twist at the end of 2021.

In December, the U.S. Department of Interior published a decision supporting the rights of the federal government to take land into trust on behalf of the tribe and of the Mashpee tribe to conduct gaming on the land in accordance with 1988’s Indian Gaming Regulatory Act.

The ruling reversed an earlier decision of 2018 to take land in Taunton in southeastern Massachusetts out of federal trust in the wake of a successful 2016 legal challenge brought by local residents. The U.S. Court of Appeals upheld that ruling in 2020.

The U.S. Supreme Court has previously held that a separate federal law entitles tribes to obtain trust lands only if they were recognized by the federal government at the time the law was passed in 1934. The Mashpee Wampanoag tribe was not formally recognized until 2007.

Litigation is set to continue in 2022 and while the Mashpee tribe has formerly planned to develop a billion-dollar casino-resort in southeastern Massachusetts, tribal officials suggested in late 2021 that the tribe may instead pursue a much smaller project limited to so-called Class II electronic gaming devices that would not require a compact or revenue-sharing with the state.



# Michigan

In 2021, total statewide commercial casino gaming revenue reached a record \$2.70 billion as Michigan immediately established itself as one of the largest regulated internet gaming markets in the world.

## NUMBER OF COMMERCIAL CASINOS

3

## CASINO FORMAT

Land-Based Casinos

## NOTABLE FORMS OF GAMING

Sports Betting;  
Internet Gaming

## REGULATORY AUTHORITY

Michigan Gaming Control Board

## GROSS GAMING REVENUE 2021

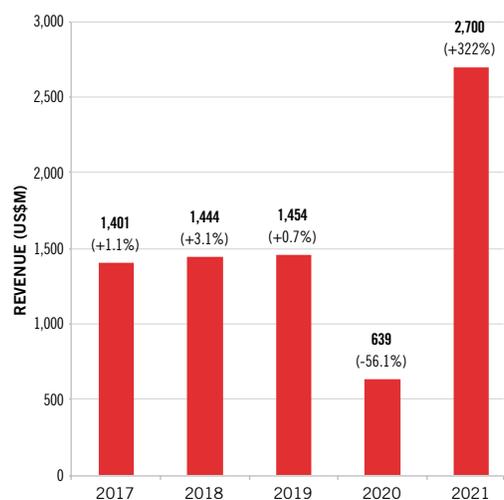
\$2.70B

## GAMING TAX REVENUE 2021

\$607.6M



## MICHIGAN: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Michigan Gaming Control Board

## Market Overview

Michigan offers commercial casino gaming at three land-based casinos, each of which operates electronic gaming devices, table games, and sports betting. The casinos are regulated by the Michigan Gaming Control Board (MGCB).

Commercial casinos were first authorized in 1996, when Michigan voters approved an initiative permitting a maximum of three casinos in Detroit.

In December 2019, lawmakers authorized the state's commercial casinos and 12 recognized Indian tribes to offer statewide online sports betting and internet gaming. Online gaming commenced in January 2021. By the end of the year, a total of 14 internet casinos and accompanying online sportsbook platforms were operational.

## Market Performance

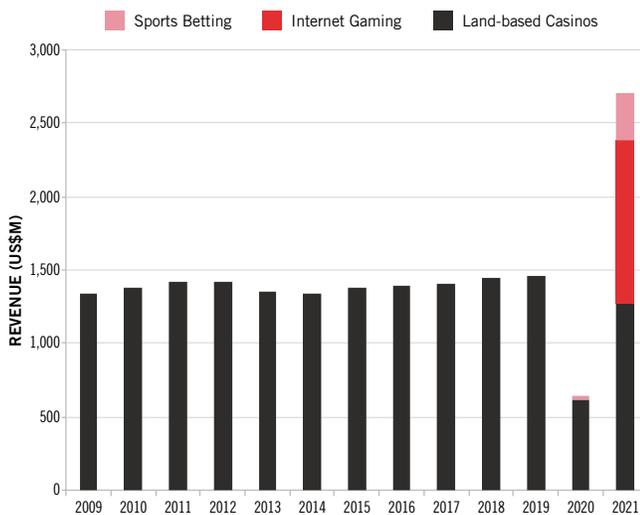
In 2021, total statewide commercial casino gaming revenue was \$2.70 billion, a more than four-fold increase from 2020's total of \$638.7 million and up 85.7 percent versus 2019.

The record total largely reflected the impressive launch of internet gaming in Michigan. Total internet gaming revenue as reported by the state's 14 online casino platforms since the market's launch on January 22 was \$1.11 billion. Online sports betting revenue was \$292.2 million.

After reopening in late December 2020 following a second COVID-19 shutdown order, Detroit's trio of land-based commercial casinos reported \$1.27 billion in revenue in 2021 from traditional electronic gaming devices and table games in their facilities, an increase of 104.2 percent from the previous year. The three casinos also reported land-based sports betting revenue of \$27.3 million, up 49.6 percent versus 2020.

### MICHIGAN: COMMERCIAL GAMING REVENUE 2009 to 2021

**Michigan's internet gaming market immediately established itself as one of the largest in the world in 2021, with the state's 14 licensed internet casinos reporting total revenue of more than \$1.11 billion in their first 11 and a half months of operation.**



SOURCE: Michigan Gaming Control Board

## Gaming Tax Distribution

Land-based casino gaming revenue is taxed at 19 percent for electronic gaming devices and table games, with 10.9 percent directed to the host city (Detroit) and 8.1 percent allocated for the state. Revenue from land-based sports betting is subject to an effective tax rate of 8.4 percent, including 3.8 percent in state tax and 4.6 percent allocated to the City of Detroit. In addition to revenue-based taxes, casinos are required to remit annual services fees to state and municipal governments.

Revenue from internet gaming is subjected to a graduated tax rate that ranges from 20 percent on revenue less than \$4 million, to 28 percent on revenue exceeding \$12 million, with limited deductions from promotional credits offered to patrons. Internet casinos affiliated with the three Detroit commercial casinos are also required to pay a municipal fee of 1.25 percent.

Revenue from online sports betting is taxed at 8.4 percent, applied after deductions of free bets and other bonuses and promotions. Online sportsbooks affiliated with the Detroit casinos pay the same additional 1.25 percent municipal tax as internet gaming. Both online and land-based sports betting operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2021, Michigan's three commercial casinos and its regulated internet gaming and online sports betting platforms generated estimated total gaming tax revenue of approximately \$607.6 million, up 248.5 percent from 2020. Of this amount, approximately \$348.9 million was remitted to the state, with \$236.3 million going to the Detroit city government. A further \$22.4 million in internet gaming taxes was remitted to tribal governments.

The City of Detroit uses the gaming taxes it receives to fund a variety of public needs, including law enforcement, public safety programs, economic development and job creation programs, anti-gang and youth development programs, tax relief, and infrastructure improvements. Most gaming tax revenue that the state receives is allocated to the Michigan School Aid Fund, which benefits K-12 public education. Additional portions of tax revenue generated by internet gaming are appropriated for first-responder programs and problem gambling services.

## Competitive Landscape

In addition to commercial casinos in Detroit, Michigan's broader gaming market includes 23 tribal casinos operated by 12 sovereign tribal nations, which are located throughout the state. The three commercial casinos also compete directly with a casino-resort in Windsor, Ontario located on the opposite bank of the Detroit River.

Due to a state constitutional amendment passed in 2004, any new commercial casino gaming facility, or the addition of electronic gaming devices at existing venues such as racetracks, must first receive the approval of a majority of voters both statewide and in the locality where gaming will take place.

## Policy & Regulatory Review

### *Internet Gaming*

After immediately joining New Jersey and Pennsylvania as a major regulated internet gaming market on a global scale upon its launch in late January, Michigan's online casino platforms received authorization in July to add streamed live dealer casino games to their offerings.

Unlike digital representations of electronic gaming devices or table games, live dealer games allow a patron to wager on a table game being played in a studio facility and watch the outcome of the game via an internet gaming platform.

In April, the Michigan Gaming Control Board issued a bulletin to outline technical requirements and various security and other protocols related to live dealer internet gaming.

### *Expansion*

In November, Michigan's Senate passed a bill to authorize electronic gaming devices based on the outcome of historical horse races at the state's racetracks, subject to local approval.

The bill would require revenue from pari-mutuel wagering on historical horse racing devices to be taxed at the same 19 percent rate applied to Detroit commercial casinos. The measure would also allow Michigan's online sports betting operators to obtain a license to facilitate wagering on horse racing via their platforms.

Despite approval by the Senate, the bill was not taken up by the House before lawmakers adjourned at the end of the year. A similar bill was also passed by the Senate in 2019 but expired in the House.

In 2021, Louisiana and New Hampshire also approved legislation to authorize historical horse racing devices, which are currently offered in Kentucky, Virginia, and a handful of other states.

## *Regulatory Reform*

In June, the MGCB adopted a resolution to ease the regulatory burden on non-gaming vendors seeking to do business with Michigan's commercial casinos.

Under the resolution, companies providing goods or services that are not directly related to gaming activities only need to apply for a license from the MGCB if they receive more than \$100,000 in a 12-month period. The prior limit was \$50,000.

Further, marketing service providers or other non-gaming vendors already registered to do business with Michigan's internet gaming or online sports betting platforms were exempted from the licensing requirement if they provide less than \$400,000 worth of goods or services to any of Detroit's three land-based commercial casinos.



# Mississippi

In 2021, total statewide commercial casino gaming revenue was \$2.67 billion, Mississippi's highest annual total since 2008.

## NUMBER OF COMMERCIAL CASINOS

26

## REGULATORY AUTHORITY

Mississippi Gaming Commission

## CASINO FORMAT

Land-Based Casinos;  
Riverboat Casinos

## GROSS GAMING REVENUE 2021

\$2.67B

## NOTABLE FORMS OF GAMING

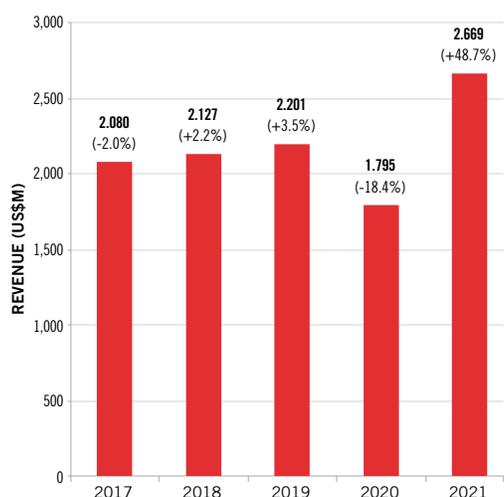
Sports Betting

## GAMING TAX REVENUE 2021

\$311.5M



## MISSISSIPPI: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Mississippi Gaming Commission

## Market Overview

Mississippi offers commercial casino gaming at 26 land-based and riverboat casinos located along the Mississippi River and the Gulf Coast. The casinos, which offer electronic gaming devices, table games, and sports betting, are regulated by the Mississippi Gaming Commission.

The Mississippi legislature first authorized casino gaming in 1990, strictly limiting it to facilities docked on waterways. After Hurricane Katrina in 2005, the legislature passed a new law authorizing commercial casinos on the state's Gulf Coast to rebuild on dry land so long as those casinos remained within 800 feet of the water. Casinos began offering sports betting in August 2018.

While there is no statutory limit on the number of commercial casinos that can be established in Mississippi, casino projects must meet certain minimum criteria in order to receive a license.

## Market Performance

In 2021, Mississippi's commercial casinos generated total gaming revenue of \$2.67 billion, up 48.7 percent versus 2020 and 21.3 percent from the pre-pandemic 2019. It was the Mississippi commercial casino gaming market's highest annual revenue total since 2008 and came despite the closure of most Gulf Coast casinos for several days in August due to Hurricane Ida.

Total statewide revenue from electronic gaming devices as reported by the Mississippi Gaming Commission was \$2.18 billion, up 49.9 percent versus 2020, while table game revenue was \$368.0 million, up 39.2 percent. Sports betting revenue was a record \$65.9 million, an increase of 50.6 percent on the prior year.

The Mississippi market's strong recovery was shared by the state's dozen commercial casinos situated on the Gulf Coast and by its riverboat casinos in the Mississippi River market. Gulf Coast casinos reported record gaming revenue of \$1.61 billion in 2021, up 48.9 percent against 2020, while casinos on the Mississippi River reported gaming revenue of \$1.06 billion, up 47.9 percent and their highest total since 2013.

## Gaming Tax Distribution

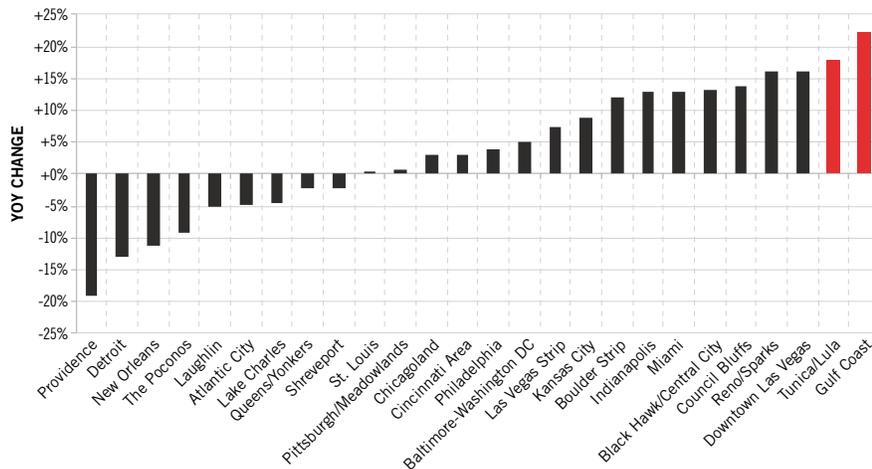
Mississippi imposes a graduated tax based on monthly gaming revenue. Casinos pay a 4 percent tax on gross gaming revenue that falls below \$50,000 per month; 6 percent on revenue between \$50,000 and \$134,000 per month; and 8 percent on gaming revenue exceeding \$134,000.

In addition, each of the local Mississippi municipalities that host commercial casinos charge an additional annual license fee at an average rate of 3-4 percent of gaming revenue. Revenue from sports wagering is taxed at the same state and local rates as revenue from traditional casino games. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2021, Mississippi commercial casinos generated approximately \$311.5 million in direct gaming tax revenue, an increase of 45.7 percent versus 2020, according to statistics collected by the Mississippi Gaming Commission.

### USA: TWO-YEAR COMMERCIAL CASINO GGR GROWTH BY MARKET 2021 vs 2019

In 2021, Mississippi's Gulf Coast and Tunica/Lula regions were the two fastest growing commercial casino gaming markets in the country when compared to pre-pandemic revenue totals for 2019.



\*GGR excludes contributions from sports betting and online gaming

SOURCE: State Gaming Commissions

Of that amount, approximately \$171.6 million was distributed to Mississippi's General Fund. The General Fund is used to support various state budgetary needs, including education programs, transportation, local public safety programs, and social welfare initiatives.

Some \$103.9 million worth of gaming tax revenue in 2021 was transferred to local governments that host casinos. A further \$36 million was allocated for Mississippi's Special Bond Sinking Fund, which is mainly used to pay for improvements to state roads and bridges.

## Competitive Landscape

Mississippi's commercial casinos compete in a crowded statewide gaming market that also includes three tribal casinos owned by the Mississippi Band of Choctaw Indians. Unlike the 26 commercial properties along the Gulf Coast and the Mississippi River, the three tribal casinos are located in the middle of the state near Jackson, the state's largest city.

Commercial casino operators also face significant competition from properties in neighboring states. Mississippi casinos in the Tunica/Lula market compete directly with Arkansas' Southland Casino Racing racino for patrons from the Memphis area. Meanwhile, Mississippi Gulf Coast casinos compete with various casinos in Louisiana. While the ability of Mississippi casinos since 2018 to offer sports betting had given them a competitive edge, Louisiana casinos were able to launch sportsbook operations in November 2021, with statewide mobile sports wagering set to follow in early 2022.

## Policy & Regulatory Review

### *Sports Betting*

Mississippi saw several bills to legalize online sports betting once again fail to gain traction in 2021, despite expanding regional competition.

Unlike other states, Mississippi did not have to pass a specific law to authorize sports betting in the wake of May 2018's U.S. Supreme Court ruling; instead, sports wagering was interpreted to fall under the broader range of gaming activities already permitted by the state's casino gaming statute.

A series of bills introduced in the House and Senate in early 2021 would have authorized commercial casinos to operate statewide online sports betting, rather than remaining confined to wagers placed by players only while on-property. Neither the House nor Senate legislation received a vote before the deadline to advance the bill out of committee.

The demise of Mississippi's legislation came a few months before the Louisiana legislature in June 2021 passed a much broader sports betting law to permit wagers not only at land-based casinos, but also via patrons' mobile devices and through kiosks in bars and other locations. In December, gaming regulators in neighboring Arkansas approved new rules to authorize statewide online sports betting as well.



# Missouri

In 2021, total statewide commercial casino gaming revenue was a record \$1.90 billion, up 50.1 percent from 2020. The increased revenue came despite fewer overall visits to Missouri casinos than in the years prior to the pandemic.

**NUMBER OF COMMERCIAL CASINOS**

**13**

**CASINO FORMAT**

Riverboat Casinos

**REGULATORY AUTHORITY**

Missouri Gaming Commission

**GROSS GAMING REVENUE 2021**

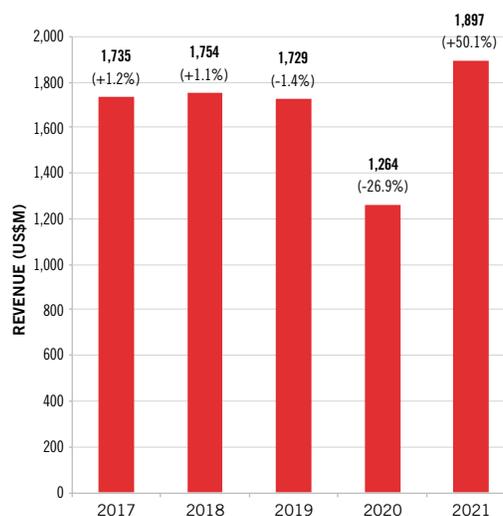
**\$1.90B**

**GAMING TAX REVENUE 2021**

**\$458.8M**



## MISSOURI: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Missouri Gaming Commission

## Market Overview

Missouri offers commercial casino gaming at 13 riverboat casinos, each of which operates electronic gaming devices and table games. The casinos are regulated by the Missouri Gaming Commission.

