



State of the States 2024

THE AGA ANALYSIS OF THE COMMERCIAL CASINO INDUSTRY



A Message from the American Gaming Association

May 2024

Dear Gaming Industry Colleague,

I am pleased to present *State of the States 2024: The AGA Survey of the Commercial Casino Industry*, the American Gaming Association's (AGA) flagship research report on U.S. commercial gaming in 2023.

Last year was another outstanding year for commercial gaming, with record-breaking achievements that highlighted our industry's resilience and growth. Propelled by an expanding U.S. gaming landscape, the commercial casino sector enjoyed a third consecutive record year with gaming revenue accelerating by 10.3 percent to nearly \$66.7 billion.

When tribal gaming's performance is factored in, the U.S. gaming industry likely generated close to \$110 billion in gaming revenue in 2023, a remarkable 40 percent higher than 2019.

Beyond the growing demand for our products, whether in-person or online, our industry has never had a bigger impact on the broader economic well-being of the communities where we operate. [New research](#) conducted by the AGA shows that gaming supports \$329 billion in economic activity, 1.8 million jobs, and \$53 billion in annual tax revenue each year. In terms of direct employment, gaming is responsible for more jobs than the postal service and film and video industries.

Our industry celebrated an important milestone in 2023—the fifth anniversary of the Supreme Court's decision to invalidate PASPA. By the end of the year, legal [sports betting availability](#) had expanded to nearly 163 million adults across 37 states and the District of Columbia, generating more than \$11 billion in gaming revenue.

While revenue growth and market expansion are always important, the AGA's focus extends far beyond the bottom line. We remained focused in 2023 on earning and keeping the trust of our guests, regulators and the public as our industry ventures into new markets and introduces itself to new audiences:

- The AGA strengthened its [Responsible Marketing Code for Sports Wagering](#) and launched a new effort to elevate responsible gambling and unify our members and the broader industry to ensure our approach keeps pace with dynamic industry change.
- We worked closely with regulators to [crack down](#) on unregulated "skill" machines and sportsbook operations in eight states.

- Here in Washington, D.C., we [successfully advocated](#) for legislative measures directing the U.S. Department of Justice to address all forms of illegal and unregulated gambling. We also worked with the IRS Advisory Council to advance our efforts to raise the slot tax reporting threshold, a crucial step in streamlining industry processes.
- Finally, the AGA continued to serve as the convener of the worldwide gaming industry at [Global Gaming Expo](#). We brought G2E Asia to Macau and Singapore while G2E Las Vegas saw 25,000 gaming professionals gather to learn, network and advance their businesses on the show floor, where exhibitors showcased the latest innovations and technologies.

2023 marked my fifth year as AGA President and Chief Executive Officer. Between COVID, the proliferation of sports betting, the growth of iGaming, and a host of technological changes, our industry — and the challenges it faces — are dramatically different from when I started. Whether it's on Capitol Hill, in a state house, or making the case to local communities, I look forward to working with you all again this year to meet these challenges head-on and to continue to fight for an environment where legal gaming can thrive.

With detailed information on the U.S. gaming market and financial performance data for every commercial gaming state, *State of the States 2024* is the definitive guide to the commercial casino industry. I extend my gratitude to our report partners at Vixio Regulatory Intelligence for their invaluable contributions.

I trust you will find *State of the States 2024* to be an indispensable resource, and I thank you for your ongoing partnership and collaboration.

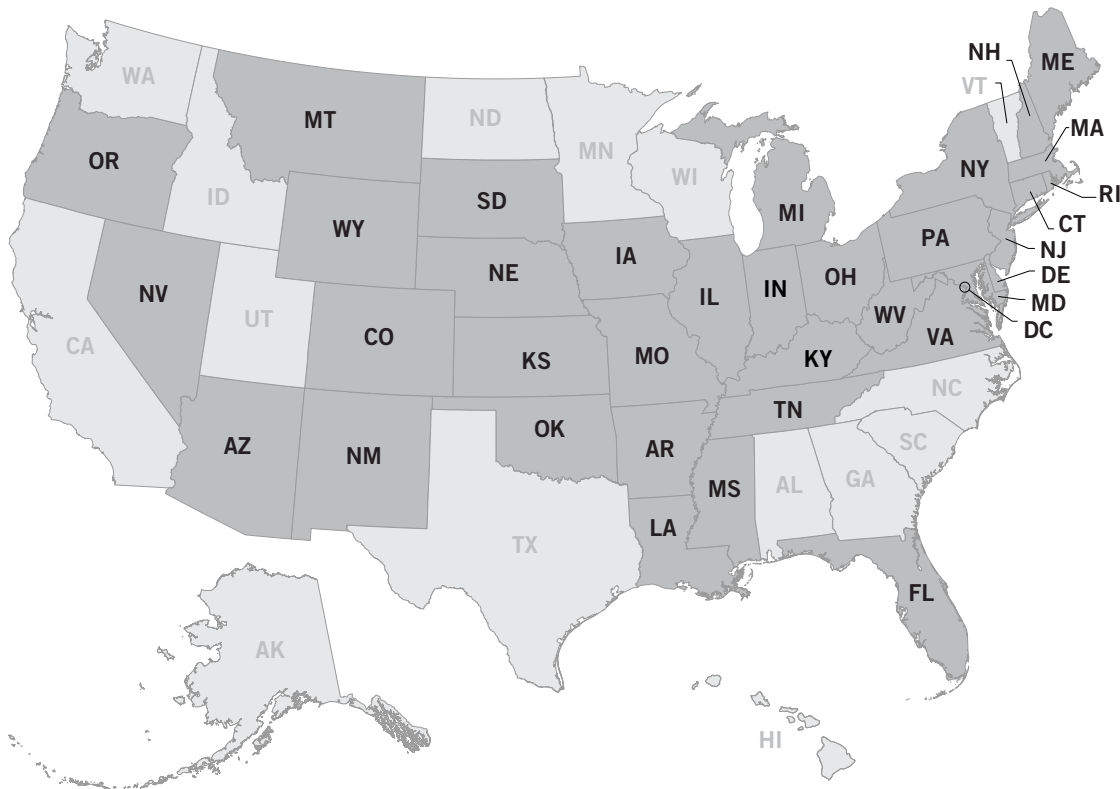
Sincerely,



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

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ABOUT THIS REPORT

This report provides a comprehensive, annual overview of the commercial casino gaming industry in each of the 36 jurisdictions with legal commercial casino gaming or sports betting as of December 31, 2023.

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 2023. 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, sports betting and iGaming 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, and racetrack casinos (racinos). 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 sports betting revenue earned by tribal gaming operators operating under a tribal-state gaming compact in accordance with the 1988 Indian Gaming Regulatory Act. State-specific sports betting totals also include sports betting revenue derived from a handful of non-casino locations, such as racetracks, off-track betting outlets and standalone sportsbook locations, in Arizona, Connecticut, Delaware, Illinois, Indiana, Kentucky, Maryland, Montana, Nevada, New Hampshire, New Jersey, Ohio, Pennsylvania and Washington D.C. 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.

Sports betting handle and revenue information is reported differently across states. 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 2023 on future events, such as the 2024 Super Bowl or World Series winner, for example, are included in 2023 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.

All references to "gaming revenue" are used as a substitute for more specific financial terms—including "casino win," "adjusted gross receipts," "gross gaming revenue" and others—as reported by state regulatory agencies. In general, total gaming revenue reflects the "gross revenue" reported by casinos, iGaming operators or sportsbooks prior to allowable deductions to account for promotional spending or free-bet promotions extended to players. Gaming regulatory agencies in each state report monthly and annual revenue differently according to varying regulated gaming products and readers should consult those agencies' websites for further information.

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 monies won from patrons. They do not include various other state, local, and federal taxes that apply to casinos

About This Report

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.

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.

