

State of the States 2023



**THE AGA ANALYSIS OF THE
COMMERCIAL CASINO INDUSTRY**



A Message from the American Gaming Association

May 2023

Dear Gaming Industry Colleague:

I am pleased to present *State of the States 2023: The AGA Survey 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 2022.

Without a doubt, 2022 was a remarkable year for the U.S. commercial gaming sector and for the AGA. This is all despite lingering challenges from the pandemic early in the year and widespread questions about the overall health of the economy in the latter half of the year.

Continued strong consumer demand for gaming entertainment generated record-breaking commercial gaming revenue of \$60 billion in 2022, a 14 percent increase from the previous year. When tribal gaming revenue numbers are reported later this year, total U.S. gaming revenue will likely exceed \$100 billion, an exceptional achievement amid the still ongoing recovery of international visitation, business travel and conventions.

Our industry has a long history of adapting to changing operating environments and consumer preferences. Over the past three years that ability has enabled us to weather the storm of 2020 and end 2022 as an industry about 30 percent bigger than we were in 2019, with a different mix of consumers, markets and gaming verticals than just a few years ago.

Last year, 84 million American adults visited a casino, with the average age on the casino floor falling to about 42 years old, down from nearly 50 years old in 2019. More than half of American adults live in jurisdictions that feature access to legal, regulated sports betting, and iGaming is significantly growing the overall revenue picture in the states where it is legal.

As commercial gaming and online sports betting expanded into new markets last year, we have continued to engage lawmakers, regulators and the public, ensuring these critical stakeholders appreciate our commitment to sustainable relationships with consumers and local communities. In addition to maintaining trusted relationships with policymakers and serving as a reliable resource for insight and industry perspectives, we also drove industry collaboration to advance our common interests. Last year, with the support of our members, we continued to set a high bar for responsible marketing and promotion, uniting the broader sports betting ecosystem around responsible gaming via AGA's *Have A Game Plan.® Bet Responsibly.™* campaign.

Here in Washington, the AGA advocated for industry priorities, including sound tax policy, modernization of anti-money laundering regulations, and other issues that impact our members. In 2022, we worked with travel partners to pass the Omnibus Travel and Tourism Act, creating the first ever unified tourism strategy across the federal government. We built bipartisan congressional support to press the Department of Justice to crack on down illegal gambling. We will continue to advance these and other important issues—including the repeal of the federal sports betting excise tax and an increase to the slot tax reporting threshold—over the coming months.

Finally, G2E Las Vegas brought together nearly 25,000 members of the industry for the premier gaming event of the year, where the global gaming community convenes to do business, make connections and drive the future of gaming. The show floor radiated with energy and reinforced our industry's strength.

After decades of relatively steady, low-key growth, our industry is coming off two record years of gaming revenue and we are part of the national conversation in a way that we've never been before. It is an exciting time to be in gaming, and the AGA remains focused on safeguarding gaming's standing in the political, business and social spheres. I look forward to working with you all again this year to maintain our leading position in the world of travel, entertainment and gaming.

With detailed information on the U.S. gaming market and financial performance data for every commercial gaming state, *State of the States 2023* provides the most comprehensive economic guide to the commercial casino industry. I would like to thank our partners at VIXIO GamblingCompliance for their invaluable assistance in its creation.

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

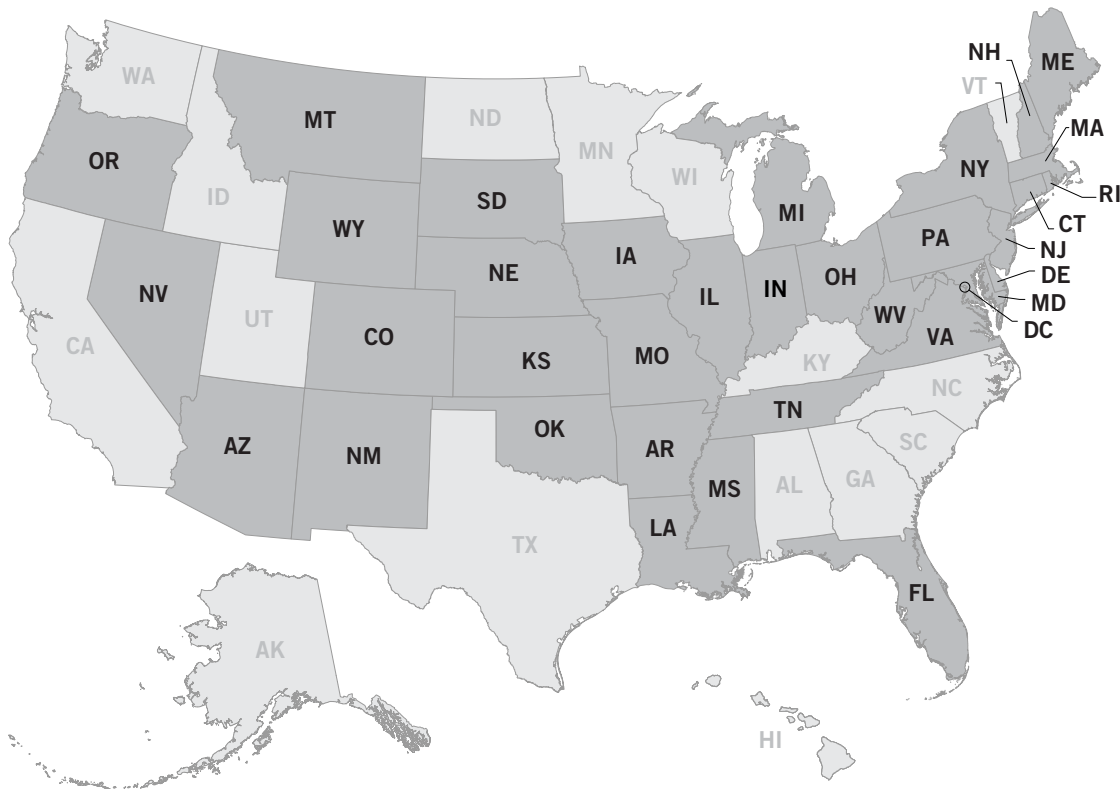
Sincerely,



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 35 jurisdictions with legal commercial casino gaming or sports betting as of December 31, 2022.

For each of the jurisdictions, the report analyzes gaming revenue and gaming taxes generated by commercial casino locations, as well as sports betting and iGaming platforms, for the calendar year 2022. 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 each jurisdiction.

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 iGaming 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, sports stadiums, off-track betting outlets, and standalone sportsbook locations in Connecticut, Delaware, Illinois, Indiana, Maryland, 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, Connecticut, Kansas, Louisiana, Maryland, Michigan, Pennsylvania, Tennessee, 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 2022 on future events, such as the 2023 Super Bowl or World Series winner, for example, are included in 2022 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

About This Report

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, iGaming platforms, and commercial sportsbook operations out of revenue 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

As the national trade group representing the U.S. casino industry, the American Gaming Association (AGA) fosters a policy and business environment where legal, regulated gaming thrives. The AGA's diverse membership of commercial and tribal casino operators, sports betting and iGaming companies, gaming suppliers, and more lead the \$261 billion industry and support 1.8 million jobs across the country.

www.americangaming.org

About VIXIO Gambling Compliance

VIXIO Gambling Compliance 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.

www.vixio.com/gamblingcompliance

State of the Industry

EXECUTIVE SUMMARY



STATE OF THE INDUSTRY

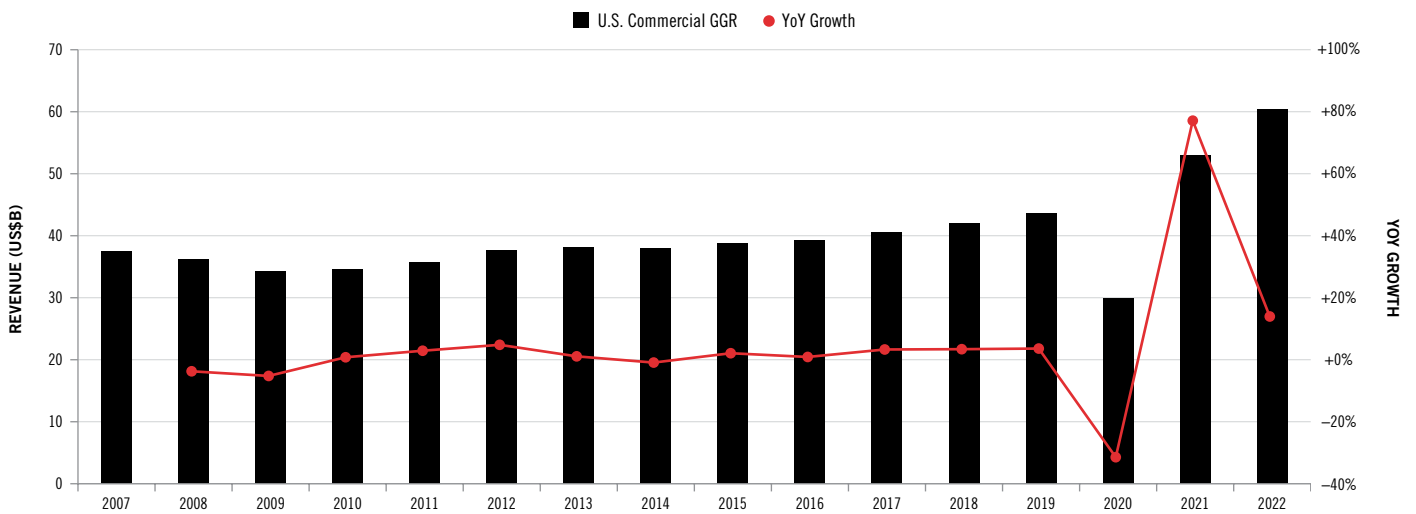
Despite persistent concerns about the financial health of American consumers throughout 2022, the U.S. commercial casino gaming industry generated record-breaking revenue for a second consecutive year.

Annual U.S. Commercial Gaming Revenue

2007-2022

In 2022, total nationwide consumer spending on commercial casino gaming and sports betting increased by 14.0 percent to a record \$60.46 billion. The total marked the first time annual commercial gaming revenue surpassed \$60 billion and came just one year after the industry first broke through the \$50 billion barrier.

The increase in revenue reflected growth in both traditional casino gaming revenue from electronic gaming devices and table games in land-based casinos, as well as much smaller but fast-growing sports betting and iGaming verticals



SOURCE: State Gaming Commissions

State of the Industry

COMMERCIAL CASINO GAMING CONSUMER SPEND BY STATE 2021 vs. 2022

All but three of the 35 jurisdictions with commercial casino or sports betting operations in 2022 reported an increase in gaming revenue compared with the prior year, with only the District of Columbia, Mississippi and South Dakota seeing a revenue decline. All-time record annual commercial gaming revenue was reported by 27 of the 35 states.

This year, Nebraska joined the ranks of commercial gaming states following the opening of its first two land-based casinos. Virginia also reported its first revenue from land-based casino gaming following the opening of the state's first casino.

	2021	2022	YoY Change
Arizona	\$161,057,784	\$482,932,555	199.9%
Arkansas	\$564,788,794	\$614,115,249	8.7%
Colorado	\$1,226,331,443	\$1,411,926,061	15.1%
Connecticut	\$78,506,752	\$416,196,889	430.1%
Delaware	\$483,161,764	\$491,805,855	1.8%
D.C.	\$26,804,974	\$23,210,844	-13.4%
Florida	\$649,472,056	\$693,967,324	6.9%
Illinois	\$1,712,380,957	\$2,143,654,190	25.2%
Indiana	\$2,724,987,164	\$2,890,358,949	6.1%
Iowa	\$1,861,329,938	\$1,930,787,524	3.7%
Kansas	\$403,500,148	\$478,095,996	18.5%
Louisiana	\$2,380,088,371	\$2,593,096,818	8.9%
Maine	\$146,928,173	\$165,083,231	12.4%
Maryland	\$1,925,556,392	\$2,200,617,997	14.3%
Massachusetts	\$1,020,777,309	\$1,131,925,432	10.9%
Michigan	\$2,700,284,120	\$3,258,076,337	20.7%
Mississippi	\$2,669,186,595	\$2,574,055,232	-3.6%
Missouri	\$1,896,602,363	\$1,905,437,200	0.5%
Montana	\$6,406,202	\$7,172,688	12.0%
Nebraska	\$0	\$14,032,797	
Nevada	\$13,429,949,000	\$14,842,229,783	10.5%
New Hampshire	\$43,832,454	\$66,714,384	52.2%
New Jersey	\$4,737,144,856	\$5,211,274,456	10.0%
New Mexico	\$216,197,456	\$262,037,277	21.2%
New York	\$2,712,733,924	\$4,228,451,328	55.9%
Ohio	\$2,310,305,409	\$2,332,796,678	1.0%
Oklahoma	\$145,792,270	\$150,865,061	3.5%
Oregon	\$30,398,002	\$49,519,355	62.9%
Pennsylvania	\$4,830,812,116	\$5,343,083,196	10.6%
Rhode Island	\$594,082,877	\$688,203,478	15.8%
South Dakota	\$146,063,571	\$142,887,032	-2.2%
Tennessee	\$239,800,000	\$379,409,891	58.2%
Virginia	\$285,895,651	\$563,209,198	97.0%
West Virginia	\$667,980,738	\$756,321,275	13.2%
Wyoming	\$4,012,817	\$14,787,230	268.5%
United States	\$53,033,152,440	\$60,458,338,790	14.0%

SOURCE: State Gaming Regulatory Agencies

COMMERCIAL CASINO DIRECT GAMING TAX REVENUE BY STATE 2021 vs. 2022

The strong growth in gaming revenue translated into a record \$13.49 billion in direct gaming tax revenue paid to state and local governments by commercial gaming operations. The tax total represented an increase of 15.3 percent from 2021. Notably, the \$13.49 billion figure reflects only specific state and local taxes that are applied directly to gaming activities. 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. Also excluded are federal excise tax payments made by sports betting operators.

	2021	2022	YoY Change
Arizona	\$5,955,284	\$28,914,695	385.5%
Arkansas	\$80,581,343	\$88,610,186	10.0%
Colorado	\$160,850,119	\$187,666,479	16.7%
Connecticut	\$9,784,045	\$55,104,038	463.2%
Delaware	\$222,208,641	\$225,083,074	1.3%
D.C.	\$5,707,498	\$5,605,145	-1.8%
Florida	\$227,315,219	\$242,888,565	6.9%
Illinois	\$400,773,047	\$495,221,386	23.6%
Indiana	\$654,823,801	\$688,310,140	5.1%
Iowa	\$390,840,981	\$393,176,565	0.6%
Kansas	\$108,960,592	\$110,521,956	1.4%
Louisiana	\$573,080,902	\$601,061,292	4.9%
Maine	\$61,252,475	\$68,231,365	11.4%
Maryland	\$814,354,161	\$854,730,059	5.0%
Massachusetts	\$288,637,795	\$317,316,526	9.9%
Michigan	\$607,607,464	\$733,967,875	20.8%
Mississippi	\$311,479,143	\$303,001,292	-2.7%
Missouri	\$458,768,597	\$458,000,888	-0.2%
Montana	\$1,921,861	\$2,704,350	40.7%
Nebraska	\$0	\$2,806,557	
Nevada	\$1,023,206,554	\$1,151,482,039	12.5%
New Hampshire	\$20,002,022	\$30,969,398	54.8%
New Jersey	\$562,004,880	\$612,350,774	9.0%
New Mexico	\$99,991,322	\$121,192,242	21.2%
New York	\$1,097,285,389	\$1,834,344,554	67.2%
Ohio	\$759,325,907	\$780,963,671	2.8%
Oklahoma	\$66,047,136	\$68,651,961	3.9%
Oregon	\$19,240,449	\$19,501,847	1.4%
Pennsylvania	\$2,016,101,749	\$2,207,789,108	9.5%
Rhode Island	\$300,150,697	\$345,572,062	15.1%
South Dakota	\$17,568,000	\$17,371,560	-1.1%
Tennessee	\$39,300,000	\$68,052,961	73.2%
Virginia	\$20,340,022	\$66,521,292	227.0%
West Virginia	\$272,258,463	\$298,981,597	9.8%
Wyoming	\$111,914	\$843,171	653.4%
United States	\$11,697,837,472	\$13,487,510,670	15.3%

SOURCE: State Gaming Regulatory Agencies

Top 20 US Commercial Casino Markets

In 2022, 14 of the top 20 commercial casino gaming markets posted revenue growth compared to the previous year. The Las Vegas Strip and Black Hawk/Central City region in Colorado had significant gains year-over-year, while the southern markets of Tunica/Lula and Shreveport/Bossier City were impacted by increased competition from casinos in nearby states and reported notable declines in annual revenue.

The Las Vegas Strip remained by far the largest casino gaming market in the country in 2022. The Strip saw

fewer visitors in 2022 compared to pre-pandemic years, but those who did go spent more on gaming entertainment per visit than in the past. Elsewhere, the Baltimore-Washington D.C. market reclaimed its position as the third largest commercial casino gaming market in the country in 2022, with the MGM National Harbor resort just beyond Washington D.C. city limits in Maryland generating more gaming revenue than any commercial casino outside of Nevada during the year.

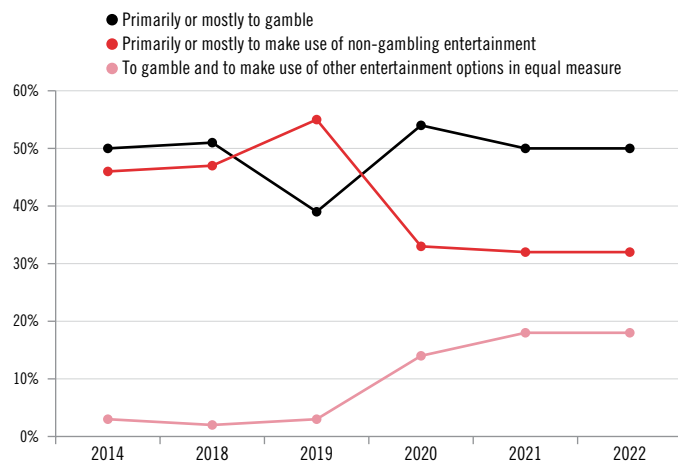
Market	Casino Locations	2022 GGR (US\$m)	Land-Based Casino	Land-Based Sports
1 Las Vegas Strip	Nevada	\$8,240	\$8,107	\$133
2 Atlantic City	New Jersey	\$2,790	\$2,786	\$4
3 Baltimore-Washington DC	Maryland/West Virginia	\$2,170	\$2,129	\$41
4 Chicagoland	Illinois/Indiana	\$2,120	\$2,093	\$28
5 Gulf Coast	Mississippi	\$1,558	\$1,558	
6 Queens/Yonkers	New York	\$1,497	\$1,497	
7 Philadelphia	Pennsylvania	\$1,374	\$1,347	\$27
8 Detroit	Michigan	\$1,276	\$1,257	\$19
9 St. Louis	Missouri/Illinois	\$1,066	\$1,055	\$12
10 Boulder Strip	Nevada	\$967	\$950	\$16
11 The Poconos	Pennsylvania	\$920	\$916	\$4
12 Reno/Sparks	Nevada	\$911	\$896	\$15
13 Black Hawk/Central City	Colorado	\$899	\$895	\$4
14 Memphis	Mississippi/Arkansas	\$886	\$886	
15 Lake Charles	Louisiana	\$867	\$867	
16 Kansas City	Missouri	\$824	\$824	
17 Downtown Las Vegas	Nevada	\$787	\$769	\$18
18 Miami	Florida	\$694	\$694	
19 Pittsburgh/Meadowlands	Pennsylvania	\$665	\$655	\$9
20 Cincinnati Area	Ohio/Indiana	\$661	\$647	\$14

Consumer Spending Trends

According to AGA survey data, 34 percent of the adult population or 84 million American adults visited a casino in 2022, up 6 percentage points from 2020 and 2021 but still 10 points below the pre-pandemic high in 2019.

Compared to previous years, the average American casino visitor in 2022 was younger and more interested in gaming relative to other forms of entertainment. The average age of a casino patron in 2022 was 42.4 years old, down from 43.6 in 2021 and 49.6 prior to the pandemic in 2019. Roughly half of casino patrons visited a casino primarily or mostly to gamble last year, whereas prior to the pandemic most casino visitors were there primarily or mostly for non-gaming entertainment.

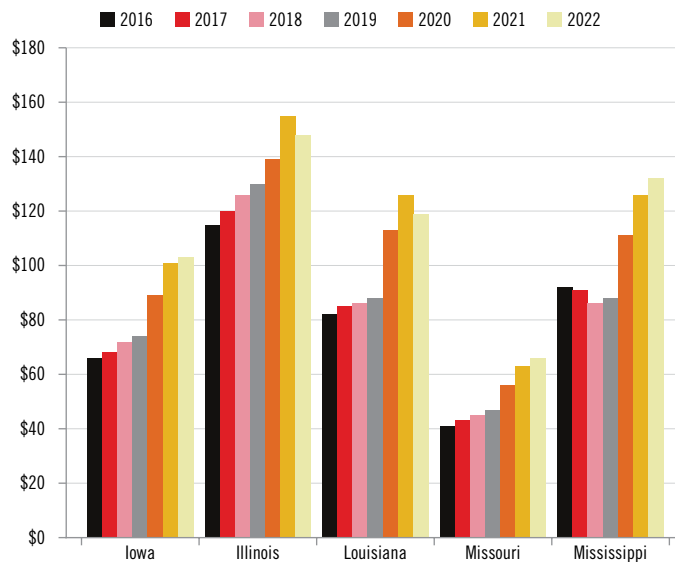
REASONS FOR VISITING A CASINO



SOURCE: American Gaming Association

Reflecting the trend toward a more gaming-oriented casino patron, average gaming spend per casino visit remained higher in 2022 compared to the years prior to the pandemic. According to available data from five midwestern and southern states—Illinois, Iowa, Louisiana, Mississippi and Missouri—average casino gaming revenue per admission was largely unchanged from 2021 but still up significantly from 2019 levels.

TRADITIONAL CASINO GAMING REVENUE PER ADMISSION – 2016 TO 2022



SOURCE: State Gaming Regulatory Agencies

Growth Through Traditional and Internet Casino Gaming

Across the 27 states with land-based commercial casinos, revenue from traditional casino games was a record \$47.83 billion in 2022, up 6.4 percent versus the prior year.

Among the 25 states that reported separate revenue statistics for electronic gaming devices and table games, revenue from electronic gaming devices grew 5.1 percent year-over-year to \$34.19 billion, while table game revenue increased 13.9 percent to \$10.00 billion. Revenue for both tables and slot gaming were records for each segment.

Overall, 23 of the 27 states with land-based commercial casinos reported an increase in revenue from traditional casino gaming in 2022. The only exceptions were Kansas, Michigan, Mississippi and South Dakota, with competition from tribal gaming operations impacting revenue in the former two states and the latter two facing difficult annual comparisons after particularly strong revenue performances in 2021.

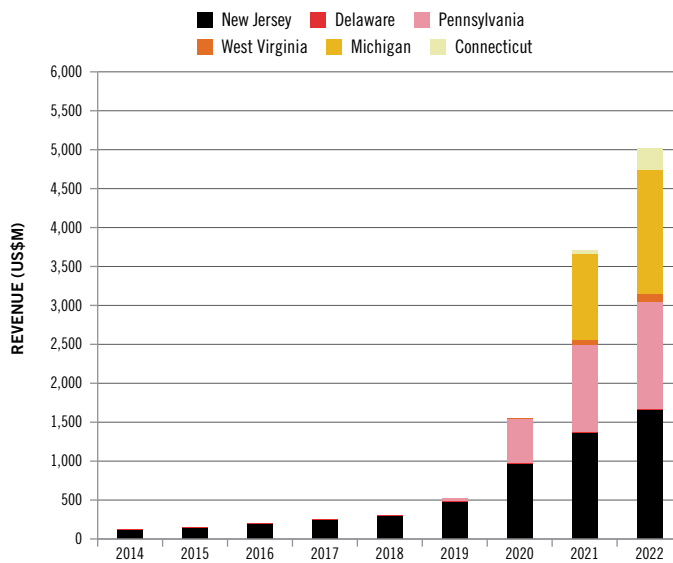
Annual Internet Gaming Revenue

2014 to 2022

Internet casinos continued their strong growth in 2022 despite no new states coming online. Combined iGaming revenue across the six states with lawful online casinos reached a record total of \$5.02 billion, up 35.3 percent compared to the previous year. New Jersey, Michigan and Pennsylvania accounted for more than 88 percent of the nationwide total. Each of the those three states secured positions in the top five largest regulated internet casino gaming markets in the world, with annual revenue of \$1.66 billion, \$1.38 billion and \$1.36 billion, respectively. In its first full year of operation, Connecticut reported iGaming revenue of \$280.7 million.

Despite the impressive revenue growth, however, no additional states acted to legalize iGaming in 2022, although legislation was considered by lawmakers in at least seven states, including Indiana, Illinois and New York.

UNITED STATES: REGULATED IGAMING GGR – 2014 TO 2022



SOURCE: State Gaming Regulatory Agencies

Annual Sports Betting Revenue

2019 to 2022

Fueled by the launch of mobile sports betting in New York, the U.S. sports betting market continued to grow during the fourth full year since 2018’s historic U.S. Supreme Court ruling that permitted all states to regulate sports wagering.

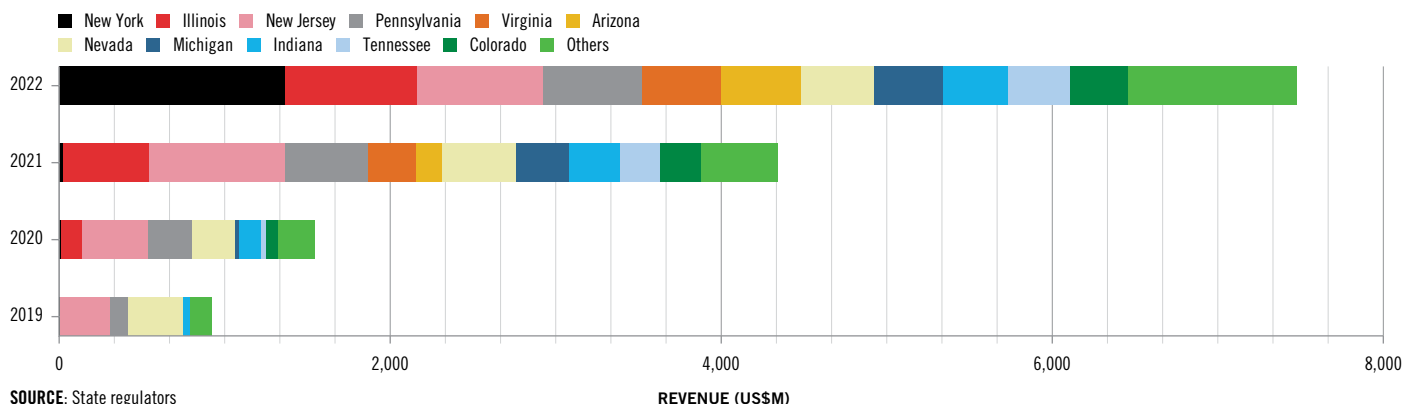
The regulated U.S. sports betting market generated total revenue of \$7.56 billion in 2022, not including sportsbook operations in tribal casinos. That total marked an increase of almost 75 percent on the prior year. The increase in revenue came as Americans legally bet some \$93.73 billion, compared to a handle of \$57.53 billion in 2021.

New York accounted for \$1.37 billion—or more than 18 percent—of the national revenue total, as the Empire

State’s launch of online sports betting in January saw it become comfortably the largest legal sports betting market in the country. Illinois was the nation’s second largest sports betting market in 2022, while New Jersey fell from first to third position as the state reported a year-over-year decline in annual sports wagering revenue, largely reflecting the expanded competition from its northern neighbor.

By the end of 2022, legal sports betting was available in 32 states plus the District of Columbia. Kansas, Maine and Massachusetts all passed legislation to authorize sports betting during the year, with the Kansas market going live in September just prior to the 2022 football season. Alongside New York, mobile sports betting was launched in Louisiana, Arkansas and Maryland.

UNITED STATES: REGULATED SPORTS BETTING GGR (US\$BN) - 2019 TO 2022



SOURCE: State regulators

Responsible Gaming and Cybersecurity

Establishing greater consumer protections for gaming patrons in an expanding and increasingly digital commercial gaming market was a key policy theme across various states in 2022.

Officials in Colorado, Louisiana and South Dakota all adopted new regulations to establish enhanced responsible gaming requirements for land-based casino gaming or online sports betting, while regulators in New Jersey finalized new best practices for responsible gaming applicable to all iGaming and mobile sports betting operators. Lawmakers in Colorado, Illinois and Michigan also agreed to allocate greater funding to responsible gaming programs.

On another front, regulators in Nevada, New Jersey and Pennsylvania introduced new regulatory requirements to better protect casino or iGaming patrons from risks of cyber fraud that can affect gaming operations just like other industries holding large amounts of consumer data.

Illegal Gaming

Another key challenge for the commercial casino gaming industry in 2022 was ongoing competition from illegal gaming operations.

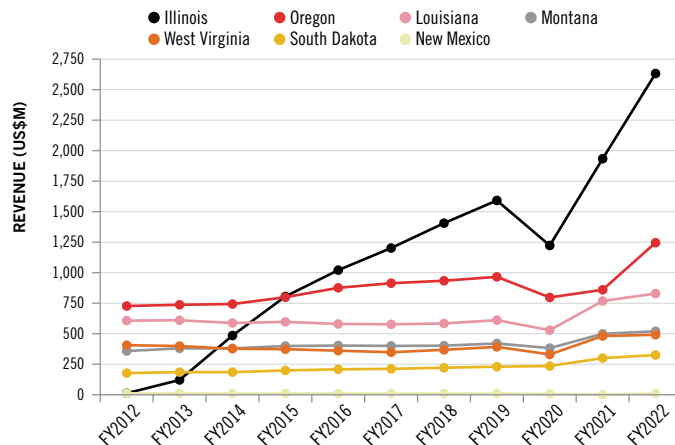
According to new AGA research, Americans gamble an estimated \$511 billion annually with illegal and unregulated sportsbooks, iGaming websites and unregulated electronic gaming devices in bars, convenience stores and other non-casino locations. These illegal operations generate estimated revenue of \$44.2 billion—or almost 75 percent of the total generated by legal commercial casino gaming in 2022—and deprive state governments of an estimated \$13.3 billion in annual tax revenue.

Virginia, Kansas and Colorado all passed legislation of some kind in 2022 to facilitate law enforcement efforts to tackle illegal electronic gaming device operations, although similar measures proposed in Kentucky, Missouri and Pennsylvania failed to win approval by the end of the year. According to AGA research, there are an estimated 580,651 unregulated electronic gaming devices in operation across the United States, meaning approximately 40 percent of all electronic gaming devices in the country are not subject to licensing and other consumer protections.

Selected States: Annual VGT Revenue 2012 to 2022

Electronic gaming devices in non-casino locations across seven reporting states generated revenue of more than \$6.05 billion in the 2022 fiscal year, up 25.0 percent versus 2021. Illinois remained by far the largest market for convenience electronic gaming devices, with total annual revenue from the state's 45,000 video gaming terminals, or VGTs, reaching \$2.71 billion in 2022.

SELECTED STATES: ANNUAL VGT REVENUE (US\$M) - FY2012 TO FY2022

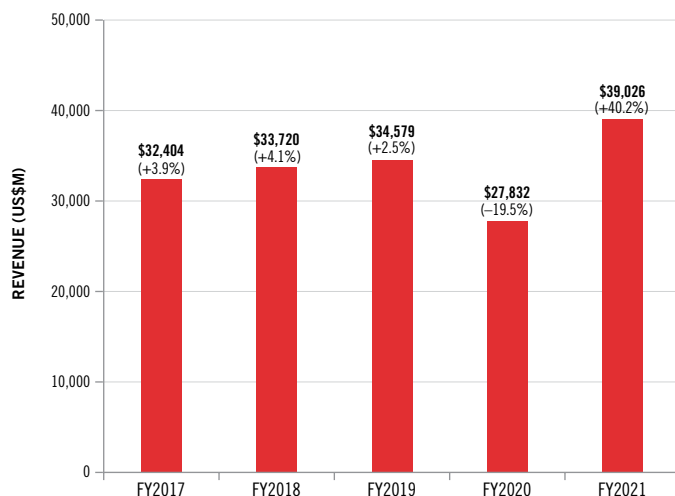


SOURCE: FL Division of Pari-Mutuel Wagering, LA Gaming Control Board, MS Gaming Commission

Annual U.S. Tribal Gaming Revenue 2017 to 2021

According to statistics published by the National Indian Gaming Commission, revenue from tribal gaming operations reached a record total of \$39.0 billion in 2021, up 40.2 percent compared to 2020 when tribal casinos were forced to close due to the pandemic. Comparable revenue statistics for 2022 will be published by the NIGC later in 2023. When tribal gaming revenue is combined with reported commercial casino gaming revenue, it is expected that total U.S. gaming revenue will likely have exceeded \$100 billion for the first time in 2022.

UNITED STATES: TRIBAL CASINO GAMING REVENUE (US\$M) - FY2017 TO FY2021



SOURCE: National Indian Gaming Commission

Legal Status of Gambling Types in the U.S.

STATE	Commercial Casinos / Racinos	Tribal Casinos	Card Rooms	Electronic Gaming Devices*	iGaming	Brick & Mortar Sports Betting	Mobile Sports Betting	Lottery	iLottery^	Notes
Alabama	● ¹	●								Tribal casinos offer only Class II games
Alaska		●								Tribal casinos offer only Class II games
Arizona		●				●	●	●		
Arkansas	●					●	●	●		
California		●	●					●		
Colorado	●	●				●	●	●		
Connecticut		●			●	●	●	●	●	iLottery legal, but not live
Delaware	●				●	●		●		
D.C.						●	●	●	●	
Florida	●	●	●			●	●	●		Sports betting legal but not active and subject to legal challenges
Georgia								●	●	
Hawaii										
Idaho		●						●		
Illinois	●			●		●	●	●	●	
Indiana	●	●				●	●	●		
Iowa	●	●				●	●	●		
Kansas	●	●				●	●	●		
Kentucky				●				●	●	Instant racing terminals at racetracks
Louisiana	●	●		●		●	●	●		Sports betting legal in most parishes
Maine	●					●	●	●	●	iLottery includes only subscription services; sports betting legal, but not active
Maryland	●					●	●	●		
Massachusetts	●					●	●	●		Sports betting legal, but not active
Michigan	●	●			●	●	●	●	●	
Minnesota		●	●					●		
Mississippi	●	●				●		●		Mobile sports betting only available at casino properties
Missouri	●							●		
Montana		●	●	●		●		●		Mobile sports betting only available within licensed properties
Nebraska	●	●				●		●		Sports betting legal, but not active
Nevada	●	●		●	●	●	●			iGaming includes only poker

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.

● Legal, but not active

Legal Status of Gambling Types in the U.S., *continued*

STATE	Commercial Casinos / Racinos	Tribal Casinos	Card Rooms	Electronic Gaming Devices*	iGaming	Brick & Mortar Sports Betting	Mobile Sports Betting	Lottery	iLottery [^]	Notes
New Hampshire						●	●	●	●	Brick and mortar sports betting available at lottery retailers
New Jersey	●				●	●	●	●		
New Mexico	●	●				●		●		Sports betting limited to tribal properties
New York	●	●				●	●	●	●	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	●			●		●	●	●	●	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.

● Legal, but not active

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

[^] iLottery comprises online computer sales and/or mobile device sales as well as online subscription services.

¹ 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.