In 1992, Missouri voters approved a constitutional amendment to allow “gambling excursion boats” on the Missouri and Mississippi Rivers, subject to approval from voters in casinos’ host communities. In accordance with a 2008 state constitutional amendment, no additional commercial casinos can be added to the Missouri market beyond the initial 13 properties without the approval of voters via a statewide constitutional referendum.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was a record \$1.90 billion, up 50.1 percent versus the previous year and 9.7 percent compared to 2019.

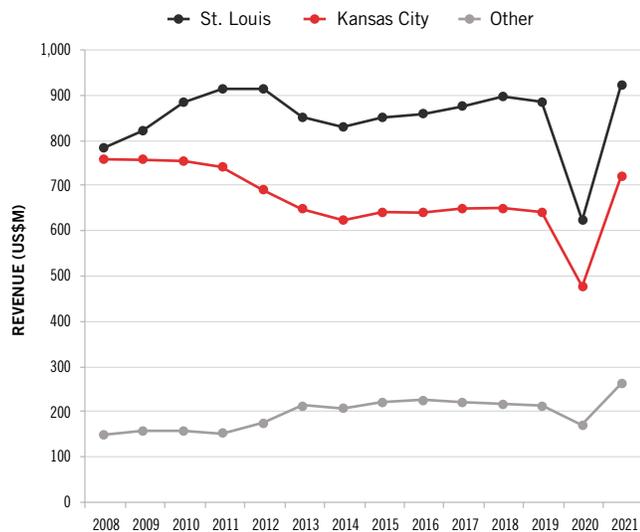
Statewide revenue from electronic gaming devices was \$1.64 billion, up 50.6 percent versus 2020, while table game revenue was \$252.7 million, up 46.6 percent.

The state's record annual revenue total was achieved with significantly fewer admissions to Missouri's commercial casinos in 2021 relative to the pre-pandemic years of 2019 and 2018. Casinos admitted some 30.2 million patrons in 2021, compared to 36.7 million in 2019, meaning patrons spent more per visit in 2021 than they did in the years prior to the pandemic.

### MISSOURI CASINOS: ANNUAL GAMING REVENUE BY AREA

2008 to 2021

Missouri's commercial casino gaming industry is dominated by properties that serve the Greater St. Louis and Kansas City markets, which together accounted for more than 86 percent of total statewide casino gaming revenue in 2021.



SOURCE: Missouri Gaming Commission

## Gaming Tax Distribution

Missouri commercial casino gaming revenue is taxed at 21 percent. Additionally, there is a \$2 admission fee for every two hours that each patron is on board a riverboat.

In 2021, Missouri's commercial casinos generated total gaming tax revenue of \$458.8 million, including admissions fees, an increase of 48.3 percent versus the previous year.

The majority of gaming tax revenue, approximately \$358.5 million in 2021, is reserved for Missouri's Gaming Proceeds for Education Fund. The fund was created by the Missouri legislature in 1993 and distributes funds annually to statewide education programs.

Elsewhere, approximately \$70 million in gaming taxes and admissions fees were paid to local governments that host Missouri's casinos, while some \$30 million was set aside for additional social causes, including responsible gaming initiatives that are supported by a state gaming fund.

## Competitive Landscape

Missouri's commercial casinos face significant and expanding out-of-state competition. The state's trio of casinos in the Kansas City area compete directly with a fourth casino in Kansas City, Kansas, while properties in the St. Louis market compete with two casinos in East St. Louis and Alton, Illinois.

Under a sweeping 2019 gaming expansion bill passed in Illinois, the St. Louis casinos are set to face additional competition in the form of electronic gaming devices and table games at the FanDuel Sportsbook & Horse Racing facility at Fairmount Park racetrack. A new Illinois casino is also authorized in Williamson County, roughly 60 miles from Missouri's Century Casino Cape Girardeau.

## Policy & Regulatory Review

### *Expansion*

Though the legislature considered a series of bills related to sports betting and electronic gaming devices in 2021, none were passed.

Sports betting bills were passed out of House and Senate committees but never brought up for a vote on the floor of either chamber before lawmakers adjourned in May.

Legislation to authorize a network of legal electronic gaming devices (specifically video lottery terminals, or VLTs) in retail locations under the authority of the Missouri Lottery similarly was approved by committees but not on the House or Senate floor. Missouri commercial casino operators voiced support for legal sports betting but are opposed to VLTs because of concerns that they would cannibalize commercial casino gaming revenue.

The VLT measure would be a policy response to the proliferation of unregulated electronic gaming devices in gas stations and other locations across Missouri over recent years, which operators claim do not violate state gambling laws because games offered by the devices are allegedly based in part on player skill.

Further bills to tighten Missouri gambling laws to prohibit such devices were similarly approved by legislative committees in 2021 but, again, did not pass either the House or Senate.

Policy discussions on all three issues—sports betting, VLTs and illegal gaming devices—are expected to resume in 2022.



# Montana

The Montana Lottery reported total sports betting revenue of approximately \$6.4 million in 2021, the first full year of lawful sports wagering in the state.

## NUMBER OF COMMERCIAL CASINOS

0

## CASINO FORMAT

N/A

## NOTABLE FORMS OF GAMING

Sports Betting

## REGULATORY AUTHORITY

Montana Lottery Commission

## GROSS GAMING REVENUE 2021

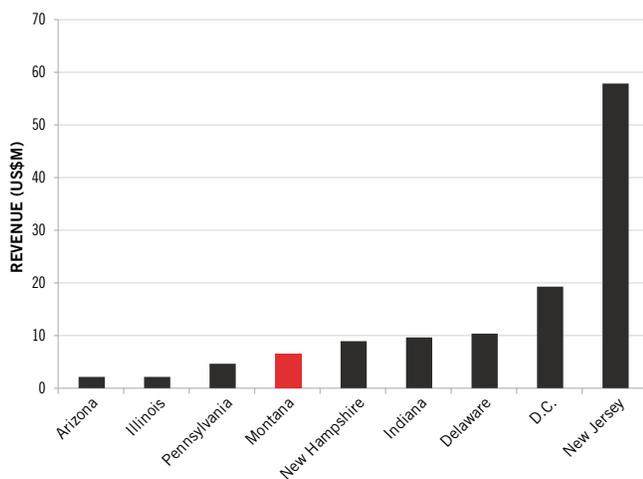
\$6.4M

## GAMING TAX REVENUE 2021

\$1.2M



## UNITED STATES: NON-CASINO RETAIL SPORTSBOOK GGR BY STATE 2021



\*Data excludes revenue from sportsbooks located at casinos/racinos

SOURCE: State Gaming Regulatory Agencies

## Market Overview

Montana has no commercial casino venues but offers sports betting through a network of sports wagering kiosks operated by the Montana Lottery.

A May 2019 state law authorized the Montana Lottery to operate sports wagering via electronic devices and mobile applications available on the premises of approved retail locations that are already licensed to host limited-stakes electronic gaming devices, charitable gaming, or bingo. Sports betting is regulated by the Montana Lottery Commission.

## Market Performance

In 2021, total sports betting revenue was approximately \$6.4 million, according to the Montana Lottery.

That was nearly triple the total from 2020 when the initial rollout of sports betting kiosks in March was severely disrupted by the onset of COVID-19, forcing bars and other host locations to close for a six-week period and postponing major sporting events.

Sports betting also became more widely available in 2021, with more than 450 locations hosting the Montana Lottery's sports wagering kiosks at the close of the year versus around 300 at the end of 2020.

## Gaming Tax Distribution

Sports betting operated by the Montana Lottery is not subject to taxation per se; instead, the lottery returns all net revenue after operating expenses, including marketing and technology costs and retailer commissions, to specific programs as determined by the state legislature. As sports betting is operated directly by the state, it is not subject to the 0.25 percent federal excise tax applied to commercial operators' wagering handle.

In 2021, sports betting generated profits for the Montana Lottery of approximately \$1.2 million. Under state law, all net profits generated by the Montana Lottery are distributed either to the state's General Fund or to a scholarship fund to prepare high school students for degrees in science, technology, engineering, and healthcare.

## Competitive Landscape

In addition to sports betting, Montana's wider gaming market includes 15 tribal casinos and three horse racetracks. Licensed bars and charitable gaming locations can also be licensed to offer limited card games, bingo, charitable sports pools, and up to 20 limited-stakes electronic gaming devices.

Montana's status as the only state in the upper Great Plains region with legal sports betting ended in 2021 when South Dakota authorized sports wagering at commercial casinos in the city of Deadwood, located roughly 65 miles from the Montana border. Online sports betting was also legalized in Wyoming and sportsbooks were launched at certain tribal casinos in North Dakota.

## Policy & Regulatory Review

### *Sports Betting*

In November, the Montana Lottery Commission published amended regulations for sports betting to remove a requirement that establishments have a license to serve alcohol in order to qualify for a permit to host lottery-operated sports betting kiosks.

The change was proposed after a county district court judge ruled in 2020 that the provisions in the Montana Lottery's initial sports wagering regulations were contrary to the intent of state law, which requires only that sports betting host locations have a gambling license, but not necessarily an alcohol license.

Among other technical changes, the lottery commission also proposed removing a regulation setting a 6 percent commission for sports betting retailers based on the amount wagered through kiosks in their establishments. While the commission rate itself would not be changed, regulators said that removing the amount from the regulations would give the Montana Lottery greater flexibility to do so in the future.

The regulatory amendments were subject to public comment until December 1 and scheduled for formal adoption by the commission in January 2022.

### *Charitable Gaming*

Another change to Montana's sports betting framework was made in March 2021 when Gov. Steve Bullock (R) signed a bill removing stake and prize limits for sports pool or sports tab games offered by bars and other locations with gambling licenses. Previously, charitable sports pool games could not cost more than \$25 per entry or offer a total prize pool greater than \$2,500.

Another bill signed by Gov. Bullock the same month authorized operators of businesses with gambling licenses to offer a player reward program to their patrons.



# Nevada

In 2021, total statewide commercial casino gaming revenue was a record \$13.43 billion as casino-resorts on the Las Vegas Strip led the Nevada gaming market's recovery from the worst impacts of the pandemic.

## NUMBER OF COMMERCIAL CASINOS

215

## CASINO FORMAT

Land-Based Casinos

## NOTABLE FORMS OF GAMING

Internet Poker; Sports Betting

## REGULATORY AUTHORITY

Nevada Gaming Control Board; Nevada Gaming Commission

## GROSS GAMING REVENUE 2021

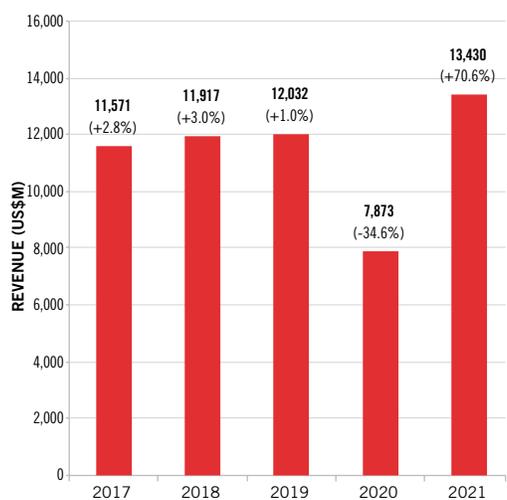
\$13.43B

## GAMING TAX REVENUE 2021

\$1.02B



## NEVADA: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Nevada Gaming Control Board

## Market Overview

After establishing the first modern regulatory system for casino gaming in the late 1950s, Nevada has long been known as a premier domestic and international gaming destination, welcoming millions of visitors to its casino-resorts each year.

Nevada became the first state to legalize internet gaming in 2001 before adopting regulations ten years later limited to online poker games. Exempted from the 1992 congressional law that previously prevented states from legalizing sports, Nevada is also the most well-established market for legal sports wagering in the United States.

The state's commercial casinos are regulated by the Nevada Gaming Control Board (NGCB) and Nevada Gaming Commission (NGC), with no restrictions on the number of licenses available.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was an all-time record \$13.43 billion, up 70.6 percent compared to 2020 and 11.6 percent higher than the state’s pre-pandemic 2019 total.

The record revenue reflects apparent pent-up demand for gaming, travel, and leisure on the part of American consumers following the successful rollout of COVID-19 vaccinations and the end of the harshest virus-related restrictions.

In 2021, Las Vegas received more than 32 million visits from tourists, a significant increase from 19 million in 2020 but still below 2019’s 42 million total. The lower visitation numbers were counterbalanced by higher per-visitor gambling spend than in previous years.

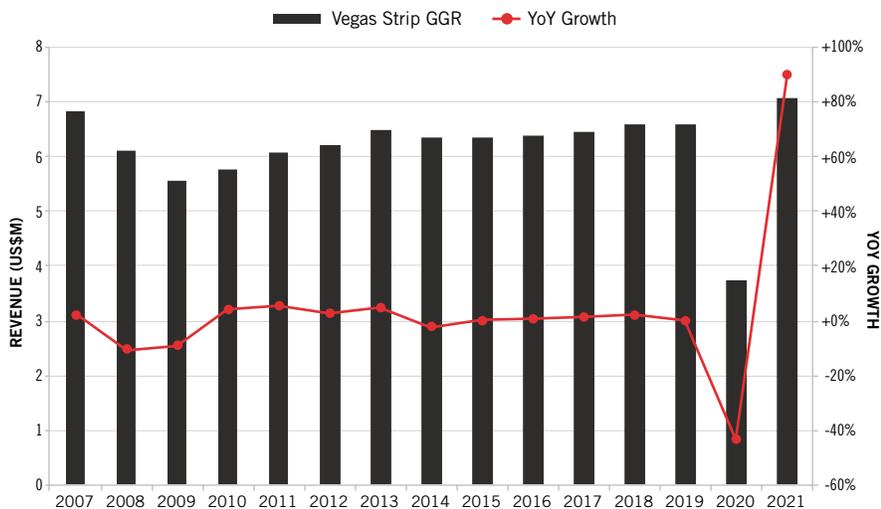
After suffering a sharper decline than other areas of the state in 2020, the Las Vegas Strip led the Nevada gaming market’s recovery in 2021. Casino-resorts on the Strip reported total revenue from electronic gaming devices and table games of \$6.92 billion, up 89.6 percent, while those in other parts of Nevada that are less dependent on tourist visitation reported gaming revenue of \$6.07 billion, up 53.7 percent.

Total statewide gaming revenue from electronic gaming devices was \$9.24 billion, up 70.5 percent versus 2020, while revenue from table games was \$3.75 billion, up 71.4 percent.

Despite expanding competition from other states, Nevada also reported record revenue from sports betting in 2021. Sports betting revenue of \$445.1 million represented an increase of 69.4 percent from 2020 and 35.3 percent from 2019’s prior record of \$329.0 million.

### LAS VEGAS STRIP: ANNUAL GAMING REVENUES 2007 to 2021

**Commercial casinos on the Las Vegas Strip reported record gaming revenue of almost \$7.1 billion in 2021 despite minimal foreign tourist arrivals and total visits down more than 24 percent from the pre-pandemic year of 2019.**



SOURCE: Nevada Gaming Control Board

## Gaming Tax Distribution

Nevada commercial casinos are subject to a state tax of 6.75 percent on all gross gaming revenue exceeding \$134,000 per month, with lower rates applying to revenue below that threshold.

Casino operators are also subject to a tax on live entertainment offerings hosted within their resorts. Further, quarterly and annual fees are assessed according to the number of electronic gaming devices and table games installed on casinos' gaming floors.

Meanwhile, host counties and municipalities may impose additional fees. Nevada sportsbook operations are also subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2021, Nevada collected a total of \$1.02 billion in state gaming and live entertainment taxes revenue from commercial casinos, a 67.9 percent increase from 2020.

Nevada commercial casinos generated state tax revenue of approximately \$898.3 million from taxes applied as a percentage of gaming revenue, up 76.5 percent versus the prior year. A more gradual resumption of live entertainment offerings meant collections from live entertainment taxes amounted to \$46.5 million in 2021, up 82.7 percent from 2020 but down from more than \$110 million in the pre-pandemic year of 2019.

In accordance with state law, the vast majority of tax revenue from gaming is directed to Nevada's General Fund, then appropriated on a biennial basis for purposes including statewide education programs, transportation services, and general budgetary needs. Additional funds are allocated to local school systems and county governments.

## Competitive Landscape

As one of the world's foremost destinations for entertainment and business conventions, Las Vegas faces a somewhat different competitive environment than most other U.S. gaming markets.

While Las Vegas' commercial casinos compete for drive-in patrons to some extent with southern California tribal casinos, the city as a whole also competes with various national and international locations for discretionary tourist and business traveler dollars.

In 2021, the Las Vegas Strip welcomed its first major new casino-resort in more than a decade when Resorts World Las Vegas opened in June. Various other casino-resorts have announced plans to develop new non-gaming amenities or upgrade their facilities.

Outside of Las Vegas, commercial casinos in Reno and other parts of northern Nevada continue to face increasing competition from the dozens of tribal casinos in northern California, with several additional California projects currently under development or awaiting federal approval.

## Policy & Regulatory Review

### *Regulatory Reform*

The Nevada legislature passed several gaming reforms during its 2021 biennial session held from February to June.

One bill signed by Gov. Steve Sisolak (D) in June established a new advisory committee to the Nevada Gaming Control Board to make policy recommendations on integrity matters related to wagering on competitive esports events. The seven-member committee was established in November.

A separate bill included provisions to accelerate the approval process for new casino games and enable operators to deploy new electronic gaming devices that have been recommended for approval from the NGCB without waiting for final confirmation from the Nevada Gaming Commission.