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 \(AGA\)](https://www.americangaming.org) 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 \$329 billion industry and support 1.8 million jobs across the country.

www.americangaming.org

About VIXIO Regulatory Intelligence

Vixio is a Regulatory Technology (RegTech) platform created to remove the risk of non-compliance in the gambling and payments industries and is the leading provider of independent legal, regulatory and business intelligence to the global gaming industry. The Vixio GamblingCompliance product offers a suite of dynamic interactive tools to allow industry stakeholders to instantly analyse and compare regulatory compliance requirements and market data across more than 180 global jurisdictions.

www.vixio.com/gamblingcompliance



State of the States 2024

THE AGA ANALYSIS OF THE COMMERCIAL CASINO INDUSTRY

EXECUTIVE SUMMARY



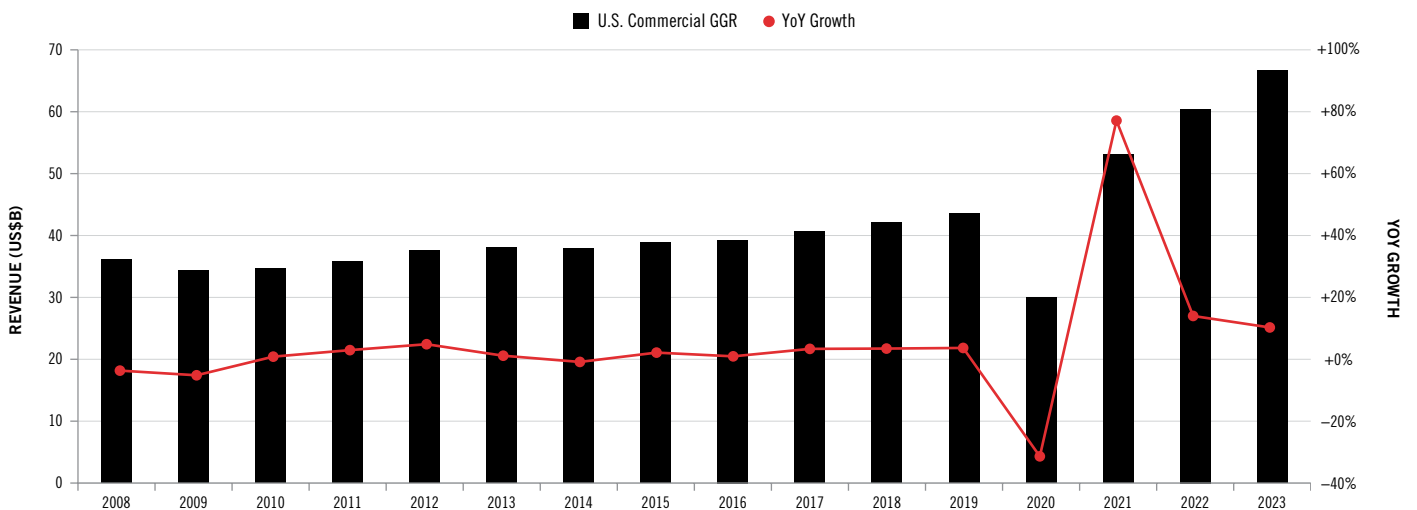
STATE OF THE INDUSTRY

The U.S. commercial casino gaming industry generated record-breaking revenue for a third consecutive year in 2023 amid strong growth in traditional casino games offered at land-based casino-resorts as well as through iGaming and mobile sports betting platforms.

Annual U.S. Commercial Gaming Revenue 2008–2023

In 2023, total nationwide consumer spending on commercial casino gaming and sports betting increased by 10.3 percent to \$66.66 billion, the third consecutive year of record revenue for the sector. With the exception of pandemic-impacted 2020, annual commercial gaming revenue has increased in eight of the past nine years.

The record-setting total defied broader macroeconomic concerns related to stubborn inflation and high interest rates, as consumers displayed strong demand for both traditional casino games offered at the 486 commercial casinos across the country as well as newer iGaming and sports betting offerings.



SOURCE: State Gaming Regulatory Agencies

State of the Industry

COMMERCIAL CASINO GAMING CONSUMER SPEND BY STATE 2022 vs. 2023

All but four of the 36 jurisdictions with commercial casino or sports betting operations in 2023 reported an increase in gaming revenue compared with the prior year, with only the District of Columbia, Florida, Indiana and Mississippi experiencing revenue decline. All-time record annual commercial gaming revenue was reported by 30 of the 36 jurisdictions.

The country's largest commercial gaming market, Nevada, saw annual revenue surpass \$15 billion for the first time, while strong growth in iGaming and sports betting revenue meant New Jersey was also able to post a new record annual total for the first time since 2006. 2023 brought one new state, Kentucky, into the fold of commercial gaming states following the launch of regulated sports betting operations governed by a new state law enacted in March.

	2022	2023	YoY Change
Arizona	\$482,932,555	\$557,416,315	15.4%
Arkansas	\$614,115,249	\$686,572,224	11.8%
Colorado	\$1,411,926,060	\$1,480,228,875	4.8%
Connecticut	\$416,196,889	\$579,858,745	39.3%
Delaware	\$491,805,855	\$507,020,830	3.1%
District of Columbia	\$23,210,844	\$19,048,157	-17.9%
Florida	\$693,967,324	\$690,883,826	-0.4%
Illinois	\$2,143,654,190	\$2,523,818,362	17.7%
Indiana	\$2,890,358,949	\$2,822,519,112	-2.3%
Iowa	\$1,930,787,524	\$1,946,076,950	0.8%
Kansas	\$478,095,996	\$588,285,478	23.0%
Kentucky		\$112,118,424	N/A
Louisiana	\$2,594,250,452	\$2,696,829,296	4.0%
Maine	\$165,083,231	\$175,082,543	6.1%
Maryland	\$2,200,617,997	\$2,496,771,889	13.5%
Massachusetts	\$1,131,925,432	\$1,667,656,855	47.3%
Michigan	\$3,258,076,335	\$3,581,089,818	9.9%
Mississippi	\$2,574,055,232	\$2,482,769,458	-3.5%
Missouri	\$1,905,434,292	\$1,920,936,978	0.8%
Montana	\$7,172,688	\$8,451,542	17.8%
Nebraska	\$14,032,797	\$89,069,298	534.7%
Nevada	\$14,843,091,245	\$15,522,524,107	4.6%
New Hampshire	\$66,714,384	\$80,288,654	20.3%
New Jersey	\$5,211,274,455	\$5,778,250,088	10.9%
New Mexico	\$262,037,277	\$270,889,576	3.4%
New York	\$4,228,451,327	\$4,719,891,057	11.6%
Ohio	\$2,332,796,678	\$3,319,385,151	42.3%
Oklahoma	\$150,865,061	\$151,425,332	0.4%
Oregon	\$42,022,598	\$64,321,325	53.1%
Pennsylvania	\$5,343,083,195	\$5,864,188,609	9.8%
Rhode Island	\$688,203,478	\$707,517,058	2.8%
South Dakota	\$142,887,032	\$147,641,202	3.3%
Tennessee	\$379,409,891	\$458,381,426	20.8%
Virginia	\$563,209,198	\$1,115,075,043	98.0%
West Virginia	\$756,321,274	\$805,854,810	6.5%
Wyoming	\$14,787,230	\$17,293,649	16.9%
United States	\$60,452,854,214	\$66,655,432,063	10.3%

SOURCE: State Gaming Regulatory Agencies

COMMERCIAL CASINO DIRECT GAMING TAX REVENUE BY STATE 2022 vs. 2023

The strong growth in gaming revenue translated into a record \$14.67 billion in direct gaming tax revenue paid to state and local governments by commercial gaming operations. The tax total represented an increase of 9.7 percent from 2022. Notably, the \$14.67 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 operations.

	2022	2023	YoY Change
Arizona	\$28,914,695	\$34,818,538	20.4%
Arkansas	\$88,610,186	\$104,582,478	18.0%
Colorado	\$187,666,478	\$200,205,456	6.7%
Connecticut	\$55,104,038	\$79,739,285	44.7%
Delaware	\$225,083,074	\$235,401,538	4.6%
District of Columbia	\$5,605,145	\$4,876,035	-13.0%
Florida	\$242,888,569	\$241,809,342	-0.4%
Illinois	\$495,221,386	\$570,860,677	15.3%
Indiana	\$688,310,140	\$669,315,272	-2.8%
Iowa	\$393,176,565	\$384,924,372	-2.1%
Kansas	\$110,521,956	\$128,864,862	16.6%
Kentucky		\$15,557,655	N/A
Louisiana	\$601,238,865	\$603,281,108	0.3%
Maine	\$68,231,365	\$70,094,714	2.7%
Maryland	\$854,730,061	\$883,032,959	3.3%
Massachusetts	\$317,316,526	\$427,420,923	34.7%
Michigan	\$733,967,875	\$821,258,731	11.9%
Mississippi	\$303,001,292	\$294,259,538	-2.9%
Missouri	\$458,001,098	\$461,296,207	0.7%
Montana	\$2,754,421	\$3,766,449	36.7%
Nebraska	\$2,806,559	\$17,813,860	534.7%
Nevada	\$1,151,482,039	\$1,209,328,406	5.0%
New Hampshire	\$30,969,398	\$35,572,290	14.9%
New Jersey	\$612,350,774	\$691,826,394	13.0%
New Mexico	\$121,192,242	\$122,883,234	1.4%
New York	\$1,832,646,771	\$2,067,321,327	12.8%
Ohio	\$780,963,671	\$929,873,554	19.1%
Oklahoma	\$68,651,961	\$68,872,664	0.3%
Oregon	\$19,501,847	\$30,059,361	54.1%
Pennsylvania	\$2,097,789,108	\$2,319,812,341	10.6%
Rhode Island	\$346,934,115	\$357,337,903	3.0%
South Dakota	\$12,109,560	\$12,565,954	3.8%
Tennessee	\$68,052,961	\$83,557,513	22.8%
Virginia	\$66,521,292	\$173,622,084	161.0%
West Virginia	\$298,981,597	\$310,955,489	4.0%
Wyoming	\$843,171	\$1,062,679	26.0%
United States	\$13,372,140,800	\$14,667,831,193	9.7%

SOURCE: State Gaming Regulatory Agencies

Top 20 US Commercial Casino Markets

In 2023, 12 of the top 20 commercial casino gaming markets reported revenue growth compared to the previous year, with the top market—the Las Vegas Strip—seeing the strongest year-over-year gains. Atlantic City maintained its spot as the second-highest grossing market, while the opening of a new casino in downtown Chicago saw the Chicagoland market—served by various casinos located in both Illinois and northern Indiana—surpass Baltimore-Washington D.C. as the third-largest market for land-based casino gaming in 2023. The Mississippi Gulf Coast remained the fifth-largest market, ahead of New York City and Philadelphia.