Number of Gaming Machines by State
2022

State	Machines in Commercial Casinos	Machines in Tribal Casinos	Machines in Non-Casino Locations	Total
Alabama		6,979	1,500	8,479
Alaska		90		90
Arkansas	5,692*			5,692
Arizona		18,186		18,186
California		86,306		86,306
Colorado	10,654	1,398		12,052
Connecticut		6,571		6,571
Delaware	5,214		456**	5,670
Florida	6,688	16,412		23,100
Idaho		3,622		3,622
Illinois	8,884		45,008	53,892
Indiana	14,566	2,052		16,618
Iowa	14,671	2,643		17,314
Kansas	4,964	4,308		9,272
Kentucky			6,576*	6,576
Louisiana	18,621	4,440	12,197	35,258
Maine	1,618			1,618
Maryland	9,606			9,606
Massachusetts	5,254			5,254
Michigan	7,368	22,072		29,440
Minnesota		20,551		20,551
Mississippi	21,699	3,065		24,764
Missouri	13,879			13,879
Montana		1,780	15,993	17,773
Nebraska	733	648		1,381
Nevada	123,909	1,131	19,185	144,225
New Jersey	15,535			15,535
New Mexico	2,863	16,078	595***	19,536
New York	21,923	12,038		33,961
North Carolina		5,410		5,410
North Dakota		3,949		3,949
Ohio	15,936			15,936
Oklahoma	1,000	79,996		80,996
Oregon		7,236	11,569	18,805
Pennsylvania	25,391		355	25,746
Rhode Island	4,802			4,802
South Dakota	2,542	2,617	10,239	15,398
Texas		3,765		3,765
Virginia	3,476*			3,476
Washington		32,536		32,536
West Virginia	4,528		8,220	12,748
Wisconsin		15,661		15,661
Wyoming		1,675	1,900*	3,575
TOTAL	372,016	383,215	133,793	889,024

Nationwide, there were nearly 890,000 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 2022, an increase of 12.3 percent from 2021. Of the total number of devices, 41.8 percent were in commercial casinos, while 43.1 percent were located inside tribal casinos. Nevada had an installed base of more than 144,000 machines, far and away the largest number of any state. California and Oklahoma had the second and third largest number of operating machines in 2022, each with more than 80,000.

SOURCE: Eilers & Krejcik Gaming, LLC

* Includes facilities that offer Instant Racing Machines

** Charitable VLTs

*** Located at qualified veteran and fraternal organizations

U.S. Gaming Locations By State

State	Commercial Casinos			Tribal Casinos ¹	Card Rooms ²	Electronic Gaming Device Locations ³
	Land-Based Casinos	Riverboat Casinos ⁴	Racinos			
Alabama				3		
Alaska				2		
Arizona				27		
Arkansas	1		2			
California				85	83	
Colorado	33			2		
Connecticut				2		
Delaware			3			
Florida	7 ⁵		1	7	17	
Idaho				10		
Illinois	1	10				8,226
Indiana	4	6	2	1		
Iowa	15	3	1	4		
Kansas	4			7		
Louisiana	1	14	4	5		1,413
Maine	1		1			
Maryland	5		1			
Massachusetts	2		1			
Michigan	3			23		
Minnesota				40	2	
Mississippi	6	20		3		
Missouri		13				
Montana				15	126	1,395
Nebraska			2	5		
Nevada	216			4		2,040
New Jersey	9					
New Mexico			5	21		
New York	6 ⁶		7	18		
North Carolina				3		
North Dakota				11		
Ohio	4		7			
Oklahoma			2	140		
Oregon				10		2,070
Pennsylvania	10		6			66
Rhode Island	2					
South Dakota	21			11		1,326
Texas				2		
Virginia	1					
Washington				35	38	
West Virginia	1		4			1,179
Wisconsin				24		
Wyoming				3		
TOTAL	352	66	50	523	266	17,715

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

² Card rooms in states that do not have commercial casinos with poker facilities

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

⁴ Casinos that are on or connected to a waterway, including in a moat

⁵ Includes one jai alai fronton

⁶ Includes two land-based casinos that offer only VLT machines, as opposed to full casino gaming and one racino that offers full casino gaming

State By State Casino Regulations, Taxes & Fees

At the close of 2022, land-based commercial casino gaming was offered in 27 states. Two states—Nebraska and Virginia—opened land-based commercial casino markets during the course of the year.

	ARKANSAS	COLORADO	DELAWARE	FLORIDA	ILLINOIS
Statutory Funding for Responsible Gaming	No	Casinos: \$100,000 annually (2% of the \$5 million allocated annually to the local government limited gaming impact fund). Sports betting: \$130,000 annually from sports-betting tax proceeds. Further funding subject to annual appropriation	\$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
Statewide Self-Exclusion	No	Yes	Yes	Yes	Yes
Gambling Age	21	21	21	21	21
Smoke-Free (Y/N/Partial)	No	Yes	Yes	Yes	Yes
Complimentary Alcohol	Yes	Yes	No	No	No
Credit	Yes	No	Yes	No	Yes
Restrictions on Operating Hours	No	No	No	No	No
Commercial Casino Licenses Allowed	4	Unlimited	3	8*	20
Commercial Casinos	3	33	3	8	11
Effective Tax Rate	13% on the first \$150 million in casino gaming revenue, 20% thereafter	Graduated rate ranging from 0.25% on gaming revenue up to \$2m 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
Casino License Renewal Term and Fee	\$10,000 every 10 years	Every two years \$3,700-\$7,400	\$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.
Supplier License Renewal Term and Fee	\$1,000 annually	Manufacturer/Distributor: Every two years \$3,700-\$7,400	Gaming vendor: Every three years \$4,000	\$2,000 every three years	Every 4 years with \$5,000 annual fee
Minimum Investment	No	No	No	No	No
Admissions Tax	No	No	No	No	\$2-3 per admission
Taxation of Promotional Credits (Y/N/Partial)	Yes	Yes	Partial	No	Partial
Withholdings on Winnings	Yes	Yes	No	No	Yes

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

State By State Casino Regulations, Taxes & Fees, *continued*

	INDIANA	IOWA	KANSAS	LOUISIANA	MAINE
Statutory Funding for Responsible Gaming	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.	Subject to annual appropriation	2% of casino gaming revenue; approximately 0.2% of sports wagering revenue	\$2 million annually (\$500,000 contribution from each gaming sector in the state)	Land-Based: 3% on electronic gaming device tax revenue. Racino: \$100,000 from electronic gaming device revenue and 9% of table game tax revenue
Statewide Self-Exclusion	Yes	Yes	Yes	Yes	Yes
Gambling Age	21	21	21	21	21
Smoke-Free (Y/N/Partial)	No	No	No	Partial	Partial
Complimentary Alcohol	No	Yes	No	Yes	No
Credit	Yes	No	No	Yes	No
Restrictions on Operating Hours	No	No	No	No	No
Commercial Casino Licenses Allowed	13*	Unlimited	4*	20*	2
Commercial Casinos	13	19	4	19	2
Effective Tax Rate	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: 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
Casino License Renewal Term and Fee	Riverboat: \$5,000 annually; Racinos: \$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
Supplier License Renewal Term and Fee	\$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
Minimum Investment	No	No	Yes	No	No
Admissions Tax	No	No	No	Riverboat: Max \$3 per admission	No
Taxation of Promotional Credits (Y/N/Partial)	Partial	Partial	No	Yes	Yes
Withholdings on Winnings	Yes	Yes	Yes	Yes	Yes

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

State By State Casino Regulations, Taxes & Fees, *continued*

	MARYLAND	MASSACHUSETTS	MICHIGAN	MISSISSIPPI	MISSOURI
Statutory Funding for Responsible Gaming	\$425 per electronic gaming device and \$500 per table game	At least \$5 million annually plus 9 percent of total sports betting tax revenue	\$2 million annually	Subject to annual appropriation	0.5% of casino admission fees
Statewide Self-Exclusion	Yes	Yes	Yes	Yes	Yes
Gambling Age	21	21	21	21	21
Smoke-Free (Y/N/Partial)	Yes	Yes	Partial	No	Partial
Complimentary Alcohol	No	Yes	Yes	Yes	No
Credit	Yes	Yes	Yes	Yes	Yes
Restrictions on Operating Hours	No	No	No	No	No
Commercial Casino Licenses Allowed	6	4	3	Unlimited	13
Commercial Casinos	6	3	3	26	13
Effective Tax Rate	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 iGaming 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
Casino License Renewal Term and Fee	\$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 annual fee of \$5,000 and additional fee based on number of games offered	\$25,000 annually
Supplier License Renewal Term and Fee	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
Minimum Investment	Yes	Yes	No	Yes	No
Admissions Tax	No	No	No	No	\$2 per admission
Taxation of Promotional Credits (Y/N/Partial)	Partial	No	Yes	Partial	Yes
Withholdings on Winnings	Yes	Yes	Yes	Yes	Yes

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

State By State Casino Regulations, Taxes & Fees, *continued*

	NEBRASKA	NEVADA	NEW JERSEY	NEW MEXICO	NEW YORK
Statutory Funding for Responsible Gaming	2.5% of annual casino gaming tax revenue	Subject to annual appropriation	\$600,000 annually plus \$250,000 per iGaming licensee	0.25% of gaming revenue	\$6 million annually from mobile sports betting tax revenue plus additional amounts subject to annual appropriation
Statewide Self-Exclusion	Yes	No	Yes	Yes	Yes
Gambling Age	21	21	21	21	Land-Based: 21; Racino: 18
Smoke-Free (Y/N/Partial)	Yes	No	No	No	Yes
Complimentary Alcohol	Yes	Yes	Yes	No	Yes
Credit	No	Yes	Yes	No	No
Restrictions on Operating Hours	No	No	No	Yes	Land-Based: No Racinos: Max 20 hours per day
Commercial Casino Licenses Allowed	6*	Unlimited	Unlimited	6	16*
Commercial Casinos	2	216	9	5	13
Effective Tax Rate	20% on casino gaming revenue	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 iGaming revenue.	46.25% effective rate 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
Casino License Renewal Term and Fee	Authorized gaming operator fee valid for 20 years and subject to minimum fee of \$1 million; gaming facility license fee must be renewed annually subject to fees determined by commission	\$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. Racinos: N/A
Supplier License Renewal Term and Fee	Gaming-Related Vendor license valid for 3 years and subject to annual fee of \$2,000	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
Minimum Investment	No	No	Yes	No	Yes
Admissions Tax	No	No	No	No	No
Taxation of Promotional Credits (Y/N/Partial)	No	No	Partial	Yes	Yes
Withholdings on Winnings	Yes	No	Yes	Yes	Yes

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

State By State Casino Regulations, Taxes & Fees, *continued*

	OHIO	OKLAHOMA	PENNSYLVANIA	RHODE ISLAND	SOUTH DAKOTA
Statutory Funding for Responsible Gaming	Land-Based: 2% of gaming revenue; Racino: 0.5% of video lottery agent's commission	No	\$2 million or 0.2% on casino gaming revenue, whichever greater, plus additional \$3 million	Min. \$200,000 in aggregate annually	Up to \$30,000 transferred annually from state gaming fund
Statewide Self-Exclusion	Yes	No	Yes	Yes	No
Gambling Age	21	18	21	18	21
Smoke-Free (Y/N/Partial)	Yes	No	Partial	Partial	Yes
Complimentary Alcohol	No	No	Yes	Yes	Yes
Credit	Yes	No	Yes	Partial	No
Restrictions on Operating Hours	No	No	No	No	No
Commercial Casino Licenses Allowed	11*	2*	23	2	Unlimited
Commercial Casinos	11	2	16	2	21
Effective Tax Rate	Land-Based: 33% on casino gaming revenue Racinos: 33.5% on electronic gaming device revenue	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
Casino License Renewal Term and Fee	Land-Based: \$1.5m license fee every three years; Racinos: \$10,000 every three years	\$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
Supplier License Renewal Term and Fee	Gaming-related vendor: \$15,000 every three years	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
Minimum Investment	Yes	No	No	Yes	No
Admissions Tax	No	No	No	No	No
Taxation of Promotional Credits (Y/N/Partial)	No	Yes	No	Partial	Yes
Withholdings on Winnings	Yes	Yes	Yes	Yes	No

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

State By State Casino Regulations, Taxes & Fees, *continued*

	VIRGINIA	WEST VIRGINIA
Statutory Funding for Responsible Gaming	0.8% of casino gaming tax revenue and 2.5% of sports betting tax revenue annually	\$400,000-\$2 million
Statewide Self-Exclusion	Yes	Yes
Gambling Age	21	21
Smoke-Free (Y/N/Partial)	No	No
Complimentary Alcohol	Yes	Yes
Credit	No	Yes
Restrictions on Operating Hours	No	No
Commercial Casino Licenses Allowed	5	5*
Commercial Casinos	1	5
Effective Tax Rate	Graduated rate ranging from 18% on casino gaming revenue up to \$200 million to 30% on gaming revenue of more than \$400 million	53.5% on electronic gaming device revenue; 35% on table game revenue; 15% on iGaming revenue
Casino License Renewal Term and Fee	Initial license valid subject to \$15 million fee and valid for 10-year period	Casino gaming: \$500,000-\$2.5 million annually Internet gaming: \$100,000 every five years
Supplier License Renewal Term and Fee	Casino gaming supplier licenses subject to \$5,000 annual renewal fee; supplier licenses must be renewed in full after five years with fees determined by state investigatory costs	Manufacturer: \$10,000 annually; Supplier: \$100 annually Interactive gaming provider/management services provider: \$100,000 annually
Minimum Investment	Yes	No
Admissions Tax	No	No
Taxation of Promotional Credits (Y/N/Partial)	Yes	Partial
Withholdings on Winnings	Yes	Yes

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

State By State Sports Betting Regulations, Taxes & Fees

At the close of 2022, legal sports betting was offered in 31 states and the District of Columbia. Only one state—Kansas—launched sports betting during the course of the year, although mobile sports betting went live for the first time in Arkansas, Maryland and New York. Maine and Massachusetts also legalized sports betting during the course of 2022 but did not launch operations, while Ohio was set to launch its sports wagering market on January 1, 2023.

STATE	Authorized Locations	Tax Rate	Mobile/ Online	Collegiate Restrictions	Initial License Fee	License Renewal Fee	League Data Mandate
ARKANSAS	Commercial casinos	13-20%	Statewide	None	None	None	No
ARIZONA	Sports arenas, OTBs, tribal casinos	Land-based: 8% Online 10%	Statewide	No player prop bets on collegiate athletes	\$750,000	\$150,000 annually	Yes
COLORADO	Commercial and tribal casinos	10%	Statewide	No prop bets on collegiate events	\$2,000	Varies annually (\$10,300 - \$73,000 in 2022)	No
CONNECTICUT	Tribal casinos, other retail locations	13.75%	Statewide	In-state collegiate teams	None	N/A	No
DELAWARE	Commercial casinos and retail lottery outlets	50% (state share)	Statewide, but not active	In-state collegiate teams	None	None	No
DISTRICT OF COLUMBIA	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
ILLINOIS	Commercial casinos, racetracks, OTBs, sports arenas	15-19%	Statewide	In-state collegiate teams (online only)	\$10m	\$1m every four years	Yes
INDIANA	Commercial and tribal casinos, OTBs	9.5%	Statewide	No player prop bets on collegiate athletes	\$100,000	\$50,000 annually	No
IOWA	Commercial casinos	6.75%	Statewide	No player prop bets on athletes from in-state collegiate teams	\$45,000	\$10,000 annually	No
KANSAS	Commercial casinos, other locations	10%	Statewide	None	N/A	N/A	Yes
LOUISIANA	Commercial casinos, other locations	Land-based: 10% Online: 15%	Statewide	None	\$500,000	\$500,000 every five years	No
MARYLAND	Commercial casinos, other locations	15%	Statewide	None	\$500,000-\$2m	1% of average annual revenue every five years	No
MICHIGAN	Commercial and tribal casinos	8.4-9.65%	Statewide	None	\$100,000	\$50,000 every five years	Yes
MISSISSIPPI	Commercial casinos	11-12% effective rate	On property	None	None	None	No
MONTANA	Retail locations	N/A	On property	None	N/A	N/A	No
NEVADA	Commercial casinos and other retail locations	6.75%	Statewide	None	\$500	None	No
NEW HAMPSHIRE	Retail lottery outlets and other retail locations TBD	50% (state share)	Statewide	In-state collegiate teams	None	None	Partial (by contract)
NEW JERSEY	Commercial casinos, racetracks	Land-based: 9.75% Online: 14.25%	Statewide	In-state collegiate teams	\$100,000	Min. \$100,000 annually	No

State By 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
NEW MEXICO	Tribal casinos	N/A	No	None	None	None	No
NEW YORK	Commercial and tribal casinos	Land-based: 10% Online: 51%	Statewide	In-state collegiate teams	\$25m (online)	TBD	Yes (online)
NORTH CAROLINA	Tribal casinos	N/A	No	None	None	None	No
NORTH DAKOTA	Tribal casinos	N/A	No	None	None	None	No
OREGON	Lottery retail outlets, tribal casinos	N/A	Statewide	No collegiate events (lottery)	None	None	No
PENNSYLVANIA	Commercial casinos, OTBs	36%	Statewide	None	\$10 million	\$250,000 every five years	No
RHODE ISLAND	Commercial casinos	51% (state share)	Statewide	In-state collegiate teams	None	None	No
SOUTH DAKOTA	Commercial casinos	9%	On property	In-state collegiate teams and college prop bets prohibited	None	None	No
TENNESSEE	N/A	20%	Statewide	No player prop bets on collegiate athletes	\$750,000	\$750,000 annually	Yes
VIRGINIA	Casinos	15%	Statewide	In-state collegiate teams and college prop bets prohibited	\$250,000	\$200,000 every three years	Yes
WASHINGTON	Tribal casinos	N/A	On property	In-state collegiate teams	None	None	No
WEST VIRGINIA	Commercial casinos	10%	Statewide	None	\$100,000	\$100,000 every five years	No
WISCONSIN	Tribal casinos	N/A	On property	In-state collegiate teams	N/A	N/A	No
WYOMING	Tribal casinos	10%	Statewide	None	\$100,000	\$50,000 every five years	No

State *of the* States



ARIZONA

Arizona reported total sports wagering revenue of \$482.9 million in 2022, making the state's sports betting market the fifth largest in the country in its first full year of operation.

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 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 2022, commercial sports betting was offered at 13 retail sportsbook locations and through 17 online betting platforms.

Market Performance

In 2022, total gross sports betting revenue in Arizona was \$482.9 million, almost triple the 2021 total of \$161.1 million that was derived from less than four months of operations. More than 99 percent of the 2022 revenue total came from online sports betting, rather than retail.

The overall revenue total made Arizona the fifth largest sports betting market in the country in 2022, behind only New York, Illinois, New Jersey and Pennsylvania.

KEY STATE INFORMATION

GROSS SPORTS BETTING REVENUE 2022

\$482.9M

SPORT BETTING TAX REVENUE 2022

\$28.9M

CASINO FORMAT

N/A

NOTABLE FORMS OF GAMING

Sports Betting

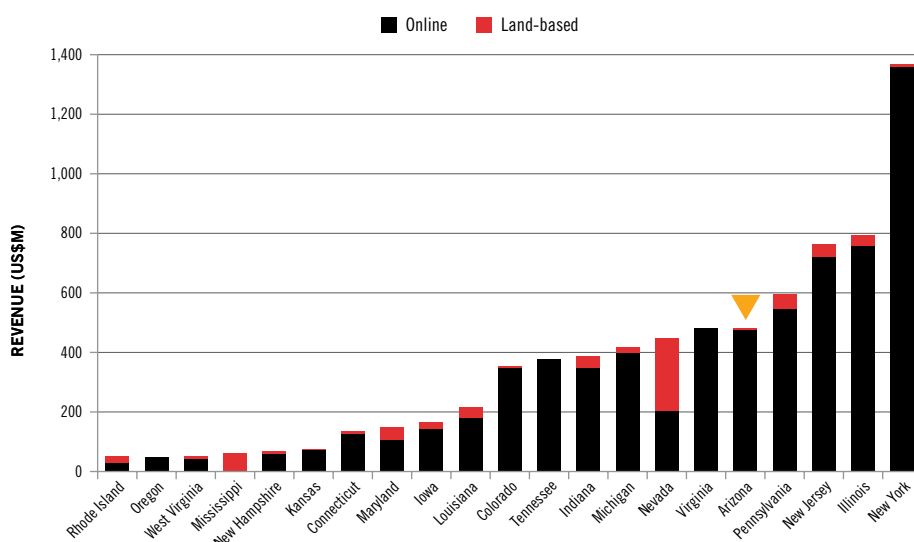
REGULATORY AUTHORITY

Arizona Department of Gaming

NUMBER OF COMMERCIAL CASINOS

0

SELECTED STATES: COMMERCIAL SPORTSBOOK GGR 2022



SOURCE: State regulators



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 2022. 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 2022, sports betting generated total state tax revenue of approximately \$28.9 million, a more than four-fold increase compared with the previous year.

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 commercial sports betting operations compete with sportsbooks that can be offered in the state's 27 tribal casinos in accordance with amendments to tribal gaming compacts approved in 2021.

Aside from sports betting and tribal gaming, Arizona's broader gaming market includes a state lottery, charitable bingo locations, three horse racetracks and around 60 off-track betting facilities offering wagering on horse and dog races.

Policy & Regulatory Review

Sports Betting

In April 2022, the Arizona Department of Gaming approved final regulations applicable to commercial sports betting in the state.

The regulatory agency adopted its initial rules for mobile and retail sports wagering on an emergency basis in July 2021 to facilitate the launch of legal sports betting in time for the 2021 football season. The department's final regulations were promulgated after a further comment period and included several revisions from those initial rules, including changes related to license renewals, advertising, and procedures in the event of the closure of a licensed sports betting operation.

Separately, the Arizona Department of Gaming in January allocated the state's ten available so-called limited event wagering operator licenses. The recipients were Arizona Downs Racetrack, eight off-track betting locations in the Phoenix area, and another OTB facility in Tucson. Retail sports betting began at the selected locations in June.

Another policy matter in focus in 2022 was the discrepancy between the number of commercial sports betting licenses available to Arizona Indian tribes and those to the designated partners of the state's major sports teams and arenas.

A bill introduced in the Arizona Senate in February would have enabled all 23 federally recognized Indian tribes in Arizona to apply for a mobile sports wagering license, rather than the maximum of 10 under the state's 2021 sports betting law. That proposed legislation died without being passed out of committee.

ARKANSAS

In 2022, total casino gaming revenue reported by Arkansas' three commercial casino properties was \$614.1 million, an increase of 8.7 percent from 2021. The record total included the first revenue from mobile sports wagering, which began in March.

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 both on-site and mobile 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 and sports betting is regulated by the Arkansas Racing Commission.

Market Performance

In 2022, total statewide commercial casino gaming revenue was a record \$614.1 million, up 8.7 percent versus the prior year.

Total statewide revenue from electronic gaming devices was \$533.6 million, up 5.5 percent, while revenue from table games was \$62.6 million, up 23.6 percent.

Bolstered by the launch of mobile sports betting, total sports wagering revenue was \$17.9 million, more than double 2021's total of \$8.5 million.

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$614.1M

GAMING TAX REVENUE 2022

\$88.6M

CASINO FORMAT

Land-Based Casinos;
Racinos

NOTABLE FORMS OF GAMING

Sports Betting

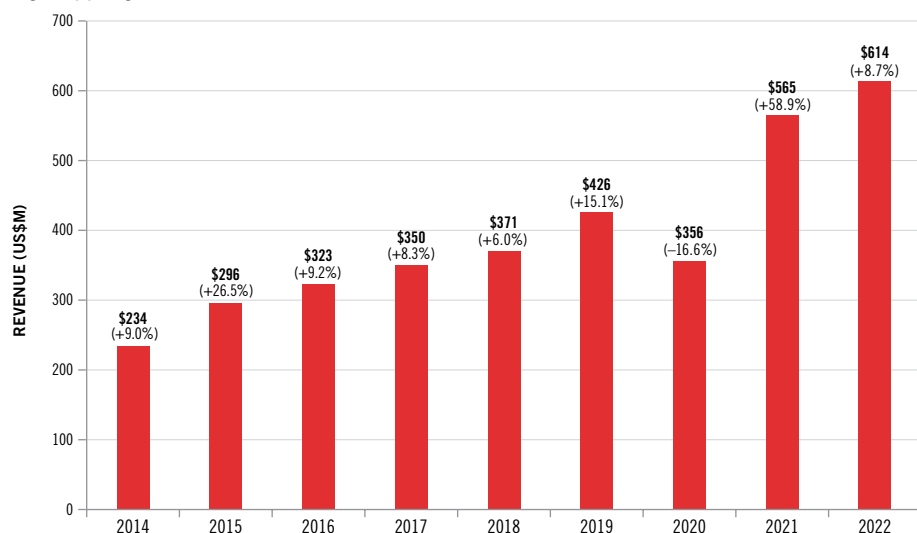
REGULATORY AUTHORITY

Arkansas Racing
Commission

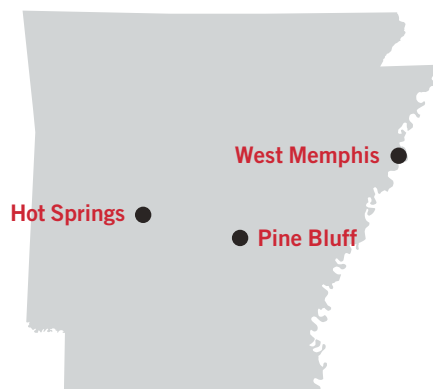
NUMBER OF COMMERCIAL CASINOS

3

ARKANSAS: COMMERCIAL CASINO GAMING REVENUE 2014 to 2022



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 any revenue above that amount. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2022, Arkansas casinos and racinos generated approximately \$88.6 million in direct gaming tax revenue, up 10.0 percent against the prior year.

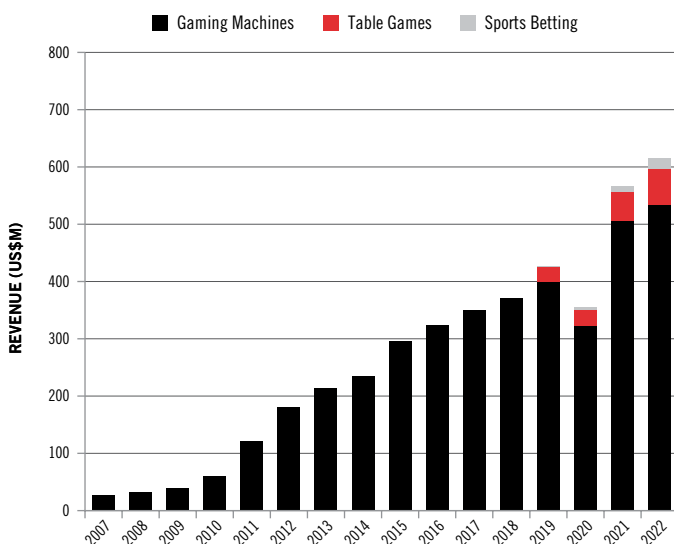
Under Arkansas’ constitution, 55 percent of casino gaming tax revenue is allocated to the state’s General Revenue Fund, from which funds are appropriated each year for education, public safety and various other purposes. A further 27.5 percent of tax revenue is distributed to the cities and counties 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 established casinos and racinos, Arkansas gaming operators also compete with various casino properties in neighboring jurisdictions.

ARKANSAS: COMMERCIAL GAMING REVENUE 2007 to 2022

Although electronic gaming devices remain the most important overall contributor to Arkansas commercial casino gaming revenue, the newer offerings of table games and sports betting grew at a faster pace than electronic gaming devices in 2022.



SOURCE: Arkansas Department of Finance and Administration

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 the pending casino in Pope County.

Policy & Regulatory Review

Sports Betting

Three years after the initial rollout of land-based sports betting, Arkansas casinos became eligible in 2022 to accept mobile wagers from patrons across the state.

Amended casino gaming regulations to allow statewide mobile sports betting—crafted by the Arkansas Racing Commission in late 2021—were approved by two state legislative committees in February and became effective in March. Notably, the new regulations were approved by the legislature despite vocal objections from leading national online sports betting operators to unique provisions that require Arkansas casinos to receive at least 50 percent of the revenue generated by any third-party platforms—or “skins”—choosing to operate under their license.

Arkansas’ first mobile sportsbook went live in March and by the end of the year, each of the state’s three active commercial casinos and racinos had deployed their own online sports betting platform.

Expansion

Litigation over Arkansas’ fourth and final commercial casino license continued in 2022, without a definitive resolution by the end of the year.

In December, a circuit court judge dismissed for lack of standing one lawsuit filed by a group seeking to block a casino altogether in Pope County. However, another lawsuit filed by the losing applicant for the Pope County license was scheduled to be heard by a separate judge in early 2023.

The litigation followed the Arkansas Racing Commission’s decision in late 2022 to award the Pope County license to a business subsidiary of Oklahoma’s Cherokee Nation. Gulfside Casino Partnership’s lawsuit claimed that Cherokee Nation Businesses and an affiliated casino partner lacked sufficient experience to be awarded the license for its \$225 million casino-resort project.

An initial 2020 decision to award the Pope County casino license to Gulfside Casino Partnership was successfully challenged in court by the Cherokee Nation, based on the fact that Gulfside did not have the requisite support of local government officials currently in office at the time of submitting its application.

COLORADO

In 2022, statewide commercial casino gaming revenue reached a record \$1.41 billion as casino operators reported strong growth in both table game and sports betting 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 of the casinos operates electronic gaming devices, table games and 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 2022, 23 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.

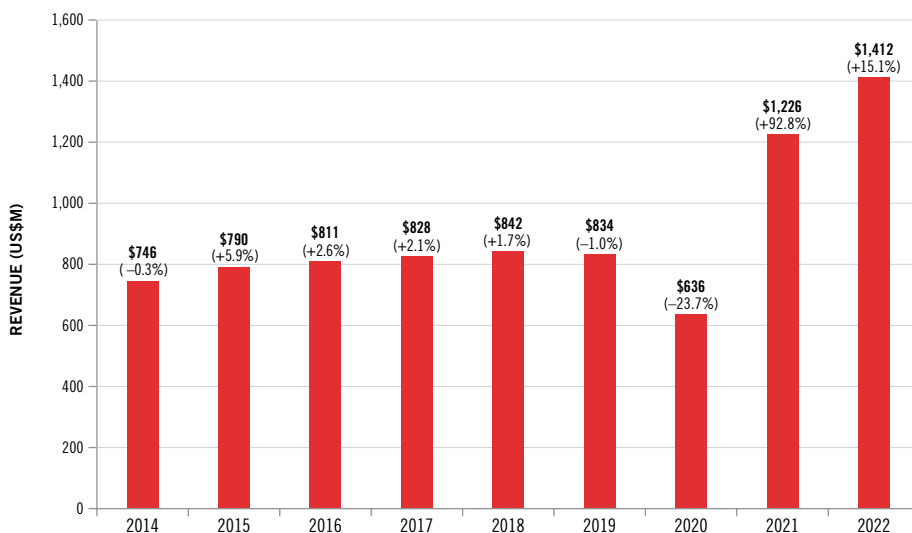
Market Performance

In 2022, total statewide commercial casino gaming revenue reached \$1.41 billion, up 15.1 percent from the prior year.

The record total reflected continued growth of the state's sports betting market as well as recent regulatory changes that improved the competitiveness of casino gaming in the three mountain towns authorized to host land-based casinos.

Total statewide revenue from electronic gaming devices was \$903.6 million, up 4.9 percent from 2021. Revenue from table games was \$156.2 million, an increase of 36.5 percent and partly reflecting a first full year of new regulations that eliminated a prior \$100 maximum bet limit and permitted casinos to offer baccarat and other table games for the first time.

COLORADO: COMMERCIAL CASINO GAMING REVENUE 2014 to 2022



SOURCE: Colorado Department of Revenue

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$1.41B

CASINO TAX REVENUE 2022

\$187.7M

CASINO FORMAT

Land-Based Casinos

NOTABLE FORMS OF GAMING

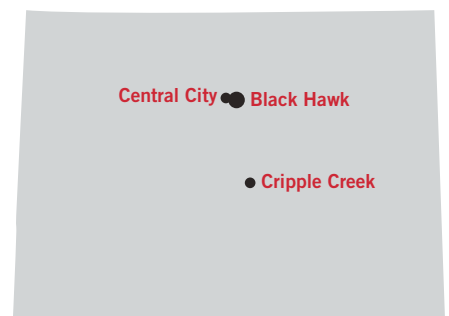
Sports Betting

REGULATORY AUTHORITY

Colorado Division of Gaming; Colorado Limited Gaming Control Commission

NUMBER OF COMMERCIAL CASINOS

33



Colorado

Total revenue from sports betting was \$352.0 million, up 40.7 percent versus the previous year. Online sports betting accounted for \$348.2 million—or nearly 99 percent—of the annual revenue total.

Gaming Tax Distribution

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 limited 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 2022, Colorado commercial casinos generated \$187.7 million in gaming tax revenue, up 16.7 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 around \$17.5 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 \$19.6 million.

After deducting initial amounts to cover the state’s direct costs of regulating sports wagering, and then setting aside additional funding 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. 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 bolstering the casinos of Black Hawk, Cripple Creek and Central City.

Policy & Regulatory Review

Responsible Gaming

Colorado lawmakers and regulators took several measures to bolster the state’s responsible gaming framework in 2022.

In June, Gov. Jared Polis (D) signed a bill to create a responsible gaming grant program overseen by the Colorado Limited Gaming Control Commission as well as the Behavioral Health Administration within the state’s Department of Human Services. Under the program, an initial \$2.5 million was made available to fund problem gambling services and programs across the state through applications submitted for the review by the two state agencies. Additional funding for the grant program will be subject to future appropriations by the state legislature.

Another provision of the bill required the Colorado Division of Gaming to establish statewide self-exclusion registers for land-based casino gaming and online sports wagering.

In December, the Limited Gaming Control Commission then adopted formal regulations to implement statewide self-exclusion and mandate additional responsible gaming requirements for casino and sports betting operators.

Among other things, the new regulations will require casino and sports betting operators to submit an annual strategic

Colorado

implementation plan around their responsible gaming programs. Plans should include information regarding staffing levels, tools available to players, as well as details of how operators plan to use player data and technology to aid in identifying potential problem gamblers through automated triggers based on patron activity.

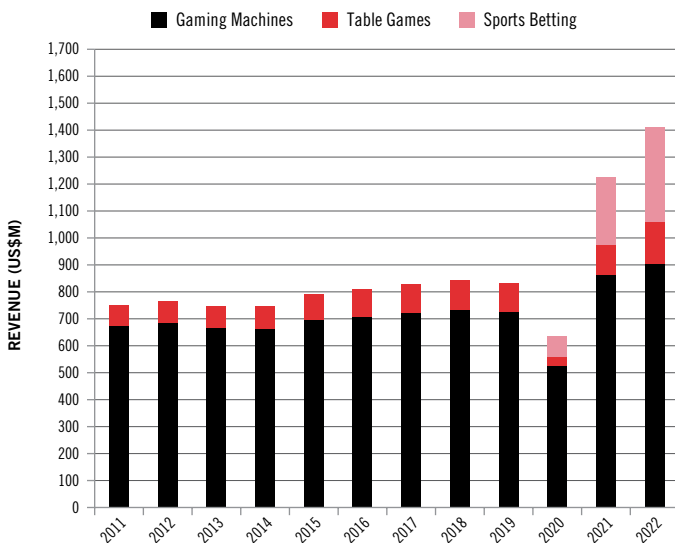
Sports Betting

Another provision of the gaming bill signed into law by Gov. Polis in June made changes to the tax regime applicable to sports betting.

As a result of the new legislation, effective January 2023, sports betting operators will no longer be permitted to deduct an unlimited amount of promotional credits, free bets and bonuses from their taxable revenue in Colorado. Instead, operators may deduct no more than the equivalent of 2.5 percent of total wagering handle through June 2024, with permitted deductions being further reduced each year until they are capped at 1.75 percent of handle from July 2026.

COLORADO: COMMERCIAL GAMING REVENUE BY SOURCE 2011 to 2022

Colorado continued its emergence as a major sports betting market in 2022, with mobile and land-based sports wagering accounting for almost 29 percent of overall statewide commercial casino gaming revenue.



SOURCE: Colorado Department of Revenue

In a separate policy change related to sports betting, the Colorado Limited Gaming Control Commission adopted new regulations in March to permit sportsbook operators to offer fixed-odds wagers on horse or greyhound races subject to approval by the Colorado Racing Commission and other parties. The new regulations also clarified the regulatory process for approving new sports wagering events in general.

Regulatory Reform

Also in June, Gov. Polis signed a separate gaming-related bill to make several amendments to state laws applicable to commercial casino gaming.

Among other things, the legislation granted the Colorado Limited Gaming Control Commission broader authority to combat illegal gambling at unlicensed establishments that offer unregulated electronic gaming devices in any part of the state. Previously, the commission's regulatory authority was restricted to the three Colorado towns authorized to host commercial casino gaming.