Further legislative reforms were made regarding the reporting obligations of Nevada commercial casinos with foreign gaming operations, repealing legal provisions regarding sports wagering investment funds, tightening statutory prohibitions on match-fixing, and making further technical changes to gaming laws.

### *Internet Gaming*

In April, the Nevada Gaming Control Board published draft regulatory amendments to expand the state's regulated internet gaming market beyond online poker to encompass all interactive casino games.

The proposed amendment was scheduled to be discussed by industry stakeholders during an NGCB workshop in May, but that meeting was postponed due to the state's legislative session and never rescheduled before the end of the year. While several larger casino-resort operators are known to be in favor of allowing wider forms of internet gaming, the NGCB's proposal was criticized by a coalition of other Nevada gaming operators who raised concerns of cannibalizing traditional land-based casino revenue.

Because Nevada's gaming law does not restrict the types of interactive gaming that can be offered in the state, regulators have authority to amend state rules to permit games other than poker, without legislative approval.



# New Hampshire

New Hampshire reported total sports betting revenue of \$43.8 million in 2021, an increase of more than 85 percent on the previous year.

**NUMBER OF COMMERCIAL CASINOS**  
0

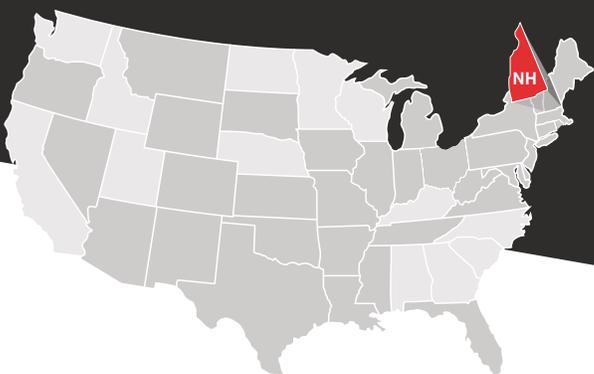
**CASINO FORMAT**  
N/A

**NOTABLE FORMS OF GAMING**  
Sports Betting

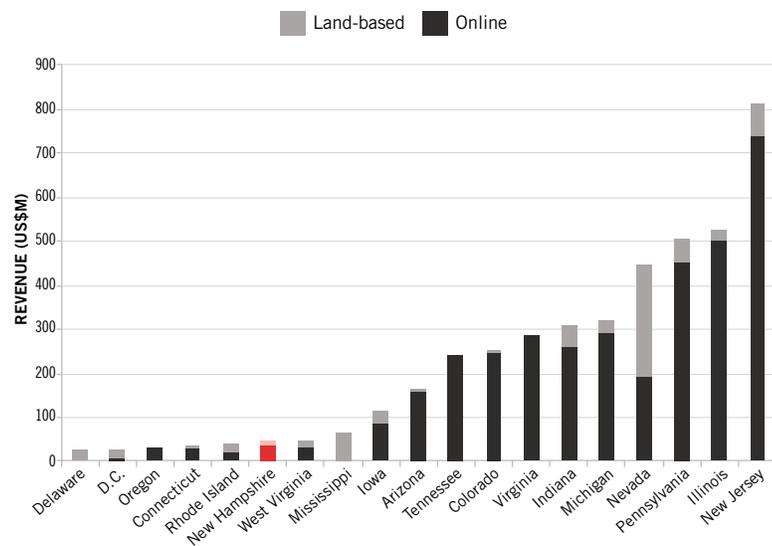
**REGULATORY AUTHORITY**  
New Hampshire Lottery Commission

**GROSS GAMING REVENUE 2021**  
\$43.8M

**GAMING TAX REVENUE 2021**  
\$20.0M



## UNITED STATES: COMMERCIAL SPORTSBOOK GGR BY STATE 2021



SOURCE: State Gaming Regulatory Agencies

## Market Overview

New Hampshire has no commercial casino venues but offers sports betting through the New Hampshire Lottery and its contracted sportsbook partner.

A state law passed in July 2019 authorizes the New Hampshire Lottery to offer full sports betting through mobile platforms and at up to ten retail sportsbook locations by partnering with a maximum of five private operators to conduct sports wagering on its behalf. The lottery is also authorized to directly operate sports lottery parlay games through its traditional network of retailers.

Through a request for proposals process, the New Hampshire Lottery selected DraftKings to be its exclusive agent for mobile and retail sports wagering. DraftKings' New Hampshire mobile sportsbook was launched in December 2019 and its first retail locations were opened in 2020.

## Market Performance

In 2021, total sports betting revenue in New Hampshire was \$43.8 million, an increase of 85.4 percent versus 2020.

The strong growth reflected not only the more consistent schedule of major sporting events, but also a first full year of retail sportsbook operations in New Hampshire to complement DraftKings' mobile platform.

Online sports betting accounted for around 79.9 percent of total sports betting revenue in 2021, compared with more than 90 percent the previous year. Total revenue from online sports betting was \$35.0 million in 2021, up 64.0 percent, while revenue from land-based sports betting was \$8.8 million, versus just \$2.3 million in 2020. The increase in retail sports wagering revenue came after a third DraftKings sportsbook was opened in Dover in October.

## Gaming Tax Distribution

As part of revenue-sharing terms DraftKings agreed to as part of its 2019 contract to serve as the New Hampshire Lottery's exclusive sports betting agent, revenue from sports betting in New Hampshire is subject to a tax rate of 51 percent for mobile sports wagering and 50 percent for retail sportsbook locations, with limited deductions for promotional credits offered to patrons.

Lottery-operated parlay sports betting will be subject to a tax rate of 19.25 percent once it becomes operational.

In 2021, sports betting generated total tax revenue of approximately \$20.0 million, up 81.7 percent on the previous year.

The vast majority of that total was distributed to the New Hampshire Education Trust Fund, which provides grants to local school districts. Additional funds were allocated to cover administrative costs and to fund a new state responsible gambling council that was established under the 2019 sports betting law.

## Competitive Landscape

Aside from sports betting, New Hampshire's broader gaming market includes a racetrack and simulcast facilities, as well as 17 charitable gaming locations that are authorized to operate electronic bingo devices and historical horse racing terminals, among other games. The New Hampshire Lottery also offers a range of online lottery games.

Although New Hampshire currently enjoys a competitive advantage with none of its bordering states offering legal sports betting, Maine, Massachusetts, and Vermont all considered legislation in 2021 and are poised to resume policy discussions in 2022.

## Policy & Regulatory Review

### *Internet Gaming*

The New Hampshire Lottery Commission scored a significant legal victory in January 2021 when the U.S. Court of Appeals for the First Circuit upheld a lower court ruling that a 1961 federal law prohibiting interstate gambling transmissions applies exclusively to sports betting.

The U.S. Department of Justice advised in 2011 that 1961's Wire Act applies only to sports betting transmissions, and not to those related to lotteries or casino gaming. The DOJ reversed course in 2018, however, prompting the legal challenge brought by the New Hampshire Lottery and its online lottery technology partner.

Online sports betting operators have been able to navigate the Wire Act by installing separate servers to register bets within each state. But internet gaming and online poker platforms, state lotteries, and certain other segments of the broader gaming industry had instead relied upon interstate communications to central systems in order to support their operations, in accordance with the 2011 DOJ memo.

### *Sports Betting*

In July, Gov. Chris Sununu (R) signed a bill to amend New Hampshire's 2019 sports betting law and permit all types of wagers at the state's retail sportsbooks. As initially enacted, the law prohibited land-based sportsbooks from offering in-play wagers on games, limiting that form of betting to mobile platforms.

The new legislation was enacted after the New Hampshire House rejected a Senate amendment that would have also lifted the statutory limit for no more than ten land-based sportsbook locations in the state.

At the end of 2021, just three of the permitted sportsbooks were open. A total of 21 New Hampshire towns and cities had approved local referendums to permit sports betting in their jurisdictions, however. In November, city residents in Nashua voted to approve sports betting, having initially rejected it in a November 2019 referendum.

### *Expansion*

In June, Gov. Sununu signed legislation to authorize electronic gaming devices based on the outcome of historical horse races.

Under the new state law, established charitable gaming facilities became authorized to add historic horse racing terminals subject to a maximum bet limit of \$25.

The devices, which offer similar game characteristics to electronic gaming devices in casinos, are also permitted in Alabama, Kentucky, Louisiana, Oregon, Virginia, and Wyoming.



# New Jersey

In 2021, total statewide commercial casino gaming revenue increased 64.4 percent to \$4.74 billion, New Jersey's highest annual total since 2007, as Atlantic City casinos were able to resume full operations and online sportsbook and internet gaming platforms continued their impressive growth.

## NUMBER OF COMMERCIAL CASINOS

9

## CASINO FORMAT

Land-Based Casinos

## NOTABLE FORMS OF GAMING

Internet Gaming;  
Sports Betting

## REGULATORY AUTHORITY

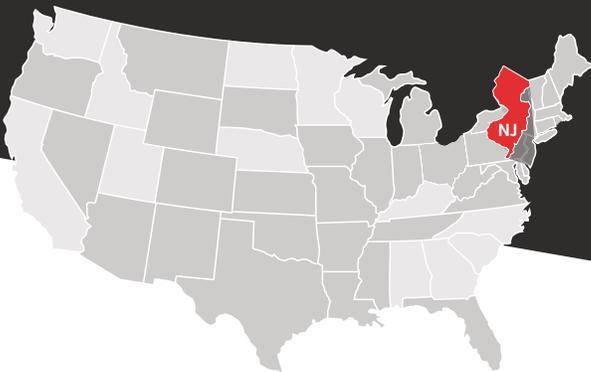
New Jersey Division of Gaming Enforcement;  
New Jersey Casino Control Commission

## GROSS GAMING REVENUE 2021

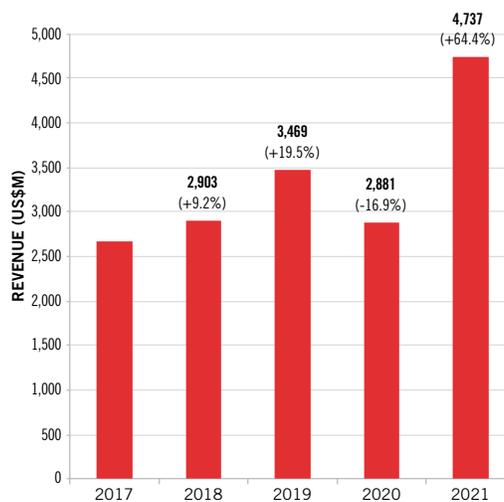
\$4.74B

## GAMING TAX REVENUE 2021

\$562.0M



## NEW JERSEY: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: New Jersey Division of Gaming Enforcement

## Market Overview

New Jersey offers commercial casino gaming at nine land-based casinos located in Atlantic City. The casinos, which operate electronic gaming devices, table games, and sports betting, are regulated by the New Jersey Division of Gaming Enforcement and the New Jersey Casino Control Commission. Sports betting is also available at state-licensed horse racetracks that do not offer other forms of casino gaming.

New Jersey voters first approved casino gaming in 1976 via a constitutional amendment that restricted casinos to Atlantic City. The state's first commercial casino opened two years later.

Internet gaming was legalized in 2013, with online and land-based sports betting following in 2018 after New Jersey successfully challenged a federal ban on sports wagering before the U.S. Supreme Court. At the close of 2021, a total of 30 internet casinos and 21 online sportsbooks were operational.

## Market Performance

Total statewide gaming revenue reached \$4.74 billion in 2021, an increase of 64.4 percent from 2020 and 36.6 percent from 2019. The annual total was New Jersey’s highest since 2007 and reflected the resumption of full operations in Atlantic City as well as continued strong growth in revenue from internet gaming and sports betting.

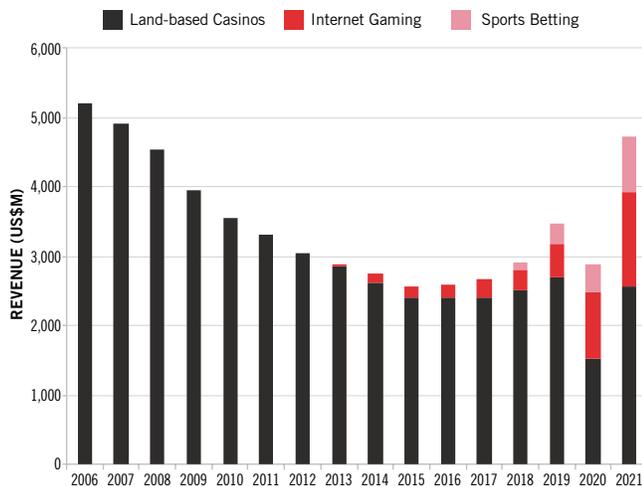
Compared with 2020, revenue from traditional land-based casino gaming offerings in Atlantic City increased 69.1 percent to \$2.55 billion. Total statewide revenue from electronic gaming devices was \$1.87 billion, up 72.5 percent relative to the prior year, while table game revenue was \$680.0 million, up 60.2 percent.

New Jersey’s internet casinos continued to report strong growth in 2021. Total annual internet gaming revenue exceeded a billion dollars for the first time to reach \$1.37 billion, an increase of 40.9 percent.

Meanwhile, statewide revenue from sports wagering was \$815.8 million, more than double 2020’s total of \$398.5 million. Online sports betting accounted for approximately 91 percent, or \$740.5 million, of the 2021 total.

### NEW JERSEY: COMMERCIAL GAMING REVENUE 2006 to 2021

**In 2021, total commercial gaming revenue in New Jersey reached its highest total since 2007 as internet gaming platforms continued to report strong growth even after the full reopening of Atlantic City land-based casinos.**



SOURCE: New Jersey Division of Gaming Enforcement

## Gaming Tax Distribution

New Jersey commercial gaming revenue is taxed at varying rates depending on the type of gaming offered, and whether games are played at land-based facilities or via online platforms.

Land-based commercial casino gaming revenue is taxed at an effective rate of 9.25 percent. That rate comprises an 8 percent state gaming tax and a 1.25 percent obligation for investment in economic development projects in Atlantic City and throughout New Jersey.

Internet casino gaming revenue, meanwhile, is taxed at an effective rate of 17.5 percent, comprised of a 15 percent state gaming tax and a 2.5 percent community investment obligation.

Revenue from land-based sports betting is taxed at an effective rate of 9.75 percent, while online sports betting is taxed at 14.25 percent. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2021, New Jersey commercial casinos and racetracks generated approximately \$562.0 million in total state tax revenue from gaming operations, an increase of 60.2 percent on the previous year when tax revenue from land-based casino gaming was severely disrupted by the pandemic.

Of the 2021 total, approximately \$485.7 million was deposited into the New Jersey Casino Revenue Fund, which is earmarked to fund programs for New Jersey’s senior citizens and disabled residents.

On top of the Casino Revenue Fund, approximately \$70.0 million was also distributed by operators into a separate fund that supports economic development and community projects in Atlantic City. Additional recipients of gaming tax revenue in 2021 included New Jersey’s General Fund and local municipal and county governments that host racetracks with sportsbook operations.

## Competitive Landscape

Atlantic City commercial casinos compete in a crowded Mid-Atlantic region that includes five casino properties in the Greater Philadelphia market that was further expanded in 2021 with the opening of the Live! Casino & Hotel Philadelphia in the city’s Stadium District.

After enjoying a regional monopoly on commercial casino gaming throughout the 1980s and 1990s, New Jersey land-based casinos have seen their revenue from traditional electronic gaming devices and table games decline by more than half since Pennsylvania’s first casinos opened in 2006.

Looking ahead, future competitive challenges for New Jersey's commercial casino gaming market are expected to come primarily from New York. After legalizing mobile sports betting in April 2021, New York was expected to launch in early 2020.

## Policy & Regulatory Review

### *Sports Betting*

Firmly established as the largest sports betting market in the country, but facing rising competition, New Jersey took several steps in 2021 to reform the state's sports wagering statute.

In November, Gov. Phil Murphy (D) signed legislation amending several definitions within the law to enable sportsbooks to offer wagers on a much wider range of competitive video game or esports tournaments, as well as entertainment events such as televised talent shows or the Oscars. The new legislation also clarified that operators may only offer bets on events that have been approved for wagering by New Jersey's Division of Gaming Enforcement (DGE), with much lower bet and win limits to be initially applied until the DGE has verified an event's integrity policies.

In June, the legislature approved a separate bill authorizing sports betting operators to deduct free bets and promotional credits from taxable revenue. Gov. Murphy amended the legislation in November, however, recommending that the deductions apply exclusively to in-person wagering at retail sportsbook locations and not to online or mobile sports betting.

Lawmakers also approved a resolution in June to permit wagering on New Jersey collegiate teams, which was banned under an original 2011 state constitutional amendment. However, 57 percent of state voters rejected expansion of college betting in a referendum that was held alongside the gubernatorial election in November.

### *Horse Racing*

In August, Gov. Murphy also signed legislation to authorize fixed-odds wagering on horse racing in New Jersey. Unlike fixed-odds bets on football or other sports, a bettor placing a wager through the traditional pari-mutuel system used for horse racing enters a pool and will not know the odds he or she is receiving until the pool is closed and the race begins.

Permitting fixed-odds betting on horse racing is considered a key step towards a closer integration of sports betting and racing, which are normally offered alongside one another by sportsbook platforms in Europe or Australia. Notably, in New Jersey, fixed-odds wagering is being regulated by the Division of Gaming Enforcement which oversees sports betting, rather than the state's racing commission.



# New Mexico

In 2021, total statewide commercial casino gaming revenue was \$216.2 million, up 317 percent versus 2020. New Mexico racinos were closed for more than 11 months after shuttering in March 2020 due to the onset of the pandemic.