In 2023, Resorts World New York City casino in Queens regained its status as the most lucrative commercial casino-resort outside of Nevada, surpassing the MGM National Harbor casino-resort in Maryland by total annual casino gaming revenue. Encore Boston Harbor in Massachusetts was the third-highest grossing commercial casino by gaming revenue in 2023, followed by Borgata Hotel Casino & Spa in Atlantic City and Empire City Casino in Yonkers, just north of New York City.

	Market	Casino Locations	2023 Revenue	Last Ranking
1	Las Vegas Strip	Nevada	\$8.83B	1 –
2	Atlantic City	New Jersey	\$2.86B	2 –
3	Chicagoland	Illinois/Indiana	\$2.19B	4 ↑
4	Baltimore-Washington DC	Maryland/West Virginia	\$2.08B	3 ↓
5	Gulf Coast	Mississippi	\$1.59B	5 –
6	Queens/Yonkers	New York	\$1.54B	6 –
7	Philadelphia	Pennsylvania	\$1.37B	7 –
8	Detroit	Michigan	\$1.24B	8 –
9	St. Louis	Missouri/Illinois	\$1.08B	9 –
10	Boulder Strip	Nevada	\$965M	10 –
11	The Poconos	Pennsylvania	\$933M	12 ↑
12	Black Hawk/Central City	Colorado	\$923M	14 ↑
13	Reno/Sparks	Nevada	\$911M	13 –
14	Lake Charles	Louisiana	\$901M	15 ↑
15	Memphis	Mississippi, Arkansas	\$889M	14 ↓
16	Kansas City	Missouri, Kansas	\$836M	16 –
17	Downtown Las Vegas	Nevada	\$811M	17 –
18	Cleveland	Ohio	\$768M	18 –
19	Boston	Massachusetts	\$760M	19 –
20	Miami	Florida	\$691M	20 –

Economic Impact and Engagement Trends



\$329B
Business Sales



1.8M
Jobs



\$104B
Wages and Salaries

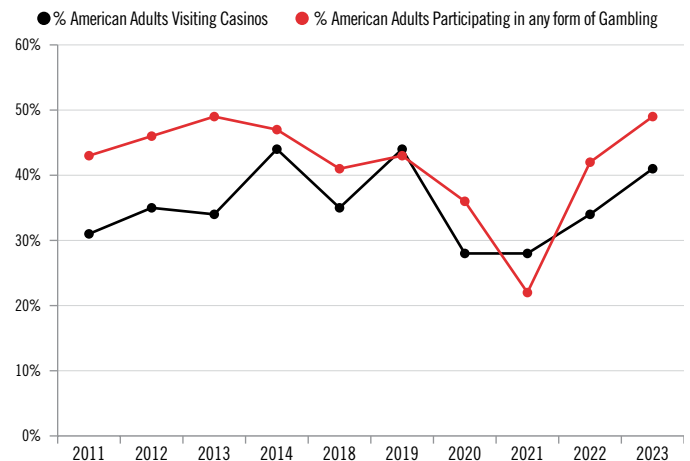


\$53B
Tax Revenue

Alongside increasing gaming revenue, the gaming industry's impact on communities and local economies continues to grow.

According to a new AGA study released in 2023, commercial and tribal gaming contributes \$328.6 billion to the U.S. economy annually and generates \$52.7 billion in tax revenue for federal, state, and local governments. Additionally, America's gaming industry supports 1.8 million jobs, including 700,000 direct employees who represent more than one in 33 leisure and hospitality jobs.

CASINO VISITATION AND GAMBLING PARTICIPATION



SOURCE: American Gaming Association

A significant factor contributing to gaming's record impact is the continued widespread acceptance and embrace of gaming by Americans. AGA survey data revealed that 102 million American adults, or 41 percent, visited a casino in 2023, up from 34 percent in 2022. Nearly half

State of the Industry

of American adults (49%) participated in some form of gambling, either in-person or online.

Notably, survey results indicated that the increase in casino visitation is being driven by a growing number of younger adults who are spending their entertainment dollars at casino properties: the average age of casino-goers has decreased for four consecutive years—from nearly 50 years in 2019 to 42 years in 2023.

Beyond the casino floor, Americans recognize gaming's economic contributions, with 71 percent saying that the industry has a positive impact on the U.S. economy. Additionally, Americans cite job creation as the most significant benefit to local economies from casino gaming: 73 percent of Americans ranking it among the top benefits, followed by tourism attraction (61%) and casino taxes (57%).

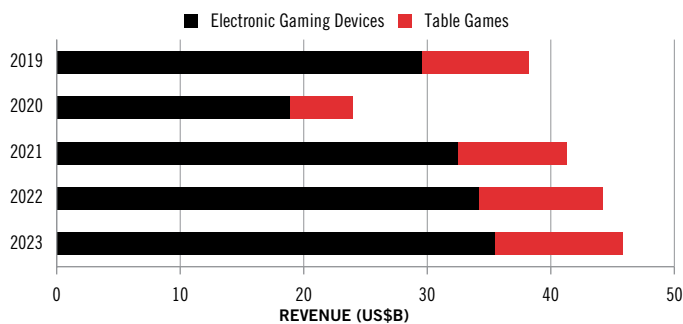
Land-Based Casino Gaming Growth

Across the 27 states with land-based commercial casinos, revenue from traditional casino games was a record \$49.38 billion in 2023, up 3.3 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 3.8 percent year-over-year to a record \$35.51 billion, while table game revenue increased 3.4 percent to 10.34 billion, also a record annual total.

Overall, 20 of the 27 states with land-based commercial casinos reported an increase in revenue from traditional casino gaming in 2023, including 15 that marked new annual records. Revenue from land-based casino gaming was exponentially higher in both Nebraska and Virginia as both states reported a first full year of casino gaming revenue and new casino-resort properties opened in both states.

UNITED STATES: LAND-BASED CASINO REVENUE BY CATEGORY 2019 to 2023



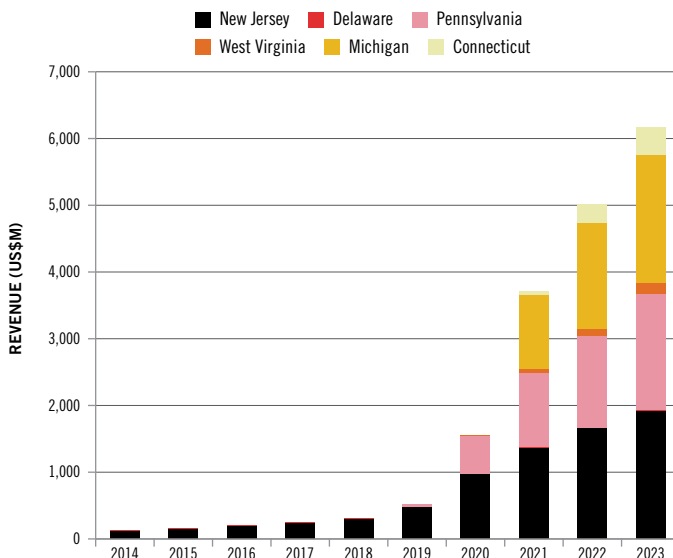
SOURCE: State Gaming Regulatory Agencies

Annual Internet Gaming Revenue -

A decade removed from the launch of legal iGaming in New Jersey and Delaware in late 2013, iGaming continued to report strong growth despite its limited footprint across the country. Combined iGaming revenue in the six states with legal online casinos reached a record \$6.17 billion in 2023, up 22.8 percent compared to the previous year. New Jersey, Michigan and Pennsylvania accounted for more than 90 percent of the nationwide total, as the two former states both recorded nearly identical annual revenue of \$1.92 billion and Pennsylvania regulators reported annual iGaming revenue of \$1.74 billion.