Further regulatory changes introduced by the legislation included reducing the minimum age requirement to work in a Colorado commercial casino from 21 to 18, and granting the gaming commission authority to waive a fingerprinting requirement in the case of license applications submitted by international sports betting companies.

CONNECTICUT

Connecticut's iGaming and sports betting programs generated \$416.2 million in combined revenue in 2022, their first full year of operation.

Market Overview

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

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 in-person sports betting at up to 15 land-based locations, of which nine were operational at the end of 2022.

Both iGaming and sports betting were legalized through a May 2021 law that granted the governor authority to renegotiate the state's tribal gaming compacts to include sports wagering, iGaming, fantasy sports and online lottery games.

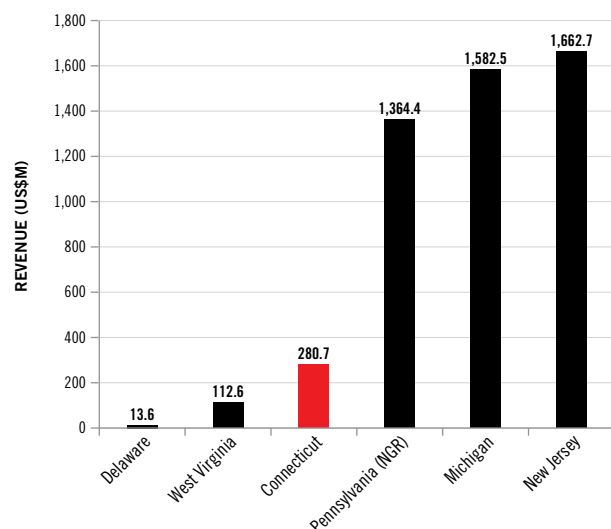
Commercial gaming in Connecticut is regulated by the state's Department of Consumer Protection.

Market Performance

In 2022, total commercial gaming revenue from iGaming and sports wagering in Connecticut was \$416.2 million. That represented an increase of more than 430 percent from the total generated in three months of operation in 2021, after iGaming and sports betting began in October that year.

Revenue from iGaming was \$280.7 million, versus \$47.6 million in 2021. Sports betting revenue was \$135.5 million, versus \$30.9 million.

SELECTED STATES: REGULATED iGAMING GGR 2022



SOURCE: State regulators

KEY STATE INFORMATION

GROSS COMMERCIAL GAMING REVENUE 2022

\$416.2M

GAMING TAX REVENUE 2022

\$55.1M

CASINO FORMAT

N/A

NOTABLE FORMS OF GAMING

iGaming; Sports Betting

REGULATORY AUTHORITY

Connecticut Department of Consumer Protection

NUMBER OF COMMERCIAL CASINOS

0



Gaming Tax Distribution

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

In 2022, iGaming and sports betting generated total tax revenue of approximately \$55.1 million, a more than five-fold increase from the previous year.

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

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 remains the only state in New England with iGaming, regional competition for sports betting is increasingly fierce. Following approval of a new law in Massachusetts in 2022, each of Connecticut’s bordering states has legalized both retail and mobile sports wagering. Historically, both New York and Massachusetts have been important feeder markets for tribal gaming in Connecticut.

Policy & Regulatory Review

Responsible Gaming

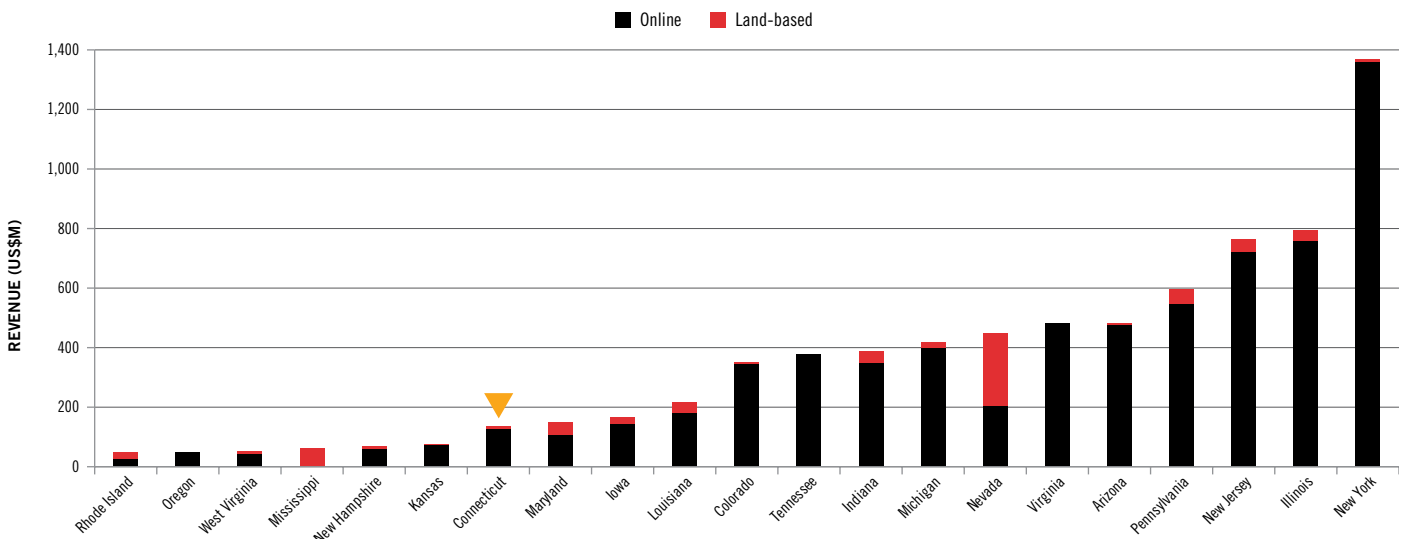
In May, Gov. Ned Lamont (D) signed a bill to legally protect the anonymity of players registering for self-exclusion from online sports betting or iGaming in Connecticut.

Under prior state law, participants in the Connecticut Lottery Corporation’s self-exclusion programs were exempt from disclosure under the state’s Freedom of Information Act that generally applies to government agencies. The new legislation made a technical amendment to extend those same exemptions to self-excluded players enrolling via Connecticut’s two tribal nations, their sports betting and iGaming partners, or the sports wagering partner of the Connecticut Lottery.

The bill further authorized the Connecticut Lottery Corporation to accept deposits via prepaid cards bought from a traditional lottery retailer, in order to fund player accounts for online keno and lottery draw games.

SELECTED STATES: COMMERCIAL SPORTSBOOK GGR 2022

In 2022, Connecticut reported total commercial sports betting revenue of \$135.5 million, with almost 93 percent of that total being generated by mobile sports wagering platforms affiliated with the state’s two Native American tribes and the Connecticut Lottery Corporation.



SOURCE: State regulators

DISTRICT OF COLUMBIA

The District of Columbia reported a 13.4 percent decline in sports betting revenue to \$23.2 million in 2022, the first full year of legal sports wagering in neighboring states Maryland and Virginia.

Market Overview

The District of Columbia has no commercial casino venues but offers private- and lottery-operated sports wagering at five 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.

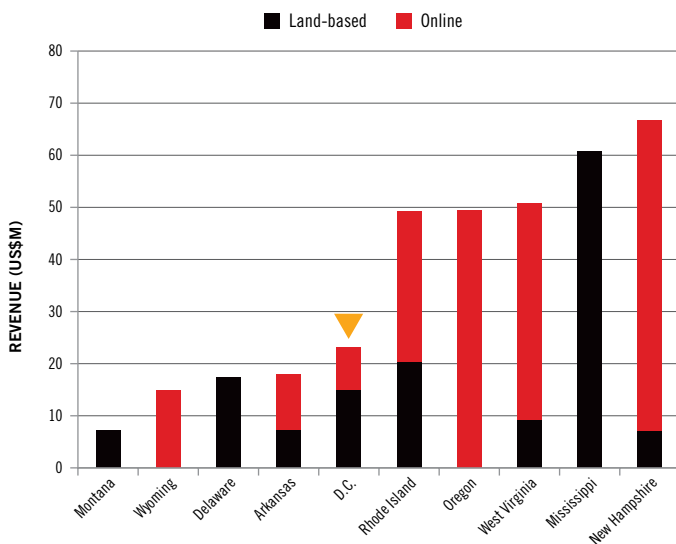
The law also authorized Washington D.C.'s four major sports arenas to host a retail sportsbook operation and offer limited mobile wagering within a two-block radius of their facilities. Finally, bars and restaurants licensed to serve alcohol in the District of Columbia are eligible to apply for licenses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

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

Market Performance

In 2022, total sports betting revenue in the District of Columbia amounted to \$23.2 million, down 13.4 percent on the previous year.

SELECTED STATES: COMMERCIAL SPORTSBOOK GGR SPLIT BY CHANNEL 2022



SOURCE: State regulators

KEY STATE INFORMATION

GROSS SPORTS BETTING REVENUE 2022

\$23.2M

SPORT BETTING TAX REVENUE 2022

\$5.6M

CASINO FORMAT

N/A

NOTABLE FORMS OF GAMING

Sports Betting

REGULATORY AUTHORITY

DC Office of Lottery and Gaming

NUMBER OF COMMERCIAL CASINOS

0



District of Columbia

The decline came despite expansion of the district's sports wagering market to two additional retail sports betting locations, including the opening in June of a FanDuel-branded sportsbook at DC United's Audi Field soccer stadium. The District of Columbia's sports betting operations also faced increased out-of-state competition from sportsbooks at Maryland land-based casinos, including at MGM National Harbor barely two miles beyond city limits. Mobile sports betting was also launched in Maryland in November.

The District of Columbia is an idiosyncratic market, with a majority of revenue—around 65 percent—coming from land-based or on-site sports betting operations, as opposed to mobile sports wagering. Commercial sports betting operators reported combined revenue of approximately \$15.0 million in 2022, down 22.1 percent on the prior year. In contrast, the DC Lottery's GambetDC program reported annual revenue of \$8.2 million, up 7.6 percent.

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 further 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 2022, commercial and lottery-operated sports betting operations generated total tax revenue of approximately \$5.6 million, down 1.8 percent versus the previous year.

Under city law, the first \$200,000 in total tax revenue generated by privately-operated sports betting is dedicated to problem gambling services in the District of Columbia, with the remainder split evenly between two city funds that support early childhood education and community engagement initiatives. All profits generated by the DC Lottery are transferred to the District of Columbia's General Fund.

Competitive Landscape

Sports betting operators in the District of Columbia face significant and expanding regional competition.

Retail sportsbook locations in the city compete with those at Maryland's land-based casinos, racing facilities and charitable gaming venues. At least one additional sportsbook at Maryland sports arenas, including the Washington Commanders' home stadium FedEx Field, is also pending.

Competition in the form of mobile sports betting comes from sportsbook platforms licensed to operate in Virginia and—as of November 2022—in Maryland.

Within the city, hundreds of licensed bars and restaurants are eligible to apply for so-called Class B licenses to operate on-premises sports betting. Although just two Class B sportsbooks were open as of the end of 2022, several additional locations have announced plans to enter the market.

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 that purport to be based on player skill which are permitted in bars and other licensed establishments.

Policy & Regulatory Review

Sports Betting

In October, four District of Columbia council members introduced a bill to amend the city's 2019 sports wagering act and enable commercial operators to offer mobile sports betting throughout the district in competition with the DC Lottery.

Under the bill, additional licenses would be made available for citywide mobile sports wagering, subject to a \$1 million upfront fee and higher tax rate of 15 percent of revenue.

After being heard in one council committee in December, however, the bill was not advanced for a vote before city lawmakers adjourned for the year.

The legislation was filed after a series of oversight hearings in which council members were critical of the performance of the DC Lottery's GambetDC sportsbook product. The DC Office of Lottery and Gaming also held a series of roundtable discussions in June to take stakeholder and public input on potential regulatory changes for privately-operated sports betting.

DELAWARE

In 2022, total statewide commercial casino gaming revenue was \$491.8 million, up 1.8 percent from 2021 and the highest revenue total in more than a decade.

Market Overview

Delaware offers commercial casino gaming at three racinos, each of which operate electronic gaming devices, table games, sports betting and iGaming 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. iGaming was approved in 2012.

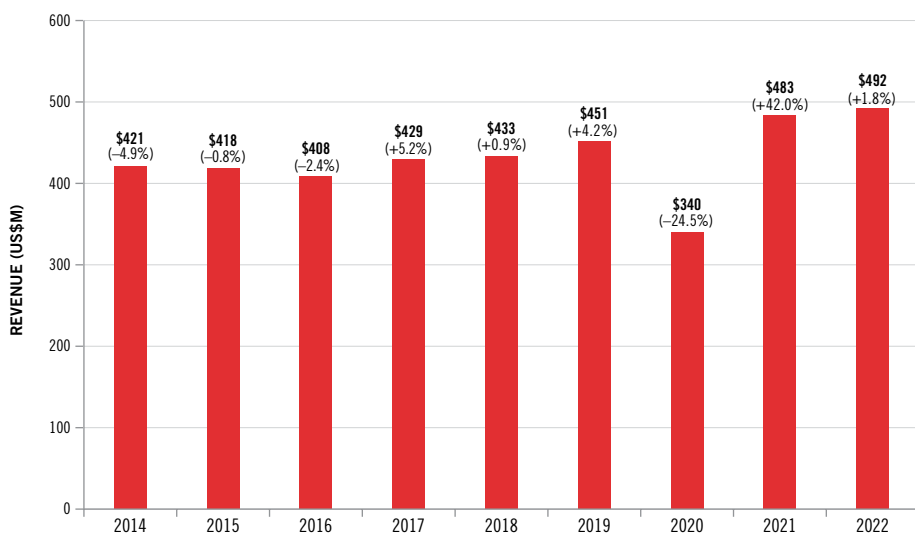
After the U.S. Supreme Court ruling ending federal prohibitions on expanded sports wagering, Delaware racinos in June 2018 expanded their sports betting operations to include a full range of single-game and proposition wagers on all sports, not just football. Alongside full sportsbook operations at racinos,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

Market Performance

In 2022, total statewide commercial casino gaming revenue was \$491.8 million, up 1.8 percent versus the prior year and reflecting revenue growth from both traditional and interactive casino games.

Total statewide revenue from electronic gaming devices was \$405.3 million, up 1.8 percent against 2021, while table game revenue was \$55.6 million, up 8.1

DELAWARE: COMMERCIAL CASINO GAMING REVENUE 2014 to 2022



SOURCE: Delaware Lottery

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$491.8M

GAMING TAX REVENUE 2022

\$225.1M

CASINO FORMAT

Racinos

NOTABLE FORMS OF GAMING

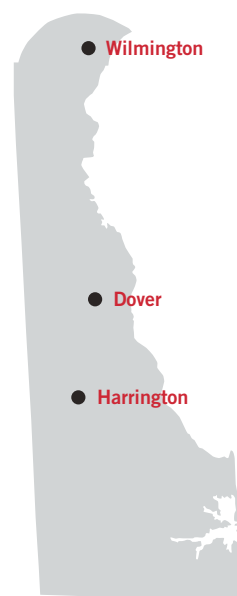
iGaming; Sports Betting

REGULATORY AUTHORITY

Delaware Lottery;
Delaware Division of
Gaming Enforcement

NUMBER OF COMMERCIAL CASINOS

3



Delaware

percent. iGaming revenue was a record \$13.6 million, up 29.0 percent.

In contrast with the other forms of gaming, sports betting revenue declined in 2022. Facing expanded out-of-state competition from legal sportsbooks launched at Maryland casinos, combined sports betting revenue from Delaware racinos' sports wagering operations and sports lottery parlays was \$17.3 million, a decline of 33.2 percent from the previous year.

Gaming Tax Distribution

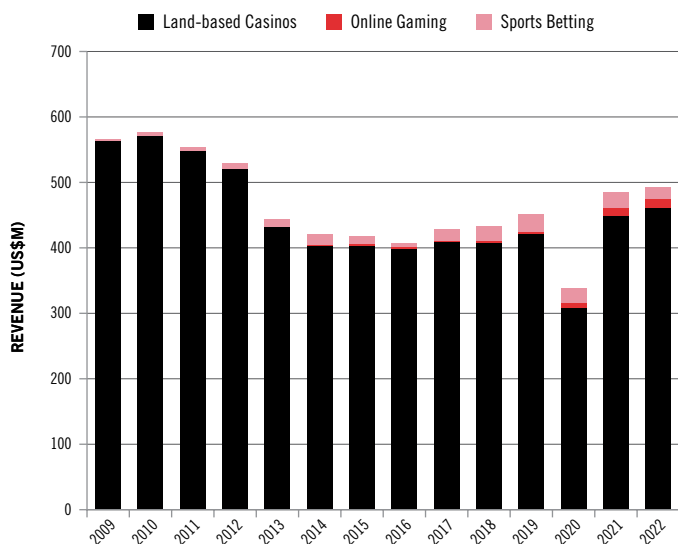
Delaware's commercial casinos are subject to an effective tax rate of approximately 56 percent on their gross revenue from electronic gaming devices and a 20 percent tax on their gross table game revenue, both inclusive of payments used to subsidize race purses.

The effective taxation structure applied to iGaming offerings is roughly the same as the structure applied to the equivalent games in racinos. However, racinos are entitled to a share of iGaming revenue only after the total amount generated in any year surpasses \$3.75 million.

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

DELAWARE: COMMERCIAL GAMING REVENUE BY SOURCE 2009 to 2022

While revenue from traditional land-based casino games and iGaming increased in 2022, Delaware's sports betting market declined by more than a third compared with the previous year amid expanded regional competition from newly authorized operations in Maryland.



SOURCE: Delaware Lottery

of sports betting revenue is distributed to the local horse racing industry.

In 2022, Delaware's racinos and sports lottery retailers generated total gaming tax revenue of approximately \$225.1 million, up 1.3 percent versus the previous year.

Of the total tax revenue generated by commercial gaming operations in 2022, approximately \$177 million was returned to Delaware's General Fund which is appropriated annually for various purposes, including public and higher education, health and social services and public safety. An additional \$48 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 served by five casinos and racinos.

While Delaware became the first state outside of Nevada to offer legal sports betting following the 2018 ruling of the U.S. Supreme Court, sportsbook operations are now available in each of its bordering states following the launch of retail sports wagering at Maryland's commercial casinos in December 2021. Mobile sports betting was also launched in Maryland in late 2022.

Policy & Regulatory Review

Internet Gaming

In April, Delaware, with Nevada and New Jersey, announced that Michigan would join the Multi-State Internet Gaming Association as the fourth member.

The association enables participating states to collaborate in offering certain types of iGaming—specifically peer-to-peer online poker games—on an interstate basis, in order to offer larger player and prize pools.

Delaware and Nevada were the original states to sign the Multi-State Internet Gaming Agreement in 2014. New Jersey became a member in 2017.

FLORIDA

In 2022, total statewide commercial casino gaming revenue was a record \$694.0 million, up 6.9 percent from the previous year. 2022 also saw two ballot initiatives to expand commercial gaming in Florida fail to qualify for a statewide referendum.

Market Overview

Florida offers commercial casino gaming at eight properties, each of which is limited to the operation of electronic gaming devices. The seven land-based casinos and one racino are regulated by the 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 2022, total statewide commercial casino gaming revenue was \$694.0 million, up 6.9 percent from the previous year.

Florida's commercial racinos generated record annual gaming revenue for a twelfth time in the past 13 years. The only exception was 2020, when racino operations were severely disrupted by the pandemic.

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$694.0M

GAMING TAX REVENUE 2022

\$242.9M

CASINO FORMAT

Land-based Casinos;
Racinos

NOTABLE FORMS OF GAMING

Jai Alai Betting

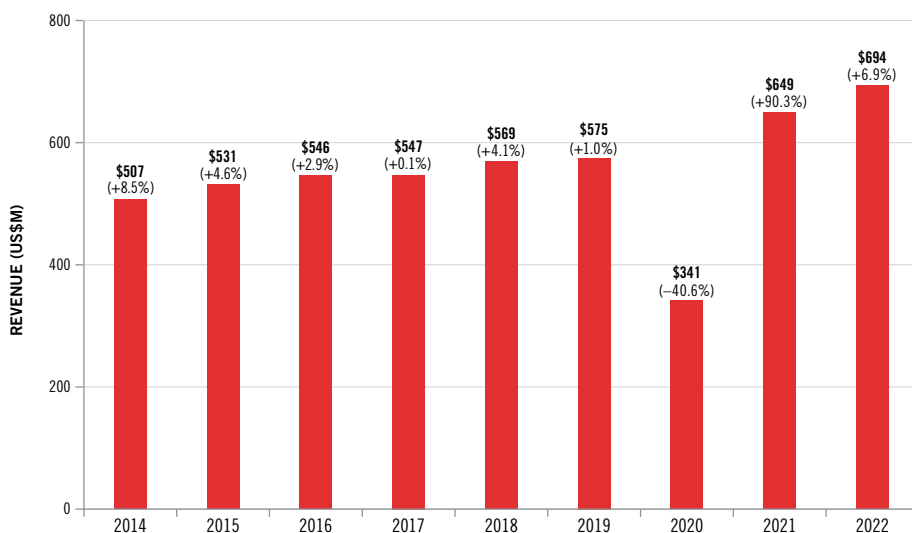
REGULATORY AUTHORITY

Florida Gaming
Control Commission

NUMBER OF COMMERCIAL CASINOS

8

FLORIDA: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: Florida Division of Pari-Mutuel Wagering



Gaming Tax Distribution

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

In 2022, Florida commercial casinos generated total tax revenue of \$242.9 million, up 6.9 percent from the prior year.

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 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, six of which are owned and operated by the Seminole Tribe 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 enabling it offer roulette, craps, and both land-based and online sports betting; however, that agreement has been since been mired in federal court challenges.

Card rooms at Florida 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

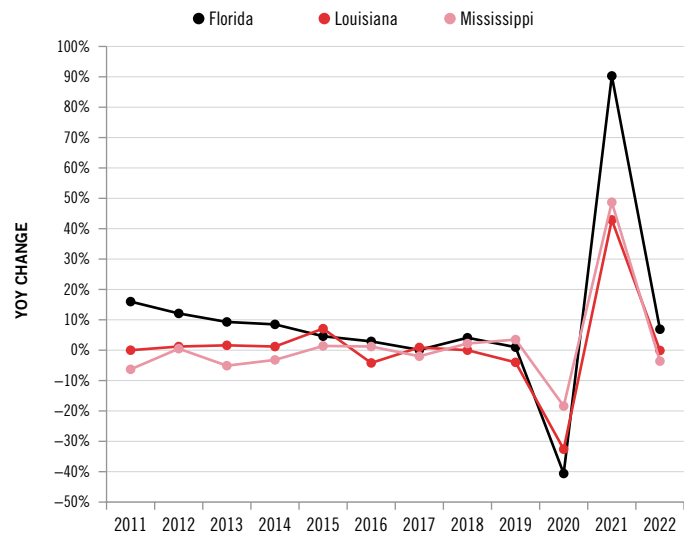
Tribal Gaming

In December, the U.S. Court of Appeals for the District of Columbia Circuit heard oral arguments in the appeal of the U.S. Department of Interior and the Seminole Tribe of Florida to reinstate the landmark gaming compact inked by the tribe and state of Florida in April 2021.

The owner of one of Florida’s commercial racinos successfully argued before a lower court that the compact was invalid since it authorized the Seminole Tribe to offer mobile sports betting to players located throughout the state and gaming would not be confined to Indian lands in accordance with federal law. Other provisions of the 30-year compact would allow the Seminole Tribe to develop three new casino-resorts on its reservation land near Fort Lauderdale and offer craps, roulette and sports betting in its existing tribal casinos.

FL, LA & MS: YEAR-ON-YEAR CHANGE IN COMMERCIAL GGR 2011 to 2022

Although Florida’s commercial casino gaming market remains smaller overall than those of fellow southern states Louisiana and Mississippi, statewide commercial gaming revenue continued to grow at a faster rate since casino operations resumed following the pandemic.



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

Lawyers for the federal government and the Seminole Tribe argued that the Interior Department acted within its authority when it allowed the compact to take effect in August 2021, and that the agreement duly complies with the 1988 Indian Gaming Regulatory Act which governs tribal gaming.

In a related development, the Interior Department’s Bureau of Indian Affairs earlier in December proposed updated regulations regarding the compacting process for so-called Class III tribal casino gaming. Among other things, the revised rules would expressly allow approval of compacts, such as the 2021 agreement between the Seminole Tribe and the state of Florida, which authorize a tribe to conduct statewide mobile gaming via servers located on reservation lands.

Expansion

In February, an effort to expand commercial casino gaming to locations outside of Miami-Dade and Broward counties fell short when proponents were unable to gather a sufficient number of signatures to qualify for the November 2022 statewide ballot.

The proposed initiative would have authorized existing pari-mutuel racing facilities in counties throughout Florida to be licensed to offer casino gaming, provided they agreed to invest at least \$250 million in developing a casino-resort and were located a minimum of 130 miles away from any of the Seminole Tribe’s casinos.

Florida

The ballot petition was supported by more than 814,000 Florida voters, but needed around 80,000 additional voter signatures in order to qualify for a statewide referendum. A separate voter petition to authorize statewide mobile sports betting via commercial sportsbook operators also failed to qualify for the ballot.

Regulatory Reform

In March, Florida's commercial casino gaming industry entered a new regulatory era when the newly established Florida Gaming Control Commission held its first official meeting.

The independent agency, overseen by a four-member commission, was created through legislation approved by lawmakers alongside the new Seminole compact in 2021. Previously, Florida's commercial racinos were overseen by a division within the state's Department of Business and Professional Regulation.

Among the activities undertaken by the new commission in 2022 were establishing annual and long-term regulatory plans, hiring appropriate staff and developing a formal memorandum of understanding with the Seminole Tribe regarding the oversight of tribal gaming in Florida.

ILLINOIS

In 2022, total statewide commercial casino gaming revenue increased by 25.2 percent to \$2.14 billion, reflecting Illinois' rise as a major sports betting market.

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 existing and future 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.

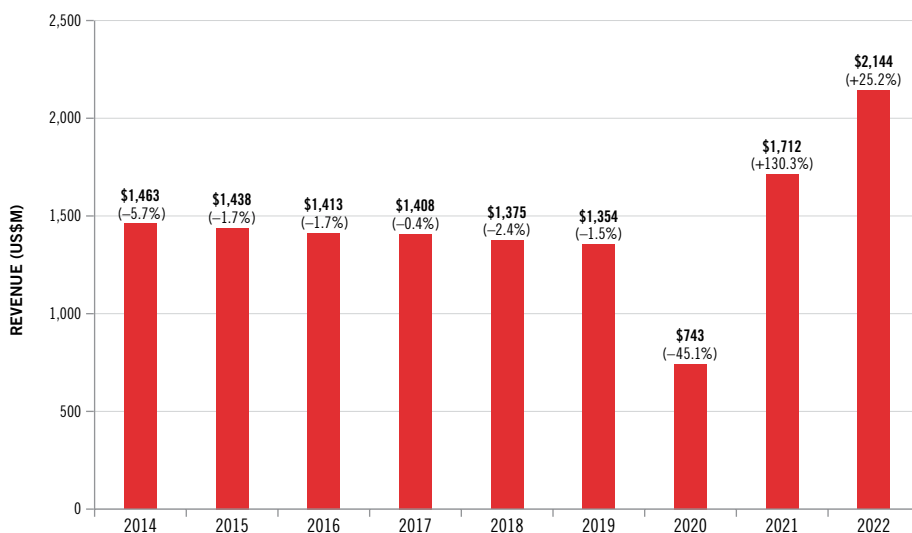
Casinos and racetracks are also eligible to operate statewide mobile sports betting. At the end of 2022, legal sports betting was available at 11 retail sportsbook locations and via seven online platforms.

Market Performance

In 2022, total statewide commercial casino gaming revenue was \$2.14 billion, up 25.2 percent from the previous year.

The overall revenue growth primarily reflected Illinois' continued rise as a major market for sports betting. Total statewide sports betting revenue in 2022 was \$795.0 million, up 51.4 percent. Illinois remained the second largest sports

ILLINOIS: COMMERCIAL CASINO GAMING REVENUE 2014 to 2022



SOURCE: Illinois Gaming Board

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$2.14B

CASINO TAX REVENUE 2022

\$495.2M

CASINO FORMAT

Riverboat Casinos;
Land-Based Casinos

NOTABLE FORMS OF GAMING

Sports Betting

REGULATORY AUTHORITY

Illinois Gaming Board

NUMBER OF COMMERCIAL CASINOS

11



Illinois

betting market in the U.S. in 2022, as it leapfrogged New Jersey but both states were eclipsed by New York following the launch of mobile sports wagering in the Empire State.

Thanks in part to the end of a previous regulatory requirement for all player accounts to be registered in-person at a land-based casino or racing facility, online sports betting revenue increased by more than 52 percent to \$760.3 million. Land-based sports betting revenue was \$33.8 million, up 40.0 percent.

Total statewide revenue from traditional casino gaming was also up in 2022, reflecting a first full year of electronic gaming device operations at Illinois' 11th casino property in Rockford as well as the temporary suspension of casino gaming in January 2021 due to the pandemic.

Electronic gaming devices in Illinois casinos generated revenue of \$1.01 billion. That total was up 13.4 percent against 2021 but still lower than in the years prior to the pandemic amid ongoing competitive pressures from video gaming devices in bars and at other retail establishments. Table game revenue at Illinois commercial casinos was \$338.7 million, up 14.1 percent. Illinois' 11 commercial casinos admitted some 9.1 million patrons during 2022, versus 7.7 million the previous year.

Gaming Tax Distribution

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. Future land-based sports betting facilities within Chicago will be subject to an additional city tax of 2 percent. Sportsbook operations are also subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2022, Illinois commercial casinos and sports betting operators generated total gaming tax revenue of approximately \$495.2 million, up 23.6 percent against the prior year.

Of that total, roughly \$409.2 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 \$76.5 million in gaming tax revenue was generated for local governments that host casinos, with a further \$8.4 million provided to Cook County from local sports wagering taxes.

Competitive Landscape

The prolonged rollout of a sweeping gaming expansion law enacted in June 2019 means the competitive landscape for Illinois' commercial casino industry remains in a state of flux.

At the end of 2022, only one of at least eight new casino gaming facilities authorized under that law had begun operations. That casino—Rockford Casino—was also open only as a temporary facility, with a full casino-resort property still under development. New casino properties in the cities of Chicago, Danville and Waukegan and in Cook and Williamson counties remain at different stages of the development and licensing process but all are expected to open in the coming years. Meanwhile, Illinois' two active racetracks have applied for licenses to offer electronic gaming devices and table games at their facilities, also in accordance with the 2019 law.

Prior to the 2019 legislation, the primary competitive challenge to Illinois' commercial casino gaming industry had come from the rollout of electronic gaming devices—or video gaming terminals (VGTs)—in bars, restaurants, truck stops and other retail establishments, as authorized under a 2009 state law.

In 2022, Illinois' network of more than 45,000 VGTs in some 8,226 establishments generated total revenue of \$2.71 billion, up 9.5 percent versus the prior year.

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 Expansion

Development of a major new casino-resort in Chicago took several steps forward in 2022.

In May, the Chicago City Council approved a Bally's Corporation proposal to build a \$1.7 billion casino project at the site of the printing plant of the Chicago Tribune newspaper.

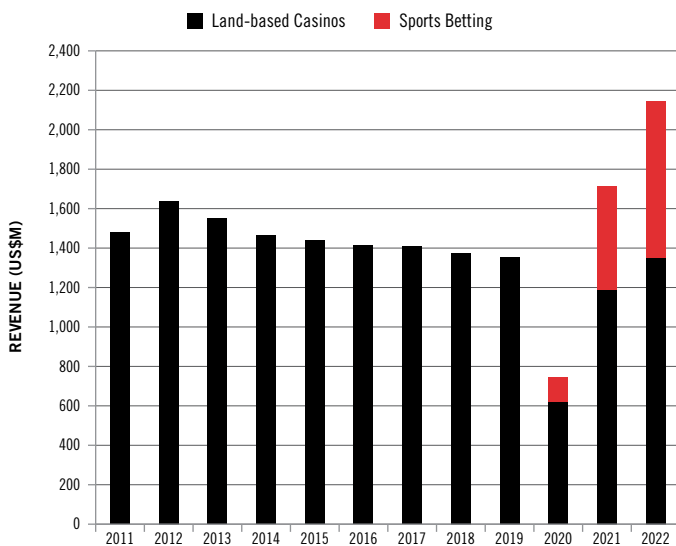
That proposal had previously been selected by Mayor Lori Lightfoot to be Chicago's chosen casino development partner after a competitive request-for-proposals process. Additional city council approval was required in order to execute a formal host community agreement.

Bally's submitted a formal casino license application to the Illinois Gaming Board in August, while the Chicago City Council granted various zoning approvals for the casino development in December.

A Chicago casino-resort was arguably the headline act of Illinois' sweeping 2019 gaming expansion law. Once licensed, Bally's will be permitted to operate up to 4,000 electronic gaming devices and table games at the Chicago casino location as well as at the city's two major international airports.

ILLINOIS: COMMERCIAL GAMING REVENUE BY SOURCE 2011 to 2022

Since launching in 2020, Illinois' sports betting has surpassed New Jersey and was the second largest in the country at the end of 2022. Sports wagering accounted for approximately 37 percent of total statewide commercial gaming revenue.



SOURCE: Illinois Gaming Board

Sports Betting

In October, the Illinois Gaming Board reopened an application process to award up to three mobile-only sports wagering licenses available under the state's 2019 gaming expansion law. An initial licensing process was abandoned when the lone qualified applicant to step forward withdrew due to capital market conditions.

The three mobile sports wagering licenses require an upfront fee of \$20 million and were initially supposed to coincide with an expansion of online sports betting in Illinois to include remote registration of player accounts. That planned competitive landscape shifted during the pandemic, however, as online betting platforms affiliated with Illinois casinos and racing facilities were permitted to offer remote registration on a temporary basis for public health reasons. Remote registration then became permanently available in March 2022, when statutory amendments passed in 2021 went into effect.

Regulatory Reform

In December, the Illinois Gaming Board published a series of draft amendments to modernize the state's casino gaming regulations.

Among other things, the draft regulatory amendments would require commercial casinos to install metal detectors to prevent firearms on casino gaming floors. Casino security requirements would also be updated to reflect digital surveillance recording.

The updated regulations will take effect once published in the state register and undergoing Illinois' formal rulemaking process.

INDIANA

In 2022, statewide commercial gaming revenue reached a record total of \$2.89 billion, up 6.1 percent, reflecting the continued growth of Indiana’s sports betting market as well as improvements in both electronic gaming device and table game revenue.

Market Overview

Indiana offers commercial casino gaming at six riverboat casinos, four land-based casinos and two racinos, each of which operates 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 also approved to install live-dealer table games.

In 2019, a bill passed by the legislature authorized 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 2022, Indiana’s online sports betting market was served by 14 digital sportsbook platforms.

Market Performance

In 2022, total statewide commercial casino gaming revenue was \$2.89 billion, up 6.1 percent against 2021.

INDIANA: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: Indiana Gaming Commission

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$2.89B

GAMING TAX REVENUE 2022

\$688.3M

CASINO FORMAT

Land-Based Casinos;
Riverboat Casinos;
Racinos

NOTABLE FORMS OF GAMING

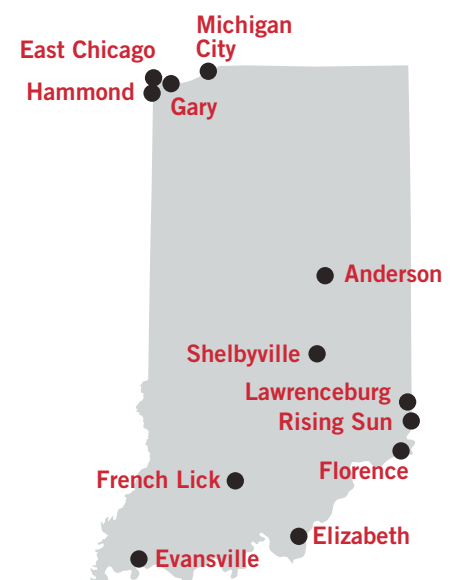
Sports Betting

REGULATORY AUTHORITY

Indiana Gaming
Commission

NUMBER OF COMMERCIAL CASINOS

12



Indiana

The revenue total was a record for the state, with each segment of Indiana’s commercial gaming industry reporting year-over-year growth.