## NUMBER OF COMMERCIAL CASINOS

5

## CASINO FORMAT

Racinos

## REGULATORY AUTHORITY

New Mexico Gaming Control Board

## GROSS GAMING REVENUE 2021

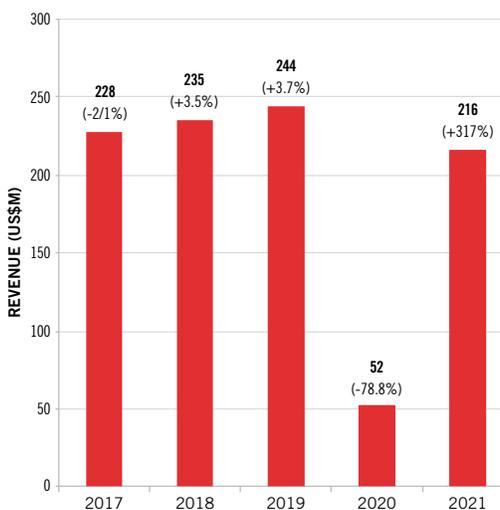
\$216.2M

## GAMING TAX REVENUE 2021

\$100.0M



## NEW MEXICO: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: New Mexico Gaming Control Board

## Market Overview

New Mexico offers commercial casino gaming at five racinos. Electronic gaming devices at licensed racetracks were authorized under a 1997 state law and are regulated by the New Mexico Gaming Control Board.

Although there is no statutory limit on the number of racinos that may operate in New Mexico, under the state's existing compacts with its federally recognized tribes, no more than six commercial racinos are allowed.

Racinos are restricted to a maximum of 750 electronic gaming devices and are not permitted to offer table games. New Mexico is also the only state that maintains restrictions on the operating hours at all of its commercial casino properties. Electronic gaming devices at racetracks may only be operated on days when live or simulcast horse races are being held, up to 18 hours per day, and may not exceed a total of 112 operating hours in a one-week period.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was \$216.2 million. While the total was more than four times higher than 2020's \$51.8 million, it was still down 11.4 percent from the pre-pandemic year of 2019.

New Mexico's imposed the longest shutdown in the country on commercial casino gaming properties due to the COVID-19 pandemic and did not permit properties to reopen gaming floors until late February 2021, having been ordered to close on March 16, 2020.

## Gaming Tax Distribution

New Mexico commercial casino gaming revenue is taxed at an effective rate of 46.25 percent.

In 2021, New Mexico commercial racinos generated total gaming tax revenue of approximately \$100.0 million, up 317.1 percent on the previous year.

Of that amount, roughly \$56.2 million was distributed to the state's General Fund. That fund is allocated each year for state budgetary expenditures by the New Mexico Department of Revenue, subject to approval by the state legislature.

An additional \$43.2 million in commercial casino gaming tax revenue was distributed to New Mexico's horse racing industry to supplement race purses, with the remainder allocated to the funding of problem gambling services.

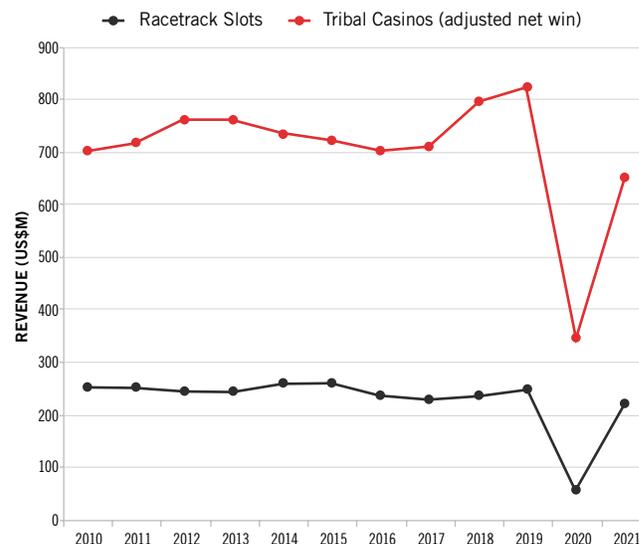
## Competitive Landscape

New Mexico commercial casinos face considerable competition from the state's 21 tribal casinos and gaming venues. Unlike the state's racinos, tribal casinos are permitted to offer table games and sports betting in addition to electronic gaming devices. New Mexico racinos face more limited competition from licensed non-profit organizations, such as veteran and fraternal groups, which are authorized to operate a maximum of 15 electronic gaming devices with restricted payouts.

The competitive environment for commercial casino gaming in New Mexico is expected to remain stable for the foreseeable future. The state's Racing Commission in 2018 rejected all applications for a sixth and final racino license and lawmakers in neighboring Texas again refused to take up legislation to authorize casinos in 2021.

## NEW MEXICO: GAMING REVENUE BY VENUE TYPE 2010 to 2021

While New Mexico hosts five commercial racinos offering electronic gaming devices, the state's commercial gaming market is overshadowed by 21 tribal casinos that generated almost \$650 million in casino gaming revenue in 2021.



SOURCE: New Mexico Gaming Control Board

## Policy & Regulatory Review Expansion

In 2021, New Mexico lawmakers declined to consider legislation that would authorize table games and sports betting at the state's five racinos under the authority of the New Mexico Lottery.

A bill introduced in the House in January would have allowed each racino to deploy up to three platforms, or "skins," to offer online sports betting on a statewide basis.

The bill expired in February after it failed to receive a committee vote. An official fiscal analysis of the bill cautioned that the authorization of additional Forms of Gaming, even via the state lottery, could violate the terms of New Mexico's tribal gaming compacts and lead to a loss of revenue-sharing payments from tribal casinos.

A separate bill was also introduced in the House in February to create a nine-member Gaming Reform Commission to study New Mexico's gaming market and develop policy proposals to enhance opportunities for commercial casino gaming operators, sovereign tribal nations, and charitable organizations. That study bill also never received a committee vote.



# New York

In 2021, total statewide commercial casino gaming revenue was \$2.71 billion, more than double the total from 2020 when COVID-19 forced New York's commercial casinos and racinos to close for almost half the year.

## NUMBER OF COMMERCIAL CASINOS

12

## CASINO FORMAT

Land-Based Casinos;  
Racinos

## NOTABLE FORMS OF GAMING

Sports Betting

## REGULATORY AUTHORITY

New York State  
Gaming Commission

## GROSS GAMING REVENUE 2021

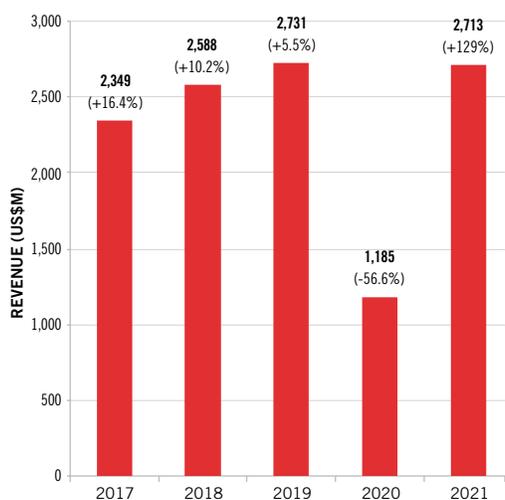
\$2.71B

## GAMING TAX REVENUE 2021

\$1.10B



## NEW YORK: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: New York Lottery

## Market Overview

New York's commercial gaming market includes seven racinos with electronic gaming devices, four casino-resorts offering electronic gaming devices, table games, and sports betting, and one land-based property offering electronic gaming devices. The casinos and racinos are all regulated by the New York State Gaming Commission.

Commercial casino gaming was first authorized by a 2001 law that allowed for the operation of electronic gaming devices at racetracks under the authority of the New York Lottery.

In 2013, voters approved a constitutional amendment to permit up to seven commercial casinos and lawmakers enacted legislation to authorize a maximum of four casino-resorts in different regions of upstate New York. The 2013 law prohibited any commercial casino-resort from operating in designated tribal gaming exclusivity zones or certain specified areas, including New York City, until at least seven years after the first commercial casino license was awarded.

Sports betting is permitted at the four casino-resorts as a result of language included in the 2013 constitutional amendment and subsequent legislation that became effective in 2018 when the federal ban on sports wagering was overturned by the U.S. Supreme Court. The state legislature passed a law to authorize statewide mobile sports betting in 2021.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was \$2.71 billion, an increase of 129.0 percent from 2020 but down 0.7 percent from 2019's total.

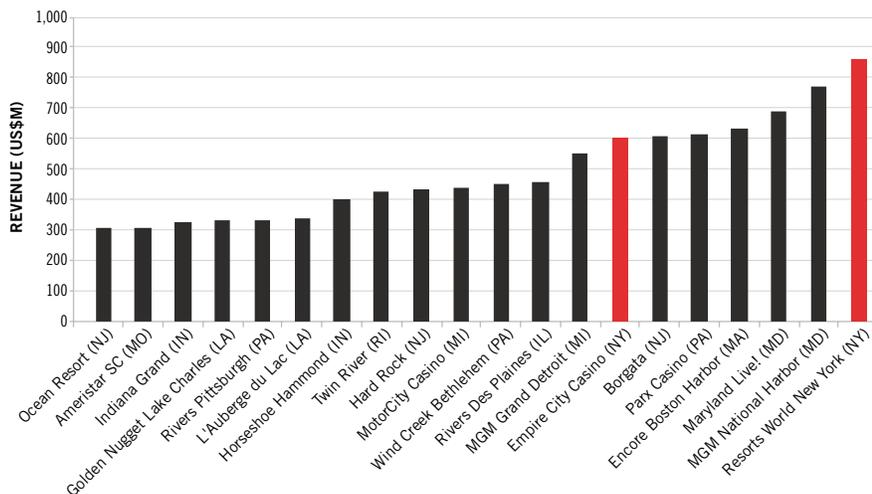
Revenue from electronic gaming devices at New York's commercial casinos and racinos totaled \$2.53 billion in 2021, up 128.9 percent against 2020, while revenue from table games was \$154.7 million, up 132.0 percent.

Sports betting revenue from land-based sportsbooks in commercial casinos amounted to \$23.3 million, more than double 2020's total of \$10.8 million.

Although New York now hosts four full casino-resorts offering a wider range of gaming products including sports betting, the state's commercial casino gaming market remains dominated by its seven racinos that are restricted to electronic gaming devices. In 2021, the racinos accounted for 76.9 percent of total commercial gaming revenue.

### TOP 20 COMMERCIAL CASINOS BY ANNUAL GGR 2021

After falling to third place in 2020 due to prolonged operating restrictions caused by the pandemic, Resorts World New York City in Queens generated the highest gaming revenue of casino properties outside of Nevada in 2021. New York's Empire City Casino in Yonkers was sixth, despite both New York properties being restricted to electronic gaming devices and, unable to offer table games or sports betting.



\*GGR excludes contributions from sports betting and internet gaming  
 \*\* Chart excludes casinos in Nevada and Mississippi due to lack of data  
 SOURCE: New York Lottery

## Gaming Tax Distribution

**TABLE: NEW YORK EFFECTIVE GAMING TAX RATES**

Sector	Effective Gaming Tax Rate
Racino EGDs	~55 percent
Casino EGDs	30-37 percent
Casino Table Games	10 percent
Casino Sports Betting	10 percent

New York commercial casinos and racinos are taxed at different rates based on the location of the property and the type of gaming the property offers.

Racinos, after paying out prizes and deducting marketing and administrative expenses, return approximately 55 percent of their revenue to the state.

Revenue from electronic gaming devices in New York's four commercial casino-resorts is taxed between 30 percent and 37 percent, depending on the region in which the casino is located.

Table game and sports betting revenue generated by commercial casino-resorts is taxed at 10 percent, regardless of the property's location. Sportsbook operations are subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2021, New York's commercial casino gaming industry generated approximately \$1.10 billion in total state gaming tax revenue, up 121.6 percent versus 2020.

Racinos accounted for approximately \$932.0 million of that total, all of which was distributed to the state's Education Fund that provides aid for local school districts across New York.

Education is also one of the primary beneficiaries of tax revenue from upstate New York's commercial casino-resorts. Overall, \$132.2 million in tax revenue generated by commercial casino-resorts in 2021 was used to fund statewide education programs or provide property tax relief to New York citizens. A further \$33.0 million in casino tax revenue was distributed to local municipal and county governments that either host or are located near commercial casino-resorts.

## Competitive Landscape

Commercial casinos and racinos in parts of upstate New York compete with the state's 19 tribal casinos and gaming venues operated by three federally recognized sovereign tribal nations.

Properties in the New York City area have also traditionally competed to varying extents with tribal casino-resorts in Connecticut and commercial casinos in eastern Pennsylvania and Atlantic City, New Jersey. Under a 2019 state law, the owner of New York's Resorts World Catskills casino-resort is also eligible to establish a new land-based casino limited to electronic gaming devices in Orange County, roughly 50 miles north of New York City.

Since sports betting became legal in New Jersey in 2018, New York has seen a notable outflow of New York City residents who place wagers either at the sportsbook at Meadowlands Racetrack, located some 10 miles from Manhattan, or via New Jersey's various mobile sports betting platforms. That dynamic may change in early 2022, however, when online sports betting is launched in New York.

## Policy & Regulatory Review

### *Sports Betting*

In April, Gov. Andrew Cuomo (D) signed a state budget law that included provisions to legalize online sports betting via platforms operating independently of the state's incumbent commercial casino-resorts.

The legislation required the New York State Gaming Commission (NYSGC) to stage a competitive bidding process to award licenses for a minimum of two online betting platforms representing at least four sportsbook brands. While the law set a minimum tax threshold, qualified operators were to be selected based in large part on the amount of revenue they would be willing to share with the state.

Successful applicants were required to pay an upfront license fee of \$25 million, as well as an annual fee of \$5 million to New York's land-based casino-resorts that would house their online betting servers to ensure compliance with state constitutional restrictions on commercial casino gaming.

In November, the NYSGC selected two consortia representing a total of nine online sportsbook brands that all agreed to pay a tax rate of 51 percent of their online sports betting revenue. The commission also adopted regulations to govern online sports wagering.

## ***Taxation***

As part of the same budget law, New York's four land-based casino-resorts received authorization to file petitions with the New York State Gaming Commission to temporarily reduce the tax rate applied to their properties' electronic gaming device revenue for up to a five-year period.

The commission was mandated to recommend approval of the request based on an evaluation of the financial circumstances of the petitioning casino-resort, evidence of the inability of the casino-resort to remain competitive under the current rate, and how the casino operator would use the funds resulting from a tax break, including its impact on employment.

By the end of the year, two of the four casinos had taken advantage of the tax provisions to reduce their effective electronic gaming device tax rates from 45 to 30 percent.

## ***Expansion***

Yet another provision of New York's annual budget law called upon the NYSGC to hold a request for information process regarding the three unawarded casino licenses permitted under the state's 2013 constitutional amendment.

Under current state law, the three remaining licenses cannot be awarded until seven years after the opening of New York's first upstate casino-resort, without owing compensation to incumbent casino operators. However, lawmakers have the ability to change that timeline and accelerate the awarding of additional licenses that would likely be for casino-resorts situated in the lucrative New York City metropolitan area.

The NYSGC opened the consultation in October and received a total of 31 responses, including from several major casino-resort operators, before it closed two months later.

The consultation process was included in the budget law after the New York Senate proposed to accelerate the licensing of additional casinos through the state budget, but the Assembly did not include any casino licensing provisions in its own budgetary proposal.



# Ohio

Total statewide commercial casino gaming revenue increased by 60.4 percent to a record \$2.31 billion in 2021, a year that also saw the Ohio legislature pass a bill to regulate sports betting.

## NUMBER OF COMMERCIAL CASINOS

11

## CASINO FORMAT

Land-Based Casinos;  
Racinos

## REGULATORY AUTHORITY

Ohio Casino Control Commission, Ohio Lottery Commission

## GROSS GAMING REVENUE 2021

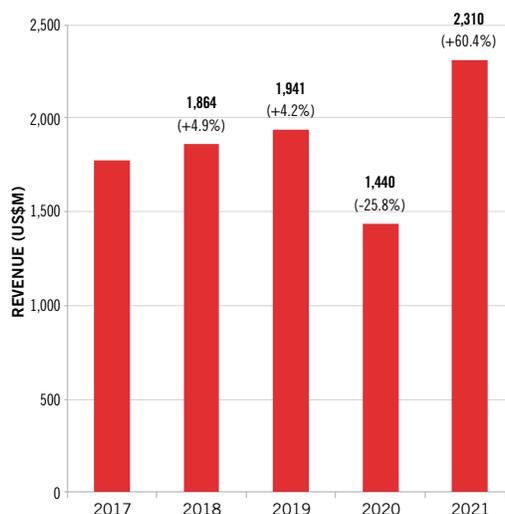
\$2.31B

## GAMING TAX REVENUE 2021

\$759.3M



### OHIO: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Ohio Casino Control Commission, Ohio Lottery

## Market Overview

Ohio offers commercial casino gaming at four casino-resorts, each of which operates electronic gaming devices and table games, and at seven racinos, which only offer electronic gaming devices. The land-based casinos are regulated by the Ohio Casino Control Commission while the racinos are regulated by the Ohio Lottery Commission.

In 2009, Ohio voters approved a ballot initiative authorizing commercial casinos in the state's four largest cities of Cincinnati, Cleveland, Columbus, and Toledo. Two years later, an executive order approved electronic gaming devices (specifically video lottery terminals, or VLTs) at established Ohio racetracks. Racinos are limited to a maximum of 2,500 electronic gaming devices each, half the statutory limit applied to Ohio's casino properties.

## Market Performance

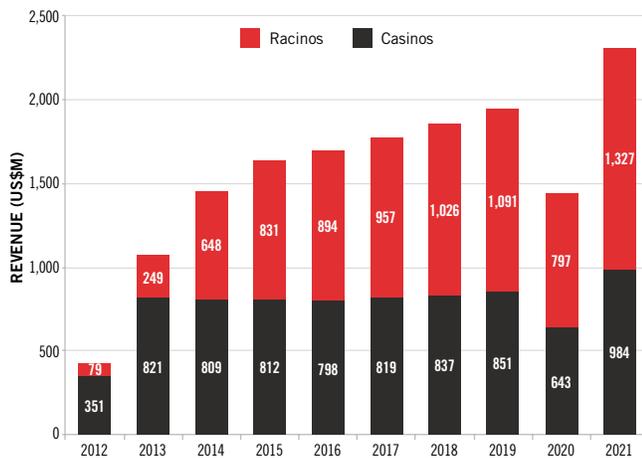
In 2021, total statewide commercial casino gaming revenue was \$2.31 billion, up 60.4 percent from 2020 and 19.0 percent from 2019. The 2021 total marked a record for Ohio's commercial casino gaming market, despite a statewide curfew through February 11, requiring all casinos and racinos to close by 10 or 11 p.m. to help mitigate the spread of COVID-19.