Rhode Island is poised to become the seventh state to offer online casino gaming early in 2024, after lawmakers enacted new legislation in June. iGaming legislation was also considered in 2023, but not approved, in other states including Illinois, Indiana, New Hampshire and New York.

UNITED STATES: REGULATED IGAMING REVENUE 2014 to 2023



SOURCE: State Gaming Regulatory Agencies

Annual U.S. Sports Betting Revenue

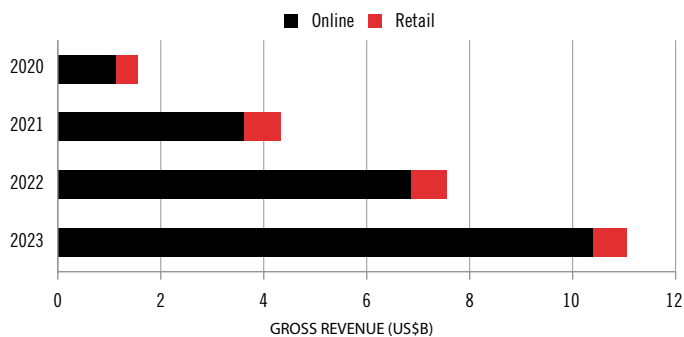
Amid continued expansion into new states, the regulated U.S. sports betting market generated total revenue of \$11.04 billion in 2023, not including sportsbook operations in tribal casinos, an increase of 46.0 percent from the prior year.

In its first full year with mobile sports betting, New York reported total sports wagering revenue of nearly \$1.70 billion, accounting for more than 15 percent of the national total. After a modest decline in 2022, New Jersey's sports betting market rebounded in 2023 to report total revenue of slightly over \$1 billion and regained its position as the second largest in the country, just ahead of Illinois. After launching on January 1, Ohio reported total sports betting revenue of \$936.6 million to quickly become the fourth largest sports betting state in the U.S.

In addition to Ohio, legal sports betting operations also began in 2023 in Massachusetts, Nebraska, Kentucky and Maine. Legislation to regulate mobile sports wagering was approved in Vermont and North Carolina.

Growth was not spread evenly between mobile and land-based sportsbook operations in 2023. While revenue from online or mobile sports betting increased by around 50 percent to approximately \$10.4 billion, annual land-based sports wagering revenue, excluding revenue from tribal-operated sportsbooks, was down by around 5.8 percent relative to the prior year.

REGULATED SPORTS BETTING REVENUE 2020 to 2023



SOURCE: State Gaming Regulatory Agencies

Responsible Advertising

A key policy priority for the commercial casino gaming industry and state policymakers in 2023 was establishing heightened standards to ensure responsible advertising of casino gaming, especially sports betting.

New rules applicable to sports betting advertising were adopted in Massachusetts, New Jersey and New York, while policymakers in Connecticut, Louisiana and Maryland also passed laws to limit marketing partnerships between sports wagering operators and local colleges and universities.

The new restrictions on advertising via college partnerships, among other policies adopted by states, were broadly consistent with the AGA's Responsible Marketing Code for Sports Wagering, which was updated in March to add further limits on marketing to college-aged audiences and prevent use of certain misleading terms in all ads.

Illegal Gaming

Another central policy focus among state lawmakers and law enforcement officials in 2023 was tackling illicit competition from unregulated and illegal gaming operations, including of so-called "skill machines."

New legislation to prohibit unregulated electronic gaming devices was approved in Kentucky, while similar legislation approved in 2020 in Virginia was upheld after a longstanding court challenge. However, lawmakers and regulators in various other states, including Illinois, Pennsylvania and Missouri, continued to debate how to confront unregulated gaming devices that generate estimated annual revenue of up to \$44.2 billion, according to AGA research.

Elsewhere, regulators in Colorado, Michigan and New York all adopted new rules in 2023 to prevent fantasy sports operators from offering contests that mimic certain types of sports betting, while Michigan took enforcement actions against operators providing online casino games under the guise of sweepstakes contests.

The ongoing challenge of illegal competition faced by the regulated commercial casino gaming industry was highlighted in an April joint letter submitted to the U.S. Attorney General by the chief gaming regulatory officials of seven states calling for a heightened focus by federal law enforcement in tackling offshore illegal gambling.

Legal Status of Gambling Types in the U.S.

As of Dec. 31, 2023

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		●			●	●	●	●	●	CT iLottery legal, but not live
Delaware	●				●	●	●	●		
D.C.						●	●	●	●	
Florida	●	●	●			●	●	●		
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; retail sports betting legal, but not active
Maryland	●					●	●	●		
Massachusetts	●					●	●	●		
Michigan	●	●			●	●	●	●	●	
Minnesota		●	●					●		
Mississippi	●	●				●		●		Mobile sports betting only available at casino properties
Missouri	●							●		
Montana		●	●	●		●		●		Mobile sports betting only available within licensed properties

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

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

[^] 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.

○ Legal, but not active as of Dec. 31, 2023

Legal Status of Gambling Types in the U.S.

As of Dec. 31, 2023, continued

STATE	Commercial Casinos/Racinos	Tribal Casinos	Card Rooms	Electronic Gaming Devices*	iGaming	Brick & Mortar Sports Betting	Mobile Sports Betting	Lottery	iLottery^	Notes
Nebraska	●	●				●		●		Tribal casinos offer only Class II games
Nevada	●	●		●	●	●	●			iGaming includes only poker
New Hampshire						●	●	●	●	Brick and mortar sports betting available at lottery retailers
New Jersey	●				●	●	●	●		
New Mexico	●	●				●		●		Sports betting limited to tribal properties
New York	●	●				●	●	●	●	iLottery includes only subscription services
North Carolina		●				●	○	●	●	Retail sports betting limited to tribal properties; iLottery includes only subscription services. Online sports betting legal, but not active
North Dakota		●				●		●	●	Sports betting limited to tribal properties; iLottery includes only subscription services
Ohio	●					●	●	●		Racetracks only permitted to have VLTs
Oklahoma	●	●						●		
Oregon		●		●		●	●	●		Limited EGDs and instant racing terminals at racetracks
Pennsylvania	●			●	●	●	●	●	●	
Rhode Island	●				○	●	●	●	●	iLottery includes Keno and some instant games, iGaming legal but not live
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							○	●		Online sports betting legal, but not active
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.

* 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.

○ Legal, but not active as of Dec. 31, 2023

U.S. Gaming Locations By State
As of Dec. 31, 2023

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				87	82	
Colorado	33			2		
Connecticut				2		
Delaware			3			
Florida	7 ⁵		1	7	18	
Idaho				10		
Illinois	5	10				8,464
Indiana	4	6	2	1		
Iowa	15	3	1	4		
Kansas	4			7		
Louisiana	3	12	4	5		1,395
Maine	1		1			
Maryland	5		1			
Massachusetts	2		1			
Michigan	3			23		
Minnesota				38	2	
Mississippi	6	20		3		
Missouri		13				
Montana				14	142	1,300
Nebraska			3	4		
Nevada	225			4		2,053
New Jersey	9					
New Mexico			5	21		
New York	6 ⁶		7	21		
North Carolina				3		
North Dakota				11		
Ohio	4		7			
Oklahoma			2	139		
Oregon				10		2,065
Pennsylvania	11		6			71
Rhode Island	2					
South Dakota	22			13		1,369
Texas				2		
Virginia	3					
Washington				34	37	
West Virginia	1		4			1,159
Wisconsin				25		
Wyoming				3		
TOTAL	372	64	50	525	281	17,876

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

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

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

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

⁵Includes one jai alai fronton

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

State of the Industry

Number of Gaming Machines by State As of Dec. 31, 2023

State	Machines in Commercial Casinos	Machines in Tribal Casinos	Machines in Non-Casino Locations	Total
Alabama	1,300	5,950		7,250
Alaska		90		90
Arkansas	5,426*			5,426
Arizona		19,873		19,873
California		87,435		87,435
Colorado	10,577	1,398		11,975
Connecticut		6,753		6,753
Delaware	5,156		456**	5,612
Florida	6,810	16,461		23,271
Idaho		3,637		3,637
Illinois	11,702		47,047	58,749
Indiana	13,978	2,110		16,088
Iowa	14,362	2,643		17,005
Kansas	3,593	4,347		7,940
Kentucky			7,857*	7,857
Louisiana	17,924	4,486	11,849	34,259
Maine	1,625			1,625
Maryland	9,686			9,686
Massachusetts	5,219			5,219
Michigan	7,049	22,072		29,121
Minnesota		20,651		20,651
Mississippi	21,321	3,065		24,386
Missouri	13,472			13,472
Montana		1,794	16,237	18,031
Nebraska	1,029	673		1,702
Nevada	128,601	793	19,250	148,644
New Hampshire			1,719***	1,719
New Jersey	15,515			15,515
New Mexico	2,829	15,478	580***	18,887
New York	22,565	11,504		34,069
North Carolina		5,410		5,410
North Dakota		3,949		3,949
Ohio	16,519			16,519
Oklahoma	1,000	81,281		82,281
Oregon		7,098	11,302	18,400
Pennsylvania	24,990		380	25,370
Rhode Island	4,900			4,900
South Dakota	2,757	2,778	10,722	16,257
Texas		4,494		4,494
Virginia	3,185		2,790*	5,975
Washington		34,647		34,647
West Virginia	4,377		8,195	12,572
Wisconsin		15,961		15,961
Wyoming		1,270	2,480*	3,750
TOTAL	377,016	388,101	140,864	906,432