Total statewide revenue from electronic gaming devices in 2022 was \$2.02 billion, up 2.2 percent versus the prior year, while revenue from table games was \$479.0 million, up 10.1 percent.

Statewide sports betting revenue amounted to \$386.9 million, an increase of 25.5 percent over the previous year. Online sports betting accounted for approximately 89.8 percent of the revenue total.

Gaming Tax Distribution

INDIANA RIVERBOAT 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, land-based and online sports betting operated by casinos, racinos and their affiliated online platforms is taxed at a headline rate of 9.5 percent of revenue. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2022, Indiana saw total commercial casino gaming tax revenue of approximately \$688.3 million, up 5.1 percent against the previous year.

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

Indiana is set to welcome a 13th commercial casino property in early 2024, when a land-based casino licensed in the city of Terre Haute is scheduled to open. The casino was authorized under a 2019 law that allowed for one casino license in northwestern Indiana to be relocated to a location in Vigo County, on the state’s border with Illinois. Local voters approved a casino in a November 2019 referendum and the Indiana Gaming Commission eventually awarded a license for the project in late 2021.

Commercial casinos in northern Indiana compete with one tribal casino in the city of South Bend that offers a full range of electronic gaming devices, table games and sports betting, having previously been limited to electronic bingo games.

Thanks to a 2019 Illinois gaming expansion law, northwestern Indiana casinos that already compete 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

Internet Gaming

In September, the Indiana Gaming Commission (IGC) published an independent report regarding the prospective authorization of iGaming in the state.

The IGC commissioned the study in February in order to provide an independent forecast on the potential gaming revenue and economic impact of a legal iGaming market in Indiana, as well as various policy questions for state lawmakers to consider.

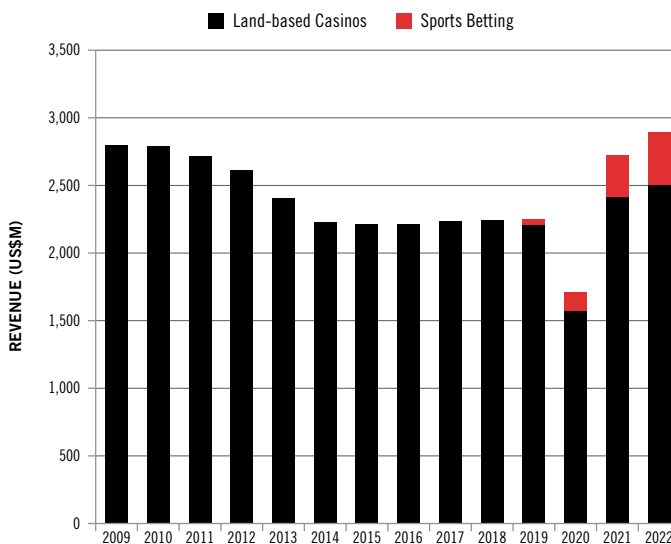
Indiana

The published report projected that Indiana would generate an estimated \$836 million in iGaming revenue by year three of operation, yielding around \$164 million to \$376 million in state tax revenue depending on the tax rate applied through state legislation. The report further concluded that evidence from the six states with lawful internet casino gaming suggested that Indiana’s land-based commercial casinos would see little, if any, negative impact in terms of cannibalization of their traditional gaming revenue.

Legislation to authorize internet casino gaming via Indiana’s land-based commercial casinos and affiliated online casino platforms was introduced in the Indiana House in January but died the following month without receiving a committee hearing. Supporters of iGaming in the state legislature said they would reintroduce proposals for consideration in the 2023 session.

INDIANA: COMMERCIAL GAMING REVENUE BY SOURCE 2009-2022

Sports betting has become an increasingly prominent part of Indiana’s commercial gaming market since 2019, with online and land-based sports wagering accounting for approximately 13.4 percent of total statewide commercial gaming revenue in 2022.



SOURCE: Indiana Gaming Commission

IOWA

Fueled by the continued growth of Iowa's online sports betting market, total statewide commercial gaming revenue reached a record total of \$1.93 billion in 2022.

Market Overview

Iowa offers commercial casino gaming at 15 land-based casinos, three riverboat casinos and one racino. The 19 properties, all of which operate 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. A 2019 law allows Iowa's commercial casinos and racinos to offer land-based and online sports betting. At the conclusion of 2022, sports betting was available at each of Iowa's 19 commercial casino locations as well as through a total of 18 affiliated mobile sports wagering platforms.

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 its residents via a county-wide referendum. A second voter referendum is required eight years after initial approval.

Market Performance

In 2022, total statewide commercial casino gaming revenue was a record \$1.93 billion, up 3.7 percent versus the previous year.

Revenue from electronic gaming devices was \$1.59 billion, up 0.7 percent versus 2021, while revenue from table games was \$178.8 million, up 4.0 percent.

IOWA: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: Iowa Racing and Gaming Commission

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$1.93B

GAMING TAX REVENUE 2022

\$393.2M

CASINO FORMAT

Land-Based Casinos;
Riverboat Casinos;
Racinos

NOTABLE FORMS OF GAMING

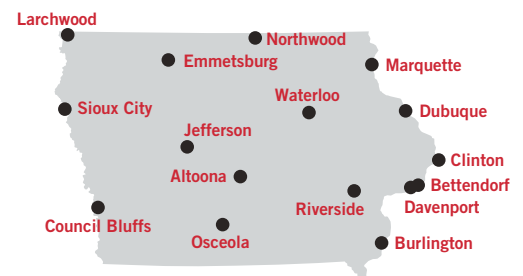
Sports Betting

REGULATORY AUTHORITY

Iowa Racing and
Gaming Commission

NUMBER OF COMMERCIAL CASINOS

19



Revenue from land-based and online sports betting was \$165.6 million, up 31.9 percent relative to prior year. Online sports wagering accounted for \$142.9 million—or approximately 86 percent—of total statewide sports betting revenue.

Gaming Tax Distribution

IOWA CASINO GAMING TAX

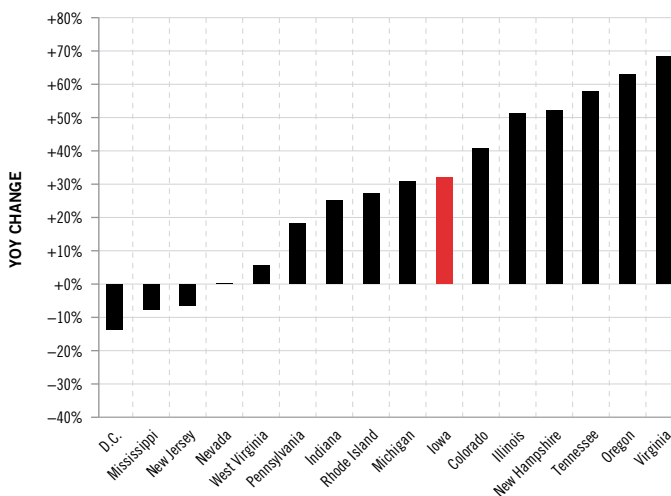
Gaming Revenue	Tax Rate Applied
\$0–\$1M	5 percent
\$1M–\$3M	10 percent
\$3M+	22 percent

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, 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. Sportsbooks are further

SELECTED STATES: YOY CHANGE IN SPORTS BETTING GGR 2022

In 2022, Iowa casinos and mobile sports betting platforms reported total sports wagering revenue of \$165.6 million, up more than 45 percent on the previous year.



SOURCE: State Gaming Commissions

subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2022, Iowa’s commercial casino and sports betting operations generated total gaming tax revenue of \$393.2 million, up 0.6 percent from the prior year.

Of that amount, approximately \$362.1 million was received by the state and reallocated to various beneficiaries, including the Rebuild Iowa Infrastructure Fund and Iowa Skilled Worker & Job Creation Fund. A further \$17.2 million was allocated to city and county governments that host casinos, while \$13.8 million went to community foundations in counties without casinos.

Competitive Landscape

Iowa’s commercial casinos compete with four tribal casinos located within the state’s borders as well as with various commercial and tribal casinos located in neighboring South Dakota, Nebraska and Missouri.

Cross-border competition intensified in 2022 with the opening of Nebraska’s first commercial casino locations, and forthcoming racinos in Omaha and South Sioux City are poised to compete directly with Iowa casinos in Council Bluffs and Sioux City, respectively.

Casinos in eastern Iowa also face competition from electronic gaming devices (VGTs) in Illinois bars and other retail venues.

Policy & Regulatory Review Expansion

After voters in Linn County passed a second referendum in November 2021 to grant local approval for a potential casino in the city of Cedar Rapids, state lawmakers acted in 2022 to forestall any discussion of a 20th commercial gaming property in Iowa.

In June, Gov. Kim Reynolds (R) signed a bill preventing the Iowa Racing and Gaming Commission from issuing any additional casino licenses until at least June 1, 2024. The moratorium would not apply to an existing casino seeking to move to a new location within the same county.

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 had been prepared to revisit the issue in 2022, however, after receiving new market studies as to the impact of a new casino on the state’s gaming industry.

Payments Modernization

The legal provisions imposing a moratorium on new casino licenses were enacted as part of a wider gaming reform bill passed by the state legislature and signed into law by Gov. Reynolds.

The bill also cleared the way for cashless wagering on the gaming floors of Iowa commercial casinos, clarifying that statutory prohibitions related to the dispensing of cash or credit in casinos would not apply to a cashless wagering system that was being accessed through a mobile application operated by the casino.

The bill also amended Iowa's sports wagering law to permit operators to offer bets on "sports-related events," such as the outcome of pro sports drafts or individual player awards, that are not directly determined on the field of play. Prior to the statutory change, Iowa regulators had determined that such wagering events were not permissible under state law.

As initially passed by the Iowa House, the gaming reform bill signed in June also would have authorized wagering on esports contests. Provisions related to esports were removed from the legislation in the Senate, however.

KANSAS

The addition of legal sports betting to Kansas' commercial gaming market led to record revenue of \$478.1 million in 2022, up 18.5 percent versus the prior year.

Market Overview

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

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

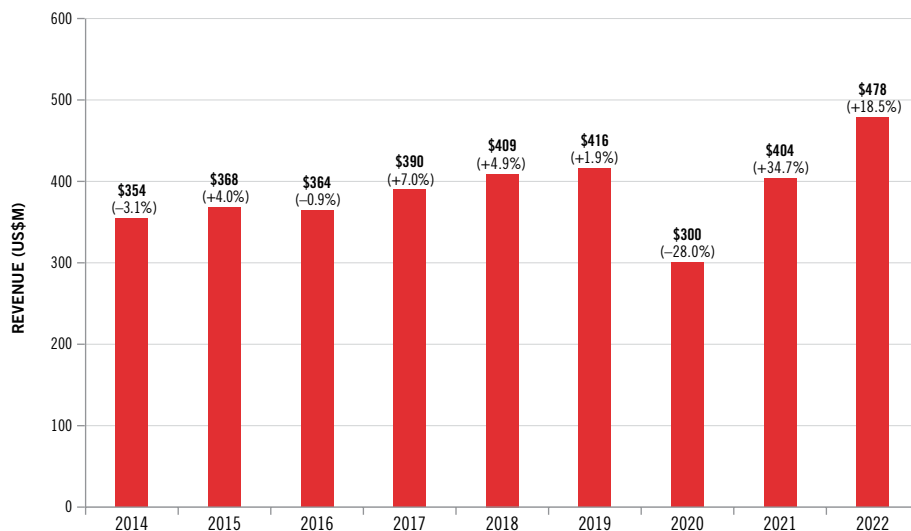
In 2022, lawmakers approved legislation authorizing Kansas' commercial casinos to operate sports betting via land-based sportsbooks within their casino properties, through kiosks installed at partnering retail locations, as well as through a maximum of three branded mobile platforms for each casino. Land-based and online sports betting went live at three of the four casinos and via six mobile sportsbook platforms in September.

Market Performance

In 2022, total statewide commercial casino gaming revenue was \$478.1 million, up 18.5 percent from the previous year.

The record total reflected the addition of legal sports betting to Kansas' commercial gaming market. After launching in early September, online and land-based sportsbooks reported total gross sports wagering revenue of \$76.5

KANSAS: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: Kansas Racing and Gaming Commission

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$478.1M

GAMING TAX REVENUE 2022

\$110.5M

CASINO FORMAT

Land-Based Casinos

NOTABLE FORMS OF GAMING

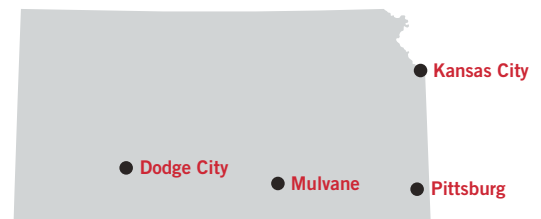
Sports Betting

REGULATORY AUTHORITY

Kansas Racing and Gaming Commission

NUMBER OF COMMERCIAL CASINOS

4



Kansas

million from three and a half months of operations. All but \$3.1 million of that total was generated by Kansas' six initial mobile sports betting platforms.

Without sports betting, Kansas' commercial casino gaming market would have reported a modest decline in revenue for 2022.

Total statewide revenue from electronic gaming devices was \$352.4 million, down 3.1 percent from 2021, although table game revenue increased by some 23.4 percent to \$49.1 million.

While three of Kansas' four commercial casinos reported an increase in traditional electronic gaming device and table game revenue, that was not the case at Kansas Star Casino, the state's largest.

The casino, which is located just south of Wichita, has suffered from expanded competition since the opening of a new tribal casino in 2021 some 25 miles away to the north of the city. In 2022, Kansas Star Casino reported total casino gaming revenue of \$159.5 million, down 7.8 percent despite the opening of a sportsbook at the property.

Gaming Tax Distribution

Kansas' commercial casinos are required by statute to pay a minimum effective 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.

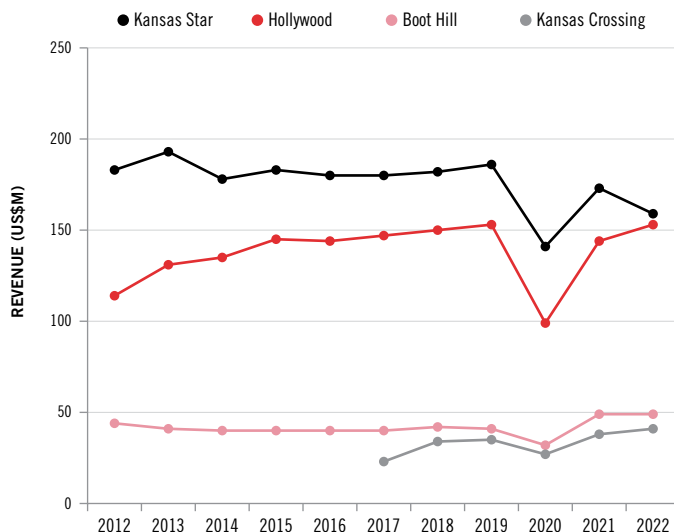
In 2022, Kansas' commercial casinos generated total tax revenue from electronic gaming devices and table games of \$108.4 million, down 0.5 percent from the previous year. Of this total amount, approximately \$88.3 million was received by the state, \$12.0 million was allocated to local governments that host casinos, and \$8.0 million was generated to fund problem gambling services.

Per Kansas law, the state portion of casino 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.

A further \$2.1 million in gaming tax revenue was raised in 2022 from newly launched sports betting operations. Under Kansas' 2022 sports wagering law, all tax revenue is deposited into the state's Sports Wagering Fund and redistributed for specific purposes, including prosecuting illegal gambling and incentivizing professional sports teams to relocate to the state.

KANSAS: GAMING REVENUE BY CASINO 2012 to 2022

While three of Kansas' four commercial casinos reported an increase in revenue in 2022, the state's most lucrative casino, Kansas Star Casino near Wichita, experienced a decline in revenue, in part due to expanded competition from a nearby tribal gaming facility which opened in March 2021.



SOURCE: Kansas Racing and Gaming Commission

Competitive Landscape

In addition to its four commercial casinos, Kansas hosts seven tribal casinos on Indian reservation lands within the state. Tribal casinos located in the northeastern corner of the state 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.

Kansas Crossing Casino in southeastern Kansas competes with several tribal casinos in northeastern Oklahoma, while Kansas Star Casino competes directly with a tribal casino in Sedgewick County, near Wichita. As a result of legislation passed in 2022, Kansas Star Crossing faces the prospect of additional future competition in the shape of electronic gaming devices that may now be sited at a former greyhound track in Sedgewick County.

Policy & Regulatory Review Sports Betting

In May, Gov. Laura Kelly (D) signed a law to authorize online and land-based sports betting in Kansas.

Kansas

The legislation enabled Kansas' four commercial casinos to operate land-based sportsbooks in their properties as well as mobile sports betting via a maximum of three affiliated mobile platforms—or “skins”. Casinos were also authorized to partner with up to 50 retail locations, including professional sports stadiums, to host sports wagering kiosks in their facilities. A minimum of 20 percent of partnering retail locations must be either veterans halls or fraternal organizations.

Regulations to implement the sports wagering law were adopted by the Kansas Racing and Gaming Commission and the Kansas Lottery in August, and both land-based and online sports betting launched in time for the kickoff of the new National Football League season in September.

Kansas was one of three states to pass legislation to authorize sports betting in 2022, along with Maine and Massachusetts.

Expansion

Alongside sports betting, the legislation signed by Gov. Kelly in May included additional provisions to allow for electronic gaming devices based on historical horse races at the shuttered Wichita Greyhound Park racetrack in Sedgwick County.

Under the new law, up to 1,000 historical horse racing devices would be permitted at a reopened racing facility. As of the end of 2022, litigation related to the machines and their potential conflict with the casino management contract signed by Kansas Star Casino in the same region of the state was ongoing.

A further provision of the sports wagering bill also granted the KRGC and state attorney general express authority to investigate and prosecute the operation of illegal gambling devices across Kansas.

LOUISIANA

In 2022, total statewide commercial casino gaming revenue was \$2.59 billion, up 8.9 percent against the previous year and reflecting the launch of mobile sports betting in 55 of Louisiana’s 64 parishes in January.

Market Overview

Louisiana offers commercial casino gaming at 14 riverboat casinos and one land-based casino, each of which operates 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).

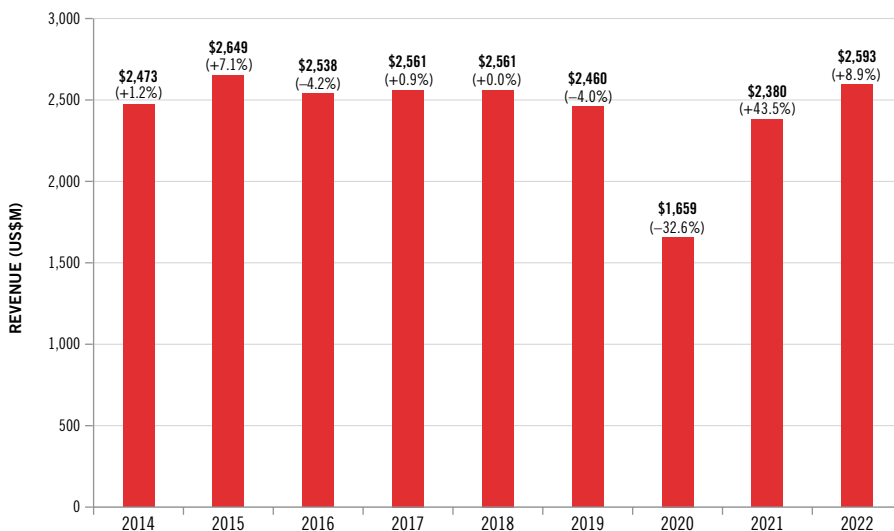
Commercial casino gaming was first authorized in 1991 when the Louisiana legislature passed a law allowing a maximum of 15 riverboat casinos, either sailing or permanently moored on specific waterways in different areas of the state. The following year, legislation passed authorizing a single land-based 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 implement that referendum was then passed in 2021. Land-based sports betting was launched in Louisiana commercial casinos and racinos in October 2021, with online sportsbook operations launching in January 2022.

Market Performance

In 2022, total statewide commercial casino gaming revenue was \$2.59 billion, up 8.9 percent versus the previous year and reflecting the first full-year with legal sports betting in Louisiana.

LOUISIANA: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: Louisiana Gaming Control Board

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$2.59B

CASINO TAX REVENUE 2022

\$601.1M

CASINO FORMAT

Land-Based Casinos;
Riverboat Casinos;
Racinos

NOTABLE FORMS OF GAMING

Sports Betting

REGULATORY AUTHORITY

Louisiana Gaming
Control Board

NUMBER OF COMMERCIAL CASINOS

19



Louisiana

Revenue from traditional electronic gaming devices and table games at Louisiana casinos and racinos increased by a modest 0.3 percent to \$2.38 billion.

Total statewide sports betting revenue reached \$214.5 million, compared with just \$10.1 million in revenue in 2021, though that figure was from fewer than three months of land-based sportsbook operations. After launching in mid-January 2022, mobile sports wagering generated \$180.4 million in revenue—or approximately 84 percent of the statewide total.

Growth in the Louisiana casino gaming market was not spread evenly across all regions of the state. Whereas total casino revenue increased in the Lake Charles and New Orleans markets, revenue was down year-over-year in the Shreveport/Bossier and Baton Rouge regions.

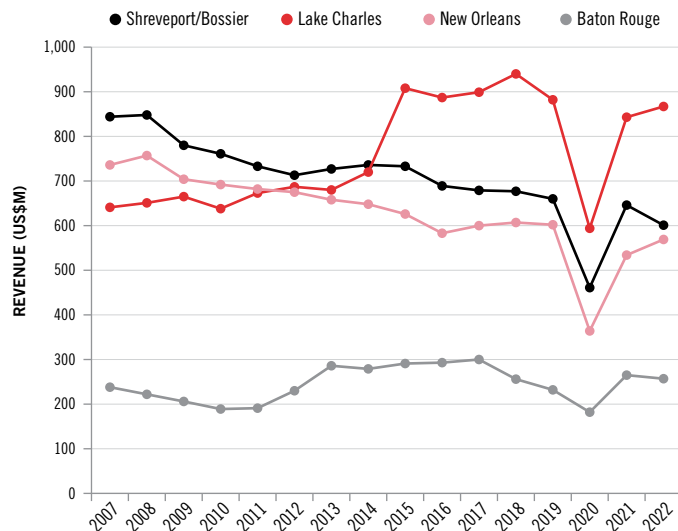
Gaming Tax Distribution

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.

LOUISIANA CASINOS: ANNUAL GGR BY REGION 2007-2022

While casinos in the Lake Charles and New Orleans regions reported an overall increase in commercial gaming revenue in 2022, those in the Shreveport/Bossier and Baton Rouge markets reported a decline compared with the previous year.



SOURCE: Louisiana Gaming Control Board

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 in the case of land-based sports wagering and 15 percent for online sports betting. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2022, Louisiana's commercial casino, racino and sports betting operations generated total gaming tax revenue of approximately \$601.1 million, up 4.9 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, funds 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 \$58.3 million in 2022 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. There are also nearly 12,200 electronic gaming devices offered in Louisiana at more than 1,400 non-casino locations, such as bars, restaurants, truck stops and off-track betting parlors. In 2022, total statewide revenue from electronic gaming devices in non-casino locations was \$809.9 million, down 3.5 percent from the previous year.

Casinos in southeastern Louisiana compete directly with commercial casinos in the Gulf Coast region of neighboring Mississippi that have historically drawn a significant proportion of their patrons from across the border.

Properties in the Lake Charles and Shreveport/Bossier regions have traditionally competed with tribal casinos in Oklahoma to attract players from Texas, meaning they would be vulnerable to losing patrons should lawmakers in the Lone Star State approve a bill to authorize casino-resorts during Texas' 2023 biennial legislative session.

Policy & Regulatory Review

Sports Betting

Louisiana officials made several changes to state law and regulations in 2022 in order to integrate sports betting within the state's commercial gaming framework.

One month after the launch of mobile sports betting, the Louisiana Gaming Control Board in February approved new regulations clarifying operators' responsibilities in various areas, including responsible gaming and the state's self-exclusion program, geolocation, and disclosures in advertising. Among other things, the regulations required online sports betting platforms to identify the Louisiana casino or racino with which they are affiliated on all advertising, marketing and public relations materials.

In June, Gov. John Bel Edwards (D) signed a bill making several technical amendments to Louisiana's 2021 sports betting statute. Among other things, those amendments addressed privacy issues related to self-exclusion, the tax treatment of promotional credits for sports wagering,

and the distribution of certain tax proceeds across the 55 Louisiana parishes that permit sports wagering.

Gov. Edwards signed two other bills into law the same month, one allowing mobile sports betting accounts to be considered legally abandoned after three years of no patron activity, the other permitting pari-mutuel wagering on horse races to be offered in the sportsbooks of Louisiana casinos and racinos, subject to approval by the Louisiana State Racing Commission.

Pandemic Relief

In May, Gov. Edwards signed a bill granting the Harrah's New Orleans land-based casino temporary relief from certain provisions of a state law that governs the terms of a city management contract for the casino.

Specifically, the bill suspended a statutory requirement for the casino to maintain a workforce of at least 90 percent the level as of March 2001. The temporary relief is effective until June 2024.

MAINE

Maine commercial casino gaming revenue reached a record total of \$165.1 million in 2022, a year that also saw the passage of legislation to authorize sports wagering in the state.

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 statewide 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.

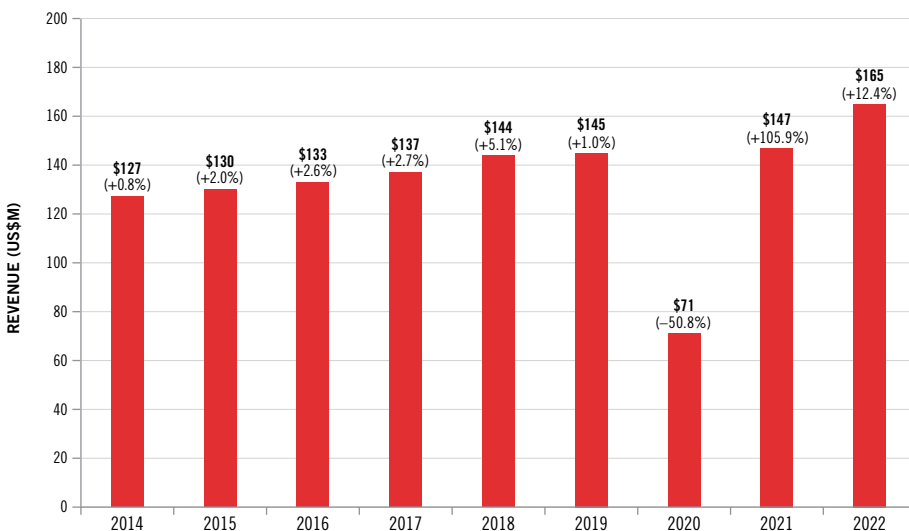
Under Maine's regulatory framework, a maximum of two commercial casino gaming facilities may be operated after approval in a local referendum. There is also a statewide cap of 3,000 electronic gaming devices, with the allocation split evenly between the two properties.

Under legislation approved in 2022, Maine's two commercial casinos and licensed racing simulcast facilities are also authorized to offer retail sports betting. Regulations to implement that new state law had yet to be adopted by the end of the year, however.

Market Performance

In 2022, statewide commercial casino gaming revenue reached a record total of \$165.1 million, an increase of 12.4 percent from the prior year.

MAINE: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: Maine Gambling Control Board

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$165.1M

GAMING TAX REVENUE 2022

\$68.2M

CASINO FORMAT

Land-Based Casinos;
Racinos

REGULATORY AUTHORITY

Maine Gambling
Control Board

NUMBER OF COMMERCIAL CASINOS

2



Maine

Helping comparisons: for the first two months of 2021, casinos were able to accommodate no more than 200 guests at a time due to operating restrictions put in place to mitigate the spread of COVID-19. No such restrictions were in place during 2022.

Electronic gaming devices at Maine's two commercial casino properties generated a total of \$139.8 million in revenue in 2022, up 10.3 percent relative to the previous year. Table game revenue was \$25.2 million, up 25.3 percent.

Oxford Casino solidified its position as the more lucrative of Maine's two commercial casinos in 2022. Oxford Casino generated total gaming revenue of approximately \$107.8 million, up 15.6 percent versus the prior year. Hollywood Casino Bangor meanwhile reported \$57.2 million in revenue, up 6.3 percent.

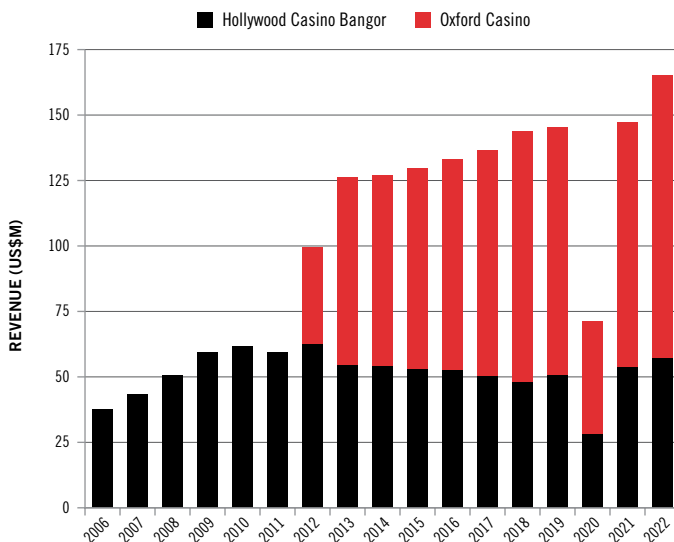
Gaming Tax Distribution

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. 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 2022, Maine's commercial casinos generated total gaming tax revenue of \$68.2 million, up 11.4 percent from the previous year.

MAINE: ANNUAL GAMING REVENUE BY CASINO 2006 to 2022

Consistent with previous years, Oxford Casino accounted for the majority—roughly 65.3 percent—of total commercial casino gaming revenue in Maine in 2022.



SOURCE: Maine Gambling Control Board

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. However electronic gaming devices based on historical horse races became operational at charitable gaming locations in New Hampshire in 2022, in line with legislation approved the previous year.

Maine's wider gaming market also includes six racing and off-track betting facilities. While these locations do not currently offer any form of casino gaming, they will be eligible to offer sports wagering alongside the state's two casinos, in accordance with legislation approved by Maine lawmakers in 2022.

Similarly, Maine is home to four federally recognized Indian tribes that do not operate casino gaming on Indian lands. While there have been several failed attempts by the state legislature to authorize tribal gaming, Maine's Indian tribes will be eligible in future to operate statewide mobile sports wagering.

Policy & Regulatory Review

Sports Betting

In May, Gov. Janet Mills (D) signed into law a bill to authorize land-based and online sports betting in Maine.

Under the legislation, mobile sports betting may be operated exclusively by Maine's federally recognized Indian tribes. Tribes will be able to outsource the operation of their online sportsbook platforms, but would still have to retain a significant portion of the overall revenue.

Retail sports betting will be permitted at Maine's two commercial casino locations as well as at licensed racetracks and off-track betting facilities.

At the conclusion of 2022, implementing regulations for sports wagering were still to be drafted by the Maine

Maine

Gambling Control Unit. Gov. Mills previously vetoed a sports betting bill in 2020, citing concerns over a proliferation of advertising and a desire for further study of the issue.

Regulatory Reform

Maine gaming regulators initiated several reforms to the state's casino gaming regulations in 2022.

In November, the Maine Gambling Control Unit published updated minimum internal control standards—or MICS—applicable to commercial casinos. The updated standards largely proposed technical amendments to Maine's existing MICS but did include new guidelines applicable to electronic table games, among other things.

In August, the Maine Gambling Control Board also adopted updated regulations applicable to the self-exclusion programs offered by the state's two commercial casinos.

MARYLAND

Total statewide commercial casino gaming revenue hit a record \$2.20 billion in 2022, a year that saw the launch of mobile sports wagering.

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.

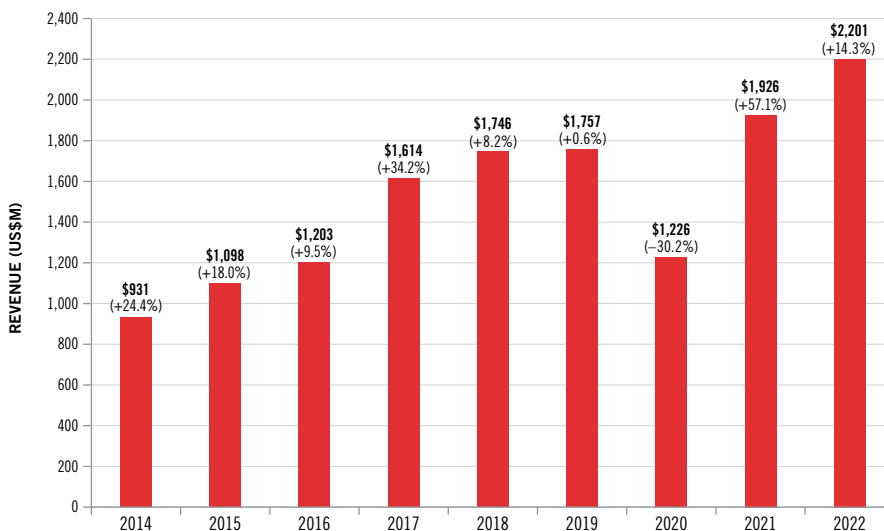
Sports betting was approved by state voters in 2020 and authorized via a state law enacted the following year. Land-based sports betting was launched at Maryland commercial casinos in late 2021, followed by mobile sports betting in November 2022.

Market Performance

Partly reflecting a first full-year of legal sports betting in Maryland, total statewide commercial casino gaming revenue reached a record \$2.20 billion in 2022, up 14.3 percent versus the prior year.

Statewide revenue from electronic gaming devices was \$1.33 billion, up 2.2 percent relative to 2021, while revenue from table games was \$723.4 million, up 16.1 percent.

MARYLAND: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: Maryland Lottery and Gaming Control Agency

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$2.20B

GAMING TAX REVENUE 2022

\$854.7M

CASINO FORMAT

Land-Based Casinos;
Racinos

NOTABLE FORMS OF GAMING

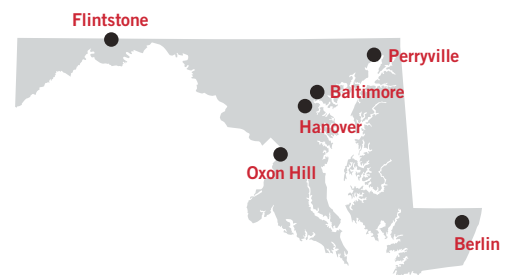
Sports Betting

REGULATORY AUTHORITY

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

NUMBER OF COMMERCIAL CASINOS

6



Maryland

Full-year sports betting revenue amounted to \$149.5 million, versus just \$3.2 million from a few weeks of operations in 2021. Despite not launching until the day before Thanksgiving, mobile sports betting still accounted for a majority of the annual total. In less than six weeks, online sportsbooks generated \$108.2 million in reported gross revenue. Retail sportsbooks at Maryland casinos generated approximately \$41.2 million in revenue in 2022.

Notably, MGM National Harbor in Prince George’s County generated more gaming revenue than any commercial casino property outside of Nevada in 2022. The casino-resort, located some 11 miles from downtown Washington D.C. and a short drive from the populous northern Virginia suburbs, generated approximately \$895.7 million in combined revenue from electronic gaming devices, table games and retail sports betting in 2022, up 16.2 percent from the previous year. Those totals allowed MGM National Harbor to narrowly surpass the \$891.7 million generated by Resorts World New York in Queens.

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.

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.

Meanwhile, sports betting revenue is taxed at a headline rate of 15 percent. Sportsbook operations are also subject to a 0.25 percent federal excise tax applied to wagering handle.