Ohio's more suburban racinos experienced a somewhat stronger recovery in 2021 than the four casino-resorts located in the downtown areas of the state's largest cities, though both categories reported all-time revenue records. Electronic gaming device revenue at the seven racinos was \$1.33 billion, up 66.5 percent versus 2020. Total revenue from electronic gaming devices and table games at the four casinos totaled \$983.7 million, an increase of 52.9 percent relative to the previous year.

Total statewide revenue from electronic gaming devices was \$2.02 billion, up 61.8 percent versus 2020, while table game revenue at commercial casinos was \$288.5 million, up 51.2 percent.

### OHIO: BREAKDOWN OF ANNUAL GAMING REVENUE 2012 to 2021

**Ohio's seven racinos led the recovery of the state's commercial casino gaming market in 2021, accounting for some 57.5 percent of the \$2.31 billion in overall statewide commercial gaming revenue.**



SOURCE: Ohio Casino Control Commission, Ohio Lottery

## Gaming Tax Distribution

Ohio levies a 33 percent tax on casinos' gross gaming revenue, while racinos pay a slightly higher 33.5 percent effective tax rate on their revenue from electronic gaming devices.

In 2021, casinos and racinos generated total gaming tax revenue of \$759.3 million, up 55.6 percent from 2020. Casinos accounted for approximately \$310.5 million of the total, while electronic gaming devices at racinos generated about \$449 million.

Roughly 50 percent of casino tax revenue is distributed to Ohio's 88 county governments to support local budgetary needs, including law enforcement, infrastructure improvements, and other public services. Another 34 percent is earmarked for the Ohio Student Fund, which distributes dollars to all school districts, while 5 percent is returned to the host cities where casinos are located. The remaining funds are used to treat problem gambling and cover the costs of the agencies that regulate gaming in Ohio.

Under Ohio law, all racino gaming tax revenue must be used to fund state education programs. Accordingly, racino tax revenue flows into the Lottery Profits Education Fund, which supports primary and secondary schools in Ohio.

## Competitive Landscape

In addition to fierce competition among the casinos and racinos within the state, various Ohio casino gaming properties also compete with gaming venues located in neighboring markets.

Casinos and racinos in the Cincinnati area contend with a trio of riverboat casinos stationed on the Indiana side of the Ohio River and with one Kentucky racetrack that offers electronic gaming devices based on historical horse races. Development of a second Kentucky gaming facility began in 2021 and will add to the competition once fully open.

Elsewhere, three West Virginia racinos located along or near the Ohio River draw customers from Youngstown, Canton, and other Ohio towns located near the state line.

## Policy & Regulatory Review

### *Sports Betting*

Ohio was one of seven states to pass legislation to authorize sports betting in 2021.

In December, Gov. Mike DeWine (R) signed a bill to legalize land-based sports wagering at commercial casinos and racinos, major professional sports arenas, and at up to 19 other retail locations. Limited sports betting will also be available via kiosks in licensed bars and restaurants. The bill further authorizes statewide mobile sports betting through casinos and racinos, as well as via the designated partners of Ohio's major league sports franchises.

Approval of the legislation came after several years of debate among key stakeholders and members of the Ohio House and Senate. In 2020, the House passed an earlier version of the sports betting bill before a special Ohio Senate committee was established in January 2021 to review sports wagering and other gaming matters.

The final shape of Ohio's legislation reflects several trends in sports betting policy in 2021. Like Ohio, Arizona and Maryland similarly authorized licenses for sports teams as well as established casino gaming operators, while sports betting kiosks at bars and restaurants formed part of Louisiana's legislative framework.

### *Charitable Gaming*

In June, the Ohio legislature passed the state's annual budget bill that included provisions to permit electronic instant bingo devices in fraternal and veterans' halls that are already licensed to offer traditional paper bingo games.

Legislation to authorize electronic instant bingo was twice approved by the House in 2020, only to die in the Senate amid opposition from Ohio's commercial casino and racino operators.

The 2021 budget bill included new language to restrict charitable gaming locations to no more than ten electronic bingo devices and mandate the Ohio Casino Control Commission and state attorney general to ensure that the devices do not replicate the gaming devices available at commercial casinos and racinos.



# Oklahoma

In 2021, total statewide commercial casino gaming revenue was \$145.8 million, an all-time high for Oklahoma's two racinos.

**NUMBER OF COMMERCIAL CASINOS**

2

**CASINO FORMAT**

Racinos

**REGULATORY AUTHORITY**

Oklahoma Horse Racing Commission

**GROSS GAMING REVENUE 2021**

\$145.8M

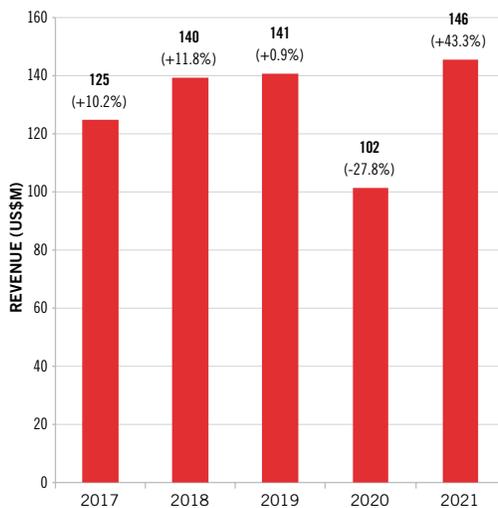
**GAMING TAX REVENUE 2021**

\$66.0M



## OKLAHOMA: COMMERCIAL CASINO GAMING REVENUE

2017 to 2021



SOURCE: Oklahoma State Auditor and Inspector

## Market Overview

Oklahoma offers commercial casino gaming at two racinos, which are regulated by the Oklahoma Horse Racing Commission. The racinos may only operate electronic gaming devices, with a maximum of 750 devices permitted at Remington Park in Oklahoma City and 250 machines at Cherokee Casino Will Rogers Downs in Claremore.

The racinos were first authorized in 2004 when Oklahoma voters also ratified the State-Tribal Gaming Act, which established a regulatory framework for tribal gaming in the state.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was a record \$145.8 million, up 43.3 percent from 2020 and 3.5 percent from the pre-pandemic year of 2019.

Consistent with previous years, Remington Park, which is located in the heart of Oklahoma City, accounted for the vast majority—roughly 84.8 percent—of total statewide commercial gaming revenue in 2021. The racino, which is owned by a commercial subsidiary of the Chickasaw Nation of Oklahoma, posted total gaming revenue of \$123.7 million, up 40.6 percent versus 2020.

Revenue from electronic gaming devices at Cherokee Casino Will Rogers Downs, owned by the Cherokee Nation, was \$22.1 million, up 60.1 percent.

## Gaming Tax Distribution

Oklahoma taxes commercial casino revenue at different rates based on the amount of revenue generated. Rates range in a graduated scale from 35 percent on revenue up to \$10 million, to 50 percent on revenue of more than \$70 million.

In 2021, Oklahoma racinos paid approximately \$66.0 million in total gaming taxes, an increase of 47.6 percent relative to the previous year.

Commercial gaming tax revenue is shared between the state government and Oklahoma's horse racing industry. Approximately \$29.8 million was remitted to the state in 2021 and funded state education initiatives, as well as general budgetary items.

In addition, racinos distributed roughly \$35.5 million to help subsidize horse racing purses, breeding programs, and other horse racing industry expenses.

## Competitive Landscape

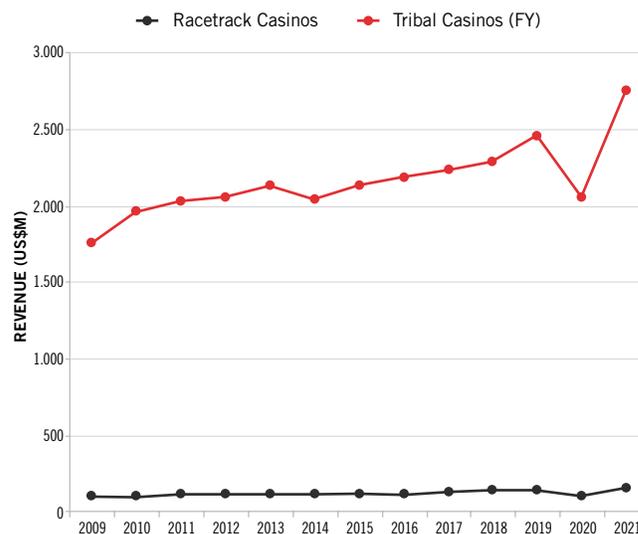
Oklahoma's two racinos are overshadowed by the state's 136 tribal casinos and gaming venues, which are authorized to offer table games, in addition to electronic gaming devices. During the state's 2021 fiscal year ending June 30, Oklahoma tribal casinos generated an estimated \$2.74 billion in casino gaming revenue, exclusive of revenue from popular electronic bingo devices.

While Oklahoma borders no less than five states that offer commercial casino gaming, the primary competitive threat to the state's gaming market comes from potential legalization in Texas. Lawmakers in Texas took no action on casino legislation in 2021 and are not scheduled to reconvene until 2023.

## OKLAHOMA: GAMING REVENUE BY VENUE TYPE

2009 to 2021

Oklahoma's two commercial racinos are dwarfed by the state's far larger tribal casino sector, which reported record casino gaming revenue of more than \$2.74 billion in the 2021 fiscal year, an increase of 34.3 percent from the year before.



SOURCE: Oklahoma State Auditor & Inspector, Oklahoma Gaming Compliance Unit

## Policy & Regulatory Review

### Tribal Gaming

In January, Gov. Kevin Stitt (R) lost the third in a series of high-profile court cases related to his administration's efforts to renegotiate the terms of tribal gaming compacts with Oklahoma's sovereign tribal nations.

The state Supreme Court said the governor lacked authority to execute new compacts with the Kialegee Tribal Town and United Keetoowah Band of Cherokee Indians that would have allowed the tribes to offer sports betting and additional casino games, with the state receiving a larger share of tribal gaming revenue. Mirroring a 2020 decision to reject new compacts with two other tribes, the Supreme Court said the compacts were invalid because the new games had not been legalized by the Oklahoma state legislature.

The ruling came barely one month after Gov. Stitt announced he would not appeal a separate federal court decision that Oklahoma's original tribal gaming compacts from 2004 were automatically renewed at the start of 2020 for a second 15-year term.



# Oregon

The Oregon Lottery reported total sports betting revenue of \$30.4 million in 2021, an increase of 51.4 percent on the previous year.

## NUMBER OF COMMERCIAL CASINOS

0

## REGULATORY AUTHORITY

Oregon Lottery Commission

## CASINO FORMAT

N/A

## GROSS GAMING REVENUE 2021

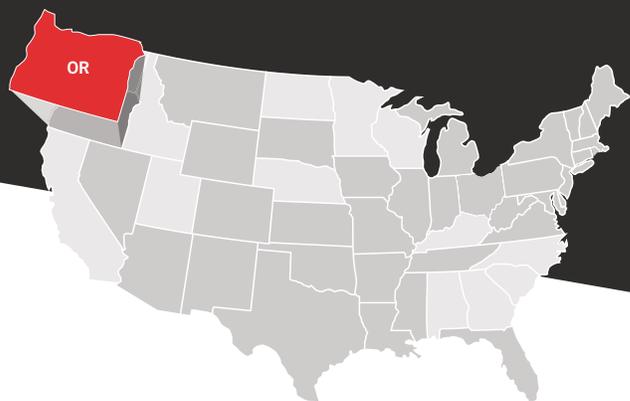
\$30.4M

## NOTABLE FORMS OF GAMING

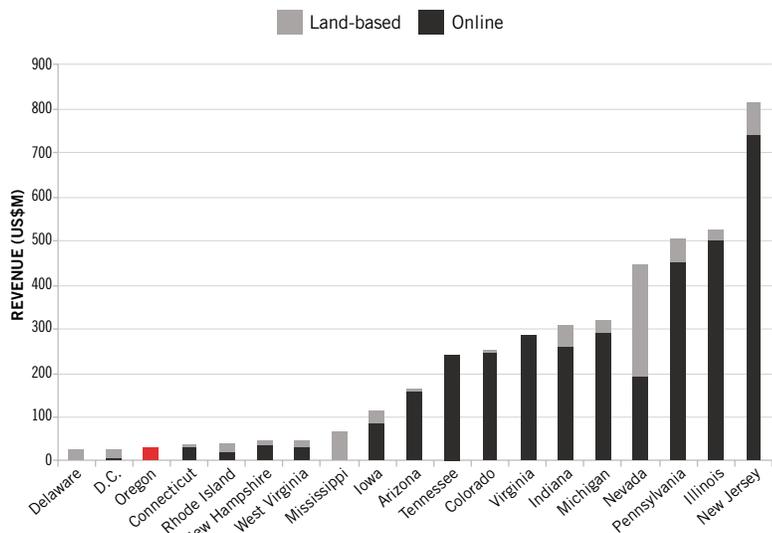
Sports Betting

## GAMING TAX REVENUE 2021

\$18.8M



## UNITED STATES: REGULATED SPORTSBOOK GGR BY STATE 2021



SOURCE: State Gaming Regulatory Agencies

## Market Overview

Oregon has no commercial casino venues but offers sports betting through the Oregon Lottery and at tribal casinos. A limited form of sports betting was first launched by the Oregon Lottery in 1989, granting the state a partial exemption from the 1992 federal law that prohibited expanded sports wagering. Although sports betting was discontinued in 2007, the Oregon Lottery revived the offering in 2019 and expanded it to include single-event wagering on all professional sports.

There is no specific state law that regulates sports wagering in Oregon; instead, it is considered to fall under the broader definition of lottery games the state lottery is authorized to offer. Certain Oregon Indian tribes are permitted to operate sports betting in their tribal casinos because of language in their tribal-state gaming compacts which permits the tribe to offer any form of casino gaming that has already been approved in Nevada.

## Market Performance

In 2021, total commercial sports betting revenue in Oregon was \$30.4 million on handle of \$331.6 million. The revenue total represented an increase of 51.4 percent from 2020, when sports betting revenue was hampered by the cancellation of major sporting events due to the pandemic.

Notably, due to state policy, the Oregon Lottery is unable to offer wagers on any collegiate sports. Although New Jersey and several other states prohibit wagers on games involving in-state college teams, the Oregon Lottery's Scoreboard was the only online sports betting platform unable to offer bets on any collegiate events.

## Gaming Tax Distribution

Sports betting operated by the Oregon Lottery is not subject to taxation per se; instead, the lottery returns all net revenue after operating expenses, including marketing and technology costs, to specific programs as determined by the state legislature. As sports betting is operated directly by the state, it is not subject to the 0.25 percent federal excise tax applied to commercial operators' wagering handle.

Programs funded by Oregon Lottery profits include education and veterans' services, state parks, conservation projects, and economic-growth initiatives.

## Competitive Landscape

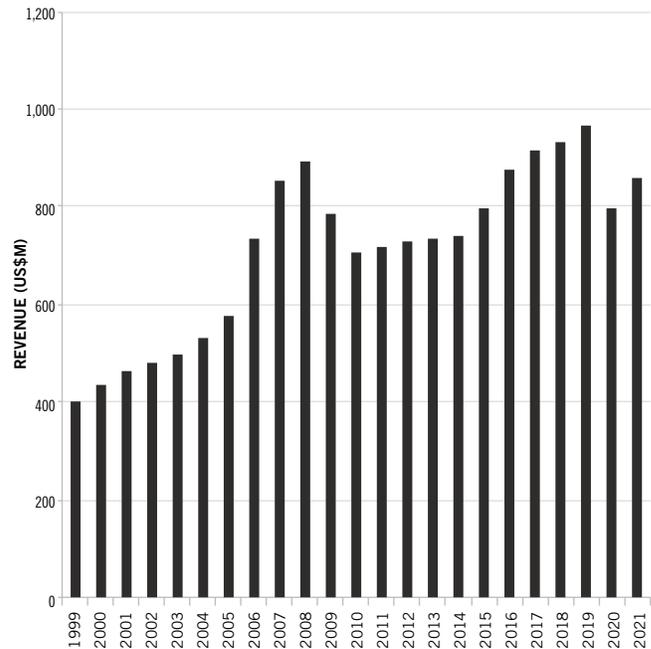
The Oregon Lottery faces competition for sports bettors from land-based sportsbook operations at several tribal casinos within the state. As of September 2021, sports betting is also available at tribal casinos in neighboring Washington.

In 2021, the Oregon Lottery moved to strengthen the competitiveness of its sports betting product through negotiations for DraftKings to take over from the lottery's Scoreboard brand and deploy the DraftKings mobile sportsbook in Oregon. In 2020, DraftKings acquired the technology platform used by Scoreboard.

In addition to sports betting and the state's 10 tribal casinos, Oregon's gaming market includes electronic gaming devices operated by the Oregon Lottery at bars and other retail locations. Betting on horse racing, including via electronic gaming devices based on the outcome of historical races, is also legal.

## OREGON: ANNUAL VLT REVENUE 1999 to 2021

**Beyond sports betting and 10 tribal casinos, Oregon's gaming market includes electronic gaming devices operated by the Oregon Lottery that generated revenue of \$860.3 million in Fiscal Year 2021, up 7.9 percent from the previous year.**



SOURCE: Oregon Lottery

## Policy & Regulatory Review Sports Betting

Oregon lawmakers considered several bills related to gaming and sports betting during their 2021 session.

In June, a House committee bill approved a bill to create a 10-member task force to conduct a broad review of Oregon's gaming market, including the prohibition on betting on college sports, and make recommendations based on a comparison of Oregon's regulatory structure with those of other states. That bill failed to advance any further before the legislature adjourned.

In January, Gov. Kate Brown (D) introduced a bill on behalf of the Oregon Racing Commission that would authorize the commission to issue licenses for online sports betting to companies already licensed to offer online wagers on horse races in Oregon. The bill was not passed out of committee.