Nationwide, there were more than 906,000 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 2023, an increase of 3.2 percent from 2022. Of the total number of devices, 42 percent were in commercial casinos, while 43 percent were located inside tribal casinos. Nevada had an installed base of more than 148,000 machines, far and away the largest number of any state. California and Oklahoma had the second and third largest number of operating machines in 2023, 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

State By State Casino Regulations, Taxes & Fees

At the close of 2023, 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	15
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."	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)	No	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	Casinos: \$2 million annually (\$500,000 contribution from each land-based gaming sector in the state); Sports betting: 3% of tax revenue or \$500,000 annually, whichever greater.	"Land-Based: 3% on electronic gaming device revenue. Racino: \$100,000 from electronic gaming device revenue Racino: \$100,000 from electronic and 9% of table game revenue. Sports betting: 1% of total sports betting 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: \$1,000 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% 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	"42-58% 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"	"19% on casino gaming revenue "	"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	\$25,000 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 iGaming 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	3	225	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	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	Partial
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	17	2	22
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.	71.85–74% on electronic gaming device revenue; 16.5% 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.	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 of the Industry

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

	VIRGINIA	WEST VIRGINIA
Statutory Funding for Responsible Gaming	0.8% of casino gaming tax revenue annually 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	3	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
Casino License Renewal Term and Fee	Initial license valid subject to \$15 million fee and valid for 10-year period	\$500,000–\$2.5 million annually
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 2023, legal sports betting was offered in 37 states plus the District of Columbia. Five states—Kentucky, Maine, Massachusetts, Nebraska and Ohio—launched sports betting during the course of the year, while Florida’s Seminole Tribe relaunched statewide sportsbook operations and mobile sports wagering went live in Delaware. Vermont also legalized sports betting during the course of 2023 but did not launch operations, while North Carolina passed a law to authorize mobile sports betting.

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	Tribal: 1–8%	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 (\$11,700–\$78,000 in 2023)	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	In-state collegiate teams	None	None	No
District Of Columbia	Sports arenas, lottery retail outlets, other retail locations	10% (non-lottery operated sports betting)	Districtwide (lottery only)	In-district collegiate teams and events	\$100,000 or \$500,000	\$50,000 or \$250,000 every five years	No
Florida	Tribal Casinos	10–15.75%	Statewide (tribal only)	No player prop bets on collegiate athletes	N/A	N/A	No
Illinois	Commercial casinos, racetracks, OTBs, sports arenas	15–19%	Statewide	In-state collegiate teams and athletes (online only)	\$10m	\$1m every four years	Yes
Indiana	Commercial and tribal casinos, OTBs	9.5%	Statewide	No in-play player prop bets on collegiate athletes	\$100,000	\$50,000 annually	No
Iowa	Commercial casinos	6.75%	Statewide	No player prop bets on in-state collegiate athletes	\$45,000	\$10,000 annually	No
Kansas	Commercial casinos, other locations	10%	Statewide	None	N/A	N/A	Yes
Kentucky	Racetracks, OTBs	Land-based: 9.75% Online: 14.25%	Statewide	None	\$500,000	\$50,000 annually	No
Louisiana	Commercial casinos, other locations, tribal casinos	Land-based: 10% Online: 15%	Statewide	None	\$500,000	\$500,000 every five years	No
Maine	Commercial casinos, racing facilities, online through tribes	10%	Statewide	In-state collegiate teams unless playing in a tournament	Land-based: \$4,000 Online: \$200,000	Land-based: \$4,000 every four years Online: \$200,000 every four years	No
Maryland	Commercial casinos, other locations	15%	Statewide	None	\$500,000–\$2m	1% of average annual revenue every five years	No
Massachusetts	Commercial casinos, racing facilities	Land-based: 15% Online: 20%	Statewide	No player prop bets on collegiate athletes, in-state collegiate teams unless playing in a tournament	\$5m	\$5m every five years	Yes
Michigan	Commercial and tribal casinos	8.4–9.65%	Statewide	None	\$100,000	\$50,000 every five years	Yes

State By State Sports Betting Regulations, Taxes & Fees, *continued*

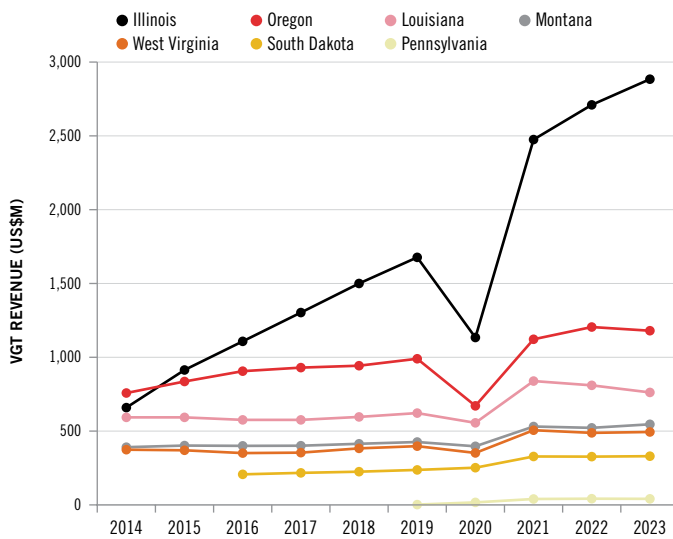
STATE	Authorized Locations	Tax Rate	Mobile/ Online	Collegiate Restrictions	Initial License Fee	License Renewal Fee	League Data Mandate
Mississippi	Commercial casinos	11–12% effective rate	On property	None	None	None	No
Montana	Retail locations	N/A	On property	None	N/A	N/A	No
Nebraska	Commercial casinos	20%	No	In-state collegiate teams	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
New Mexico	Tribal casinos	N/A	No	None	None	None	No
New York	Commercial and tribal casinos	Land-based: 10% Online: 51%	Statewide	No player prop bets on collegiate athletes or 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
Ohio	Commercial casinos, sports arenas, other retail locations	20%	Statewide	None	Land-based : \$100,000 Online: \$500,000-\$2.5m	Land-based: \$10,000 annually Online: \$125,000 - \$625,000 annually	No
Oregon	Lottery retail outlets, tribal casinos	N/A	Statewide	No collegiate events (lottery)	None	None	No
Pennsylvania	Commercial casinos, OTBs	36%	Statewide	No player prop bets on collegiate athletes	\$10m	\$250,000 every five years	No
Rhode Island	Commercial casinos	51% (state share)	Statewide	In-state collegiate teams unless playing in a tournament	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	1.85% of handle	Statewide	No player prop bets on collegiate athletes and events	\$750,000	\$375,000 - \$750,000 annually	No
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 By State iGaming Regulations, Taxes & Fees

At the close of 2023, iGaming was regulated and legally available in a total of seven states. Six states—Connecticut, Delaware, Michigan, New Jersey, Pennsylvania and West Virginia—allow for a full range of online casino games to be played online, whereas Nevada permits strictly online poker games. Rhode Island passed a law to legalize iGaming in 2023. As with land-based casino gaming and sports betting, the seven states with legal iGaming have vastly different legal and regulatory requirements, including on taxation as well as the licensing of iGaming operators and any affiliated branded platforms—or “skins”—that may be able to contract with an operator to participate in the market under their license.