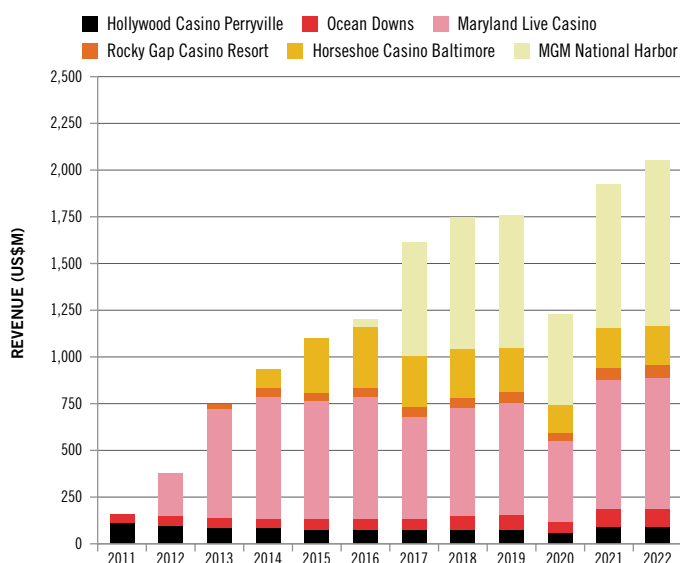
In 2022, Maryland’s commercial casino and sports betting operations generated total gaming tax revenue of \$854.7 million, up 5.0 percent from the previous year.

Of the gaming tax total, approximately \$617.1 million was distributed to Maryland’s Education Trust Fund, which supports public education and construction of new schools, including public colleges, throughout the state. Approximately \$108.3 million was distributed in the form of local impact grants and other contributions to local governments.

The remaining tax revenue generated by traditional casino games supported the state’s horse racing industry, responsible gaming initiatives and minority- or women-owned businesses. In addition, some \$6.1 million in sports wagering tax revenue was deposited into Maryland’s State Lottery Fund for the benefit of Baltimore City Public Schools, veterans programs and sports facilities, among other beneficiaries.

MARYLAND: GAMING REVENUE BY CASINO 2011 to 2022

MGM National Harbor near Washington D.C. was the most lucrative commercial casino outside of Nevada in 2022. The casino-resort reported nearly \$900 million in total revenue from electronic gaming devices, table games and newly launched sportsbook operations.



SOURCE: Maryland Lottery

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.

In terms of sports betting, the MGM, Live! and Horseshoe casinos also compete with a trio of retail sportsbook facilities at Washington D.C.’s three major sports stadiums and arenas. In addition, Maryland’s newly launched mobile sports betting platforms face a degree of cross-border competition for customers in the Greater Washington D.C. area from mobile sportsbooks licensed to operate in Virginia, as well as from the D.C. Lottery’s mobile platform.

Policy & Regulatory Review

Sports Betting

The expansion of Maryland's sports betting market was top of the agenda for state gaming regulators and policymakers in 2022.

In September, Maryland's independent Sports Wagering Application Review Commission opened a competitive process to award up to 60 mobile sports wagering licenses and up to 30 additional retail licenses that were authorized by a 2021 state law. The state's six commercial casinos were among 17 named locations that were automatically entitled to receive a retail sports betting license, subject to regulatory approval.

The commission's application criteria included one notable requirement for all licensees to be at least 5 percent owned by individuals with a personal net worth of less than less than \$1.8 million. The condition was included following an evaluation by SWARC as to whether it could set more specific race- or gender-based selection criteria in line with a mandate from the state legislature to achieve diversity in Maryland's sports betting market. Successful applicants were also required to submit formal diversity plans for approval by regulators upon receiving a license.

In November, SWARC awarded 10 initial licenses for mobile sports betting. Seven of those 10 licensees went

live in late November. Additional license applications remained pending at the end of the year.

In a separate development related to the rollout of sports wagering, Gov. Larry Hogan (R) signed legislation in June to clarify minimum distance requirements between certain land-based sports betting locations and to enable off-track betting locations to operate kiosks offering wagers for both horse races and non-equine sports, subject to certain conditions.

Regulatory Reform

In November, the Maryland Lottery and Gaming Control Commission approved new technical and minimum internal control standards applicable to commercial casino and sports betting operators in the state.

Among other things, the amended standards clarified state anti-money laundering reporting requirements to ensure that both casinos and sports betting operators provide a copy of reports to state gaming regulators after first filing them with the federal government's Financial Crimes Enforcement Network. The revised standards also amended previous provisions related to the geolocation of sports wagers and lowered the minimum payout threshold for electronic gaming devices in Maryland casinos from 87 to 85 percent.

MASSACHUSETTS

In 2022, total statewide commercial casino gaming revenue was a record \$1.13 billion, up 10.9 percent from 2021. Additionally, Massachusetts lawmakers approved legislation legalizing sports betting.

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.

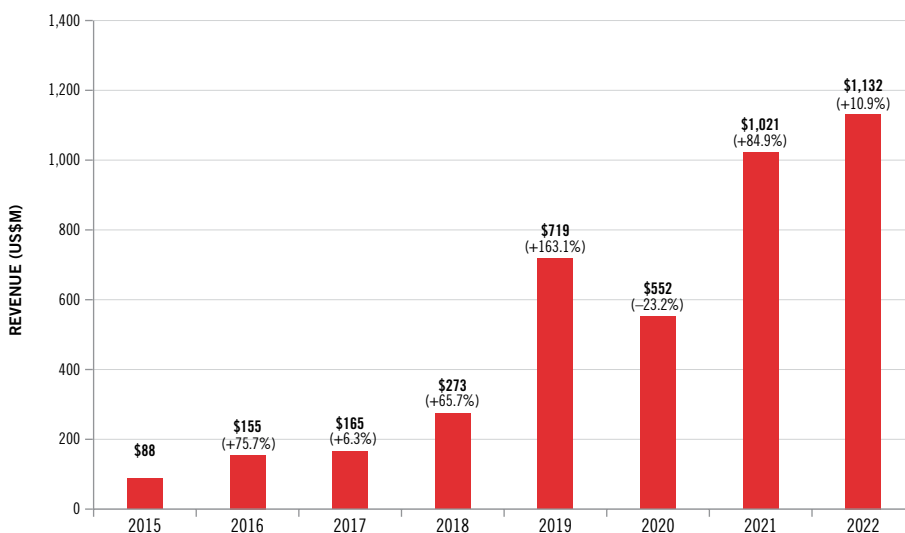
Casino gaming was legalized in 2011 when the legislature passed a law authorizing commercial gaming at three casino-resorts in different regions of the state, plus an additional “Category 2” facility limited to electronic gaming devices. The law also established the Massachusetts Gaming Commission to 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 later 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 Mashpee project has faced a series of legal challenges, however, while the Massachusetts Gaming Commission has so far declined to move forward with licensing an alternative commercial casino project in the same region.

In 2022, the Massachusetts legislature passed a bill to authorize sports wagering at the state’s commercial casino and racing facilities as well as through affiliated and standalone mobile sportsbook platforms. At the end of the year, the Massachusetts Gaming Commission was still in the process of adopting regulations and conducting licensing investigations in order to fully implement the sports betting law.

MASSACHUSETTS: COMMERCIAL GAMING REVENUE 2015 to 2022



SOURCE: Massachusetts Gaming Commission

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$1.13B

GAMING TAX REVENUE 2022

\$317.3M

CASINO FORMAT

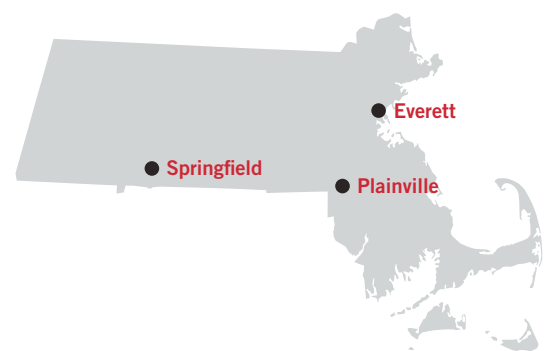
Land-Based Casinos;
Racinos

REGULATORY AUTHORITY

Massachusetts
Gaming Commission

NUMBER OF COMMERCIAL CASINOS

3



Market Performance

In 2022, total statewide commercial gaming revenue was \$1.13 billion. The record total represented an increase of 10.9 percent from the previous year.

Statewide revenue from electronic gaming devices was \$745.7 million, up 7.9 percent versus 2021. Table game revenue was \$386.2 million, up 17.1 percent.

Encore Boston Harbor continued its emergence as one of the most lucrative commercial casino-resorts in North America. The property in Everett, just north of Boston, reported total gaming revenue of \$729.7 million, an increase of 15.0 percent on the prior year. That was enough to make Encore Boston Harbor the third highest grossing commercial casino outside of Nevada, behind only MGM National Harbor in Maryland and Resorts World New York in Queens.

MGM Springfield reported total revenue of \$259.1 million, up 4.9 percent against 2021, while Plainridge Park Casino reported revenue of \$143.1 million, up 2.7 percent.

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 of 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 2022, Massachusetts' three commercial casinos generated total gaming tax revenue of \$317.3 million, up 9.9 percent from 2021.

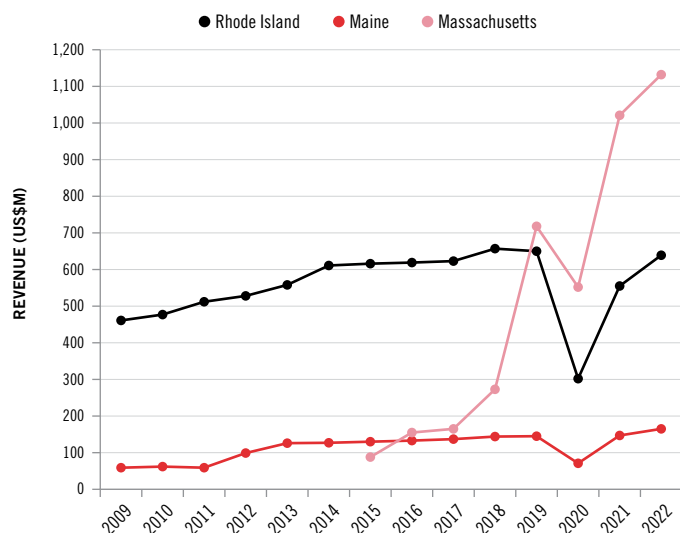
Of this amount, approximately \$107 million was distributed to Massachusetts' Gaming Local Aid Fund, which was created under the 2011 gaming law to help support the budgetary needs of city and town governments across the state.

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.

Finally, 18 percent of gaming tax revenue generated by Plainridge Park is directed toward the Massachusetts horse racing industry.

NEW ENGLAND STATES: ANNUAL GAMING REVENUE 2009 to 2022

Following the opening of its two full casino-resorts since 2017, Massachusetts has quickly surpassed both Maine and Rhode Island to become the most lucrative commercial gaming market in the New England region.



SOURCE: State gaming commissions

Competitive Landscape

Massachusetts' three commercial casinos operate in a fiercely competitive New England gaming market that 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.

Additional in-state competition is also pending in the shape of the Mashpee Wampanoag's potential tribal casino-resort on Indian lands in the city of Taunton, some 20 miles from Plainridge Park Casino. A second Massachusetts Indian tribe, the Wampanoag Tribe of Gay Head (Aquinnah), is also developing a more modest gaming facility limited to electronic bingo devices on the island of Martha's Vineyard.

Approval of legislation in both Massachusetts and Maine in 2022 means sports betting is now poised to become legal in every state in the New England region, with the exception of Vermont. Before the arrival of legal sports wagering, Massachusetts residents had the option to place bets in casinos, land-based sportsbooks or mobile platforms in Connecticut, New Hampshire and Rhode Island.

Policy & Regulatory Review

Sports Betting

In August, then-Gov. Charlie Baker (R) ended several years of policy debate over sports wagering in Massachusetts by signing a bill authorizing both online and land-based sports betting across the state.

The law, approved by the House and Senate in the dying minutes of the state's 2021-22 legislative session, authorized Massachusetts' three commercial casinos and racinos to open physical sportsbooks at their properties and deploy up to two branded platforms—or “skins”—for mobile sports betting.

Licensed racing facilities became eligible to apply for licenses to operate land-based sports betting as well as a single mobile sportsbook skin, while a total of seven additional licenses were made available for standalone mobile sports betting operations that would be unaffiliated with any incumbent casino or racing facility.

In November, the Massachusetts Gaming Commission announced that each of the three casinos applied for a license for land-based sports betting, while a total of 12 operators had filed applications for the 15 potential mobile sports wagering licenses or skins. The commission ended the year nearing completion of a rulemaking process to implement a regulatory framework for sports betting, with the intention of allowing land-based sportsbooks to launch in late January 2023, followed by mobile wagering in March.

Expansion

Also in August, Gov. Baker signed a separate bill related to veterans' affairs that required the formation of a

special commission to study the potential authorization of electronic gaming devices in the state's veterans' halls.

An earlier version of the bill as passed by the Massachusetts House would have authorized up to five electronic gaming devices in veterans' establishments, subject to regulation by the Massachusetts Gaming Commission. That language was removed from the veterans' affairs bill by the Senate, before a panel of House members and senators then compromised on mandating a formal study of the issue.

The study commission's policy recommendations are due by June 2023.

Responsible Gaming

The Massachusetts Gaming Commission oversaw several responsible gaming-related initiatives in 2022.

In September, Massachusetts' PlayMyWay play management system was launched at Encore Boston Harbor—expanding the program to include all three of the state's commercial casino properties. The unique tool enables participating patrons to set responsible gaming limits according to the amount they wish to spend wagering via electronic gaming devices. PlayMyWay was initially launched on a pilot basis at Plainridge Park Casino in 2016 before being extended to the two Massachusetts casino-resorts in 2022. MGM Springfield deployed the program through its electronic gaming devices in April.

Separately, the Massachusetts Gaming Commission in June published a white paper on responsible gaming considerations for gambling advertising. The white paper's recommendations included proposals to ensure advertising does not appeal to persons aged under 21 and prevent unsolicited pop-up advertising on digital channels.

MICHIGAN

Powered by the rapid growth of Michigan's iGaming market, total statewide commercial casino gaming revenue reached a record total of \$3.26 billion in 2022.

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 a referendum 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 iGaming through a single sportsbook, casino and poker platform affiliated with each casino or tribe. Online gaming commenced in January 2021. At the end of 2022, a total of 15 online sportsbooks, 14 internet casinos and three online poker platforms were operational.

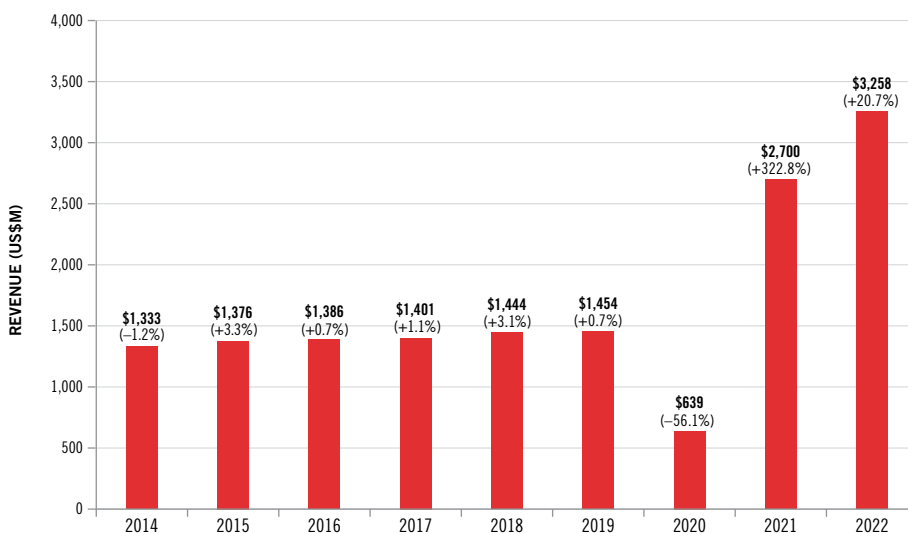
Market Performance

In 2022, total statewide commercial casino gaming revenue was \$3.26 billion, up 20.7 percent relative to the previous year.

The record total reflected Michigan's rapid emergence as one of the largest regulated iGaming markets in the world. Total revenue from internet casino games and poker surpassed that of land-based commercial casino gaming and amounted to \$1.58 billion, up 42.1 percent from 2021. Revenue from online sports betting was \$399.6 million, up 36.8 percent.

Meanwhile, traditional casino gaming revenue reported by Detroit's three land-based commercial casinos declined in 2022.

MICHIGAN: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: Michigan Gaming Control Board

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$3.26B

GAMING TAX REVENUE 2022

\$734.0M

CASINO FORMAT

Land-Based Casinos

NOTABLE FORMS OF GAMING

Sports Betting;
Internet Gaming

REGULATORY AUTHORITY

Michigan Gaming
Control Board

NUMBER OF COMMERCIAL CASINOS

3



Michigan

Commercial casinos reported \$1.26 billion in revenue from electronic gaming devices and table games in their facilities, a decrease of 0.8 percent from the previous year. The three casinos also reported land-based sports betting revenue of \$19.1 million, down 30.2 percent versus 2021. Total sports betting revenue in Michigan in 2022 was \$418.6 million, up 31.0 percent.

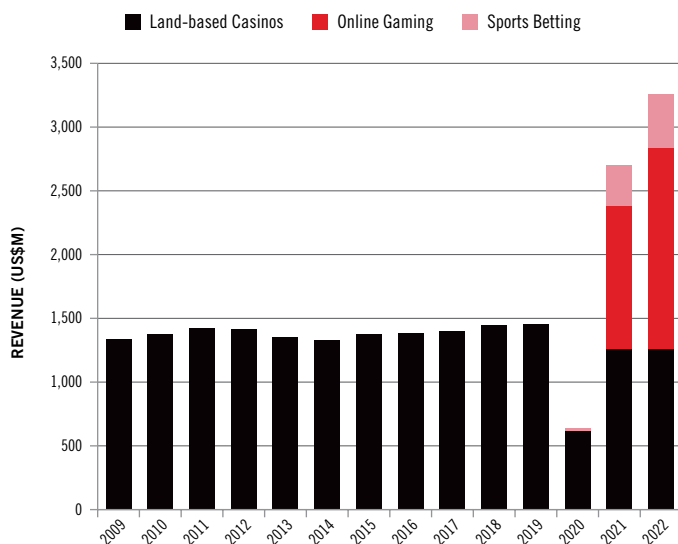
Gaming Tax Distribution

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 of 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. In addition to revenue-based taxes, casinos are required to remit annual services fees to state and municipal governments.

Revenue from iGaming 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 for 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.

MICHIGAN: COMMERCIAL GAMING REVENUE BY SOURCE 2009 to 2022

A package of bills approved in late 2019 has fundamentally altered the dynamics of Michigan's commercial casino gaming industry, with the state now reporting more revenue from iGaming via online casinos than from traditional electronic gaming devices and table games operated by the three land-based commercial casinos located in Detroit.



SOURCE: Michigan Gaming Control Board

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 municipal tax as per iGaming, while online sports betting operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2022, Michigan's three commercial casinos and its regulated iGaming and online sports betting platforms generated estimated total gaming tax revenue of approximately \$734.0 million, up 20.8 percent from 2021. Of this amount, approximately \$443.3 million was remitted to the state, with \$257.8 million going to the Detroit city government. A further \$32.8 million in iGaming 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 iGaming 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 casino gaming 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. Notwithstanding that, Michigan's Senate has formerly attempted to pass legislation to authorize electronic gaming devices at racetracks based on the outcome of historical horse races; such legislation has so far not been able to pass in the House, however.

Policy & Regulatory Review

Internet Gaming

In May, the Michigan Gaming Control Board announced it had joined Delaware, Nevada and New Jersey as a signatory of the Multi-State Internet Gaming Agreement, enabling online poker players in Michigan to compete

Michigan

against those in the other three member states subject to regulatory approval.

The board published a series of regulatory guidelines for operators of multistate poker games in April, addressing issues related to technology approvals, supplier and key employee licensing, as well as inspection of gaming equipment located out-of-state. In December, the board approved PokerStars to combine its Michigan and New Jersey online poker players. The PokerStars offering became the second interstate poker network in the United States, joining an established poker network combining poker players from Delaware, Nevada and New Jersey.

In theory, multistate poker play offers a more attractive experience for players as operators can offer a broader range of games and tournaments, with larger prize pools. In 2022, peer-to-peer poker games accounted for just 1.6 percent of total iGaming revenue nationwide, according to VIXIO Gambling Compliance estimates.

Fantasy Sports

In April, the Michigan Gaming Control Board approved regulations for fantasy sports contests, in accordance with a 2019 state law.

License applications for fantasy contest operators were released by the board in May, with operators required to submit an application prior to a July 1 deadline in order to remain active in the state. By the end of the year, six fantasy contest operators had applied for a Michigan license.

Michigan became the 22nd state to subject fantasy sports contests to a specific regulatory or licensing regime.

Responsible Gaming

In July, Gov. Gretchen Whitmer (D) signed a state budget law that included additional funding for a responsible gaming awareness campaign to be administered by the Michigan Gaming Control Board.

The board requested the \$3 million responsible gaming appropriation as well as additional funds to hire more staff and procure new technologies in light of the significant growth of iGaming and online sports betting in Michigan.

MISSISSIPPI

In 2022, total statewide commercial casino gaming revenue was \$2.57 billion, down 3.6 percent from 2021, partly reflecting the competitive impact of legal sports betting in neighboring Louisiana.

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 2022, Mississippi's commercial casinos generated total gaming revenue of \$2.57 billion, down 3.6 percent relative to the previous year.

Total statewide revenue from electronic gaming devices as reported by the Mississippi Gaming Commission was \$2.10 billion, down 4.1 percent versus 2021. In contrast, table game revenue was \$371.1 million, up 0.9 percent.

Facing fresh competition from the launch of land-based and mobile sports wagering in next door Louisiana, Mississippi's sports betting market suffered a

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$2.57B

CASINO TAX REVENUE 2022

\$303.0M

CASINO FORMAT

Land-Based Casinos;
Riverboat Casinos

NOTABLE FORMS OF GAMING

Sports Betting

REGULATORY AUTHORITY

Mississippi Gaming
Commission

NUMBER OF COMMERCIAL CASINOS

26

MISSISSIPPI: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: Mississippi Gaming Commission



Mississippi

decline in annual revenue in 2022. Total statewide sports betting revenue was \$60.8 million, down 7.7 percent on the prior year.

While overall commercial casino gaming revenue declined in markets across the state, the decrease was more pronounced for casinos on the Mississippi River than those casino-resorts in the Gulf Coast region that includes the city of Biloxi.

Riverboat casinos located in the north and central regions of the Mississippi River reported combined gaming revenue of \$973.9 million in 2022, down 8.2 percent against 2021. Gulf Coast casinos meanwhile reported total gaming revenue of \$1.60 billion, down just 0.5 percent.

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 2022, Mississippi commercial casinos generated approximately \$303.0 million in direct gaming tax revenue, down 2.7 percent against the previous year, according to statistics collected by the Mississippi Gaming Commission.

Of that total amount, approximately \$164.4 million was distributed to Mississippi's General Fund and is subject to annual appropriations to support various state budgetary needs, including education programs, transportation, local public safety programs and social welfare initiatives.

An additional \$102.6 million worth of gaming tax revenue in 2022 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 casino-resorts 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 center 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 Mississippi casinos gained an initial competitive advantage over Louisiana properties after launching sportsbook operations in 2018, that advantage was lost in late 2021 and early 2022 through the launch of legal sports betting in Louisiana casinos and mobile sportsbook platforms available in most parts of the state.

Policy & Regulatory Review Expansion

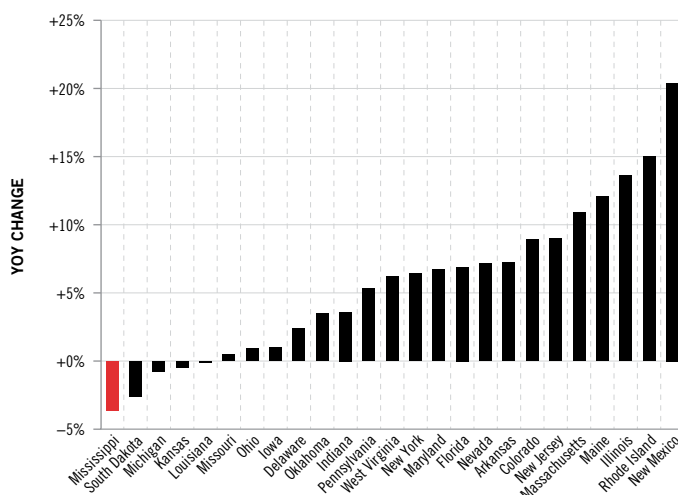
Mississippi lawmakers rejected a series of gaming proposals during the state's 2022 legislative session.

For the fourth year running, and despite the launch of legal online sports wagering across Louisiana at the start of the year, House and Senate bills to authorize statewide mobile sports betting failed to pass the committee stage.

Meanwhile, separate proposals to authorize electronic gaming devices at retail locations, truck stops or Mississippi airports similarly all failed to gain traction and died in House and Senate committees.

UNITED STATES: YOY COMMERCIAL CASINO GGR GROWTH BY STATE 2022

After reporting a strong recovery in revenue following the pandemic in 2021, Mississippi suffered the largest decline in traditional commercial casino gaming revenue from electronic gaming devices and table games of any state in 2022 when compared to the prior year.



SOURCE: State Gaming Commissions

MISSOURI

In 2022, total statewide commercial casino gaming revenue was a record \$1.91 billion, table game growth offset a slight decline in revenue from electronic gaming devices.

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. Following a 2008 referendum, the Missouri market may not expand beyond the initial 13 properties without the approval of voters via a statewide constitutional referendum.

Market Performance

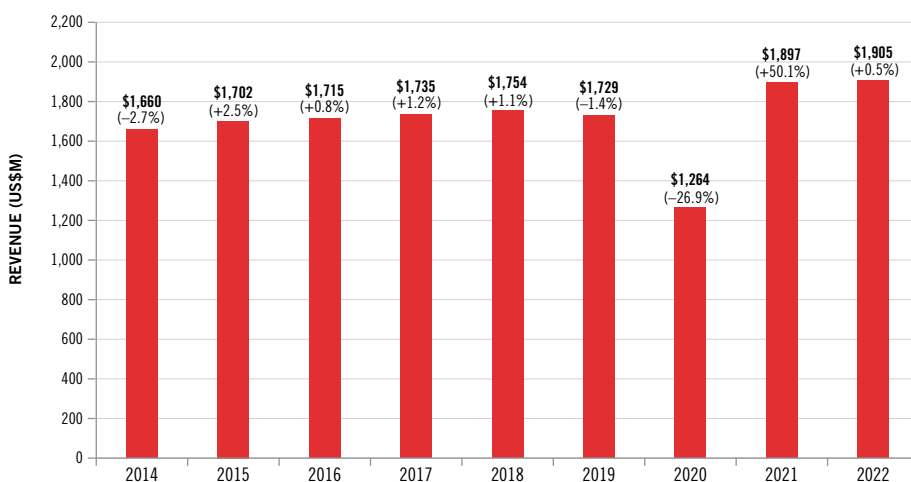
In 2022, total statewide commercial casino gaming revenue was \$1.91 billion, up 0.5 percent versus the previous year.

The record total was achieved as growth in table game revenue offset a slight decline in revenue from electronic gaming devices.

Statewide revenue from electronic gaming devices was \$1.63 billion, down 1.0 percent versus 2021. In contrast, table game revenue was \$278.0 million, up 10.0 percent.

The year saw a continuation of a post-pandemic trend in which Missouri casinos attracted lower visitation, but patrons spent more money per visit. In 2022, Missouri casinos reported approximately 28.9 million admissions and average revenue per admission of \$65.70, compared with 30.2 million and \$63 the previous year and 36.7 million and an average of \$47.10 prior to the pandemic in 2019.

MISSOURI: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: Missouri Gaming Commission

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$1.91B

GAMING TAX REVENUE 2022

\$458.0M

CASINO FORMAT

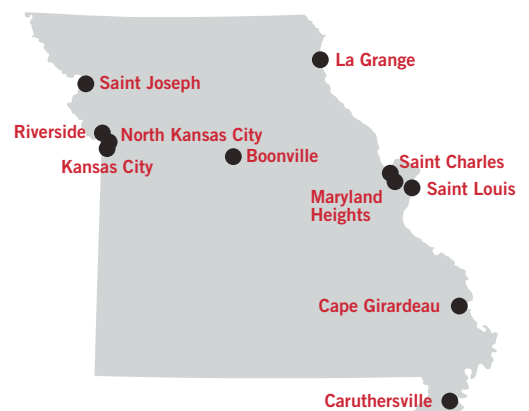
Riverboat Casinos

REGULATORY AUTHORITY

Missouri Gaming Commission

NUMBER OF COMMERCIAL CASINOS

13



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 2022, Missouri’s commercial casinos generated total gaming tax revenue of \$458.0 million, including admissions fees, a slight decrease of 0.2 percent versus the previous year.

The majority of gaming tax revenue, approximately \$360.1 million in 2022, 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.

In 2022, approximately \$68.9 million in gaming taxes and admissions fees was paid to local governments that host Missouri’s casinos, while some \$28.9 million was set aside for other recipients, including veterans initiatives and the state’s National Guard, 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. Hollywood Casino at Kansas Speedway gained a competitive advantage over the three Missouri casinos in 2022 when it opened a sportsbook thanks to new legislation that authorized sports wagering in Kansas.

Missouri casinos in the St. Louis market compete with two casinos in East St. Louis and Alton, Illinois. Additional competition is pending as a result of a casino expansion bill passed in Illinois in 2019 that authorized electronic gaming devices and table games at the FanDuel Sportsbook & Horse Racing facility at Fairmount Park racetrack as well as a new casino in Williamson County, roughly 60 miles from Missouri’s Century Casino Cape Girardeau.

Policy & Regulatory Review

Sports Betting

In March, the Missouri House of Representatives passed a bill to authorize sports wagering at the state’s casinos and via mobile sportsbook platforms affiliated with casinos and with the state’s major professional sports teams.

While that House vote marked the first time either chamber of the legislature had approved a sports betting bill since legislation was first introduced in 2019, the bill was ultimately not able to pass the Senate before lawmakers adjourned in May.

The primary obstacle for sports betting was the desire of certain Missouri senators to attach additional gaming expansion provisions to authorize the Missouri Lottery to operate a network of electronic gaming devices in bars and other retail locations.

Bills to authorize sports betting and video lottery terminal devices are expected to be reintroduced in 2023.

Payments Modernization

In February, the Missouri Gaming Commission voted to approve new rules to facilitate the adoption of cashless wagering systems by Missouri commercial casinos.

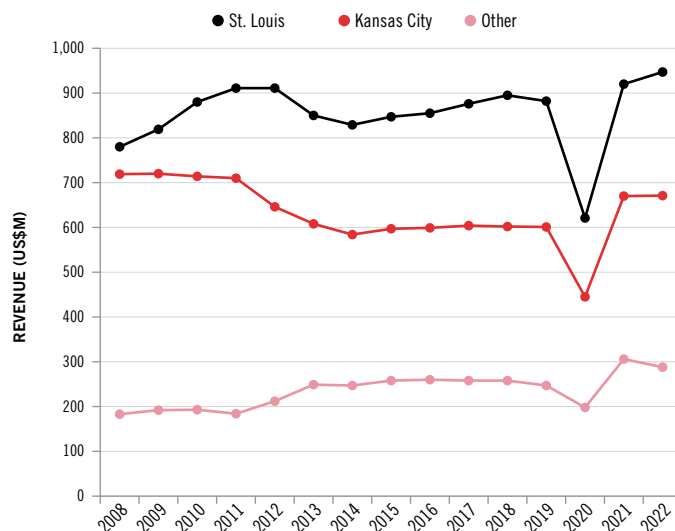
Under the Missouri regulations, cashless wagering for electronic gaming devices can be accessed through an app available to members of a casino’s player loyalty program. That app can be used to fund gaming directly from the player’s mobile device using monies deposited via a digital wallet. The app also must offer players the ability to set limits on their wagering.

Similar rules for cashless gaming had already been approved in various states including Nevada.

Missouri’s amended regulations and minimum internal control standards were formally adopted in May following a mandatory comment period and became effective in September.

MISSOURI CASINOS: ANNUAL GAMING REVENUE BY AREA 2008 to 2022

While Missouri commercial casinos serving the Greater St. Louis area reported an increase in casino gaming revenue of approximately 3 percent in 2022, revenue from those in the Kansas City market was essentially flat year-on-year and casinos in other regions of the state saw a downturn compared to 2021.



SOURCE: Missouri Gaming Commission

MONTANA

The Montana Lottery reported total sports betting revenue of approximately \$7.2 million in 2022, a 12 percent annual increase, as wagering kiosks were deployed to additional retail locations.

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 2022, total sports betting revenue generated by the Montana Lottery amounted to \$7.2 million, up 12.0 percent from the previous year.

The growth partly reflected the expansion of the Sports Bet Montana program to additional retail locations. By the end of 2022, sports wagering kiosks were available in more than 500 locations, versus around 450 at the start of the year.

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

KEY STATE INFORMATION

GROSS SPORTS BETTING REVENUE 2022

\$7.2M

SPORT BETTING TAX REVENUE 2022

\$2.7M

CASINO FORMAT

N/A

NOTABLE FORMS OF GAMING

Sports Betting

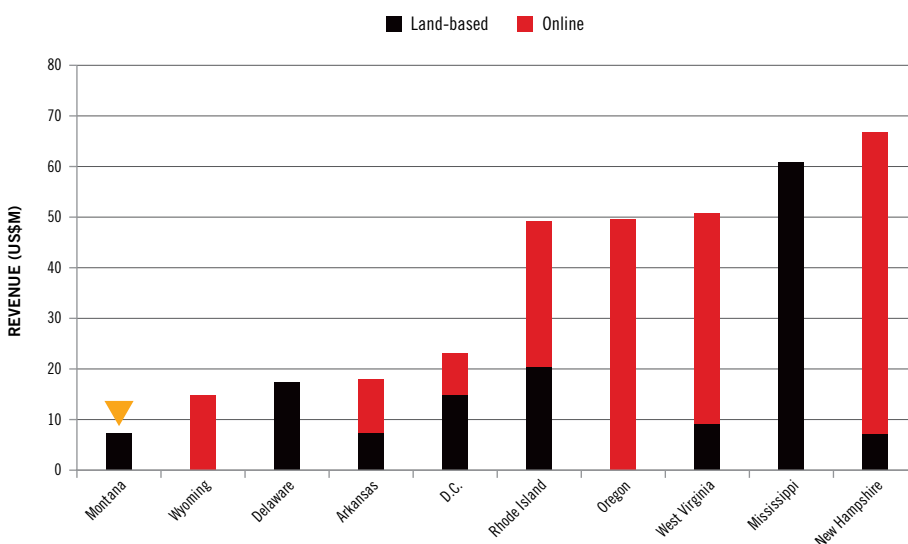
REGULATORY AUTHORITY

Montana Lottery Commission

NUMBER OF COMMERCIAL CASINOS

0

SELECTED STATES: COMMERCIAL SPORTSBOOK GGR 2022



SOURCE: State regulators

Montana

directly by the state, it is not subject to the 0.25 percent federal excise tax applied to commercial operators' wagering handle.

In 2022, sports betting generated profits for the Montana Lottery of approximately \$2.7 million, up 40.7 percent relative to the previous year. 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 or 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 faces limited regional competition for sports betting in the shape of online sports wagering platforms that are available to its south in Wyoming, as well as land-based sportsbook operations at commercial casinos in the city of Deadwood in South Dakota.

Policy & Regulatory Review

Sports Betting

In April, the Montana Lottery Commission voted to approve a pilot program in which the Sports Bet Montana program could be offered on a mobile-only basis in bars and other retail locations, without accompanying sports wagering kiosks to accept cash wagers. Bets could instead only be accepted through the patron's account established with the Montana Lottery's sports betting app.

Under the program, the retailer would receive half the rate of commission on all bets placed compared with a full-service sports wagering location, on the basis that the retailer would not have to handle cash or dedicate any floor space for the kiosks.

With mobile wagering available exclusively on an on-site basis at licensed retailers, the Montana Lottery has reported more than 90 percent of bets being placed through physical kiosks rather than mobile devices.

NEBRASKA

Nebraska reported total commercial casino gaming revenue of \$14.0 million in 2022 in less than four months of operations at the state's first two racinos.