# Pennsylvania

In 2021, total statewide commercial casino gaming revenue was a record \$4.83 billion, bolstered by strong growth in Pennsylvania’s internet gaming market.

## NUMBER OF COMMERCIAL CASINOS

16

## CASINO FORMAT

Land-Based Casinos;  
Racinos

## NOTABLE FORMS OF GAMING

Sports Betting;  
Internet Gaming

## REGULATORY AUTHORITY

Pennsylvania Gaming Control Board

## GROSS GAMING REVENUE 2021

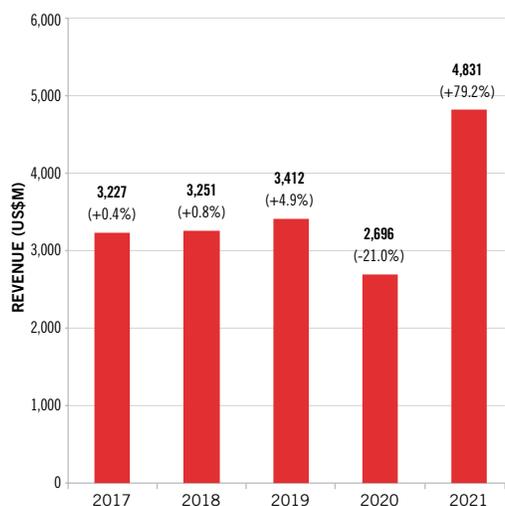
\$4.83B

## GAMING TAX REVENUE 2021

\$2.02B



## PENNSYLVANIA: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Pennsylvania Gaming Control Board

## Market Overview

Pennsylvania offers commercial casino gaming at 10 land-based casinos and six racinos, which are authorized to operate electronic gaming devices, table games, and sports betting. The properties are regulated by the Pennsylvania Gaming Control Board (PGCB).

In 2004, the Pennsylvania legislature approved the Horse Development and Gaming Act, which authorized electronic gaming devices at racetracks, standalone casinos, and three smaller casino-resorts. Table games, such as blackjack and roulette, were approved by the legislature in 2010. In 2017, a wide-ranging gaming expansion bill authorized up to ten additional “satellite” or mini-casinos, each limited to a maximum of 750 electronic gaming devices and 40 table games.

In addition, the 2017 legislation authorized Pennsylvania commercial casinos to apply for separate licenses to offer land-based and online sports betting as well as internet gaming via affiliated online casino platforms. At the end of 2021, a total of 18 internet casinos and 13 online sportsbooks were operational in Pennsylvania.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was \$4.83 billion, up 79.2 percent against 2020 and 41.6 percent from 2019.

The record total reflected strong growth in internet gaming and sports betting, as well as the January 2021 opening of a new casino-resort in Philadelphia's Stadium District and three satellite casino properties in different parts of the state.

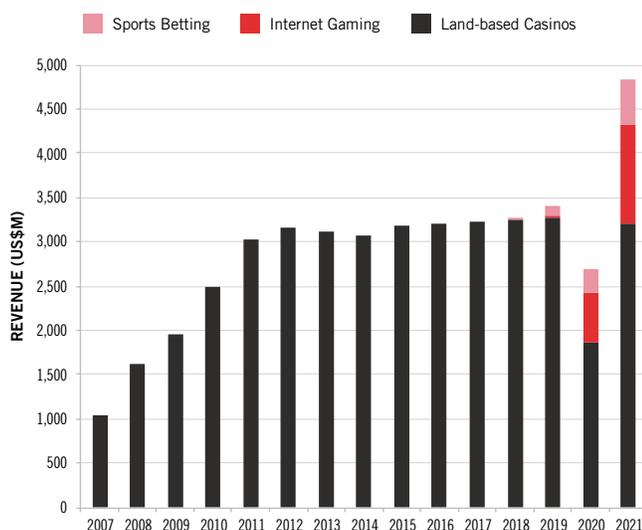
Total statewide commercial casino revenue from electronic gaming devices was \$2.29 billion, up 68.7 percent from 2020 but below the record total of \$2.37 billion set in 2018. In contrast, all other segments of Pennsylvania's commercial casino gaming industry reported record revenue in 2021.

Table game revenue was \$924.9 million, up 83.4 percent versus 2020, while revenue from internet gaming increased by 96.7 percent to \$1.11 billion.

Sports betting revenue was \$505.5 million, an increase of 87.3 percent from \$269.9 million in 2020. Consistent with other states, online sports betting accounted for the vast majority—approximately 89 percent—of total sports wagering revenue.

### PENNSYLVANIA: COMMERCIAL GAMING REVENUE 2007 to 2021

**Pennsylvania's booming internet gaming and online sports betting markets helped the state to report record overall casino gaming revenue in 2021, surpassing more than \$4 billion for the first time.**



SOURCE: Pennsylvania Gaming Control Board

## Gaming Tax Distribution

Pennsylvania land-based commercial casinos and racinos pay a 54 percent tax rate on electronic gaming device revenue, a 16 percent tax rate on table game revenue, and a 34 percent tax rate on revenue from electronic versions of table games.

Internet gaming revenue is taxed at the same headline rates of either 54 or 16 percent, depending on whether the online casino game in question simulates an electronic gaming device or a table game.

Sports betting revenue is subject to a 36 percent effective tax rate, which includes a two percent tax for local municipalities and is applied after deduction of promotional free bets offered to players. Sportsbook operations are also subject to a 0.25 percent federal excise tax applied to wagering handle.

Reflecting one of the highest effective tax rates in the country together with the rapid growth of internet gaming, Pennsylvania's gaming tax revenue exceeded that of any other state by more than \$800 million in 2021.

In 2021, the state's commercial casinos and racinos generated approximately \$2.02 billion in gaming tax revenue, up 69.8 percent against 2020.

The state's share of gaming tax revenue in Pennsylvania is primarily used to reduce school taxes paid by Pennsylvania property owners, with additional allocations for local law enforcement grants and responsible gaming programs. In 2021, the state's share of direct gaming tax revenue amounted to approximately \$1.33 billion.

Approximately \$207.7 million in gaming tax revenue was distributed to Pennsylvania's horse racing industry in 2021, while remaining funding was allocated to an economic development and tourism fund, to county governments, and to the municipalities that host casinos and racinos.

## Competitive Landscape

Pennsylvania's casinos operate at the intersection of the fiercely competitive Northeast and Mid-Atlantic markets. Individual Pennsylvania casinos compete against rival properties in Delaware and northern Maryland to the south; New York City and Atlantic City to the east; Ohio to the west; and West Virginia to the southwest.

Following the opening of the state's first three satellite casinos in late 2020 and in 2021, two additional properties remain under development. Pennsylvania casinos also face a degree of competition from the operation of lawful electronic gaming devices (VGTs) at truck stops. As authorized under the state's 2017 gaming expansion law, truck stops meeting a certain set of criteria are eligible to install up to five VGTs on their premises. At the close of 2021, electronic gaming devices were operational at a total of 60 truck stops across the state. Total statewide revenue from electronic gaming devices at truck stops was \$39.9 million, up 139.4 percent from the previous year.

## Policy & Regulatory Review

### *Internet Gaming*

In May, a Pennsylvania state court judge ruled in favor of the Pennsylvania Lottery in a case brought by commercial casino operators to restrain the types of interactive games that can be offered through the lottery's online platform.

Pennsylvania's 2017 gaming expansion law authorized the state lottery to launch internet-based instant games as part of an iLottery program. Although the law expressly prohibited the lottery from offering any games that simulate casino-style games such as slot machines, poker, roulette, or blackjack, the judge ruled that it does not prevent the lottery from offering interactive games featuring game mechanics or certain features that are also used in electronic gaming devices or by internet casinos.

### *Illegal Gaming*

Another key policy issue in 2021 was Pennsylvania's proliferating network of unregulated electronic gaming devices in bars, convenience stores, and other non-gaming locations.

The operator of at least one popular range of the devices argues the games are not illegal because they are based on player skill and therefore not prohibited by the state's gambling statutes.

A series of bills to either clearly prohibit the unregulated electronic gaming devices, or subject them to state licensing and oversight were introduced in the Pennsylvania legislature, but none advanced during 2021. A further policy option discussed by lawmakers was to expand Pennsylvania's network of lawful VGTs beyond truck stops to a much wider range of retail locations.



# Rhode Island

In 2021, total statewide commercial casino gaming revenue was \$594.1 million, up 82.1 percent from 2020 but down more than 11 percent from 2019 after a new casino opened near Boston in neighboring Massachusetts.

## NUMBER OF COMMERCIAL CASINOS

2

## CASINO FORMAT

Land-Based Casinos

## NOTABLE FORMS OF GAMING

Sports Betting

## REGULATORY AUTHORITY

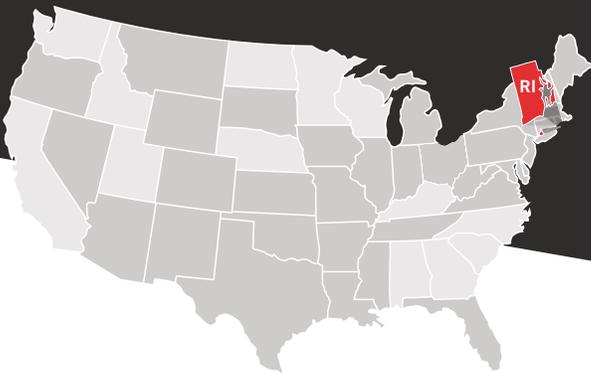
Rhode Island Lottery

## GROSS GAMING REVENUE 2021

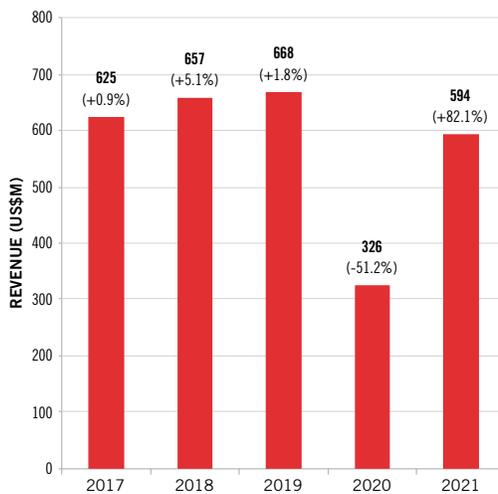
\$594.1M

## GAMING TAX REVENUE 2021

\$300.2M



### RHODE ISLAND: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: Rhode Island Lottery

## Market Overview

Rhode Island offers commercial casino gaming at two casinos, which operate electronic gaming devices, table games, and sports betting under the authority of the Rhode Island Lottery.

In 1992, the Rhode Island legislature passed a bill permitting electronic gaming devices at the state's two pari-mutuel wagering venues. In 2012, state voters approved the addition of table games at Twin River Casino in Lincoln. The passage of another ballot measure in 2016 allowed the struggling Newport Grand Casino to relocate to the town of Tiverton on the Massachusetts border. The measure also authorized the relocated casino to offer table games.

In June 2018, the legislature passed a bill authorizing the state lottery to operate sports betting at both commercial casinos. Subsequent legislation authorized online sports betting the following year.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was \$594.1 million, up 82.1 percent against 2020 but down 11.1 percent from the pre-pandemic year of 2019.

The lower total relative to 2019 reflects, in large part, a first full calendar year of operations at the Encore Boston Harbor casino-resort in Massachusetts, which opened in June of that year.

Total revenue from electronic gaming devices in 2021 was \$443.8 million, an increase of 78.5 percent from the previous year, while revenue from table games was \$111.5 million, more than double 2020's total of \$53.5 million.

Sports betting revenue was \$38.8 million, up 61.0 percent from 2020. Land-based sports betting revenue was \$18.5 million versus the \$13.7 million recorded in 2020 when casinos were closed for extended periods of time in the spring and late fall due to the pandemic. Meanwhile, online sports betting revenue almost doubled to \$20.3 million after Rhode Island implemented legislation in 2020 to permit bettors to remotely register for accounts without having to visit a casino.

## Gaming Tax Distribution

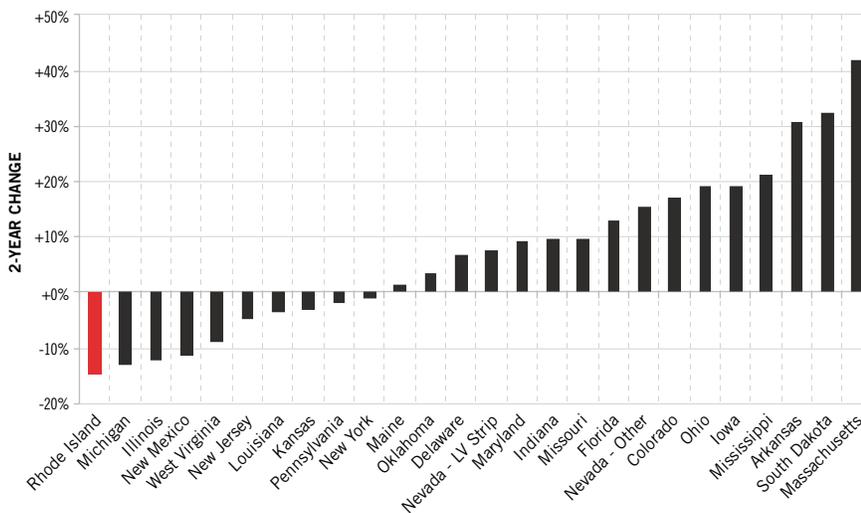
Rhode Island's Bally's Twin River Lincoln and Bally's Tiverton commercial casinos retain roughly 26 percent to 28.85 percent of their revenue from electronic gaming devices, depending on each facility's operating contract and state regulation. An additional annual allowance is made for certain marketing expenses. The state's overall take of electronic gaming device revenue, after administrative and technology expenses are deducted, is about 60 percent.

By contrast, table game revenue is taxed at either 17 or 19 percent depending on each casino's total net revenue in relation to the previous fiscal year. If a property's revenue is up from the prior year, it pays an additional two percent.

Sports betting is taxed at an effective rate of 51 percent with the remaining amount split between the operating partners of the state lottery (32 percent) and the casino hosting the sportsbook operation (17 percent). In addition, the host communities of Lincoln and Tiverton each receive an annual payment of \$100,000.

### USA: TWO-YEAR COMMERCIAL CASINO GGR GROWTH BY STATE 2021 vs 2019

Reflecting the opening of a major new casino-resort near Boston in neighboring Massachusetts, Rhode Island suffered the steepest decline in annual commercial casino gaming revenue when compared to the pre-pandemic year of 2019. While up on a year-over-year basis, total revenue in 2021 was down 14.6 percent versus two years prior.



SOURCE: State Gaming Commissions

In 2021, commercial casino gaming generated \$300.2 million in total tax revenue for Rhode Island's General Fund, up 83.4 percent versus 2020.

Gaming revenue in the General Fund is appropriated annually at the direction of the legislature and is used to pay for various state services, including education, public safety programs, and healthcare.

A small fraction of gaming tax revenue is also remitted annually to the towns of Lincoln and Tiverton, as well as to the Narragansett Indian Tribe.

## Competitive Landscape

Rhode Island's commercial casinos compete directly with Plainridge Park Casino in Massachusetts, which is just 20 miles from Providence, as well as the Foxwoods and Mohegan Sun tribal casinos in southeastern Connecticut. Since mid-2019, New England casinos have faced a substantial increase in competition for players from the Greater Boston area in the form of the Encore Boston Harbor casino-resort, located in Everett, Massachusetts.

A fourth Massachusetts casino is also authorized under a 2011 gaming law for the state's southeastern region that borders Rhode Island. However, a planned tribal casino-resort has been stalled by legal challenges and Massachusetts regulators have to date declined to license an alternative commercial casino in the region.

## Policy & Regulatory Review

### *Legislation*

In June, Gov. Dan McKee (D) signed legislation to extend a master operating contract for International Game Technology (IGT) and Bally's Corporation to continue to manage the state's casino gaming and lottery operations on behalf of the Rhode Island Lottery through 2043.

The owner of Rhode Island's two land-based commercial casino properties had previously objected to the proposed contract extension for IGT until a compromise was reached between representatives of the two companies, state lawmakers, and officials in Gov. McKee's administration regarding the terms of an extended agreement.

Among other things, IGT agreed to retain more than 1,100 employees in Rhode Island and upgrade a minimum number of the electronic gaming devices in the two Bally's casinos in each year of the contract. Bally's, in turn, committed to investing at least \$100 million to expand the Lincoln casino-resort and make increased annual commitments to fund problem gambling programs in Rhode Island.



# South Dakota

In 2021, total statewide commercial casino gaming revenue was a record \$146.1 million, up 38.7 percent on the previous year. The total includes South Dakota's first revenue contributions from legal sports betting.

## NUMBER OF COMMERCIAL CASINOS

24

## CASINO FORMAT

Land-Based Casinos

## REGULATORY AUTHORITY

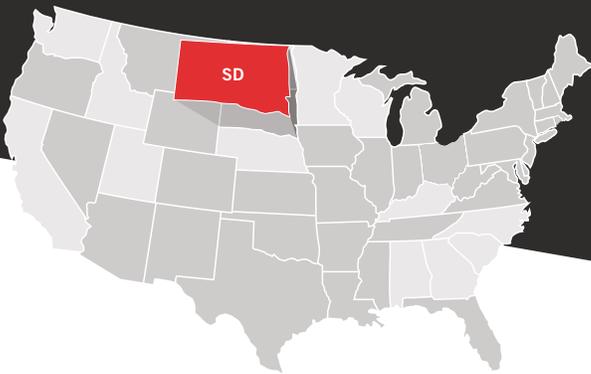
South Dakota  
Commission on Gaming

## GROSS GAMING REVENUE 2021

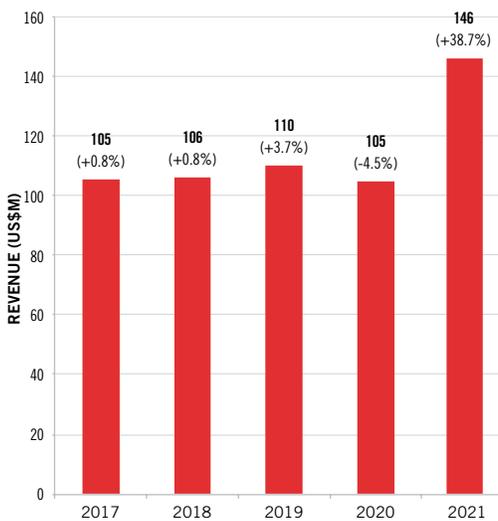
\$146.1M

## GAMING TAX REVENUE 2021

\$17.6M



## SOUTH DAKOTA: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: South Dakota Commission on Gaming

## Market Overview

South Dakota offers commercial casino gaming at 24 locations exclusively within the city limits of historic Deadwood, located on the edge of the Black Hills National Forest near the Wyoming and Montana borders.