	Authorized Operators	Authorized Games	No. 'Skins' Per Licensee	Tax Rate	Initial License Fee	License Renewal Fee	Multistate Poker Approved
Connecticut	Tribal casinos	Casino Games, Poker	One	18%	\$250,000	\$100,000 annually	No
Delaware	State lottery via racinos	Casino Games, Poker	Three	20% (casino table games/poker); ~57% (online slot games)	N/A	N/A	Yes
Michigan	Commercial and tribal casinos	Casino Games, Poker	Two (one each for casino and poker)	20–28%	\$100,000	\$50,000 annually (after initial 5-year term)	Yes
Nevada	Nonrestricted gaming licensees	Poker	N/A	6.75%	\$500,000	\$250,000 annually after two initial years	Yes
New Jersey	Commercial casinos	Casino Games, Poker	Five	17.5%	\$400,000	\$250,000 annually	Yes
Pennsylvania	Commercial casinos	Casino Games, Poker	Unlimited	16% (casino table games/poker); 54% (online slot games)	\$4m–\$10m	\$250,000 every five years	No
West Virginia	Commercial casinos	Casino Games, Poker	Three	15%	\$250,000	\$100,000 every five years	Yes

Selected States: Annual VGT Revenue 2014 to 2023

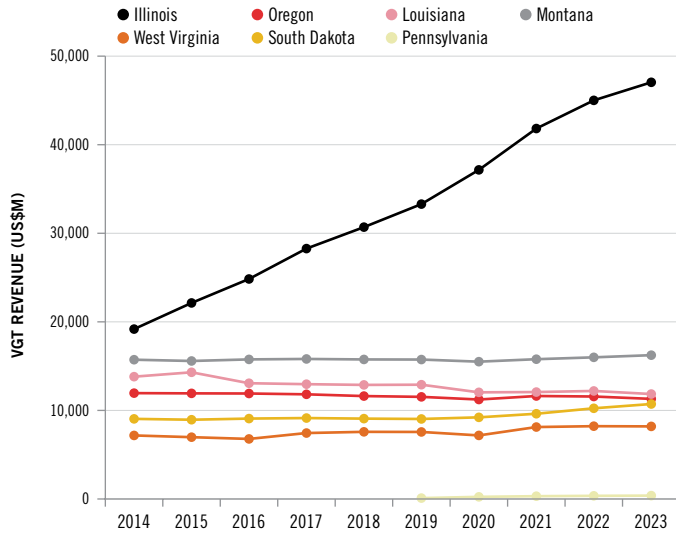


SOURCE: IGB, OR Lottery, LGCB, MT DoJ, PGCB, SD Lottery, WV Lottery

Electronic gaming devices in non-casino locations across seven reporting states generated revenue of approximately \$6.24 billion in 2023, up 2.2 percent versus the prior year. Illinois remained by far the largest market for convenience-based electronic gaming devices, with total annual revenue from the state’s so-called video gaming terminals, or VGTs, surpassing \$2.88 billion. Oregon’s video lottery program reported annual revenue in excess of \$1 billion for the third consecutive year.

State of the Industry

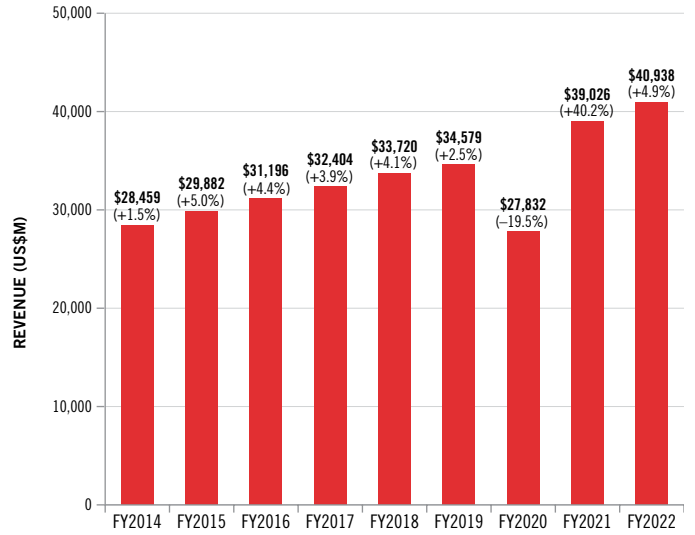
SELECTED STATES: ANNUAL VGT MACHINE COUNT 2014 to 2023



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

Between the seven reporting states, there were more than 105,000 electronic gaming devices installed in about 17,900 non-casino locations, reflecting an increase from about 103,000 devices across 15,700 locations in 2022. In 2023, Illinois accounted for close to half of all devices in non-casino locations—47,000—followed by Montana with 16,200 and Louisiana with 11,800.

ANNUAL U.S. TRIBAL GAMING REVENUE FY2014 to FY2022



SOURCE: National Indian Gaming Commission

According to statistics published by the National Indian Gaming Commission, revenue from tribal gaming operations surpassed \$40 billion for the first time in FY2022 to reach a record total of \$40.94 billion. The total was up 4.9 percent compared to the prior year. Comparable revenue statistics for 2023 will be published by the NIGC later in 2024. When tribal gaming revenue is combined with reported commercial casino gaming revenue, it is expected that total U.S. gaming revenue for 2023 will approach \$110 billion.



State of the States 2024

THE AGA ANALYSIS OF THE COMMERCIAL CASINO INDUSTRY

STATE SUMMARIES



ARIZONA

In 2023, Arizona reported total sports betting revenue of \$557.4 million, up 15.4 percent from the previous year.

Market Overview

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

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

At the end of 2023, commercial sports betting was offered at 14 retail sportsbook locations and through 17 online betting platforms.

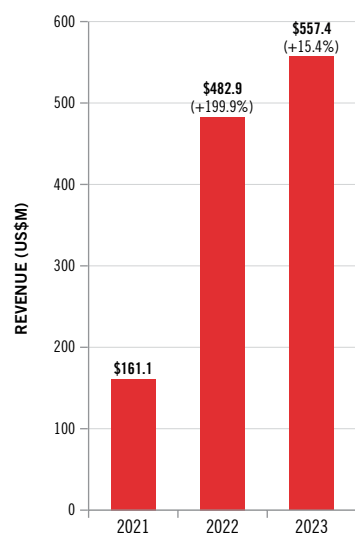
Market Performance

In 2023, total gross commercial sports betting revenue in Arizona was \$557.4 million, up 15.4 percent from the prior year. Nearly all of the revenue—99.1 percent—came from online sports betting.

Total sports wagering handle from both mobile and land-based sports betting was more than \$6.57 billion, up 8.9 percent versus 2022.

The revenue total saw Arizona drop two places, from the fifth to seventh largest sports betting market in the country in 2023, as both Ohio and Virginia exceeded the state's revenue performance.

ARIZONA: COMMERCIAL SPORTS BETTING REVENUE (US\$M) 2021–2023



SOURCE: Arizona Department of Gaming

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 15 percent of total revenue by the end of 2023. 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 2023, sports betting generated total state tax revenue of \$34.8 million, up 20.4 percent from the previous year when operators were permitted to deduct a slightly larger amount of free bets and promotions from their taxable revenue.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

0

CASINO FORMAT

N/A

REGULATORY AUTHORITY

Arizona Department of Gaming

GROSS SPORTS BETTING REVENUE 2023

\$557.4M

SPORT BETTING TAX REVENUE 2023

\$34.8M



Arizona

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.

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 August, the Arizona Department of Gaming opened a new application window for operators to apply for a sports wagering license.

Specifically, one license was available for an operator partnered with an Arizona Indian tribe and two licenses for operators partnered with an eligible professional sports team in the state.

Under the terms of Arizona's 2021 sports wagering legislation, a total of 10 licenses are available for operators to offer mobile and retail sports betting as the designated partner of a sports team, with the same number available to commercial operators serving as the online partner of an Indian tribe with a tribal gaming compact.

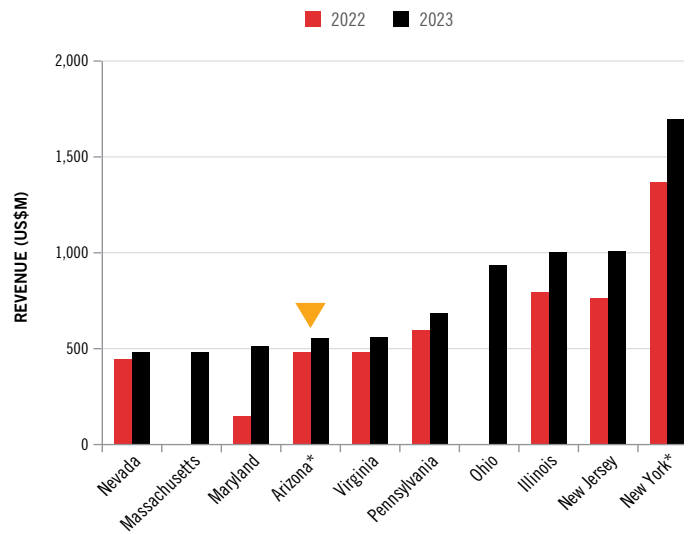
The 2023 licensing window was opened by the Department of Gaming because not all of the available licenses established under the law were awarded during an initial application period in 2021.

Following a two-week application window, the Arizona regulator announced in late August that it had awarded just one of the three available licenses to bet365 acting as the designated partner of the Ak-Chin Indian Community.