Market Overview

Nebraska offers commercial casino gaming at two racinos. At the end of 2022, the two temporary racino facilities were limited to electronic gaming devices and electronic table games, with additional gaming offerings to be launched upon the opening of permanent casino properties in 2023.

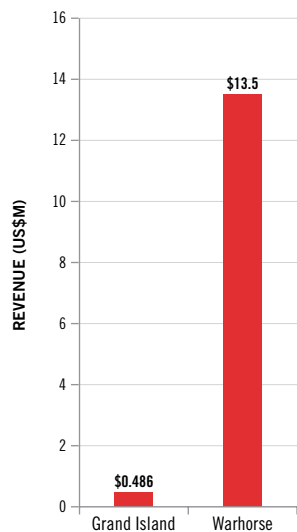
In 2020, voters approved a state constitutional amendment to allow commercial casino gaming at licensed racetracks in Nebraska. State lawmakers approved a bill in 2021 to implement the voter referendum, with that legislation also allowing sports betting to be offered at racinos alongside traditional electronic gaming device and table game operations. Casino gaming is regulated by the Nebraska Racing and Gaming Commission.

Market Performance

In 2022, total statewide commercial casino gaming revenue amounted to \$14.0 million, reflecting four months of casino operations at the WarHorse Gaming racino in Lincoln and four days of operations at Grand Island Casino & Resort at Fonner Park racetrack.

As those two racinos are located in temporary facilities while permanent casino properties remain under development, all 2022 casino gaming revenue was derived from electronic gaming devices.

NEBRASKA: 2022 GGR PER PROPERTY



SOURCE: Nebraska Racing and Gaming Commission

Gaming Tax Distribution

In accordance with 2020's state constitutional amendment, Nebraska commercial casinos are subject to a state tax of 20 percent of gaming revenue. Forthcoming sportsbook operations at racinos will also be subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2022, Nebraska's first two licensed racinos generated approximately \$2.8 million in gaming tax revenue.

Under Nebraska's constitution, 70 percent of casino gaming tax revenue is allocated to the state's Property Tax Credit Cash Fund. A further 25 percent of tax revenue is distributed to the host county, city and village governments of each racino, with the remaining 5 percent split evenly between a compulsive gambling assistance fund and Nebraska's General Fund.

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$14.0M

GAMING TAX REVENUE 2022

\$2.8M

CASINO FORMAT

Racinos

REGULATORY AUTHORITY

Nebraska Racing and Gaming Commission

NUMBER OF COMMERCIAL CASINOS

2



Competitive Landscape

After launching in September 2022, Nebraska's commercial casino gaming market remains very much in its infancy, with future expansion to include the development of permanent casino facilities at the state's initial two racinos as well as the rollout of casino gaming at the state's four other licensed horse racetracks in Omaha, Columbus, Hastings and South Sioux City.

The forthcoming racinos in Omaha and South Sioux City will compete directly with several commercial casinos in Council Bluffs and Sioux City, Iowa. There are also five established tribal casinos on Indian reservation lands in Nebraska.

Policy & Regulatory Review

Expansion

In April, then-Gov. Pete Ricketts (R) signed a bill to amend Nebraska's 2021 casino legislation and clarify various provisions ahead of the launch of casino gaming at state-licensed racetracks.

Among other things, the new law specified that certain Nebraska racetracks would be permitted to move to a new location in the state and receive a license to conduct casino gaming only after the completion of a formal market analysis to be published no sooner than January 2025. The legislation also required racinos to conduct a minimum number of live race days annually in order to retain a casino gaming license.

Another provision of the legislation required the Nebraska Racing and Gaming Commission to establish a centralized self-exclusion register applicable to all racinos in the state.

Separately, the Nebraska Racing and Gaming Commission took several steps in 2022 to facilitate the opening of the state's commercial casino gaming market.

In May, the commission approved minimum internal control standards for casino operations. Two months later, the regulatory agency also approved formal policies related to the shipping and storage of electronic gaming devices and other types of gaming equipment sold or leased to licensed racinos by approved gaming suppliers.

Sports Betting

In October, the Nebraska Racing and Gaming Commission approved amended casino gaming regulations to incorporate specific rules related to sports wagering. Initial casino regulations approved in 2021 referenced the possibility of sports betting, but did not include detailed operating requirements.

Among other things, the amended regulations addressed the types of events eligible for wagering via sportsbooks at Nebraska racinos, reserve requirements for operators, and the testing and certification of sports wagering equipment.

Legal sports betting had not begun in Nebraska at the end of 2022, but was expected to launch sometime in 2023 in accordance with the new regulations.

NEVADA

In 2022, total statewide commercial casino gaming revenue was a record \$14.84 billion as out-of-state tourists returned in greater numbers to Las Vegas for entertainment and business conventions.

Market Overview

After establishing the first modern regulatory system for casino gaming in the late 1950s, Nevada has a longstanding reputation 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 iGaming in 2001 before adopting regulations ten years later limited to online poker games. Exempted from the 1992 congressional law that prevented states from legalizing sports betting until 2018, Nevada is also the longest running 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.

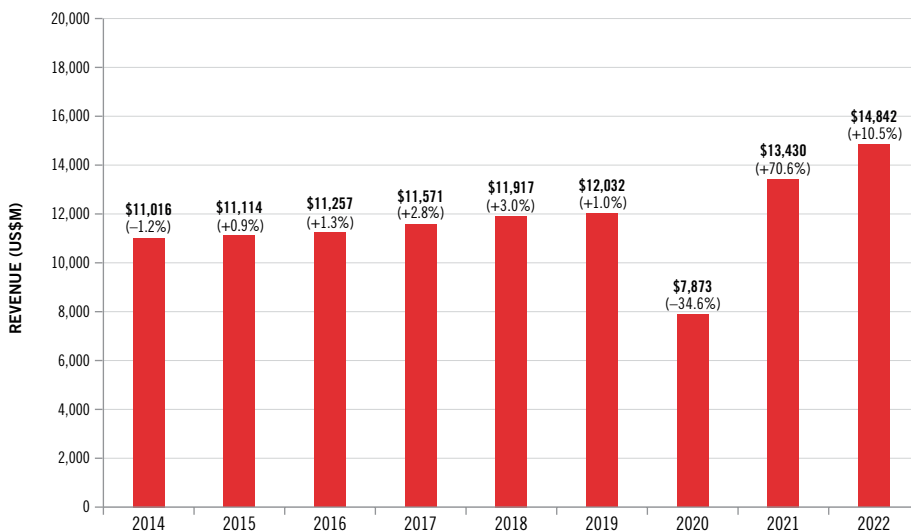
Market Performance

In 2022, total statewide commercial casino gaming revenue was an all-time record \$14.84 billion, up 10.5 percent compared to the previous record-setting year of 2021.

Total statewide gaming revenue from electronic gaming devices was \$10.01 billion, up 8.4 percent versus the prior year, while revenue from table games was \$4.39 billion, up 17.2 percent.

Facing mounting competition from other states with legal sports wagering, Nevada saw the growth of its own sports betting market plateau in 2022. While

NEVADA: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: Nevada Gaming Control Board

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$14.84B

CASINO TAX REVENUE 2022

\$1.15B

CASINO FORMAT

Land-Based Casinos

NOTABLE FORMS OF GAMING

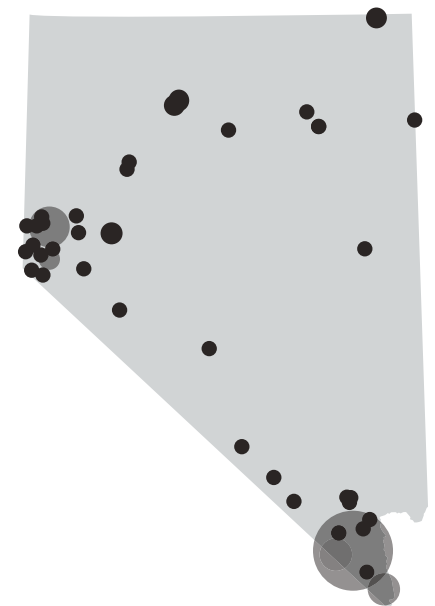
Internet Poker; Sports Betting

REGULATORY AUTHORITY

Nevada Gaming Control Board; Nevada Gaming Commission

NUMBER OF COMMERCIAL CASINOS

216



Nevada

still a record total, statewide sports betting revenue of \$446.7 million was up just 0.4 percent against 2021.

Reflecting Nevada's status as a major tourist destination for out-of-state visitors and regulatory restrictions that continue to require in-person registration of mobile sports wagering accounts, land-based sportsbook operations continued to generate a majority—approximately 54.5 percent—of overall sports betting revenue in 2022.

Record overall gaming revenue defied inflationary and other macroeconomic concerns afflicting the U.S. economy and suggested continued strong demand for travel and entertainment among American consumers in the wake of the pandemic. Notably, many Nevada casino-resorts offered a far wider range of non-gaming amenities in 2022 compared to the prior year, when various shows, business conventions and other events remained suspended for at least part of the year due to concerns related to COVID-19.

In 2022, Las Vegas received some 38.8 million visits from tourists, up 20.5 percent from 2021 but still below pre-pandemic numbers, as visitors on average spent more on gaming entertainment than in previous years. Business convention attendance more than doubled to nearly five million, according to the Las Vegas Convention and Visitors Authority.

With a wider range of entertainment offerings available, it was the casino-resorts on the Las Vegas Strip that drove overall growth of the Nevada commercial casino gaming market in 2022. Commercial casinos on the Las Vegas Strip reported total revenue from electronic gaming devices and table games of \$8.11 billion, up 17.1 percent relative to 2021, while those in other parts of Nevada that are somewhat less dependent on tourist visitation reported gaming revenue of \$6.29 billion, up a more modest 3.6 percent.

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. Additionally, 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 further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2022, Nevada collected a total of \$1.15 billion in state gaming and live entertainment taxes revenue from commercial casinos, an increase of 12.5 percent versus the prior year.

In accordance with state law, the vast majority of tax revenue from gaming is directed to Nevada's General Fund, then redistributed on a biennial basis at the direction of the legislature for purposes including statewide education programs, transportation services and general budgetary needs. Additional funds are earmarked for 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.

After Resorts World Las Vegas in 2021 became the first new casino-resort to open on the Las Vegas Strip in more than a decade, a second new resort – the long-stalled Fontainebleau Las Vegas project – is scheduled to follow in late 2023. Various other casino-resorts including The Mirage, now owned by the Seminole Tribe of Florida, have announced plans to upgrade their facilities or develop new amenities.

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, including one major new tribal casino-resort that opened near Sacramento in August 2022.

Policy & Regulatory Review Cybersecurity

In December, the Nevada Gaming Commission voted to adopt new regulatory requirements designed to mitigate risks of cyber attacks affecting commercial casino operators and other gaming licensees in the state.

Under the updated regulations, which were approved following a series of stakeholder workshops, all Nevada casino operators will be required to perform a risk assessment of their businesses and document formal cybersecurity best practices. These best practices would then have to be audited and reviewed at least annually thereafter.

Nevada

Any successful cyber attack must be reported to the Nevada Gaming Control Board within a maximum of 72 hours, with the results of investigations into such attacks also made available to the board upon request.

Like other major commercial operations, casinos and other gaming businesses have suffered several high-profile cyber attacks in recent years. Nevada follows New Jersey in adopting specific gaming regulations governing the issue.

Sports Betting

In October, a special advisory committee to the Nevada Gaming Control Board approved regulatory amendments to facilitate betting on esports contests.

Under current regulations, Nevada sportsbook operators are required to submit event-specific requests for each and every esports tournament they wish to offer wagers on. The Nevada Esports Technical Advisory Committee’s proposed amendments would instead allow sportsbook operators to offer wagering on esports contests without specific regulatory approval, provided they have been provided with sufficient information about the contests to assuage potential integrity concerns. The chair of the Nevada Gaming Control Board would also retain authority to waive conditions applicable to esports betting in the case of events organized by approved sanctioning bodies.

The esports advisory committee was established through legislation passed during Nevada’s 2021 session and the eight-member panel held a series of informational hearings prior to issuing its recommendations. To become effective, the proposed regulatory changes require formal adoption by the Nevada Gaming Commission.

Regulatory Reform

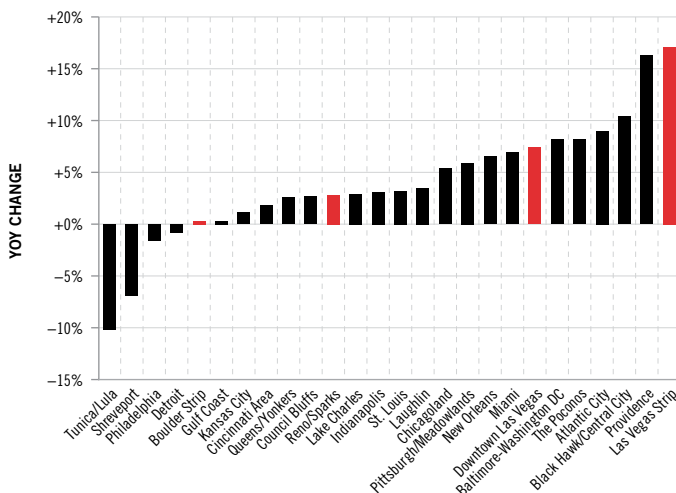
In January, the Nevada Gaming Commission approved new regulations to allow casino gaming accounts to be established remotely, without a patron having to appear in-person before a casino employee in order to verify their identity.

The regulations, which are not applicable to accounts for mobile sports betting, were brought forward in part to facilitate the adoption of cashless gaming in Nevada casinos and enable patrons to create and fund a cashless wagering account via a mobile application.

Other regulatory reforms either proposed or adopted by Nevada gaming regulators in 2022 included clarifying licensing requirements for suppliers of non-gaming equipment and providers of data used to determine the outcome of sports betting events.

UNITED STATES: YOY COMMERCIAL CASINO GGR GROWTH BY MARKET 2022

With a full range of entertainment and sporting events on offer following the pandemic, casino-resorts on the Las Vegas Strip reported overall casino gaming revenue of \$8.28 billion in 2022, up 17.1 percent on the prior year.



SOURCE: State Gaming Commissions

NEW HAMPSHIRE

New Hampshire reported total sports betting revenue of \$66.7 million in 2022, an increase of more than 52 percent on the previous year.

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 authorized the New Hampshire Lottery to offer 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. At the end of 2022, retail sports betting was also available at three retail sportsbook locations.

Market Performance

In 2022, total sports betting revenue in New Hampshire was \$66.7 million, up 52.2 percent versus the previous year.

The overall revenue growth came as higher revenue from mobile sports betting offset a decline in retail sports wagering in 2022.

Total revenue from online sports betting was approximately \$59.5 million, up about 70 percent, but revenue from land-based sports betting was \$7.2 million, down from \$8.8 million. That meant online sports betting accounted

KEY STATE INFORMATION

GROSS SPORTS BETTING REVENUE 2022

\$66.7M

SPORT BETTING TAX REVENUE 2022

\$31.0M

CASINO FORMAT

N/A

NOTABLE FORMS OF GAMING

Sports Betting

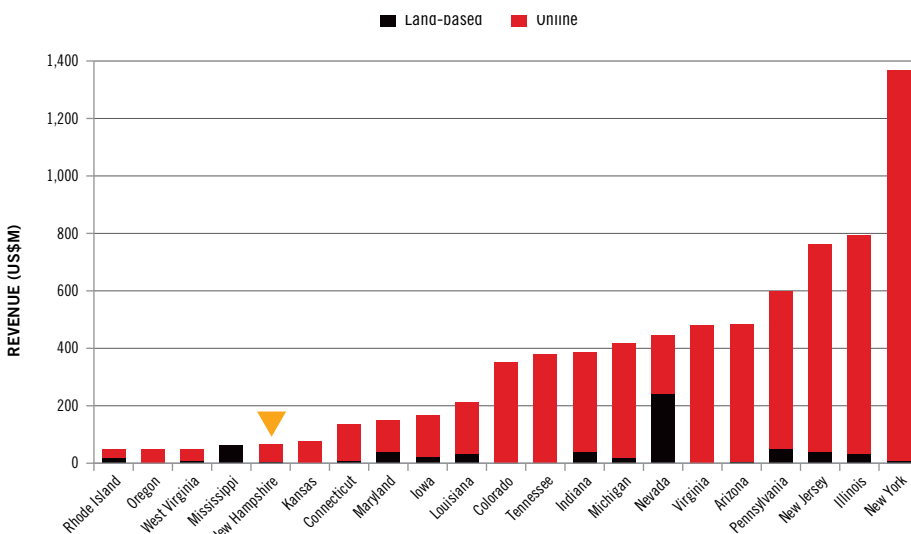
REGULATORY AUTHORITY

New Hampshire Lottery Commission

NUMBER OF COMMERCIAL CASINOS

0

SELECTED STATES: COMMERCIAL SPORTSBOOK GGR 2022



SOURCE: State regulators



New Hampshire

for 89.1 percent of total sports betting revenue, compared with 79.9 percent during the first full year of retail sports wagering in New Hampshire in 2021.

Gaming Tax Distribution

Revenue from commercial sports betting in New Hampshire is subject to an effective 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.

Those were the revenue-sharing terms DraftKings agreed to as part of its 2019 contract to serve as the New Hampshire Lottery's exclusive sports betting agent for both channels.

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

In 2022, sports betting generated total tax revenue of approximately \$31.0 million, up 54.8 percent on the previous year.

The vast majority of that total was distributed to the New Hampshire Education Trust Fund, which provides grants to the state's local school districts. Additional gaming taxes 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

In 2022, New Hampshire lost the competitive advantage it had enjoyed relative to its New England neighbors on sports wagering. Both Maine and Massachusetts approved legislation during the course of the year, while Vermont legislators adopted policy recommendations modeled on New Hampshire's law with an eye on passing a bill in 2023.

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.

Policy & Regulatory Review

Expansion

In January, the New Hampshire Lottery adopted regulations to govern the operation of electronic gaming devices based on the outcome of historical horse races at licensed charitable gaming locations in the state.

New Hampshire's first historical horse racing operations were launched in May. By the end of 2022, the devices were available in seven charitable gaming facilities.

Legislation to authorize historical horse racing was signed into law in June 2021, with New Hampshire joining seven other states, including Arkansas, Kentucky, Louisiana and Virginia, in approving the devices.

In a related policy development, Gov. Chris Sununu (R) signed a bill into law in June to authorize extended opening hours for licensed charitable gaming locations in New Hampshire. The new law permitted charitable gaming facilities to remain open between the hours of 8 a.m. and 4 a.m., instead of the previous hours of 11 a.m. until 1 a.m.

NEW JERSEY

In 2022, total statewide commercial casino gaming revenue increased 10.0 percent to \$5.21 billion, as ongoing growth in iGaming offset a decline in sports wagering and led the New Jersey market to its best revenue performance since 2006.

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 2022, a total of 31 internet casinos and 23 online sportsbooks were operational.

Market Performance

Total statewide gaming revenue reached \$5.21 billion in 2022, up 10.0 percent from 2021.

The 2022 gaming revenue total was also the New Jersey market's second highest ever, falling just shy of 2006's all-time record of \$5.22 billion that came prior to the rollout of competing commercial casino gaming in neighboring Pennsylvania.

NEW JERSEY: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: New Jersey Division of Gaming Enforcement

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$5.21B

GAMING TAX REVENUE 2022

\$612.4M

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

NUMBER OF COMMERCIAL CASINOS

9



At that time commercial casino gaming was limited to land-based casino operations in Atlantic City, whereas the New Jersey market’s growth of more recent years has been primarily driven by iGaming and sports wagering.

Compared with 2021, revenue from traditional land-based casino gaming offerings in Atlantic City increased 9.0 percent to \$2.79 billion. Total statewide revenue from electronic gaming devices was \$2.04 billion, up 9.0 percent versus the prior year, while table game revenue was \$741.7 million, up 9.1 percent.

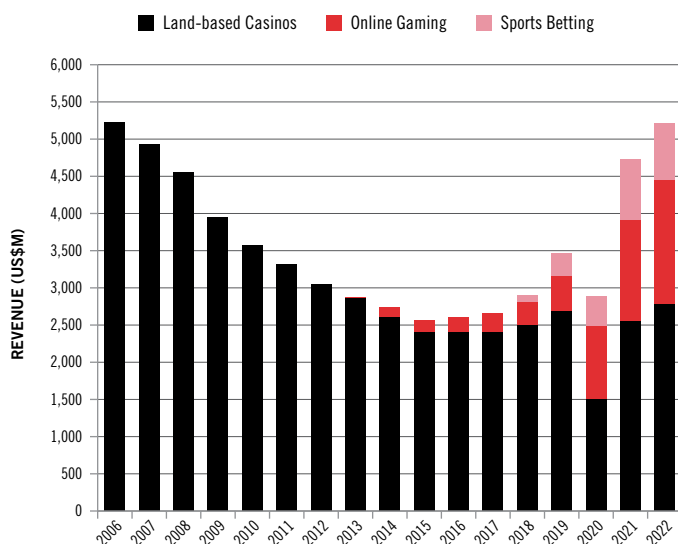
Internet gaming continued to see strong growth in New Jersey in 2022, with total revenue reaching \$1.66 billion, up 21.6 percent versus the previous year.

In contrast, annual sports betting revenue declined for the first time as New Jersey’s land-based and online sportsbooks suffered from the increased cross-border competition that came with the launch of legal mobile sports wagering in neighboring New York in early January.

Total sports wagering revenue in New Jersey was \$763.0 million, a decline of 6.5 percent relative to 2021, as sportsbooks reported a comparable handle—or total amounts wagered—but lower hold. Online sports wagering revenue was \$721.6 million, down 2.6 percent versus the previous year, while land-based sports wagering revenue suffered a sharper decline of 45.2 percent to \$41.4 million.

NEW JERSEY: COMMERCIAL GAMING REVENUE BY SOURCE 2006 to 2022

In 2022, total commercial gaming revenue in New Jersey reached its highest total since 2006 as growth in revenue from land-based and internet casino games offset a decline in revenue from sports wagering.



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 2022, New Jersey commercial casinos and racetracks generated approximately \$612.4 million in total state tax revenue from gaming operations, an increase of 9.0 percent on the previous year.

Of the 2022 total, approximately \$526.4 million was deposited into the New Jersey Casino Revenue Fund, which is appropriated each fiscal year for the exclusive benefit of New Jersey’s senior citizens and disabled residents.

On top of the Casino Revenue Fund, approximately \$85.9 million was generated by gaming for separate funds that either support economic development and community projects in Atlantic City, or the local municipal and county governments that host racetracks with sportsbook operations.

Competitive Landscape

New Jersey commercial casinos compete in a crowded Mid-Atlantic region that includes five casino properties in the Greater Philadelphia market that has historically served as a key feeder market to Atlantic City.

Looking ahead, the main competitive challenge for New Jersey’s commercial casino gaming market comes from the licensing of three major casino-resorts in the New York City area as authorized under New York’s 2022 state budget. While New York City already hosts two casino gaming facilities offering electronic gaming devices, New Yorkers have historically frequented Atlantic City casinos for table games and other resort offerings.

New Jersey

The importance of New York as an out-of-state source of gaming patrons was underscored in 2022 by New Jersey's decline in sports wagering revenue. The availability of legal mobile sports betting means New Yorkers no longer have to cross state lines to place their wagers, although the higher tax rate applied to sports betting revenue and absence of internet casino games in New York means New Jersey operators may be able to offer greater breadth of products to encourage their New York customers to continue to travel across the Hudson River.

Policy & Regulatory Review

Responsible Gaming

New Jersey introduced heightened responsible gaming standards for iGaming in 2022, applicable to all online casino and sportsbook operators.

The new standards—which were shared with operators by the Division of Gaming Enforcement in June but not effective until January 2023—require internet casinos and sportsbook platforms to have systems in place to monitor player activities and flag potential signs of problem gambling. Each operator also must have a specialist responsible gaming team to intervene in providing

resources and information to those at-risk patrons flagged by the automated systems.

The new standards are not a formal regulatory requirement and were developed instead as best practices to give regulators more leeway to adjust them upon implementation by the industry.

Cybersecurity

Two further sets of best practices were implemented by the New Jersey Division of Gaming Enforcement in July to address risks of online fraud associated with iGaming.

New best practices on cybersecurity required internet casino and sports betting operators to apply multi-factor authentication for all player accounts in order to prevent account takeover fraud or so-called credential stuffing attacks. Under the new standards, patrons must supplement their password with a knowledge-based question, biometric data, electronic token or code in order to log in to their accounts. Multi-factor authentication is required for any new devices used by the patron, or at two-week intervals when the patron is using a known device.

A further set of best practices related to know your customer (KYC) protocols required operators to use multi-source authentication to verify the identities of patrons establishing new iGaming accounts.

NEW MEXICO

Total statewide revenue from electronic gaming devices at commercial casinos was \$262.0 million in 2022, New Mexico racinos' first full year of operations since 2019.

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.

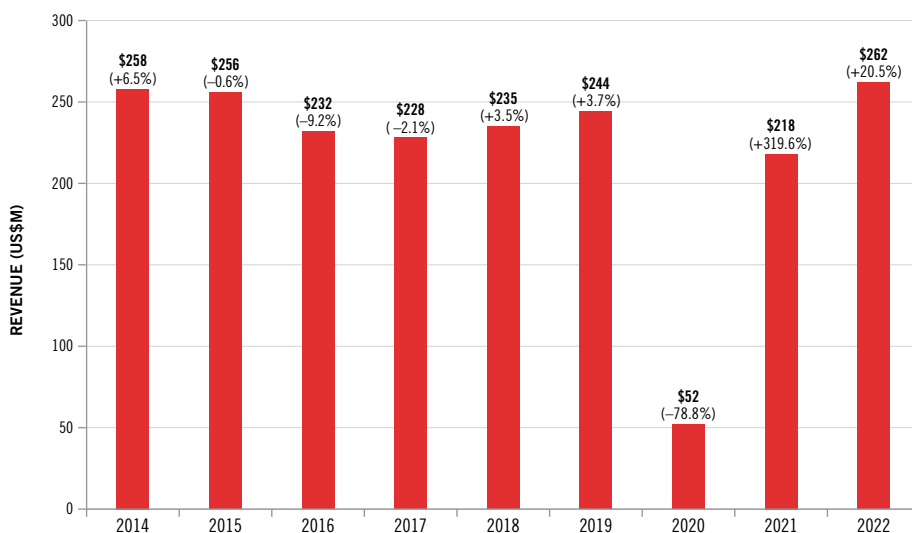
Racinos are restricted to a maximum of 750 electronic gaming devices and are not permitted to offer table games. New Mexico is also the only state that maintains restrictions on the operating hours at all of its commercial casino properties. Electronic gaming devices at racetracks may only be operated 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 2022, total statewide commercial casino gaming revenue was \$262.0 million. That total was up 21.2 percent from 2021 and reflected the racino industry's first full year of operations since the pandemic.

New Mexico's racinos suffered the longest shutdown of all commercial casino gaming properties in the United States due to government pandemic restrictions and did not receive permission to reopen their gaming floors until late February 2021, after closing in March 2020.

NEW MEXICO: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: New Mexico Gaming Control Board

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$262.0M

CASINO TAX REVENUE 2022

\$121.2M

CASINO FORMAT

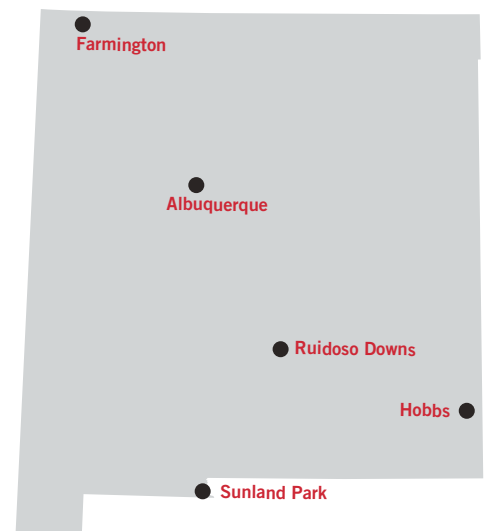
Racinos

REGULATORY AUTHORITY

New Mexico Gaming Control Board

NUMBER OF COMMERCIAL CASINOS

5



Gaming Tax Distribution

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

In 2022, New Mexico commercial racinos generated total gaming tax revenue of approximately \$121.2 million, up 21.2 percent against the previous year.

Of that amount, roughly \$68.1 million was distributed to the state’s General Fund, which is allocated each year for state budgetary expenditures by the New Mexico Department of Revenue, subject to approval by the state legislature.

An additional \$52.4 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 fund problem gambling services.

Competitive Landscape

New Mexico commercial casinos face considerable competition from the state’s 21 tribal casinos. 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.

While state law provides for a sixth racino in the state, the New Mexico Racing Commission in 2018 rejected all applications for that final racetrack license and have yet to resume the licensing process.

Policy & Regulatory Review Expansion

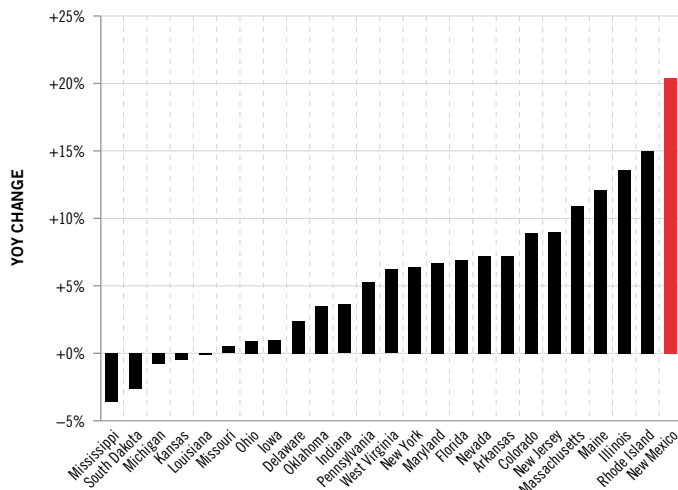
After state lawmakers were publicly urged by racino operators in late 2020 and 2021 to pass reforms to improve the competitiveness of the state’s commercial casino gaming industry, 2022 was a quieter year on the legislative front.

A 2021 bill to authorize table games and sports betting at the state’s five commercial racinos and remove limits on the operating hours of commercial casino properties was not reintroduced.

In February, a bill was filed in the New Mexico Senate requesting that various legislative committees undertake a formal review of the state’s gaming market and potential expansion initiatives, including authorization of iGaming, that could boost its competitiveness relative to other states. The bill was not passed by senators, however, before the legislature adjourned its 2022 session.

UNITED STATES: YOY COMMERCIAL CASINO GGR GROWTH BY STATE 2022

In 2022, New Mexico’s commercial casino gaming industry reported the highest rate of revenue growth from traditional electronic gaming devices and table games of any commercial gaming state. Unlike properties in other states, New Mexico racinos remained shuttered at the start of 2021 due to government pandemic restrictions.



SOURCE: State Gaming Commissions

NEW YORK

Bolstered by the launch of mobile sports betting, total commercial casino gaming revenue increased more than 55 percent to \$4.23 billion in 2022. Sports betting revenue of \$1.37 billion made New York by far the largest sports wagering market in the nation.

Market Overview

New York's commercial gaming market includes seven properties with electronic gaming devices and horse racing, four casino-resorts offering electronic gaming devices, table games and sports betting, and two land-based properties offering electronic gaming devices. Commercial gaming is 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. Additionally legislation enacted in 2022 authorized a licensing process for the final three casino-resorts permitted under the state constitution, to be sited in the New York City metropolitan area.

Land-based sports betting is permitted at New York's four casino-resorts due to language included in the 2013 constitutional amendment and accompanying legislation that became effective in 2018 when the federal ban on sports wagering was overturned by the U.S. Supreme Court. The state legislature subsequently passed a law to authorize statewide mobile sports betting in 2021, with mobile operations commencing in January 2022.

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$4.23B

CASINO TAX REVENUE 2022

\$1.83B

CASINO FORMAT

**Land-Based Casinos;
Racinos**

NOTABLE FORMS OF GAMING

Sports Betting

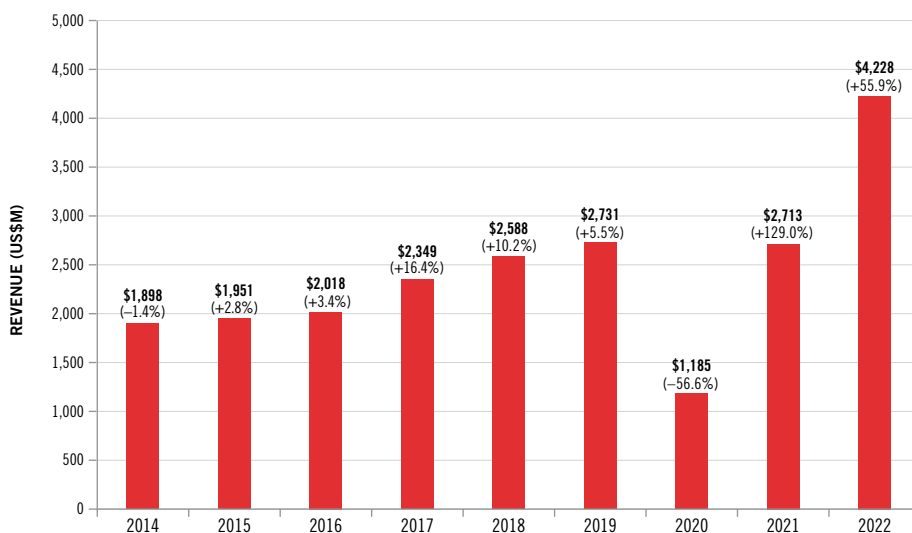
REGULATORY AUTHORITY

**New York State
Gaming Commission**

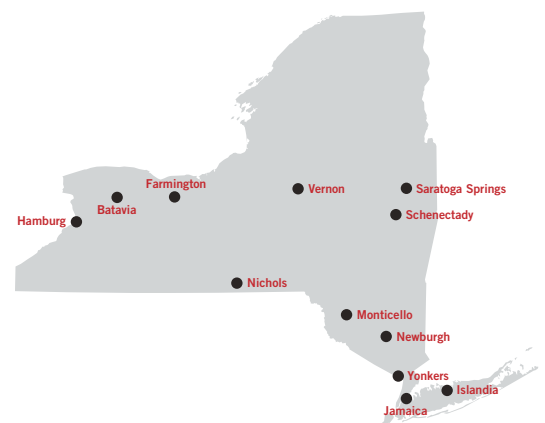
NUMBER OF COMMERCIAL CASINOS

13

NEW YORK: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: New York Lottery



Market Performance

In 2022, statewide commercial casino gaming revenue reached a record total of \$4.23 billion, up 55.9 percent from the previous year.

The growth primarily reflected the addition of mobile sports betting to New York’s commercial gaming market. Between the launch of online sports wagering on January 8 and the end of the year, mobile sportsbook operations generated total revenue of \$1.37 billion—making New York by far the largest sports betting market in the country. Total sports betting revenue—including from land-based sportsbooks in New York’s four commercial casino-resorts—totaled \$1.37 billion, versus just \$23.3 million in 2021.

Revenue from electronic gaming devices at New York’s commercial casinos and racinos totaled \$2.66 billion in 2022, up 4.8 percent against 2021, while revenue from table games was \$203.8 million, up 31.8 percent.

In 2022, the Resorts World New York City racino in Queens was dethroned from its long-held status as the most lucrative commercial casino outside of Nevada by the MGM National Harbor casino-resort in Maryland. Both Resorts World New York City and Empire City Casino in Yonkers—the sixth most lucrative commercial casino outside Nevada in 2022—remain limited to electronic gaming devices but are expected to apply for licenses to become full-scale casino-resorts under a 2022 casino expansion law in order to gain the ability to offer table games and sports betting.

Gaming Tax Distribution

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
Mobile Sports Betting	51 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 vendor and administrative expenses, retain approximately 45 percent of their revenue.

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.

Revenue from mobile sports betting platforms is taxed at a rate of 51 percent. Notably, unlike for the other forms of commercial gaming in New York, the tax rate for mobile sports betting was not defined by state law; instead, 51 percent was the rate that a group of nine successful applicants agreed to pay through a competitive licensing process. Land-based and mobile sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2022, New York’s commercial casino gaming industry generated approximately \$1.83 billion in total state gaming tax revenue, up 67.2 percent versus 2021 when mobile sports wagering was not yet operational in the state.