The casinos, which can operate electronic gaming devices, table games, and sports betting, are regulated by the South Dakota Commission on Gaming.

Commercial casino gaming was first approved by South Dakota voters in a 1988 statewide referendum. Sports betting received voter approval in 2020 and began in 2021 after the state legislature passed a new law to implement the referendum.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was \$146.1 million, up 38.7 percent from 2020 and 32.5 percent against 2019. The 2021 total eclipsed South Dakota's previous record annual haul of \$110.3 million reported the year before the pandemic, reflecting pent-up demand for gaming entertainment and domestic travel among consumers.

Total revenue from electronic gaming devices in 2021 was \$129.0 million, up 37.3 percent versus 2020. Table game revenue increased by 48.9 percent to \$16.8 million.

The 2021 total also included for the first-time revenue from legal sports betting at Deadwood casinos. After launching in early September, sports betting generated revenue of approximately \$254,600 through the end of the year.

## Gaming Tax Distribution

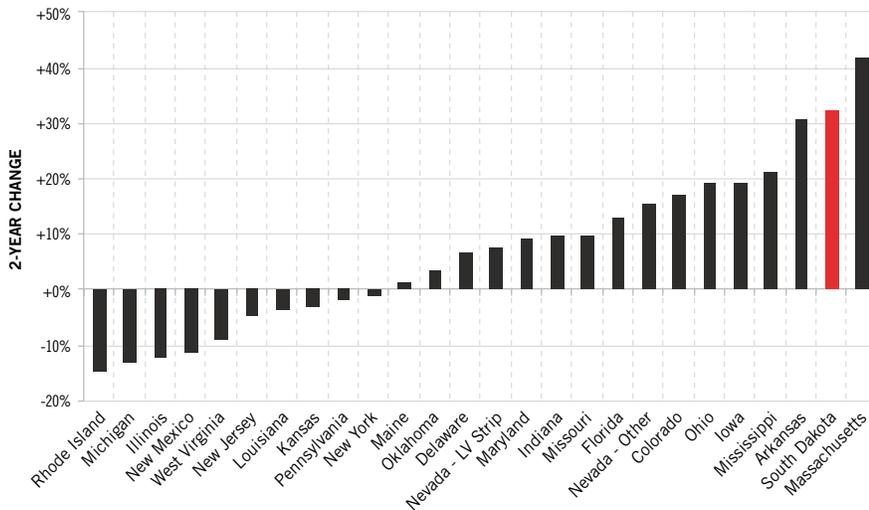
South Dakota applies a 9 percent tax on all commercial casino gaming revenue. In addition, a gaming device tax is applied to both table games and electronic gaming devices, in the amount of \$2,000 per unit per year.

In 2021, commercial casinos in Deadwood generated total gaming tax revenue of approximately \$17.6 million, up 24.2 percent against the previous year.

Of the 9 percent of gaming revenue collected, 1 percent is distributed to South Dakota's General Fund, with the remaining 8 percent divided between the state's Gaming Commission Fund, the South Dakota Department of Tourism, and Lawrence County where Deadwood is located.

### USA: TWO-YEAR COMMERCIAL CASINO GGR GROWTH BY STATE 2021 vs 2019

Reflecting overall strength in consumer spending and pent-up demand for gaming, South Dakota's commercial casino properties in Deadwood reported a more than 30 percent increase in casino gaming revenue in 2021 when compared to the pre-pandemic year of 2019.



SOURCE: State Gaming Commissions

The Commission Fund provides up to \$6.8 million annually to the City of Deadwood, and up to \$100,000 to the State Historical Preservation Grant and Loan Fund, with all remaining funds going to the state General Fund, Lawrence County municipalities and schools, and Deadwood historic preservation. In addition, the Commission Fund is authorized to provide up to \$30,000 annually for state gambling addiction programs.

## Competitive Landscape

With two dozen casinos in Deadwood and no major population center within hundreds of miles, South Dakota relies heavily on tourists to patronize the historic town's commercial casinos. The South Dakota gaming market also includes 11 tribal casinos spread across the state, as well as a network of over 9,000 electronic gaming devices operated by the South Dakota Lottery at more than 1,200 retail locations, such as bars and taverns.

Out-of-state competition is set to increase somewhat in 2022 with the launch of commercial casino gaming at Nebraska racetracks, although none are situated close to Deadwood on South Dakota's western border.

## Policy & Regulatory Review

### *Sports Betting*

In March, Gov. Kristi Noem (R) signed a bill to implement the November 2020 statewide referendum that authorized sports betting in South Dakota.

The earlier ballot question, approved by 58.5 percent of South Dakota voters, specified that sports wagering should be confined to the city limits of Deadwood, where all commercial casinos are located. Through the new legislation, state lawmakers restricted legal sports betting to players placing wagers within Deadwood casinos and rejected the argument that the constitution would permit statewide online sports betting on the grounds that servers could be located in the city.

Lawmakers also included a provision to ban wagering on South Dakota college teams, mirroring restrictions in place in several other states, including New Jersey, New York, and Virginia.

In July, the South Dakota Commission on Gaming adopted regulations to govern sports betting operations and the state's first sportsbooks opened in early September, just prior to the start of the NFL football season.

### *Payments Modernization*

In July, the South Dakota Commission adopted regulations to facilitate the adoption of cashless gaming in Deadwood casinos.

Cashless gaming was already allowed by statute but required additional rulemaking for players to be able to establish and fund wagering accounts and then use them to play electronic gaming devices and table games.

South Dakota joined Nevada, Pennsylvania, Indiana, and a handful of other states in permitting cashless gaming within commercial casinos.



# Tennessee

Tennessee reported total online sports betting revenue of \$239.8 million in 2021, the market's first full year of operations.

## NUMBER OF COMMERCIAL CASINOS

0

## CASINO FORMAT

N/A

## NOTABLE FORMS OF GAMING

Sports Betting

## REGULATORY AUTHORITY

Tennessee Sports Wagering Advisory Council

## GROSS GAMING REVENUE 2021

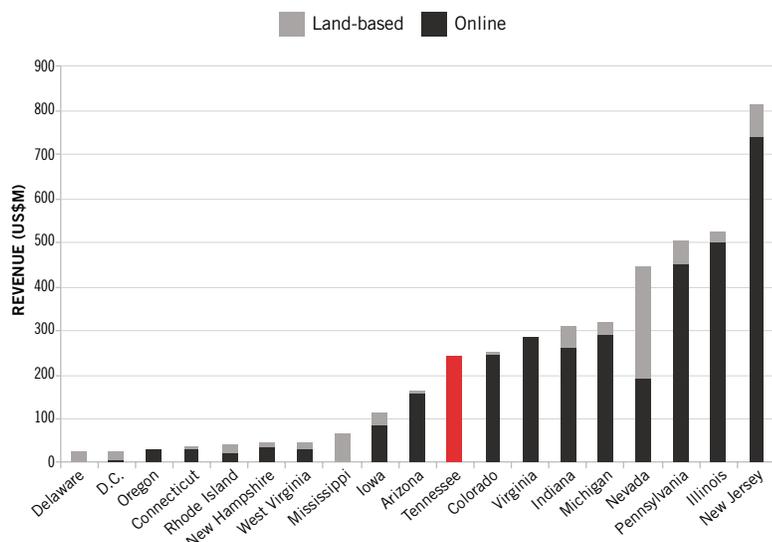
\$239.8M

## GAMING TAX REVENUE 2021

\$39.3M



## UNITED STATES: COMMERCIAL SPORTSBOOK GGR BY STATE 2021



SOURCE: State Gaming Regulatory Agencies

## Market Overview

Tennessee has no commercial casino venues but offers sports betting through online sportsbook operators regulated by the Tennessee Sports Wagering Advisory Council.

A state law passed in 2019 authorizes commercial gaming operators to apply for an unlimited number of licenses to operate online sports betting. Tennessee's law was notable for being the first in the U.S. to limit sports wagering exclusively to online platforms, with no retail sportsbook operations permitted.

Legal sports betting began in November 2020 when the first four licensed operators commenced operations. At the end of 2021, eight online sports betting platforms were available in Tennessee.

## Market Performance

In 2021, total sports betting revenue in Tennessee was \$239.8 million versus the \$27.1 million accrued in November and December 2020. Online sports betting handle was \$2.73 billion, versus \$312.3 million.

The total made Tennessee the eighth largest sports betting market in the country in its first full year of operations.

## Gaming Tax Distribution

Revenue from online sports betting in Tennessee is taxed at a rate of 20 percent. Sportsbook operations are also subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2021, sports betting generated total state tax revenue of approximately \$39.3 million, according to the Tennessee Education Lottery.

Of that amount, approximately \$31.4 million was distributed to the Tennessee Lottery's education fund used to support education programs across the state. Some \$5.9 million was allocated to local governments for infrastructure projects, with the remainder set aside for problem gambling services.

## Competitive Landscape

Tennessee was the first state in the South to legalize online sports betting and faces limited cross-border competition to its sports wagering market. Legal sports betting is available, however, at one Arkansas commercial casino and at several Mississippi casinos in the Tunica/Lula market that attract patrons from the Greater Memphis area. At the end of 2021, regulators in Arkansas voted to approve new rules to allow mobile sports betting. Online sports betting is also offered in Virginia, where one land-based casino is under development in the city of Bristol on the Tennessee border.

The Tennessee market itself is set to become more competitive as additional licenses are awarded for operators beyond the eight that were approved at the end of 2021.

## Policy & Regulatory Review

### *Sports Betting*

In May, Gov. Bill Lee (R) signed legislation transferring primary regulatory authority over sports betting from the Tennessee Education Lottery Corporation to an independent Sports Wagering Advisory Council.

Tennessee's original legislation required the formation of a nine-member advisory council, appointed by the governor and House and Senate leaders, to provide policy guidance to the state lottery regarding its rulemaking, licensing, and compliance responsibilities for online sports betting.

In effect, the new law switched those roles, making the Sports Wagering Advisory Council the full-time regulator for sports betting effective January 1, 2022, with assistance from lottery officials as required.

Licenses already awarded by the lottery will remain valid despite the change of regulatory authority; however, the new legislation did require the council to revisit Tennessee's sports betting regulations and promulgate new rules.

In December, the Sports Wagering Advisory Council adopted new regulations following several public rulemaking meetings.

Notably, the council did not remove Tennessee's controversial regulatory requirement for online sports betting operators to pay out no more than 90 percent of the total amount wagered on their platforms over the course of a year, ensuring a minimum hold of at least 10 percent compared with an industry average of roughly 7 to 8 percent in similar U.S. markets. The rules instead included a new provision allowing operators to "cure" a violation of the hold provision by making additional tax payments to the state, in lieu of paying a fine.



# Virginia

Virginia reported total sports betting revenue of \$285.9 million in 2021, following the launch of legal online wagering in late January. The total made the state the seventh largest sports betting market in the country.

## NUMBER OF COMMERCIAL CASINOS

0

## CASINO FORMAT

N/A

## NOTABLE FORMS OF GAMING

Sports Betting

## REGULATORY AUTHORITY

Virginia Lottery Board

## GROSS GAMING REVENUE 2021

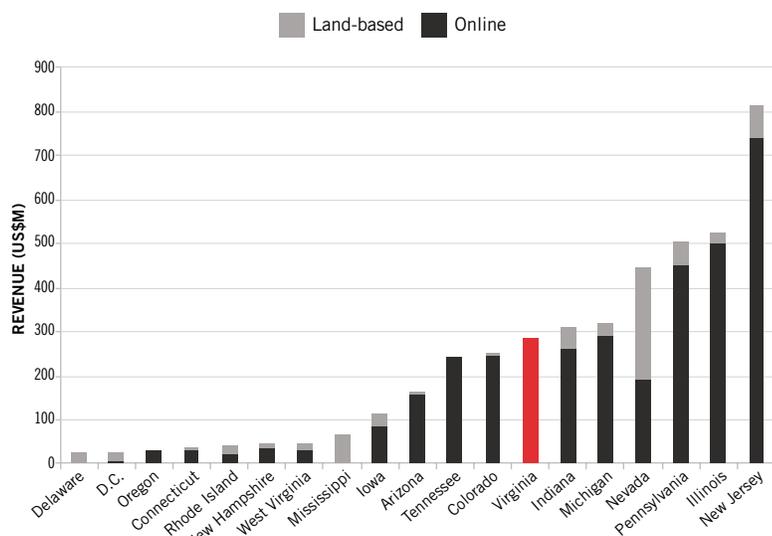
\$285.9M

## GAMING TAX REVENUE 2021

\$20.3M



## UNITED STATES: COMMERCIAL SPORTSBOOK GGR BY STATE 2021



SOURCE: State Gaming Regulatory Agencies

## Market Overview

Virginia has no commercial casino venues but offers online sports betting through commercial sportsbook operators regulated by the Virginia Lottery Board.

The state legalized sports betting in April 2020 alongside a series of gaming reforms that also included authorization of up to five land-based commercial casino-resorts in five specific Virginia cities.

The sports betting law enables the state lottery to issue a limited number of licenses for online-only sports betting to qualified operators. Legal sports betting began in January 2021 and a total of ten online sportsbooks were available in Virginia by the end of the year.

## Market Performance

In 2021, total sports betting revenue in Virginia was \$285.9 million on handle of \$3.22 billion.

Of the seven states that launched commercial sports betting in 2021, Virginia generated the highest revenue. The state also ranked as the seventh largest sports betting market overall, after New Jersey, Illinois, Pennsylvania, Nevada, Michigan, and Indiana.

## Gaming Tax Distribution

Revenue from online sports betting in Virginia is taxed at a rate of 15 percent, applied after deductions of free bets and other bonuses and promotions. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle. Federal excise payments are also deductible from revenue subject to the state's sports betting tax.

In 2021, sports betting generated total state tax revenue of approximately \$20.3 million. Of that amount, approximately \$19.8 million was distributed to the state's General Fund and used for general budgetary purposes. The remainder was allocated for services specializing in problem gambling treatment and support.

## Competitive Landscape

In addition to sports betting, Virginia's broader gaming market includes a racetrack and affiliated off-track betting facilities that are eligible to offer electronic gaming devices based on the outcome of historical horse races. At the end of 2021, four land-based casino-resorts had also received state and local approval and were under development in the cities of Bristol, Danville, Norfolk, and Portsmouth. The Virginia Lottery also offers a range of online lottery games.

Virginia operators compete for sports bettors in the populous Greater Washington D.C. market with retail sportsbooks and mobile platforms available at major Washington sports arenas, with a D.C. Lottery platform, and with sportsbooks that were opened at Maryland land-based casinos in late 2021. Increased competition is on the horizon in the form of online sports betting and additional retail locations in Maryland, which were also authorized by a May 2021 state law.

## Policy & Regulatory Review

### *Expansion*

Virginia continued to move forward in 2021 with the implementation of commercial casino gaming at land-based casino-resorts.

In July, the Virginia Lottery Board adopted regulations to govern the licensing and operation of casino gaming. A 2020 law authorizes up to five casinos in designated Virginia cities, provided casino developers receive local voter approval for their plans. The law also authorizes casino gaming to commence at temporary facilities while resorts are under development according to an approved timetable.

Virginia casino developers suffered a setback in November, however, when local voters in the state capital of Richmond narrowly rejected a referendum to host a casino in the city's Southside area. A consortium proposing the project had been selected in May as the city's development partner by an evaluation committee on behalf of the Richmond government.

### *Sports Betting*

In March, Gov. Ralph Northam (D) signed a bill to amend Virginia's 2020 sports betting statute to clarify the number of online sports betting permits available under the law.

The new legislation specified that sports betting licenses awarded to the chosen developers of Virginia's five land-based casinos would not count toward a cap of 12 online sports betting licensees in total. In effect, the new law means up that to 19 licenses are available, including additional licenses set aside for major league professional sports teams with operations in Virginia.

Elsewhere, the bill directed the Virginia Lottery to give preferential treatment to sports betting applicants with equity held by minorities, or with clear plans to either encourage investment by or purchase services from minority groups. The bill also made a technical correction to clarify that Virginia sportsbooks are able to offer bets on Olympic sporting events.

In February, Gov. Northam signed a separate bill to enable Virginia's forthcoming casino-resorts to offer in-person sports wagering via tellers or kiosks in their facilities.

## *Illegal Gaming*

In July, a statewide ban on the operation of unregulated electronic gaming devices purporting to offer games of skill became effective. The ban on skill games devices was approved by the legislature during the 2020 session, although Gov. Northam insisted upon a 12-month delay with operators instead required to pay monthly fees to generate revenue for a pandemic relief fund.

In April, Gov. Northam signed a second bill strengthening the prohibition by imposing a civil penalty of \$25,000 on any individuals involved in the operation of illegal gambling devices.

Enforcement of the ban on skill games devices was enjoined by a county court in November, however, after one convenience store operator filed a lawsuit on grounds that the prohibition was a violation of his constitutional rights.



# West Virginia

In 2021, statewide commercial casino gaming revenue was \$668.0 million, up 53.4 percent, reflecting the full reopening of land-based casinos and a first full year of internet gaming operations.