TOP 10 STATES BY REGULATED SPORTSBOOK REVENUE (US\$M)

2023 vs 2022

Arizona was home to the seventh largest U.S. sports betting market in 2023, with the state dropping two places from its fifth position in 2022 following the launch of legal sports wagering in Ohio and stronger market growth in Virginia.



SOURCE: State Gaming Regulatory Agencies

*Arizona and New York data excludes sportsbook operations at tribal casinos

ARKANSAS

In 2023, total casino gaming revenue reported by Arkansas' three commercial casino properties was \$686.6 million, an increase of 11.8 percent from 2022 and including a first full year of revenue from mobile sports betting operations.

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 retail 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 2023, total statewide commercial casino gaming revenue was a record \$686.6 million, up 11.8 percent versus the prior year.

Total statewide revenue from electronic gaming devices was \$580.3 million, up 8.7 percent, while revenue from table games was \$69.1 million, up 10.5 percent.

Total sports wagering revenue more than doubled to \$37.2 million, reflecting a first full year of mobile sports betting in Arkansas. After a staggered launch that began in March 2022, the state's three mobile sportsbooks generated \$31.4 million in revenue during 2023 and accounted for 84.5 percent of the annual sports betting total.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

3

CASINO FORMAT

Land-Based Casinos;
Racinos

REGULATORY AUTHORITY

Arkansas Racing
Commission

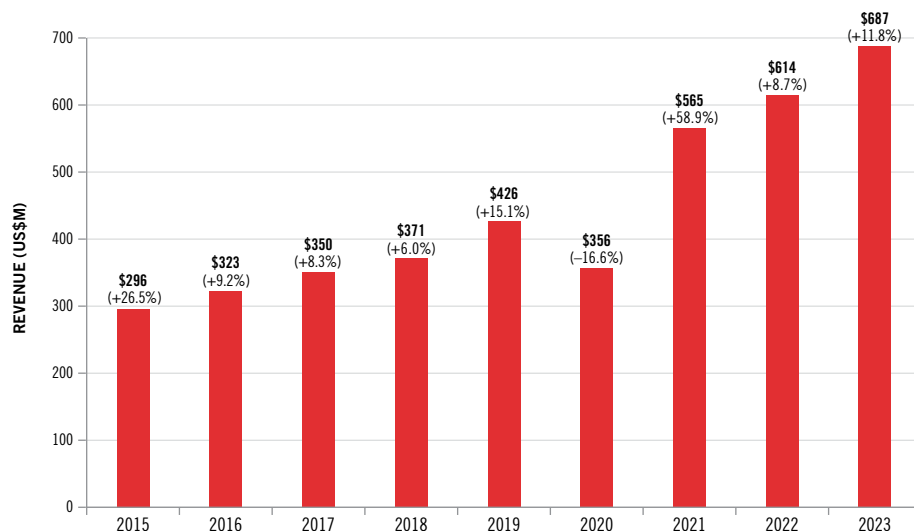
GROSS CASINO GAMING REVENUE 2023

\$686.6M

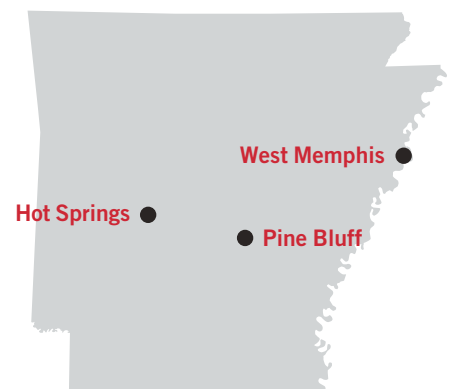
GAMING TAX REVENUE 2023

\$104.6M

ARKANSAS: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Arkansas Department of Finance and Administration



Gaming Tax Distribution

In accordance with a 2018 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 2023, Arkansas casinos and racinos generated approximately \$104.6 million in direct gaming tax revenue, up 18.0 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 monies 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.

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

Expansion

At the conclusion of 2023, Arkansas regulators faced the prospect of going back to the drawing board in their longstanding efforts to award the state’s fourth casino license for a facility in Pope County.

In an October ruling, the state Supreme Court invalidated the license awarded by the Arkansas Racing Commission in 2021 to a commercial subsidiary of Oklahoma’s Cherokee Nation after upholding a lower court ruling that the commission overstepped its legal authority in doing so. The Supreme Court previously voided a license that was awarded to a rival bidder.

Following the latest decision, the Arkansas Racing Commission said it was reviewing how to proceed with a new process to award the final commercial casino license available under a 2018 state constitutional amendment.

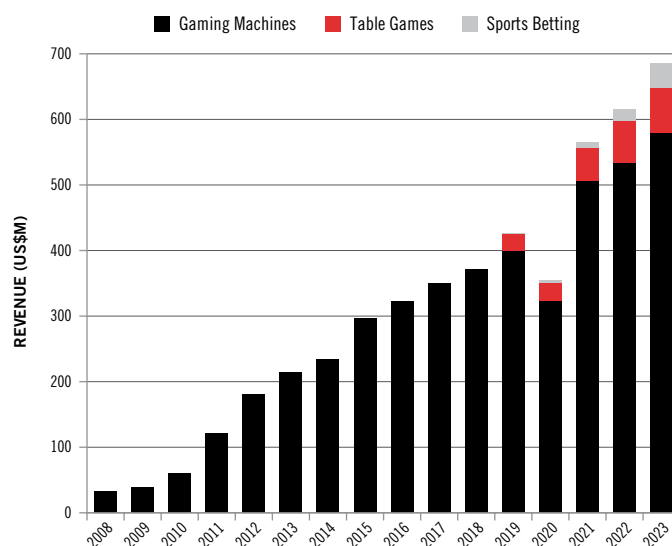
Regulatory Reform

In March, Gov. Sarah Huckabee Sanders (R) signed a bill to amend Arkansas’ casino law to require licensure of companies supplying electronic gaming devices or other services to casinos.

Among other things, the new legislation requires all gaming suppliers and their key employees to undergo a criminal background check and demonstrate to the Arkansas Racing Commission that they have the necessary capabilities and qualifications to provide their equipment or services to a gaming operator. Many of the changes in the bill were more technical corrections than substantive changes and aligned supplier licensing requirements that were already established through administrative regulations.

ARKANSAS: COMMERCIAL GAMING REVENUE (US\$M) 2008 to 2023

Although the launch of mobile sportsbooks has made sports betting the fastest growing segment of Arkansas’ commercial casino gaming market, electronic gaming devices continued to account for the vast majority—approximately 85 percent—of total revenue in 2023.



SOURCE: Arkansas Department of Finance and Administration

COLORADO

In 2023, Colorado's commercial casinos and affiliated sports betting platforms reported total commercial casino gaming revenue of \$1.48 billion. The record total reflected recent legislative changes allowing sports betting and a wider range of table games.

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 is eligible to operate electronic gaming devices, table games and sports betting. The casinos can also offer online sports betting as a result of a state law approved by voters in 2019. At the end of 2023, 20 online commercial sports betting platforms were available, down from 25 at the start of the year.

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.

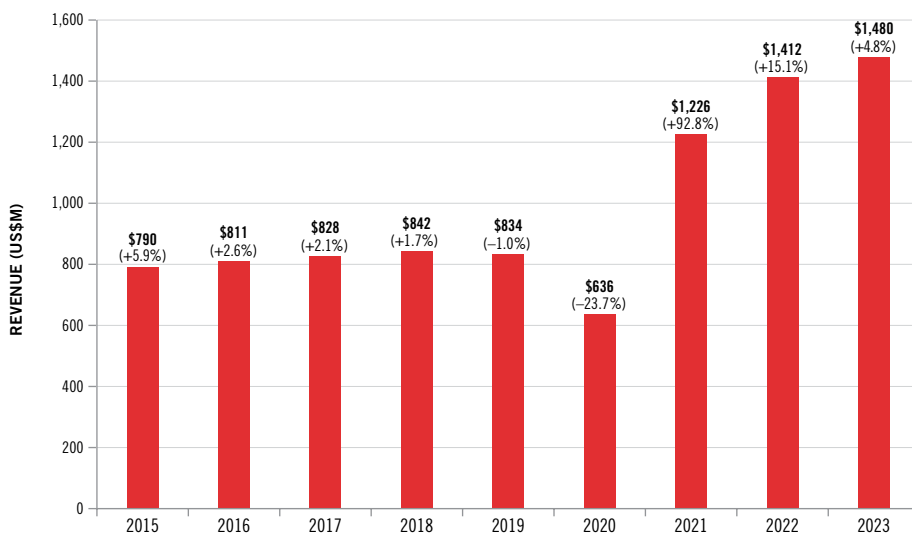
Market Performance

In 2023, total statewide commercial casino gaming revenue was a record \$1.48 billion, up 4.8 percent from the prior year.