In total, mobile sports betting generated tax revenue of \$693.1 million in 2022. The vast majority of the revenue was retained for New York’s Education Fund, which is used to provide aid for local school districts across New York. In accordance with New York’s 2021 mobile sports betting law, additional tax dollars were set aside to fund problem gambling education and treatment services, and to fund a statewide grant program to support sports activities for underserved youth.

Electronic gaming devices at racinos generated approximately \$970.7 million in total tax revenue for the state’s Education Fund in 2022, while New York’s four commercial casino-resorts generated approximately \$170.5 million in gaming tax revenue. Under state law, 80 percent of gaming tax revenue generated by casino-resorts is used to fund statewide education programs or provide property tax relief to New York citizens. The remainder is distributed to local municipal and county governments that either host or are located near commercial casino-resorts.

Competitive Landscape

Limited to electronic gaming devices, downstate New York’s established casino gaming facilities have traditionally competed to varying extents with tribal casino-resorts in Connecticut and commercial casinos in eastern Pennsylvania and Atlantic City, New Jersey.

Looking ahead, however, the competitive landscape for casino gaming in the New York City area is set to undergo a fundamental transformation thanks to new legislation authorizing up to three multibillion-dollar casino-resorts in the region. Additional competition was also injected

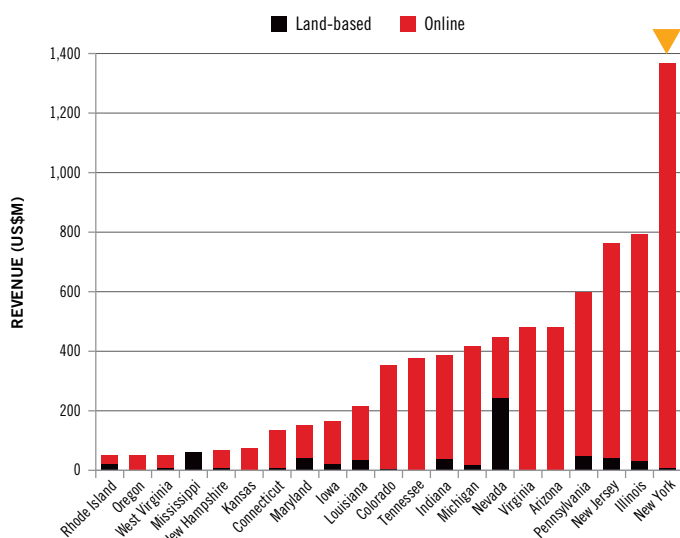
into the downstate New York market in 2022 when a new casino offering some 1,200 electronic gaming devices was opened in December in Orange County, about 60 miles north of New York City, while an established facility in Nassau County on Long Island received legislative approval to add a further 1,000 devices to its gaming floor.

Commercial casinos and racinos in parts of upstate New York directly compete with the state's 18 tribal casinos operated by three federally recognized sovereign tribal nations.

In terms of sports betting, the launch of legal mobile sports betting in early 2022 means that New York City residents no longer have to commute to neighboring New Jersey to 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. Still, New York operators contend that they remain at a competitive disadvantage, since New Jersey operators are permitted to offer internet casino games in addition to sports betting and may be able to offer a wider range of bonuses and incentives due to New Jersey's significantly lower tax rate for sports wagering.

SELECTED STATES: COMMERCIAL SPORTSBOOK GGR 2022

The launch of mobile sports betting saw New York become the largest legal sports wagering market in the United States. The state's nine licensed online sportsbooks reported total gross revenue of \$1.36 billion between early January and the end of the year.



SOURCE: State regulators

Policy & Regulatory Review Expansion

In April, Gov. Kathy Hochul (D) signed a state budget law that included provisions to authorize a licensing process for the final three commercial casino-resorts permitted under the New York constitution.

The legislation mandated the revival of an independent Gaming Facility Location Board to evaluate applications for casino-resort projects in or around New York City. The three casinos will be subject to a minimum upfront licensing fee of \$500 million, with the successful applicants selected, in part, based on the highest gaming tax rate they would be willing to pay to receive a license. Other selection criteria include the amount of revenue, employment and economic development to be generated, the quality of proposed resort amenities, the proposed construction timetable, and operator diversity and workforce development plans. Successful applicants will also be required to demonstrate sufficient local community support for their projects.

The three-member Gaming Facility Location Board was named in October, with a request of applications process to award the three casino licenses scheduled to begin in early January 2023.

Separately, Gov. Hochul signed a bill in December to authorize the Jake's 58 Hotel & Casino in Nassau County to double the number of electronic gaming devices it is permitted to offer, up to a maximum of 2,000 devices. Located on densely populated Long Island, electronic gaming devices at the Jake's 58 casino have historically generated twice as much revenue per day as the statewide average.

Fantasy Sports

In March, the New York Court of Appeals resolved a longstanding legal dispute by finding a 2016 law that regulated fantasy sports contests to be constitutional.

A state constitutional amendment and voter referendum is generally required to authorize new forms of gambling in New York and plaintiffs argued that the 2016 fantasy sports law was illegitimate since a constitutional change was not approved by voters.

In its 4–3 ruling, a panel of New York Court of Appeals judges ruled that a constitutional amendment was not required for fantasy sports, since the state's prohibitions on gambling do not apply to skill-based competitions in which participants exercise substantial influence over the outcome.

New York

Internet Gaming

After approving mobile sports betting in 2021 and additional casino licenses a year later, New York lawmakers also considered further legislation to expand the state's commercial gaming market during 2022.

In April, the New York Senate's Committee on Racing, Gaming and Wagering approved a bill to authorize internet casino gaming through platforms affiliated with the state's commercial and tribal casino operators. Neither the Senate bill nor an accompanying iGaming measure

in the Assembly advanced any further before lawmakers adjourned in June; however, sponsors of the bill said they would reintroduce legislation in 2023.

Separately, lawmakers introduced various other gaming bills to increase the number of mobile sports betting operators in New York and reduce the tax rate applied to online sports wagering, restrict player bonus offers related to mobile sports betting, authorize fixed-odds wagering on horse races, and establish a state problem gambling task force.

OHIO

As regulators and casino operators prepared for the launch of legal sports betting in Ohio, total statewide commercial casino gaming revenue from traditional electronic gaming devices and table games increased by 1.0 percent to a record \$2.33 billion in 2022.

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.

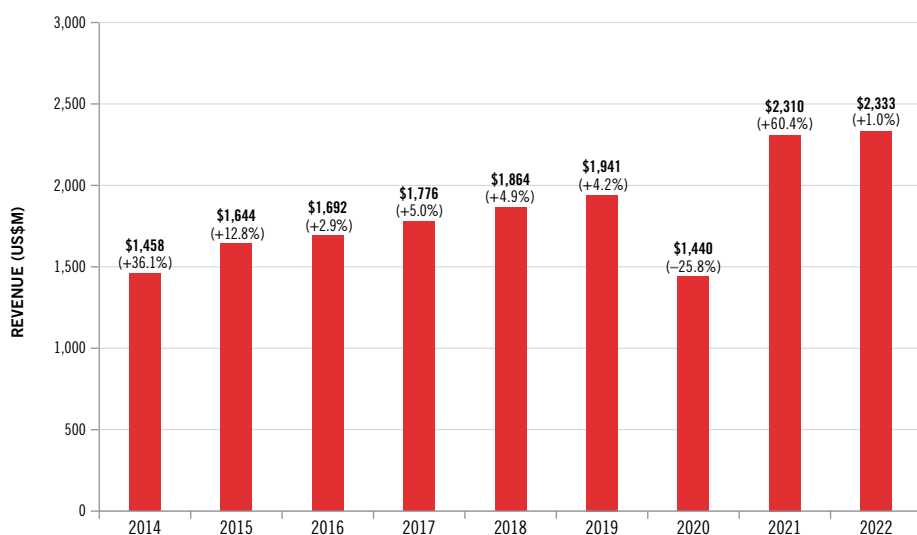
In 2009, Ohio voters approved a ballot initiative authorizing commercial casinos in the state's four largest cities of Cincinnati, Cleveland, Columbus and Toledo. Two years later, an executive order approved electronic gaming devices (specifically video lottery terminals, or VLTs) at established Ohio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

The state legislature approved a bill in December 2021 to authorize land-based sports wagering at commercial casinos and racinos, at major professional sports arenas, and via kiosks in retail locations licensed to serve alcohol. Statewide online sports betting was also legalized under the same law. Both online and land-based sports wagering were scheduled to launch on January 1, 2023, per a deadline established by the Ohio Casino Control Commission.

Market Performance

In 2022, total statewide commercial casino gaming revenue was a record \$2.33 billion, up 1.0 percent versus the prior year.

OHIO: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: Ohio Casino Control Commission, Ohio Lottery

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$2.33B

GAMING TAX REVENUE 2022

\$781.0M

CASINO FORMAT

Land-Based Casinos;
Racinos

REGULATORY AUTHORITY

Ohio Casino Control
Commission, Ohio
Lottery Commission

NUMBER OF COMMERCIAL CASINOS

11



Total statewide revenue from electronic gaming devices at casinos and racinos was \$2.03 billion, up 0.4 percent versus 2021, while table game revenue at casinos was \$303.7 million, up 5.2 percent.

As reflected in the table game performance, Ohio's four casino-resorts located in the downtown areas of the state's major cities saw stronger revenue growth in 2022 compared with Ohio's more suburban racino properties.

The four casinos reported combined casino gaming revenue of \$1.01 billion, up 7.3 percent against 2021. Ohio's 11 racinos reported total electronic gaming device revenue of \$1.33 billion, up less than 0.1 percent.

Gaming Tax Distribution

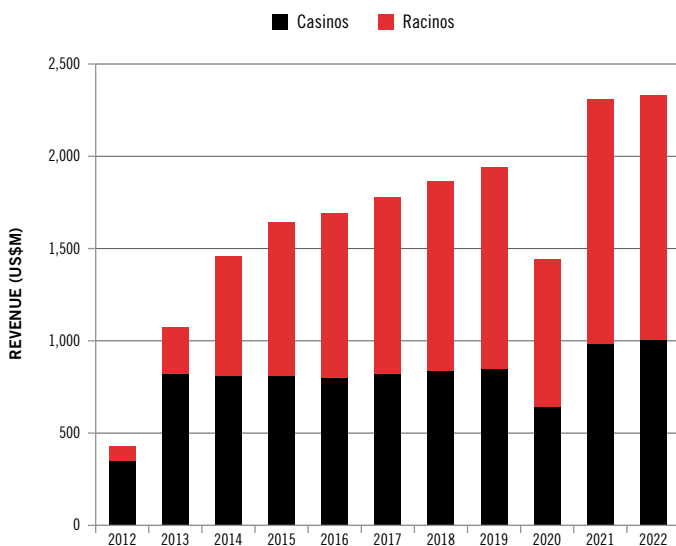
Ohio levies a 33 percent tax on casinos' gross gaming revenue, while racinos pay a slightly higher 33.5 percent effective tax rate on their revenue from electronic gaming devices.

In 2022, casinos and racinos generated total gaming tax revenue of \$781.0 million, up 2.8 percent from the prior year. Casinos accounted for approximately \$331.7 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

OHIO: BREAKDOWN OF ANNUAL GAMING REVENUE 2012 to 2022

Ohio's four land-based casino-resorts were the main driver of overall commercial casino gaming revenue growth in 2022, as revenue from table games grew at an appreciably faster rate to that of electronic gaming devices.



SOURCE: Ohio Casino Control Commission, Ohio Lottery

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 for patrons with gaming venues located in neighboring markets.

Casinos and racinos in the Cincinnati area compete with a trio of riverboat casinos stationed on the Indiana side of the Ohio River and with two Kentucky racetrack facilities that offer electronic gaming devices based on historical horse races. In July 2022, the Kentucky Horse Racing Commission awarded a license for an additional gaming facility featuring historical horse racing devices to be located in the town of Ashland, on the Ohio state line.

Elsewhere, three West Virginia racinos and one Pennsylvania racino are also located near Ohio's eastern border and draw customers from the state.

Policy & Regulatory Review

Sports Betting

Implementation of the December 2021 state law that authorized land-based and online sports betting was the chief focus of Ohio gaming regulators in 2022.

In June, the Ohio Casino Control Commission announced that sports betting would launch on January 1, 2023—the latest permissible date under the state's sports wagering statute. In order to meet that launch date, prospective online and land-based sportsbook operators and suppliers were required to submit license applications during specific windows opened in June, July and August and then meet various other regulatory deadlines in order to give officials sufficient time to vet their equipment, internal policies and key staff.

Reflecting the breadth of Ohio's sports betting law, the casino commission received 23 license applications to operate mobile sports betting platforms and 27 applications to operate land-based sportsbooks at casinos, racinos, sports stadiums and other venues. A further seven

Ohio

companies submitted applications to operate networks of sports wagering kiosks at bars and other non-gaming locations.

In May, the Ohio Casino Control Commission adopted a final set of regulations to govern sports wagering license applications and operations. An official catalog of approved wagering events was approved by the commission in November.

In advance of launching sports betting operations, the commission permitted license applicants to advertise and pre-register customers in the state, provided they abided by regulations related to advertising that include not

targeting those aged under 21 or inaccurately describing the terms of promotional offers.

Taxation

In June, Ohio Gov. Mike DeWine (R) signed a tax reform bill amending a technical error in the state's original sports wagering law.

Under the original law, Ohio sports betting operators would have been required to pay sports betting taxes on the same daily basis as the state's land-based casinos. The new legislation changed the law to instead require tax payments on a monthly basis, the same as other states with legal sports wagering.

OKLAHOMA

In 2022, total statewide commercial casino gaming revenue was \$150.9 million, an all-time high for Oklahoma's two racinos.

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 2022, total statewide commercial casino gaming revenue was a record \$150.9 million, up 3.5 percent from 2021.

The overall growth was driven by performance of the larger of Oklahoma's two commercial racinos. Remington Park, which is located in the heart of Oklahoma City and operated by a commercial subsidiary of the Chickasaw Nation of Oklahoma, reported electronic gaming device revenue of \$129.3 million, up 4.6 percent versus the previous year.

In contrast, revenue from electronic gaming devices at Cherokee Casino Will Rogers Downs, owned by the Cherokee Nation, was \$21.6 million, down approximately 2.5 percent.

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$150.9M

GAMING TAX REVENUE 2022

\$68.7M

CASINO FORMAT

Racinos

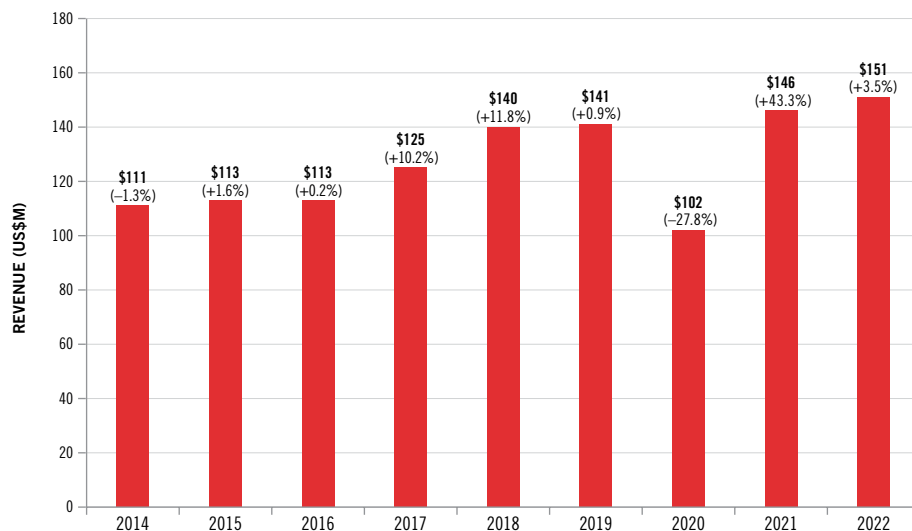
REGULATORY AUTHORITY

Oklahoma Horse
Racing Commission

NUMBER OF COMMERCIAL CASINOS

2

OKLAHOMA: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: Oklahoma State Auditor and Inspector



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 2022, Oklahoma racinos paid approximately \$68.7 million in total gaming taxes, an increase of 3.9 percent relative to the previous year.

Commercial gaming tax revenue is shared between the state government and Oklahoma’s horse racing industry. Approximately \$31.4 million was remitted to the state in 2022 and used to fund state education initiatives, as well as for general budgetary purposes.

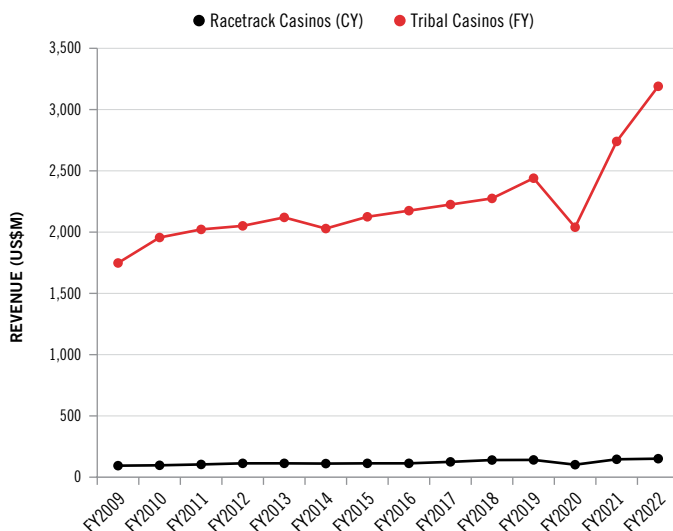
In addition, racinos distributed roughly \$36.5 million to help subsidize horse racing purses, breeding programs and other horse racing industry expenses.

Competitive Landscape

Oklahoma’s two racinos are overshadowed by the state’s 140 tribal casinos, which are authorized to offer table games, in addition to electronic gaming devices. During the state’s 2022 fiscal year ending June 30, Oklahoma tribal casinos generated an estimated \$3.19 billion in casino gaming revenue, exclusive of revenue from popular electronic bingo devices.

OKLAHOMA: GAMING REVENUE BY VENUE TYPE FY2009 to FY2022

Oklahoma’s commercial casinos are overshadowed by the state’s tribal casino gaming industry, which consists of 140 casino facilities and generated more than \$3.19 billion in casino gaming revenue in the 2022 fiscal year.



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

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, where state lawmakers are poised to reconsider legislative proposals related to casino expansion during their 2023 biennial session.

Policy & Regulatory Review

Tribal Gaming

Litigation over the status of tribal gaming compacts in Oklahoma continued in 2022.

In November, Gov. Kevin Stitt (R) continued a legal challenge to uphold new compacts he signed with four Native American tribes in 2020 that included offering the Otoe-Missouria Tribe, Comanche Nation, United Keetoowah Band of the Cherokees and Kialegee Tribal Town the authority to offer sports wagering on tribal lands.

The lawsuit filed in federal court claimed the compacts were effective since they were legally approved by the federal government, even though the Oklahoma Supreme Court later found them to be invalid because sports betting was not a form of gaming that had been authorized by the state legislature.

Stitt, who was re-elected to a second term in November, has called for tribes to pay the state a higher share of their casino gaming revenue and previously unsuccessfully argued that Oklahoma’s original tribal gaming compacts from 2004 expired at the end of their first 15-year term.

Sports Betting

In March, a bill to authorize sports betting in Oklahoma tribal casinos, subject to approval of the requisite amendments to tribal-state gaming compacts, was passed by the budget and appropriations committee in the Oklahoma House of Representatives.

The bill was however not brought up for a vote on the House floor before lawmakers adjourned their 2022 session.

OREGON

The Oregon Lottery reported a 62.9 percent increase in total sports betting revenue, rising to \$49.5 million in 2022, a year that saw the lottery transition to a DraftKings-operated online betting platform.

Market Overview

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

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. The Oregon Lottery's own sportsbook product was discontinued in January 2022 after the lottery executed a contract with DraftKings to market and operate sports wagering on its behalf.

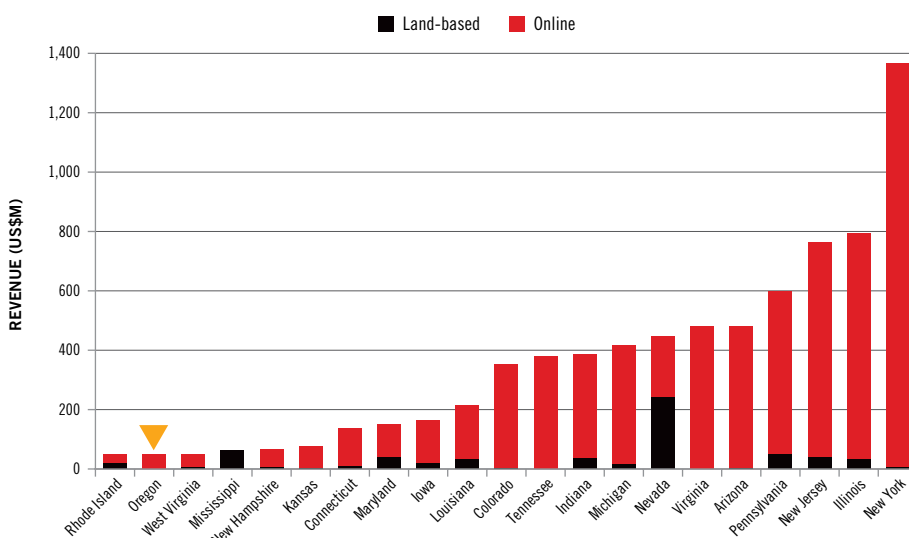
There is no specific state law that regulates sports betting in Oregon; instead, it is considered to fall under the broader definition of lottery games the state lottery is authorized to offer.

Market Performance

In 2022, total commercial sports betting revenue in Oregon was \$49.5 million, up 62.9 percent from the previous year, when the Oregon Lottery directly operated sports wagering. DraftKings launched its platform in the state in January 2022.

As the Oregon Lottery has yet to launch any form of retail sports wagering, all revenue generated in 2022 was derived from online sports betting.

UNITED STATES: COMMERCIAL SPORTSBOOK GGR BY STATE 2021



SOURCE: State regulators

KEY STATE INFORMATION

GROSS SPORTS BETTING REVENUE 2022

\$49.5M

SPORT BETTING TAX REVENUE 2022

\$19.5M

CASINO FORMAT

N/A

NOTABLE FORMS OF GAMING

Sports Betting

REGULATORY AUTHORITY

Oregon Lottery Commission

NUMBER OF COMMERCIAL CASINOS

0



Oregon

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

Gaming Tax Distribution

Sports betting operated by the Oregon Lottery is not subject to taxation per se; instead, the lottery receives an undisclosed percentage of revenue earned by DraftKings following the deduction of certain authorized expenses, including marketing costs. As sports betting is operated via the state lottery, it is not subject to the 0.25 percent federal excise tax typically applied to commercial operators' wagering handle.

In 2022, sports betting generated estimated state tax revenue of approximately \$19.5 million, up 1.4 percent on the prior year.

In accordance with state law, the Oregon Lottery transfers its profits to specific programs as determined by the state legislature. 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 sportsbook operations at several tribal casinos within the state. 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 tribes to offer any form of casino gaming that has already been approved in Nevada. Sports betting is also available at tribal casinos in neighboring Washington.

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 is also legal.

Policy & Regulatory Review

Regulatory Reform

In April, the leaders of the Oregon House and Senate agreed to establish an interim study committee to review the state's gaming landscape and make policy recommendations for potential regulatory reforms prior to the 2023 legislative session.

After a series of six public meetings, the Joint Interim Committee on Gambling Regulation submitted its report in December, recommending that a permanent oversight committee be formed to consider legislative matters related to all forms of gaming in Oregon.

The eight-member committee also recommended that Oregon lawmakers refrain from approving any further expansion of commercial gaming until the legislature has the opportunity to complete a more comprehensive study of the state's gaming market.

Horse Racing

In February, the Oregon Department of Justice published a legal opinion finding that the operation of electronic gaming devices based on the outcome of previously run horse races would violate the state's constitutional prohibitions on commercial gaming.

The opinion was requested by the Oregon Racing Commission as part of its consideration of a licensing application for a racetrack operation near the state's southern border with California.

The Attorney General's opinion found that because players would not exercise significant skill in determining the outcome of so-called historical horse racing devices, the games would be considered lotteries and the Oregon state constitution exclusively allows the state to conduct lottery games outside of tribal lands.

Historical horse racing devices are permitted under a state law passed by the Oregon legislature and were formerly offered at the now shuttered Portland Meadows racetrack.

PENNSYLVANIA

Growth in both land-based and interactive casino revenue saw Pennsylvania's commercial casino gaming industry achieve record revenue of \$5.34 billion in 2022, an increase of 10.6 percent on the prior year.

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 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 iGaming via affiliated online casino platforms. At the end of 2022, a total of 18 internet casinos and 13 online sportsbooks were operational in Pennsylvania.

Market Performance

In 2022, total statewide commercial casino gaming revenue was a record \$5.34 billion, up 10.6 percent from the previous year.

The Pennsylvania market reported revenue growth from both traditional land-based casino gaming as well as from the more growing iGaming and sports wagering segments.

PENNSYLVANIA: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: Pennsylvania Gaming Control Board

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$5.34B

GAMING TAX REVENUE 2022

\$2.21B

CASINO FORMAT

Land-Based Casinos;
Racinos

NOTABLE FORMS OF GAMING

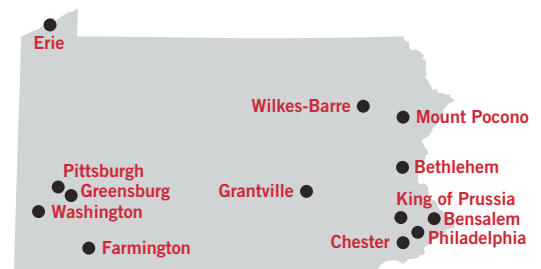
Sports Betting;
Internet Gaming

REGULATORY AUTHORITY

Pennsylvania Gaming
Control Board

NUMBER OF COMMERCIAL CASINOS

16



Pennsylvania

Bolstered by the recent openings of a major new casino-resort in Philadelphia and several smaller satellite casino properties, Pennsylvania commercial casinos reported record statewide land-based casino gaming revenue of \$3.38 billion, up 5.3 percent from 2021.

Statewide revenue from electronic gaming devices was \$2.39 billion, up 4.5 percent, while table game revenue was \$990.6 million, up 7.1 percent.

Internet gaming revenue totaled \$1.36 billion, up 22.6 percent against the previous year. Total statewide sports betting revenue was \$597.4 million, up 18.2 percent. Online sports betting revenue grew by approximately 21.6 percent and accounted for \$547.6 million of the statewide total, more than offsetting a 9.6 percent drop in land-based sports betting revenue to \$49.7 million.

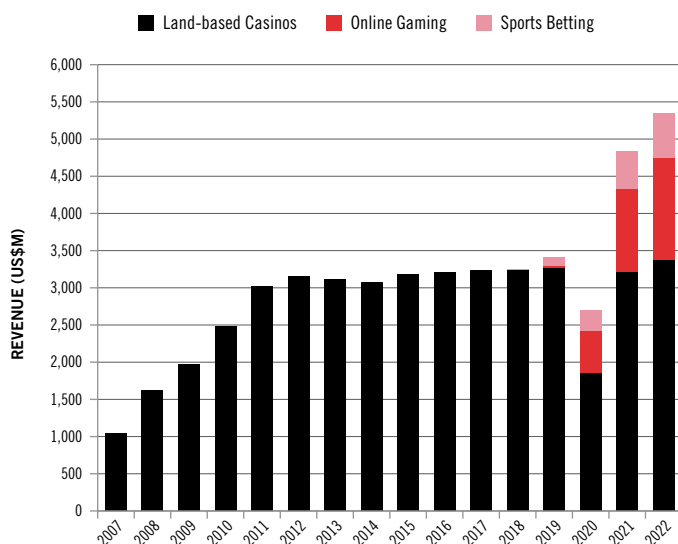
Gaming Tax Distribution

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.

PENNSYLVANIA COMMERCIAL GAMING REVENUE BY SOURCE 2007 to 2022

Internet casino gaming and sports wagering have become increasingly important components of Pennsylvania's overall casino gaming market since a major 2017 gaming expansion law was implemented by regulators two years later.



SOURCE: Pennsylvania Gaming Control Board

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 further subject to a 0.25 percent federal excise tax applied to wagering handle.

Total casino gaming tax revenue for the year was approximately \$2.21 billion, up 9.5 percent from 2021.

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 2022, the state's share of direct gaming tax revenue amounted to approximately \$1.58 billion.

Approximately \$202.7 million was distributed to Pennsylvania's horse racing industry in 2022, while remaining tax payments were 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 Live! Casino Hotel Philadelphia casino in late 2020 and three satellite casino facilities across the state the following year, the state's land-based casino market is set for additional competition with the opening of at least two additional satellite casinos planned for different parts of central Pennsylvania.

Pennsylvania commercial 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. In 2022, electronic gaming devices operational at a total of 66 truck stops across the state generated approximately \$41.2 million in gaming revenue.

Policy & Regulatory Review Expansion

In January, the Pennsylvania Gaming Control Board formally awarded the state's fourth so-called Category 4 casino license for a satellite casino project sited in Shippensburg Township in Cumberland County.

Pennsylvania

The owner of Pennsylvania's most lucrative land-based casino—Parx Casino—won an auction to acquire the license in 2018 but the approval process was delayed as a new site for the project was chosen and regulators received additional public input on the proposal. The casino was scheduled to open in early 2023.

Pennsylvania's 2017 gaming expansion law authorized the control board to auction off up to 10 Category 4 licenses subject to certain geographic restrictions and a minimum starting bid of \$7.5 million. As of the end of 2022, the board had allocated four of the 10 licenses to successful bidders, with a fifth license application for a casino project in Centre County still undergoing the regulatory approval process.

Cybersecurity

In July, the Pennsylvania Gaming Control Board issued new guidance to operators of iGaming and mobile sports betting platforms requiring them to implement multi-factor authentication for all patron accounts prior to the end of the year.

Among other things, the guidance requires players to authenticate their accounts using a second factor other than their password for any new device being used, or at least once every 14 days for known devices. Players must also be offered the option to use multi-factor authentication for every login.

Pennsylvania's multi-factor authentication requirement mirrored similar guidance that took effect for iGaming and online sports betting in New Jersey in July.

RHODE ISLAND

In 2022, total statewide commercial casino gaming revenue increased by 15.8 percent to \$688.2 million as Rhode Island's two land-based casinos battled regional competition and the state lottery reported strong growth in online sports betting.

Market Overview

Rhode Island offers commercial casino gaming at two casinos operated 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. In 2016, voters approved a ballot measure permitting 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.

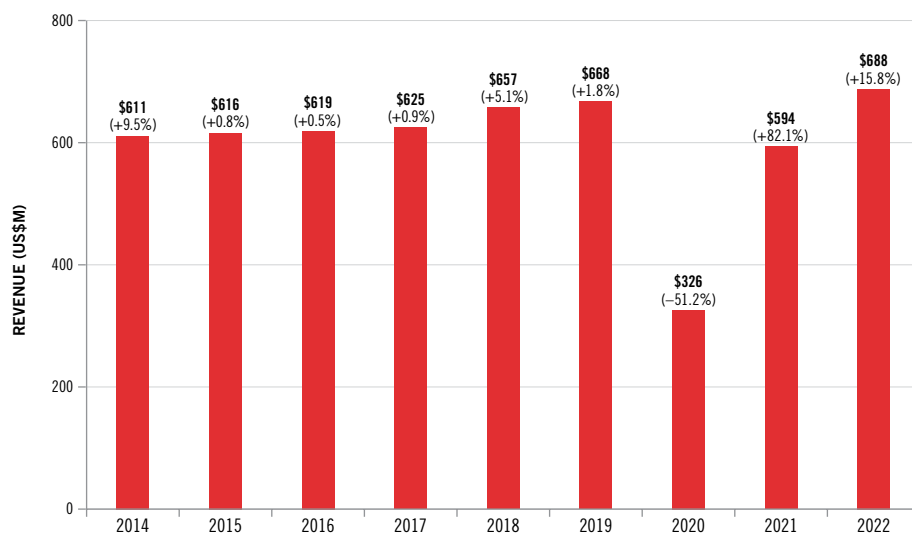
In June 2018, the legislature passed a bill authorizing the state lottery to operate sports betting at both commercial casinos. Subsequent legislation the following year authorized online sports betting.

Market Performance

In 2022, total statewide commercial casino gaming revenue was \$688.2 million, up 15.8 percent from 2021.

Total revenue from electronic gaming devices was \$508.8 million, an increase of 14.6 percent from the previous year, while revenue from table games was \$130.2 million, up 16.7 percent. While higher than the previous two years, the state's overall revenue of \$638.9 million from traditional casino games continued to lag 2018 and 2019 revenue levels when the two Rhode Island casinos did not face competition from the Encore Boston Harbor casino-resort in Massachusetts.

RHODE ISLAND: COMMERCIAL GAMING REVENUE BY SOURCE 2014 to 2022



SOURCE: Rhode Island Lottery

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$688.2M

CASINO TAX REVENUE 2022

\$345.6M

CASINO FORMAT

Land-Based Casinos

NOTABLE FORMS OF GAMING

Sports Betting

REGULATORY AUTHORITY

Rhode Island Lottery

NUMBER OF COMMERCIAL CASINOS

2



Sports betting revenue in Rhode Island amounted to \$49.3 million in 2022, up 27.2 percent against the prior year. Online sports betting accounted for approximately \$28.8 million—or 58.5 percent—of the total, a lower proportion than in most other states with legal mobile sports wagering. Online sports betting revenue was up 41.9 percent on a year-over-year basis. Rhode Island’s two commercial casinos reported land-based sports betting revenue of \$20.5 million, up roughly 10.8 percent.

Gaming Tax Distribution

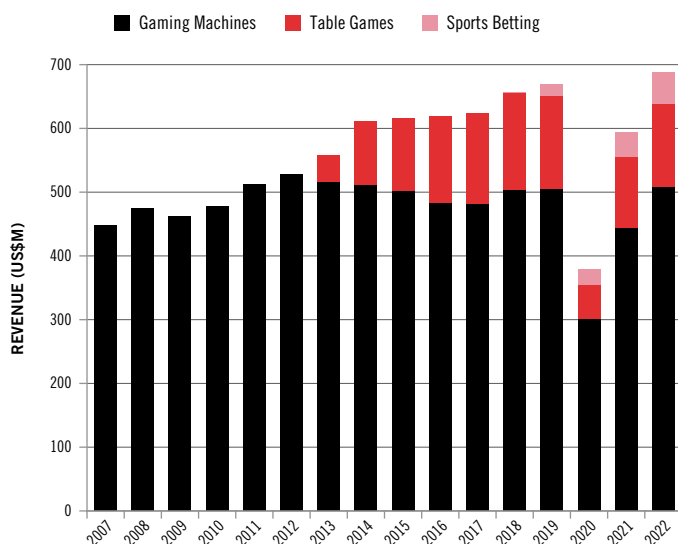
Rhode Island’s Bally’s Twin River Lincoln and Bally’s Tiverton commercial casinos retain roughly 26 percent to 28.85 percent of their revenue from electronic gaming devices, depending on each facility’s operating contract and state regulation. An additional annual allowance is made for certain marketing 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 a rate of 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

RHODE ISLAND: COMMERCIAL GAMING REVENUE 2007 to 2022

Rhode Island’s commercial casino gaming industry reported increases in revenue across electronic gaming devices, table games and sports betting in 2022. However, traditional casino gaming revenue has been slowed by expanded regional competition.



SOURCE: Rhode Island Lottery

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.

In 2022, commercial casino gaming generated \$345.6 million in total tax revenue for Rhode Island’s General Fund, up 15.1 percent versus the previous year.

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.

Through the end of 2022, Rhode Island’s two commercial casino-resorts enjoyed a competitive advantage over counterparts in Massachusetts by virtue of being able to offer sports betting in addition to electronic gaming devices and table games. That advantage will come to an end, however, after Massachusetts adopted legislation in 2022 to permit land-based sports wagering at its casinos and racing facilities, as well as via mobile platforms on a statewide basis.

Policy & Regulatory Review

Responsible Gaming

In June, Gov. Dan McKee (D) signed legislation to amend the responsible gaming-related provisions of Rhode Island's casino statute.