## NUMBER OF COMMERCIAL CASINOS

5

## CASINO FORMAT

Land-Based Casinos;  
Racinos

## REGULATORY AUTHORITY

West Virginia Lottery Commission

## GROSS GAMING REVENUE 2021

\$668.0M

## GAMING TAX REVENUE 2021

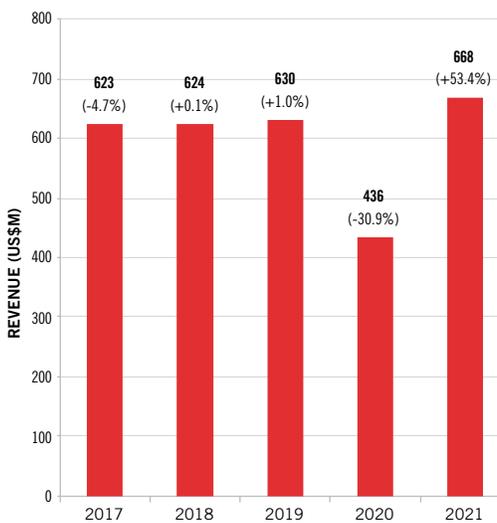
\$272.3M

## NOTABLE FORMS OF GAMING

Sports Betting;  
Internet Gaming



## WEST VIRGINIA: COMMERCIAL CASINO GAMING REVENUE 2017 to 2021



SOURCE: West Virginia Lottery

## Market Overview

West Virginia offers commercial casino gaming at four racinos and one land-based casino. Each of the five venues operates electronic gaming devices, table games, and sports betting under the authority of the West Virginia Lottery Commission.

The state authorized commercial casino gaming in 1994 when the West Virginia legislature endorsed the operation of electronic gaming devices at licensed racetracks, subject to local approval. Legislation allowing racinos to add table games was approved in 2007. In 2008, voters approved casino gaming at The Greenbrier historic hotel and legislators authorized table games at the property the following year.

Anticipating a ruling by the U.S. Supreme Court to strike down a federal ban, the state legislature passed a bill in March 2018 legalizing land-based and online sports betting. In 2019, further legislation was passed to authorize internet gaming through online casino platforms partnering with the state's casinos. At the close of 2021, a total of seven online sportsbooks and five internet casinos were operational.

## Market Performance

In 2021, total statewide commercial casino gaming revenue was \$668.0 million, up 53.4 percent versus 2020 and 6.0 percent versus 2019.

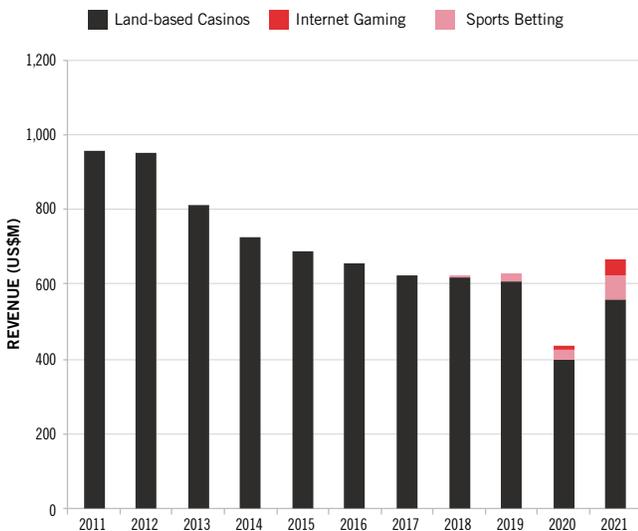
Total revenue from electronic gaming devices in 2021 was \$458.7 million, up 37.6 percent from the previous year, while total table game revenue was \$102.7 million, up 56.1 percent.

The state's nascent sports betting and internet gaming markets also reported strong growth.

West Virginia casinos and affiliated online sportsbook platforms collected \$45.7 million in total sports betting revenue in 2021, an increase of 70.7 percent. Meanwhile, internet gaming revenue was \$60.9 million, versus \$9.6 million from less than six months of operations in 2020.

### WEST VIRGINIA: COMMERCIAL GAMING REVENUE 2011 to 2021

**While West Virginia reported more than \$100 million in combined revenue from sports betting and internet gaming in 2021, the two segments legalized since 2018 accounted for less than 16 percent of total statewide commercial gaming revenue during the year.**



SOURCE: West Virginia Lottery

## Gaming Tax Distribution

Revenue from electronic gaming devices at West Virginia's five casino properties is subject to an effective tax rate of 53.5 percent, while table games are taxed at 35 percent.

The tax rate for internet gaming is 15 percent, with sports betting subject to a state tax of 10 percent of revenue. Sportsbook operations are also subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2021, West Virginia's commercial casinos and affiliated online sports betting and internet gaming platforms generated total gaming tax revenue of approximately \$272.3 million, an increase of 43.4 percent from 2020.

The majority of gaming tax revenue is remitted to the state government, including to funds associated with the West Virginia Lottery. Lottery funds are allocated to the state's public schools, tourism promotion, state parks, and services for senior citizens. County and municipal governments also receive a small percentage of gaming tax proceeds, as do West Virginia's horse and greyhound racing industries.

Taxes collected from sports betting are placed in the West Virginia Lottery Sports Wagering Fund, which distributes the first \$15 million to the State Lottery Fund before remaining funds are allocated to help support health-insurance programs for public sector employees.

Internet gaming taxes are similarly deposited into the West Virginia Lottery Interactive Wagering Fund. The fund distributes annual tax profits to the State Lottery Fund, following deductions for regulatory costs and contributions to the pensions of West Virginia racing employees.

## Competitive Landscape

West Virginia's commercial casinos compete directly with casino properties in several neighboring states. Hollywood Casino at Charles Town Races competes with three Maryland casinos for patrons from the Greater Washington D.C.-Baltimore area, while Wheeling Island Hotel Casino Racetrack and Mountaineer Casino Racetrack & Resort both face competition from casinos and racinos in Pittsburgh and eastern Ohio. Land-based casinos have also been authorized in neighboring Virginia, although none for locations near the West Virginia border.

Within the state, West Virginia casinos also compete with a network of some 8,000 limited-stakes electronic gaming devices (VLTs) situated at retail establishments, such as bars and taverns.

## Policy & Regulatory Review

### *Regulatory Reform*

West Virginia lawmakers approved several bills to reform the state's gaming regulatory framework during 2021.

In March, Gov. Jim Justice (R) signed a bill to remove a prohibition on ATMs on the gaming floors of West Virginia casinos. Lawmakers also renewed a racetrack modernization fund granting racino operators a limited tax break in return for capital investments made at their properties.

In April, Gov. Justice signed two further bills to increase the maximum number of VLTs allowed in West Virginia bars and other approved retail locations from seven to 10, while also permitting VLT retailers to advertise and promote the devices offered in their facilities.

### *Sports Betting*

During their 2021 session, lawmakers considered, but did not advance, legislation to allow West Virginia small businesses to participate alongside casinos and racinos in the state's online sports betting market.

Separately, a House bill which would have authorized betting on esports events in West Virginia, was approved by a committee in March but did not receive a vote on the House floor before lawmakers adjourned.



# Wyoming

Wyoming reported total online sports betting revenue of \$4.0 million in 2021, reflecting four months of operations by the state's two licensees: BetMGM and DraftKings.

## NUMBER OF COMMERCIAL CASINOS

0

## CASINO FORMAT

N/A

## NOTABLE FORMS OF GAMING

Sports Betting

## REGULATORY AUTHORITY

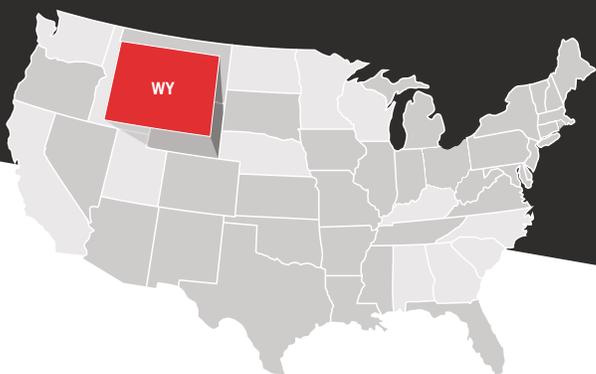
Wyoming Pari-Mutuel Commission

## GROSS GAMING REVENUE 2021

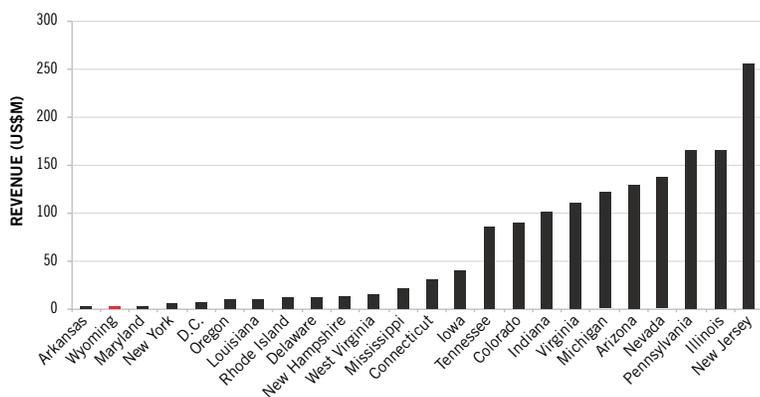
\$4.0M

## GAMING TAX REVENUE 2021

\$112K



## UNITED STATES: COMMERCIAL SPORTSBOOK GGR BY STATE 2021Q4



SOURCE: State Gaming Regulatory Agencies

## Market Overview

Wyoming has no commercial casino venues but offers sports betting through two commercial sportsbook operators regulated by the Wyoming Pari-Mutuel Commission. Sports betting is also available at tribal casinos.

An April 2021 law authorized the pari-mutuel commission to issue permits for online sports betting to operators that are already licensed in at least three other states. Online sports betting began in September.

## Market Performance

In 2021, total online sports betting revenue in Wyoming was \$4.0 million on handle of \$40.3 million.

The modest revenue total compared to fellow sports betting newcomers such as Arizona and Virginia reflects Wyoming's much smaller population size of less than 600,000.

## Gaming Tax Distribution

Revenue from online sports betting in Wyoming is taxed at a rate of 10 percent, applied after deductions of free bets and other bonuses and promotions. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle. Federal excise payments are also deductible from revenue subject to the state's sports betting tax.

In 2021, online sports betting generated total state tax revenue of just under \$112,000.

Under state law, the first \$300,000 in sports wagering tax revenue in each fiscal year is appropriated to the Wyoming Department of Health and then redistributed to county health programs for the prevention and treatment of problem gambling. Remaining tax revenue is deposited into the state's General Fund.

## Competitive Landscape

Although sports betting is also legal in several states that border Wyoming, online sports betting is currently only available to the south in Colorado.

Wyoming's online sports betting platforms face in-state competition from sportsbooks that can be offered by the state's three tribal casinos. In September, the Northern Arapaho tribe opened Wyoming's first retail sportsbook at its Wind River Hotel & Casino.

In addition to sports betting and tribal gaming, Wyoming's broader gaming market includes pari-mutuel wagering on horse races and electronic gaming devices in bars and other establishments based on player skill.

## Policy & Regulatory Review

### *Sports Betting*

In April, Gov. Mark Gordon (R) signed legislation authorizing online sports betting operators licensed in at least three other states to obtain permits to launch their platforms in Wyoming.

The Wyoming Pari-Mutuel Commission implemented regulations for sports wagering in August and issued the state's first two permits to BetMGM and DraftKings, which both launched in Wyoming on September 1. The legislation was passed after Wyoming lawmakers in 2020 approved a bill requiring an official study of sports betting. Notably, the law made Wyoming the first state to expressly authorize cryptocurrencies as a permitted funding method for sports betting accounts.

During the legislative process, the Wyoming bill was amended to remove provisions enabling the state's two federally recognized sovereign tribal nations to also obtain permits for online sports betting. The tribes were still able to launch sports betting in their casinos, however, based on language in their existing tribal-state gaming compacts.

### *Illegal Gaming*

Also in April, Gov. Gordon signed a separate bill to establish a permanent regulatory regime governing skill-based electronic gaming devices in licensed bars and other establishments.

The legality of the devices was recognized under a 2020 law, but only on a temporary basis with the regime due to expire on June 30, 2021. The new legislation removed that expiry date and established new requirements regarding the licensing, testing, and certification of the skill-based devices by the Wyoming Pari-Mutuel Commission.

Among other restrictions, skill-based devices are subject to a maximum wager limit of \$3 and cannot pay out prizes greater than \$3,000. Establishments cannot offer more than four skill-based devices for play at any one time.

Alongside Wyoming, the District of Columbia has also established a regulatory regime for devices that purport to avoid state gambling prohibitions because their outcomes depend, to varying degrees, on player skill. In contrast, Virginia enacted new laws in 2020 and 2021 to prohibit skill-game devices, and Missouri and Pennsylvania have considered similar legislation.



# State Regulatory & Industry Contacts

For further information about the gaming industry or regulatory requirements in specific states please contact the state regulators or state gaming association listed below.

STATE	STATE REGULATORY AUTHORITY	STATE GAMING ASSOCIATION
ARIZONA	<b>Arizona Department of Gaming</b> gaming.az.gov	
ARKANSAS	<b>Arkansas Racing Commission</b> dfa.arkansas.gov/racing-commission	
COLORADO	<b>Colorado Division of Gaming</b> colorado.gov/pacific/enforcement/gaming <b>Colorado Limited Gaming Control Commission</b> colorado.gov/pacific/enforcement/limited-gaming-control-commission	<b>Colorado Gaming Association</b> coloradogaming.com
CONNECTICUT	<b>Connecticut Department of Consumer Protection, Gaming Division</b> portal.ct.gov/gaming	
DELAWARE	<b>Delaware Lottery</b> delottery.com <b>Delaware Division of Gaming Enforcement</b> dge.delaware.gov	
DISTRICT OF COLUMBIA	<b>DC Office of Lottery and Gaming</b> dcottery.com	
FLORIDA	<b>Florida Division of Pari-Mutuel Wagering</b> myfloridalicense.com/DBPR/pari-mutuel-wagering	
ILLINOIS	<b>Illinois Gaming Board</b> igb.illinois.gov	<b>Illinois Casino Gaming Association</b> illinoiscasinogaming.org
INDIANA	<b>Indiana Gaming Commission</b> in.gov/igc	<b>Casino Association of Indiana</b> casinoassociation.org
IOWA	<b>Iowa Racing and Gaming Commission</b> irgc.iowa.gov	<b>Iowa Gaming Association</b> iowagaming.org
KANSAS	<b>Kansas Racing and Gaming Commission</b> krgc.ks.gov <b>Kansas Lottery</b> kslottery.com	
LOUISIANA	<b>Louisiana Gaming Control Board</b> lgcb.dps.louisiana.gov <b>Louisiana State Police, Gaming Enforcement Division</b> lsp.org/gaming	<b>Louisiana Casino Association</b> casinosofla.com
MAINE	<b>Maine Gambling Control Unit</b> maine.gov/dps/gamb-control	
MARYLAND	<b>Maryland Lottery and Gaming Control Commission; Maryland Lottery and Gaming Control Agency</b> mdgaming.com	
MASSACHUSETTS	<b>Massachusetts Gaming Commission</b> massgaming.com	
MICHIGAN	<b>Michigan Gaming Control Board</b> michigan.gov/mgcb	<b>Michigan Gaming</b> michigangaming.com



## State Regulatory & Industry Contacts *(continued)*

<b>STATE</b>	<b>STATE REGULATORY AUTHORITY</b>	<b>STATE GAMING ASSOCIATION</b>
<b>MISSISSIPPI</b>	<b>Mississippi Gaming Commission</b> msgamingcommission.com	<b>Mississippi Gaming and Hospitality Association</b> msgaming.org
<b>MISSOURI</b>	<b>Missouri Gaming Commission</b> mgc.dps.mo.gov	<b>Missouri Gaming Association</b> missouricasinos.org
<b>MONTANA</b>	<b>Montana Lottery</b> montanalottery.com	
<b>NEBRASKA</b>	<b>Nebraska Racing and Gaming Commission</b> racingcommission.nebraska.gov	
<b>NEVADA</b>	<b>Nevada Gaming Commission; Nevada Gaming Control Board</b> gaming.nv.gov	<b>Nevada Resorts Association</b> nevadaresorts.org
<b>NEW HAMPSHIRE</b>	<b>New Hampshire Lottery</b> nhlottery.com	
<b>NEW JERSEY</b>	<b>New Jersey Division of Gaming Enforcement</b> njoag.gov/about/divisions-and-offices/division-of-gaming-enforcement-home <b>New Jersey Casino Control Commission</b> nj.gov/casinos	<b>Casino Association of New Jersey</b> casinosnj.org
<b>NEW MEXICO</b>	<b>New Mexico Gaming Control Board</b> nmgcb.org	
<b>NEW YORK</b>	<b>New York State Gaming Commission</b> gaming.ny.gov	<b>New York Gaming Association</b> newyorkgaming.org
<b>OHIO</b>	<b>Ohio Casino Control Commission</b> casinocontrol.ohio.gov <b>Ohio Lottery</b> ohiolottery.com	
<b>OKLAHOMA</b>	<b>Oklahoma Horse Racing Commission</b> ohrc.ok.gov	
<b>OREGON</b>	<b>Oregon Lottery</b> oregonlottery.org	
<b>PENNSYLVANIA</b>	<b>Pennsylvania Gaming Control Board</b> gamingcontrolboard.pa.gov	
<b>RHODE ISLAND</b>	<b>Rhode Island Lottery</b> rilot.com	
<b>SOUTH DAKOTA</b>	<b>South Dakota Commission on Gaming</b> dor.sd.gov/businesses/gaming	<b>Deadwood Gaming Association</b> deadwood.com/deadwood-gaming-association
<b>TENNESSEE</b>	<b>Tennessee Sports Wagering Advisory Committee</b> tn.gov/swac.html	
<b>VIRGINIA</b>	<b>Virginia Lottery</b> valottery.com	
<b>WEST VIRGINIA</b>	<b>West Virginia Lottery Commission</b> wvlottery.com	
<b>WYOMING</b>	<b>Wyoming Gaming Commission</b> gaming.wyo.gov	