The new legislation mandates that any self-excluded patrons who gamble in Rhode Island's two commercial casino gaming facilities will be prohibited from collecting any winnings or recovering their losses. Any winnings from self-excluded players must instead be forfeited to the Rhode Island Lottery, with up to \$150,000 of such forfeited winnings redistributed on an annual basis to the Rhode Island Council on Problem Gambling.

SOUTH DAKOTA

In 2022, total statewide commercial casino gaming revenue fell by 2.2 percent to \$142.9 million, as a full year of revenue from sports betting could not offset declines in electronic gaming device and table game revenue at commercial casinos in Deadwood.

Market Overview

South Dakota offers commercial casino gaming at 21 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 can operate electronic gaming devices, table games and sports betting. They 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.

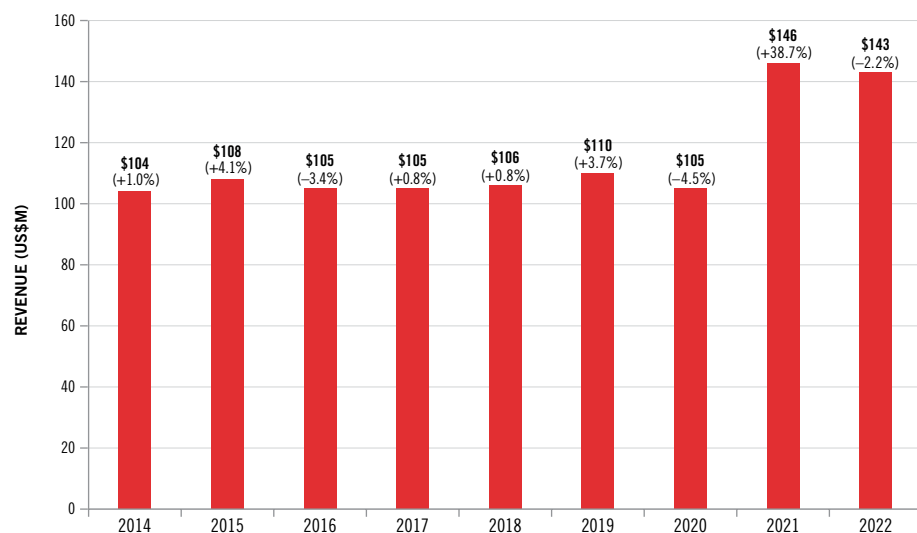
Market Performance

In 2022, total statewide commercial casino gaming revenue was \$142.9 million. While that was the state's second highest ever gaming revenue total, the figure was down 2.2 percent on the record haul reported in 2021.

Total revenue from electronic gaming devices was \$126.0 million, down 2.3 percent versus the previous year. Table game revenue was \$16.0 million, down 4.8 percent.

Reflecting a first full year of operations after South Dakota's first sportsbooks opened in September 2021, Deadwood casinos reported sports betting revenue of approximately \$871,500 in 2022, more than tripling the previous year's total.

SOUTH DAKOTA: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: South Dakota Commission on Gaming

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$142.9M

GAMING TAX REVENUE 2022

\$17.4M

CASINO FORMAT

Land-Based Casinos

NOTABLE FORMS OF GAMING

Sports Betting

REGULATORY AUTHORITY

South Dakota Commission on Gaming

NUMBER OF COMMERCIAL CASINOS

21



Gaming Tax Distribution

South Dakota applies a 9 percent tax on all commercial casino gaming revenue, including revenue sports betting. 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. The sportsbook operations of Deadwood casinos are also subject to a 0.25 percent federal excise tax applied to wagering handle.

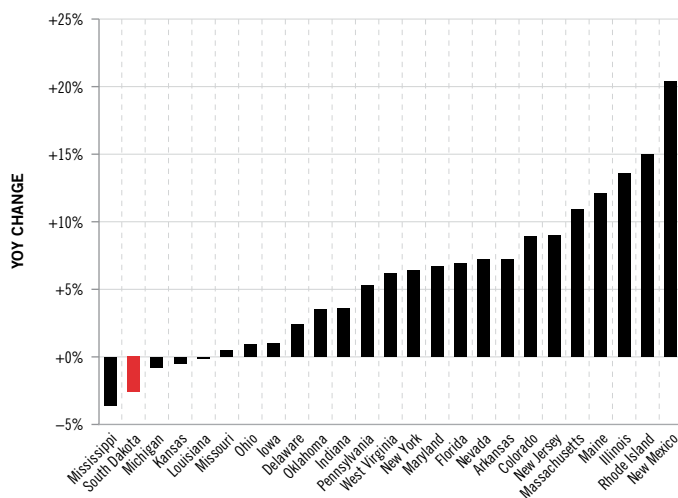
In 2022, commercial casinos in South Dakota generated total gaming tax revenue of approximately \$17.4 million, down 1.1 percent against the previous year.

Of the 9 percent of gaming revenue collected, 1 percent is distributed to South Dakota’s General Fund, and the remaining 8 percent is divided between the state’s Gaming Commission Fund, the South Dakota Department of Tourism and Lawrence County, where Deadwood is located.

The Gaming 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.

UNITED STATES: YOY COMMERCIAL CASINO GGR GROWTH BY STATE 2022

While Deadwood’s commercial casinos reported their second highest ever annual revenue total in 2022, South Dakota was one of only five states to report a year-over-year decline in overall casino gaming revenue.



SOURCE: State regulators

Competitive Landscape

With almost 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 wider South Dakota gaming market also includes 11 tribal casinos spread across the state, as well as a network of over 10,200 electronic gaming devices operated by the South Dakota Lottery at nearly 1,400 retail locations, such as bars and taverns.

Policy & Regulatory Review

Responsible Gaming

In June, the South Dakota Commission on Gaming approved a series of amendments to the state’s casino gaming regulations, including introducing several new requirements related to responsible gaming.

The new regulations required Deadwood’s commercial casino operators to offer a self-exclusion plan to enable at-risk patrons to prevent themselves from gambling. Casino operators were also obligated to provide all players with responsible gaming information, including details about self-exclusion and other available player protection measures, at the patron’s request.

Other regulatory changes approved by the commission addressed matters related to casino surveillance, integrity reporting and parlay sports betting.

Sports Betting

After enacting a law in 2021 to authorize sports wagering at Deadwood commercial casinos, South Dakota lawmakers considered further legislation in 2022 to expand the state’s nascent sports betting market.

In February, the state Senate narrowly passed a proposed constitutional amendment to authorize statewide mobile sports betting offered by platforms affiliated with licensed casinos and operating via servers located within Deadwood city limits.

The bill died, however, when House lawmakers declined to bring it up for a vote before the 2022 legislative session adjourned. Had the measure been passed by the full legislature, South Dakota voters would have been asked to approve the constitutional amendment via a statewide referendum.

TENNESSEE

In 2022, Tennessee reported total online sports betting revenue of \$379.4 million, an increase of 58.2 percent from the previous year.

Market Overview

Tennessee has no commercial casino venues but offers sports betting through online sportsbook operators subject to regulation 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 offer 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. At the end of 2022, 11 online sports betting platforms were available to consumers.

Market Performance

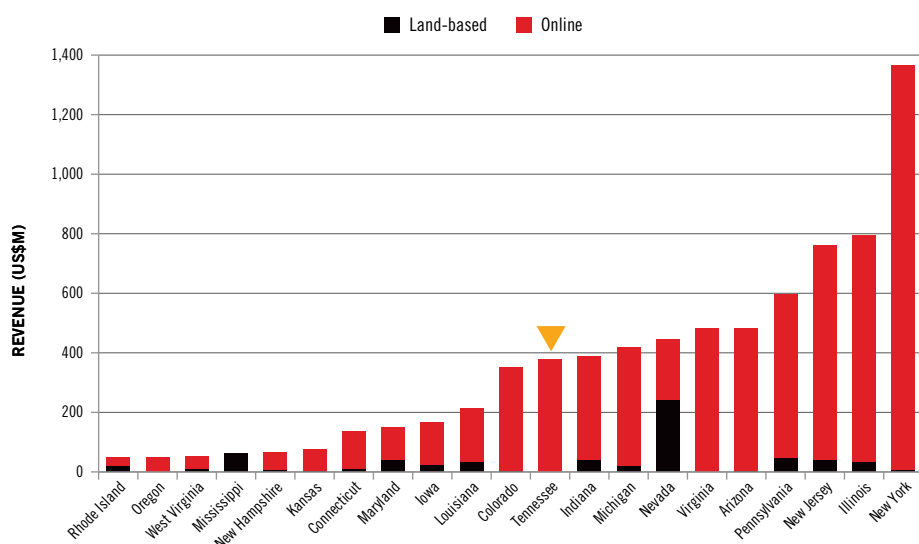
In 2022, total sports betting revenue in Tennessee was \$379.4 million, an increase of 58.2 percent on the previous year.

The total made Tennessee the tenth largest sports betting market in the U.S. in 2022, or the eight largest for mobile sports wagering.

Gaming Tax Distribution

Revenue from online sports betting in Tennessee is taxed at a rate of 20 percent. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

SELECTED STATES: COMMERCIAL SPORTSBOOK GGR 2022



SOURCE: State regulators

KEY STATE INFORMATION

GROSS SPORTS BETTING REVENUE 2022

\$379.4M

SPORT BETTING TAX REVENUE 2022

\$68.1M

CASINO FORMAT

N/A

NOTABLE FORMS OF GAMING

Sports Betting

REGULATORY AUTHORITY

Tennessee Sports Wagering Advisory Council

NUMBER OF COMMERCIAL CASINOS

0



Tennessee

In 2022, sports betting generated total state tax revenue of approximately \$68.1 million, up 73.2 percent from the previous year.

Of that amount, approximately \$54.4 million was distributed to the Tennessee Lottery's education fund used to support education programs across the state. Some \$10.2 million was allocated to local governments for infrastructure projects, with the remainder set aside for mental health and problem gambling services.

Competitive Landscape

Tennessee faces a degree of regional competition from sports betting operations available in neighboring states. Legal sports betting is available at one Arkansas commercial casino and at several Mississippi casinos in the Tunica/Lula market that attract patrons from the Greater Memphis area. Since March 2022, mobile sports betting is also available on a statewide basis in Arkansas.

Online sports betting is also offered in Virginia, where one land-based casino featuring a retail sportsbook is under development in the city of Bristol on the Tennessee border.

Policy & Regulatory Review

Sports Betting

In March, the Tennessee Sports Wagering Advisory Council voted to formally adopt its revised regulations applicable to online sports betting in the state.

The council was empowered by a 2021 state law to assume primary regulatory authority for sports wagering effective January 1, 2022, having initially served in a more advisory capacity to the board of the Tennessee Education Lottery.

The council's regulations were largely developed through a series of rulemaking hearings in late 2021 and rules were brought into effect on an emergency basis in December. The permanent rules approved after further hearings in March became fully effective in June.

The Sports Wagering Advisory Council's regulations included several notable differences from those originally implemented by the Tennessee Lottery in 2020. Among other changes, the new rules allow sports betting operators to cancel wagers placed in the case of an obvious error by the sportsbook and no longer require operators to submit advertising materials for advance approval prior to dissemination.

The regulations did, however, retain a 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 and therefore state tax revenue equivalent to a minimum of 2 percent of the amounts wagered. The council's rules instead included a provision allowing operators to "cure" a violation of the provision by making additional tax payments to the state if their hold percentage drops below 10 percent for a calendar year.

In another policy development, the Tennessee Sports Wagering Advisory Council in June notified operators of a change in how monthly taxes on sports betting revenue would be assessed. Specifically, the new guidance required operators to report winnings derived from a wider range of bonuses and promotions offered to players as part of their taxable gross revenue. The reporting change led to a notable increase in monthly state tax collections through the second half of the year.

VIRGINIA

The opening of the state's first land-based casino and strong growth in online sports betting saw Virginia report total commercial casino gaming revenue of \$563.2 million in 2022, up 97.0 percent versus the previous year.

Market Overview

Virginia offers commercial casino gaming at one land-based casino featuring electronic gaming devices and table games, as well as through more than a dozen licensed online sports betting platforms.

In 2020, the Virginia General Assembly approved legislation authorizing up to five casinos in specific cities across the state, subject to local voter approval. A temporary casino facility was opened in the city of Bristol in July 2022.

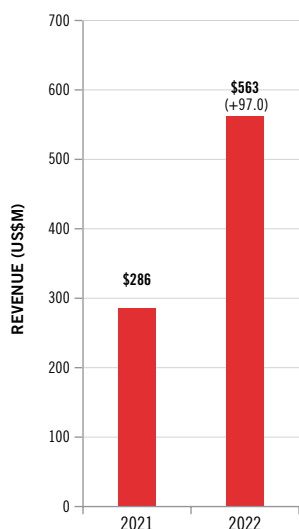
Also in 2020, Virginia legislators approved a separate law authorizing qualified sports betting operators to obtain permits to offer online sports wagering across the state. State law allows for up to 19 permits to be awarded, with seven of them reserved for the designated partners of Virginia's land-based casinos or certain professional sports teams but a further 12 available to other operators. Online sports betting went live in January 2021 and by the end of 2022, 14 online sportsbook platforms were operational in Virginia.

Both land-based casino gaming and mobile sports betting are subject to regulation by the Virginia Lottery Board.

Market Performance

In 2022, total statewide commercial casino gaming revenue amounted to \$563.2 million, almost double a 2021 total of \$285.9 million that was derived exclusively from mobile sports betting.

VIRGINIA: COMMERCIAL GAMING REVENUE 2021 to 2022



SOURCE: Virginia Lottery

Hard Rock International's Bristol Casino reported total casino gaming revenue of \$82.0 million in the five-and-a-half month period after its opening in July. Electronic gaming devices accounted for \$66.8 million—or approximately 81.5 percent—of that total. Table game revenue was \$15.2 million.

Meanwhile, Virginia's online sports betting operators reported total gross sports wagering revenue of \$481.2 million, up 68.3 percent from the prior year.

That revenue total saw Virginia surpass Nevada, Indiana and Michigan to become the sixth largest sports betting market in the country in 2022, behind only New York, Illinois, New Jersey, Pennsylvania and Arizona.

KEY STATE INFORMATION

GROSS GAMING REVENUE 2022

\$563.2M

GAMING TAX REVENUE 2022

\$66.5M

CASINO FORMAT

Land-Based Casinos

NOTABLE FORMS OF GAMING

Sports Betting

REGULATORY AUTHORITY

Virginia Lottery Board

NUMBER OF COMMERCIAL CASINOS

1



Gaming Tax Distribution

TABLE: VIRGINIA CASINO GAMING TAX

Gaming Revenue	Tax Rate Applied
\$0-\$200M	18 percent
\$200M-\$400M	23 percent
\$400M+	30 percent

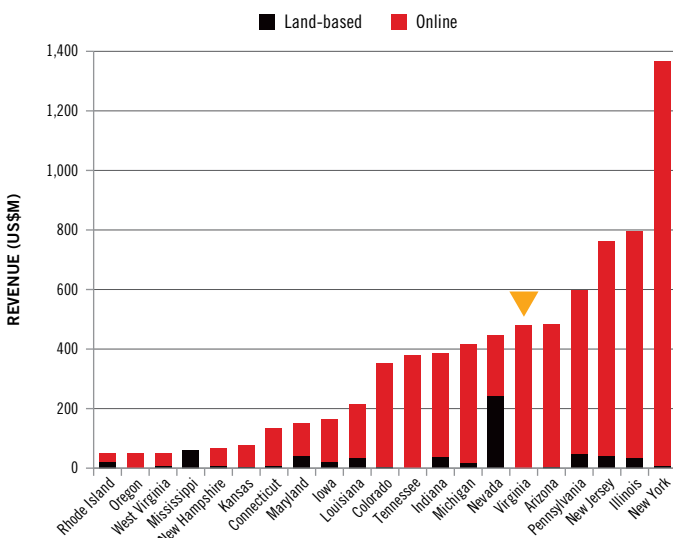
Virginia applies a graduated tax to land-based casino gaming operators revenue, ranging from 18 percent on revenue up to \$200 million, to 30 percent on revenue of more than \$400 million.

Revenue from online sports betting in Virginia is taxed at a headline rate of 15 percent, applied after limited 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 2022, Virginia generated total state gaming tax revenue of approximately \$66.5 million—more than three times the amount the state received in taxes in 2021. Land-based casino gaming accounted for \$14.8 million of the tax revenue total in 2022, while sports betting generated approximately \$51.8 million in taxes.

SELECTED STATES: COMMERCIAL SPORTSBOOK GGR 2022

After reporting total gross revenue approaching \$500 million in 2022, Virginia surpassed Nevada and several other states to become the sixth largest legal sports wagering market in the country in its first full year of operation.



SOURCE: State regulators

Under state law, tax revenue generated by land-based casino gaming is collected in Virginia’s Gaming Proceeds Fund and then redistributed to various beneficiaries. Between six and eight percent of casino revenue is returned to the casino’s host city, depending on the amount of revenue generated, with 0.8 percent of revenue appropriated for problem gambling treatment and support and a further 0.2 percent distributed to a state fund that supports those suffering from family violence and trauma. The remainder is applied to Virginia’s General Fund and appropriated by the state legislature.

The vast majority of sports betting tax revenue is allocated to Virginia’s General Fund, with 2.5 percent of total revenue set aside for the state’s Problem Gambling Treatment and Support Fund.

Competitive Landscape

After the opening of the state’s first temporary casino facility in 2022, Virginia’s land-based casino gaming market is set to be transformed in future years as its casino-resort industry is built out.

In addition to a Hard Rock-branded permanent casino-resort in Bristol, casino projects in the cities of Danville, Norfolk and Portsmouth are all due to open, though each remained in varying stages of the licensing and development process at the end of 2022.

Rivers Casino Portsmouth was poised to open the state’s first full casino-resort in early 2023, having been granted a gaming license by the Virginia Lottery Board in November. A fifth land-based casino in the state capital of Richmond is also authorized under state law, although that project would require local voter approval via a citywide referendum.

Once fully operational, Virginia’s land-based casinos will be eligible to operate retail sportsbooks, in addition to electronic gaming devices and table games.

In terms of sports betting, Virginia’s online sportsbook platforms face extra competition for customers in the populous greater Washington D.C. region following the launch of mobile sports wagering in neighboring Maryland in November 2022. Virginia operators also compete with retail sportsbooks at Maryland land-based casinos and other venues. Further regional competition comes from retail and limited mobile sports betting available at the District of Columbia’s major sports arenas, as well as from the DC Lottery’s sports betting program.

In addition to land-based casinos and 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. The Virginia Lottery also offers a range of online lottery games.

Policy & Regulatory Review

Sports Betting

In June, Gov. Glenn Youngkin (R) signed a state budget law that included changes to the tax regime applicable to online sports betting operators in Virginia.

Under the state's original legislation from 2020, operators were permitted to deduct an unlimited amount of bonuses, free bets and other promotions from their monthly taxable revenue. The 2022 budget amended the sports betting law to enable operators to deduct bonuses and promotions only during their first 12 months of operations in the state, with revenue won as a result of free bets awarded to patrons fully taxable after that point.

Expansion

Another provision in the state budget law required the city of Richmond to wait until at least November 2023 before holding a second local referendum on casino expansion.

Richmond residents narrowly rejected an initial casino referendum held in November 2021. The state budget law specified that the Virginia Lottery Board could not award a casino license for any Richmond project approved before 2023.

The budget also authorized an independent study on the feasibility of nearby Petersburg as an alternative location to

Richmond for Virginia's fifth and final land-based casino. An October 2022 report produced for Virginia's Joint Legislative Audit & Review Commission found that local demand was sufficient for two casinos in Richmond and Petersburg to co-exist, although allowing a Petersburg casino would cannibalize revenue from other Virginia casino-resorts and from historical horse racing operations.

Illegal Gaming

Virginia lawmakers took several actions in 2022 to tackle illegal gaming operations in the state.

Language included in the state's annual budget law signed in June tightened a prior prohibition on so-called skill game devices that was enacted in 2021, by specifying that the ban would apply to devices paying out cash equivalents as prizes, or to devices allowing players to win free games by paying more money.

Enforcement of Virginia's initial 2021 ban on unregulated gaming devices remained on hold at the end of 2022, as a result of a court challenge filed by the owner of a chain of convenience stores that host the devices.

In April, Gov. Youngkin also signed separate bills to impose a civil penalty of \$25,000 on persons facilitating the operation of illegal gaming devices in Virginia, and to establish a gaming enforcement coordinator within the state police department.

WEST VIRGINIA

In 2022, total statewide commercial casino gaming revenue was \$756.3 million, up 13.2 percent, as West Virginia operators reported growth in both traditional and online casino revenue but a decline in revenue from land-based sports betting.

Market Overview

West Virginia offers commercial casino gaming at four racinos and one land-based casino. Each of the five land-based venues operates electronic gaming devices, table games and sports betting under the authority of the West Virginia Lottery Commission.

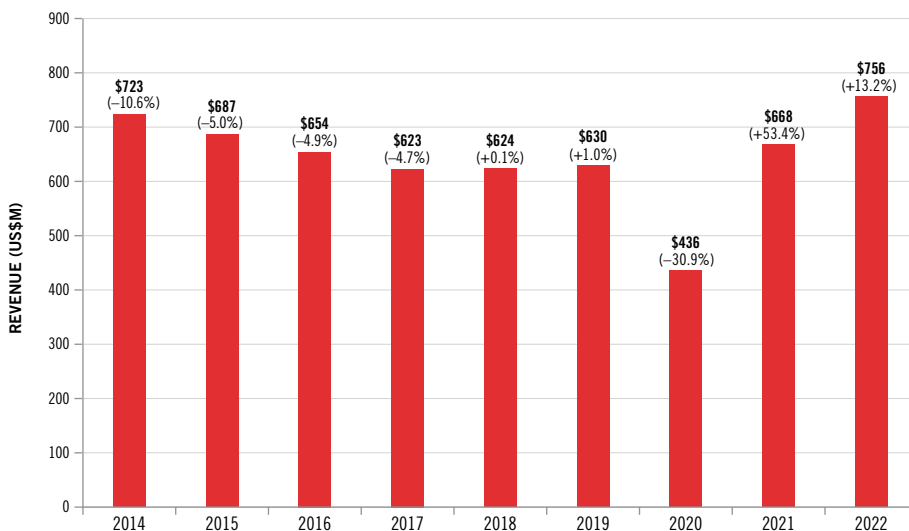
The state authorized commercial casino gaming in 1994 when the West Virginia legislature endorsed the operation of electronic gaming devices at licensed racetracks, subject to local approval. Legislation allowing racinos to add table games was approved in 2007. In 2008, voters approved casino gaming at The Greenbrier historic hotel and legislators authorized table games at the property the following year.

Anticipating a favorable 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 iGaming through online casino platforms partnering with the state's casinos and racinos. At the close of 2022, a total of nine online sportsbooks and seven internet casinos were operational.

Market Performance

In 2022, total statewide commercial casino gaming revenue was \$756.3 million, up 13.2 percent on the prior year. The total was West Virginia's highest since 2013 and reflected strong growth in the state's iGaming market in particular.

WEST VIRGINIA: COMMERCIAL GAMING REVENUE 2014 to 2022



SOURCE: West Virginia Lottery

KEY STATE INFORMATION

GROSS CASINO GAMING REVENUE 2022

\$756.3M

GAMING TAX REVENUE 2022

\$299.0M

CASINO FORMAT

Land-based Casinos;
Racinos

NOTABLE FORMS OF GAMING

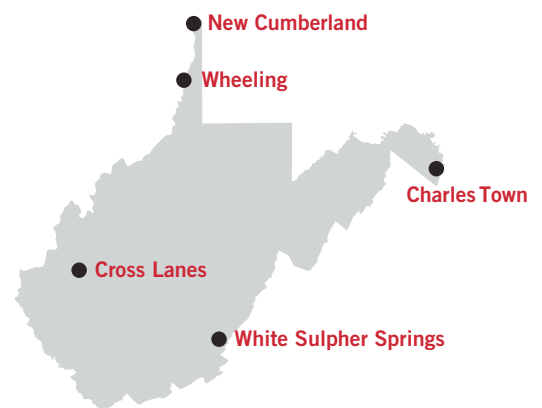
Sports Betting;
Internet Gaming

REGULATORY AUTHORITY

West Virginia Lottery
Commission

NUMBER OF COMMERCIAL CASINOS

5



West Virginia

Total revenue from iGaming was \$112.6 million, up 84.9 percent versus 2021. Revenue from traditional electronic gaming devices in casinos was \$485.7 million, up 5.9 percent on the prior year, while total table game revenue was \$107.2 million, up 4.3 percent.

Total sports betting revenue amounted to \$50.9 million in 2022, an increase of 11.2 percent. Online sports betting accounted for an estimated \$41.6 million—or roughly 81.8 percent—of total revenue, as land-based sports wagering revenue fell by approximately 45 percent to an estimated \$9.2 million, in part due to increased cross-border competition from newly launched sportsbooks at land-based casinos in neighboring Maryland.

Gaming Tax Distribution

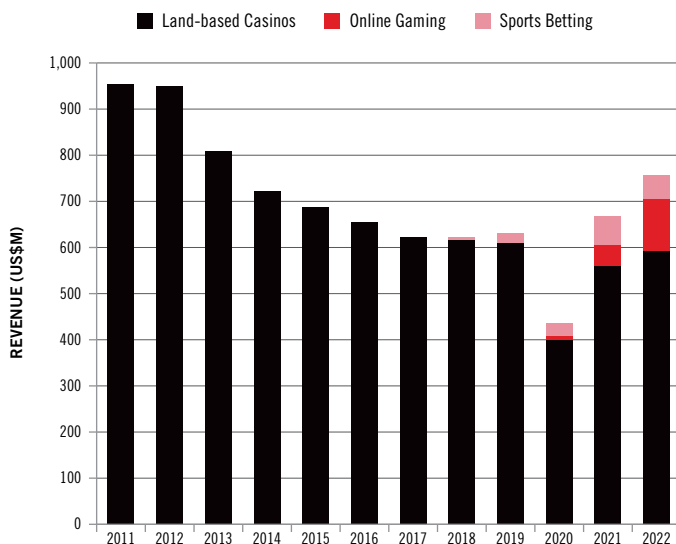
Revenue from electronic gaming devices at West Virginia's five casino properties is subject to an effective tax rate of 53.5 percent, while table games are taxed at 35 percent.

The tax rate for iGaming is 15 percent, with sports betting subject to a state tax of 10 percent of revenue. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2022, West Virginia's commercial casinos and affiliated online sports betting and iGaming platforms generated total

WEST VIRGINIA: COMMERCIAL GAMING REVENUE BY SOURCE 2011 to 2022

Internet gaming and sports wagering accounted for more than 20 percent of total statewide commercial casino gaming revenue in West Virginia in 2022 and helped the market to reach its highest overall revenue total since the expansion of neighboring Maryland's casino gaming market in 2013.



SOURCE: West Virginia Lottery

gaming tax revenue of approximately \$299.0 million, an increase of 9.8 percent from the prior year.

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 taxes are used 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. Up to five 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 compete with a network of up to 9,000 limited-stakes electronic gaming devices (VLTs) situated at retail establishments, such as bars and taverns.

Policy & Regulatory Review

Sports Betting

In March, a bill to expressly authorize wagering on esports events took effect after Gov. Jim Justice (R) allowed it to become law without his signature.

The bill added esports events to the state's statutory definition of a sporting event eligible for sports wagering, ensuring that esports betting could be legally offered by West Virginia sportsbooks. Certain sports betting operators had already received permission to offer wagers on esports events prior to the legal change, but such approvals were subject to the discretion of the West Virginia Lottery's director.

West Virginia

Iowa and Pennsylvania also considered bills to expressly authorize betting on esports events in 2022, but neither state saw its legislation become law.

Expansion

In March, the West Virginia Senate again passed a bill to authorize West Virginia's racinos to establish a secondary

casino location within the same county as their primary facility, subject to local voter approval.

Among other conditions, racinos would be required to maintain the same gaming offerings and other amenities at their primary casino gaming location.

The bill was not taken up in the West Virginia House before lawmakers adjourned the 2022 legislative session.

WYOMING

Wyoming reported total sports betting revenue of \$14.8 million in 2022, the first full year for the state's mobile sports wagering market.

Market Overview

Wyoming has no commercial casino venues but offers mobile sports betting through four commercial sportsbook operators subject to regulation by the Wyoming Gaming Commission. Sports betting is also available at tribal casinos.

An April 2021 law authorized Wyoming's gaming and racing regulator 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 2021.

Market Performance

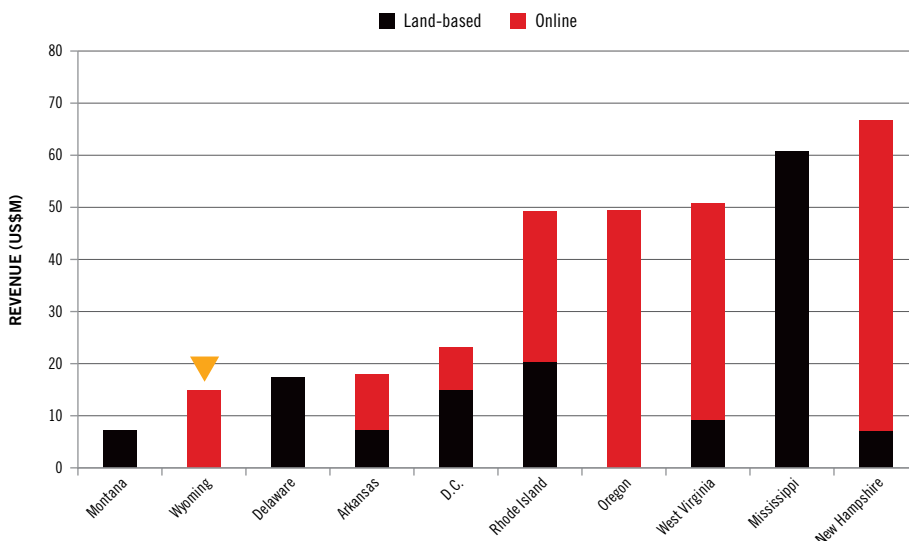
In 2022, total online sports betting revenue in Wyoming was \$14.8 million, more than triple the prior year total of \$4.0 million.

The significantly higher revenue figure reflected the fact it was the first full year of legal mobile sports betting in the state, with 2021's total reflective of fewer than four months of operations. In addition, the number of active operators in the Wyoming market doubled from two to four, following the launch of FanDuel in the state in March 2022 and Caesars Sportsbook in August.

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

SELECTED STATES: REGULATED SPOTRSBOOK GGR 2022



SOURCE: State regulators

KEY STATE INFORMATION

GROSS SPORTS BETTING REVENUE 2022

\$14.8M

SPORT BETTING TAX REVENUE 2022

\$843K

CASINO FORMAT

N/A

NOTABLE FORMS OF GAMING

Sports Betting

REGULATORY AUTHORITY

Wyoming Gaming Commission

NUMBER OF COMMERCIAL CASINOS

0

Wyoming

applied to wagering handle. Federal excise payments are also deductible from revenue subject to the state's sports betting tax.

In 2022, online sports betting generated total state tax revenue of approximately \$843,000, versus around \$112,000 in 2021.

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 payments are deposited into the state's General Fund.

Competitive Landscape

Although sports betting is legal in several states that border Wyoming, including South Dakota and Nebraska, online sports betting is currently only available in southern neighbor Colorado.

Wyoming's online sports betting platforms face in-state competition from sportsbooks that can be offered by the state's three tribal casinos. Two additional sports betting platforms were also licensed by the Wyoming Gaming Commission in 2022, but had yet to launch operations before the end of the year.

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

Illegal Gaming

In December, the Wyoming Gaming Commission voted to adopt formal regulations applicable to skill-based electronic gaming devices in licensed bars and other establishments.

The rules were developed by the commission pursuant to a 2021 state law that permanently authorized up to four such devices in eligible facilities, subject to certain restrictions including a maximum bet limit of \$3 and maximum prize payout of \$3,000. The Wyoming Gaming Commission's regulations established more specific rules for the operation of so-called skill-based amusement games, including game standards, audit requirements, responsible gaming provisions and potential disciplinary actions for regulatory violations.

The regulations were approved by commissioners following a public consultation on a draft version of the rules that was published in October.

Alongside Wyoming, the District of Columbia has also established a regulatory regime for skill game devices that purport to avoid state gambling prohibitions because their outcomes depend, to varying degrees, on player skill. In contrast, Virginia has enacted a series of bills, including one measure in 2022, to expressly prohibit skill game devices. Similar legislation was also considered in 2022 in Kentucky, Missouri and Pennsylvania.

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	Arizona Department of Gaming gaming.az.gov	
Arkansas	Arkansas Racing Commission dfa.arkansas.gov/racing-commission	
Colorado	Colorado Division of Gaming sbg.colorado.gov/gaming/limited-gaming Colorado Limited Gaming Control Commission sbg.colorado.gov/limited-gaming-control-commission	Colorado Gaming Association coloradogaming.com
Connecticut	Connecticut Department of Consumer Protection, Gaming Division portal.ct.gov/DCP/Gaming-Division/	
Delaware	Delaware Lottery delottery.com Delaware Division of Gaming Enforcement dge.delaware.gov	
District of Columbia	DC Office of Lottery and Gaming dclottery.com	
Florida	Florida Gaming Control Commission flgaming.gov	
Illinois	Illinois Gaming Board igb.illinois.gov	Illinois Casino Gaming Association illinoiscasinogaming.org
Indiana	Indiana Gaming Commission in.gov/igc	Casino Association of Indiana casinoassociation.org
Iowa	Iowa Racing and Gaming Commission irgc.iowa.gov	Iowa Gaming Association iowagaming.org
Kansas	Kansas Racing and Gaming Commission krgc.ks.gov Kansas Lottery kslottery.com	
Louisiana	Louisiana Gaming Control Board lgcb.dps.louisiana.gov Louisiana State Police, Gaming Enforcement Division lsp.org/gaming	Louisiana Casino Association casinosofla.com
Maine	Maine Gambling Control Unit maine.gov/dps/gamb-control	
Maryland	Maryland Lottery and Gaming Control Commission; Maryland Lottery and Gaming Control Agency mdgaming.com	
Massachusetts	Massachusetts Gaming Commission massgaming.com	
Michigan	Michigan Gaming Control Board michigan.gov/mgcb	Michigan Gaming michigangaming.com

State Regulatory & Industry Contacts

STATE	STATE REGULATORY AUTHORITY	STATE GAMING ASSOCIATION
Mississippi	Mississippi Gaming Commission msgamingcommission.com	Mississippi Gaming and Hospitality Association msgaming.org
Missouri	Missouri Gaming Commission mgc.dps.mo.gov	Missouri Gaming Association missouricasinos.org
Montana	Montana Lottery montanalottery.com	
Nebraska	Nebraska Racing and Gaming Commission racingcommission.nebraska.gov	
Nevada	Nevada Gaming Commission; Nevada Gaming Control Board gaming.nv.gov	Nevada Resort Association nevadaresorts.org
New Hampshire	New Hampshire Lottery nhlottery.com	
New Jersey	New Jersey Division of Gaming Enforcement njoag.gov/about/divisions-and-offices/division-of-gaming-enforcement-home New Jersey Casino Control Commission nj.gov/casinos	Casino Association of New Jersey casinosnj.org
New Mexico	New Mexico Gaming Control Board gcb.nm.gov	
New York	New York State Gaming Commission gaming.ny.gov	New York Gaming Association newyorkgaming.org
Ohio	Ohio Casino Control Commission casinocontrol.ohio.gov Ohio Lottery ohiolottery.com	
Oklahoma	Oklahoma Horse Racing Commission ohrc.ok.gov	
Oregon	Oregon Lottery oregonlottery.org	
Pennsylvania	Pennsylvania Gaming Control Board gamingcontrolboard.pa.gov	
Rhode Island	Rhode Island Lottery rilot.com	
South Dakota	South Dakota Commission on Gaming dor.sd.gov/businesses/gaming	Deadwood Gaming Association deadwood.com/deadwood-gaming-association
Tennessee	Tennessee Sports Wagering Advisory Council tn.gov/swac.html	
Virginia	Virginia Lottery valottery.com	
West Virginia	West Virginia Lottery wvlottery.com	
Wyoming	Wyoming Gaming Commission gaming.wyo.gov	