Total statewide revenue from electronic gaming devices was \$924.9 million, up 2.4 percent from 2022, while revenue from table games was \$163.3 million, up 4.5 percent.

Sports betting revenue increased by 11.4 percent to \$391.9 million, despite the withdrawal of several mobile sportsbook operators from the competitive Colorado market. As in previous years, online sports betting accounted for almost all of the state's annual sports wagering revenue, with retail sportsbooks at commercial casinos generating just \$1.7 million in revenue.

COLORADO: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Colorado Department of Revenue

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

33

CASINO FORMAT

Land-Based Casinos

REGULATORY AUTHORITY

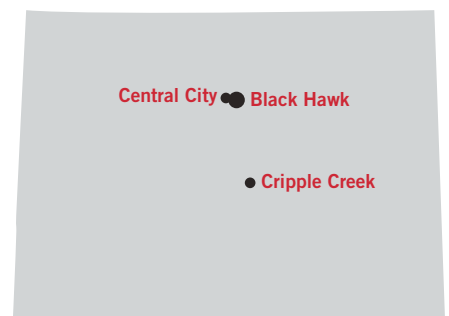
Colorado Division of Gaming; Colorado Limited Gaming Control Commission

GROSS CASINO GAMING REVENUE 2022

\$1.48B

CASINO TAX REVENUE 2022

\$200.2M



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 headline 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 2023, Colorado commercial casinos and their affiliated online sports betting platforms generated approximately \$200.2 million in gaming tax revenue, up 6.7 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 established Sports Betting Fund. In 2023, this amounted to approximately \$27.4 million.

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

Competitive Landscape

Colorado’s commercial casinos face limited competition from two tribal casinos operated on Indian lands in the southern part of the state.

The competitive environment for Colorado’s commercial casinos is likely to remain stable in the near term, following two successful statewide voter referendums in 2019 and 2020 to authorize sports betting and remove a maximum bet limit that previously applied to table games.

Policy & Regulatory Review

Payments Modernization

In February, the Colorado Limited Gaming Control Commission approved new regulations to allow for cashless gaming via electronic gaming devices and table games at commercial casinos.

Among other things, the rules require players to first establish an account for cashless wagering and have their identities verified before they are able to use funds for gaming. Cashless gaming systems also must enable players to set limits on the amount they wish to deposit in a digital wallet or cashless gaming account.

The regulations for cashless gaming were subject to a series of stakeholder workshops prior to their adoption and became effective in April.

Fantasy Sports

In November, the Colorado Division of Gaming adopted changes to state rules applied to fantasy sports contests in order to require all contests to be determined on a peer-to-peer basis among participants, while prohibiting any fantasy contests in which a player competes directly against the contest operator.

Colorado

The updated rules also added new requirements for approved fantasy sports operators related to responsible gaming, advertising and internal controls, among other things. The updated regulations were due to become effective in February 2024.

Colorado was one of several states to adopt new regulations for fantasy sports in 2023 to address fantasy sports games that either involve players competing against the “house” or that mimic sports betting parlays. Similar rules were also adopted in Michigan and New York.

Regulatory Reform

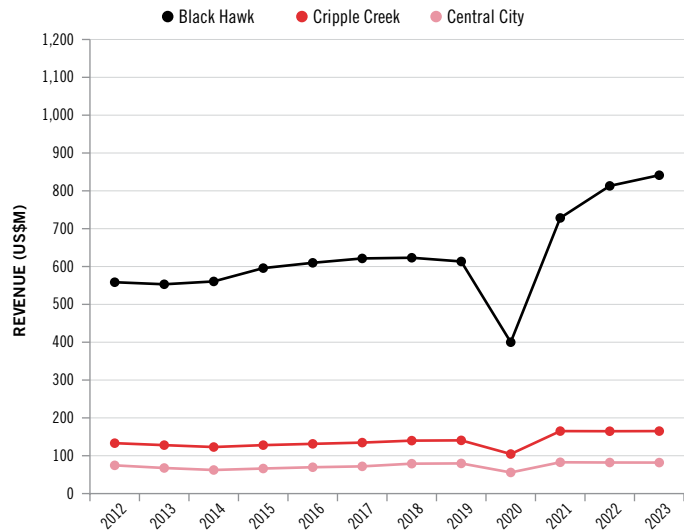
In May, Gov. Jared Polis (D) vetoed a bill approved by the state legislature that would have authorized Colorado’s commercial casinos to extend credit to patrons for the first time.

The bill, which was approved by the Senate in April and then by the Colorado House by a narrow margin of a single vote, would have allowed casinos to extend credit only once they had verified the credit-worthiness of the patron and ensured that they do not have a criminal conviction or unpaid child-support payments.

In a veto statement, Gov. Polis cited concerns of problem gambling and suggested the bill’s language did not align with its stated intent to attract high-end, out-of-state players to Colorado’s casinos.

COLORADO: COMMERCIAL GAMING REVENUE BY MARKET 2012 to 2023

Casinos in the town of Black Hawk were solely responsible for overall growth of Colorado’s land-based commercial casino market in 2023, as casino properties in the smaller markets of Cripple Creek and Central City reported revenue that was essentially flat on the prior year.



SOURCE: Colorado Department of Revenue

CONNECTICUT

Connecticut's iGaming and sports betting markets generated total revenue of \$579.9 million in 2023, up 39.3 percent from the prior year. iGaming accounted for 70.1 percent of the total.

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 or 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 10 were operational at the end of 2023.

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

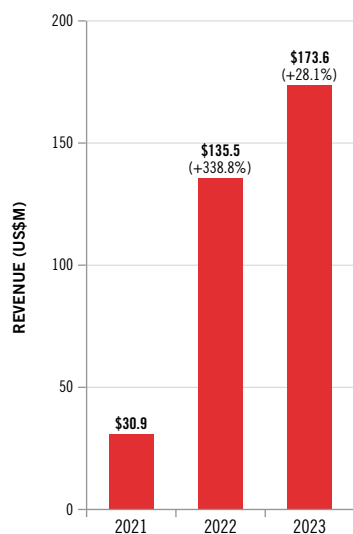
Commercial gaming in Connecticut is regulated by the state's Department of Consumer Protection.

Market Performance

In 2023, total commercial gaming revenue from iGaming and sports betting in Connecticut amounted to \$579.9 million, up 39.3 percent on the previous year.

Revenue from iGaming was \$406.3 million, up 44.7 percent, while revenue from sports betting was \$173.6 million, up 28.1 percent. Connecticut's three online sports betting platforms accounted for \$163.6 million—or 94.2 percent—of total sports wagering revenue.

CONNECTICUT: COMMERCIAL SPORTS BETTING REVENUE (US\$M) 2021 to 2023



SOURCE: Connecticut Department of Consumer Protection

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 subject to an effective tax rate of 13.75 percent. Both tax rates are 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.

In 2023, iGaming and sports betting generated total tax revenue of approximately \$79.7 million, an increase of 44.7 percent on the previous year.

All tax revenue generated by iGaming and commercial sports betting is deposited in Connecticut's General Fund

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

0

CASINO FORMAT

N/A

REGULATORY AUTHORITY

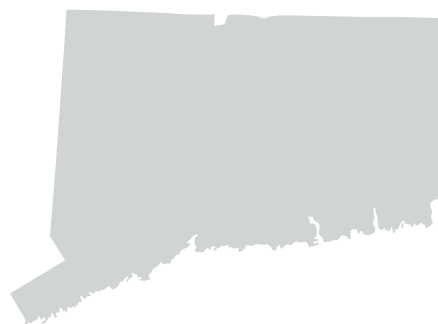
Connecticut
Department of
Consumer Protection

GROSS COMMERCIAL GAMING REVENUE 2023

\$579.9M

GAMING TAX REVENUE 2023

\$79.7M



Connecticut

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, retail and mobile sports betting is available in all three bordering states. Commercial casinos in Rhode Island, Massachusetts and New York also compete directly for patrons with Connecticut's two tribal casino-resorts.

Policy & Regulatory Review

Sports Betting

In June, Gov. Ned Lamont (D) signed a bill prohibiting Connecticut colleges and universities from receiving money in return for marketing sports betting or iGaming directly to their student bodies.

The legislation was introduced in response to lawmakers' concerns over media coverage of the terms of a sports betting-related marketing agreement in Colorado. Similar bills were approved in 2023 in Louisiana and Maryland.

The American Gaming Association also updated its Responsible Marketing Code for Sports Wagering in 2023 to specifically prohibit any partnerships that involve promotions by colleges, aside from those to alumni networks or for responsible gaming purposes. The code already prevented AGA members from advertising on college campuses or via college-owned media.

Regulatory Reform

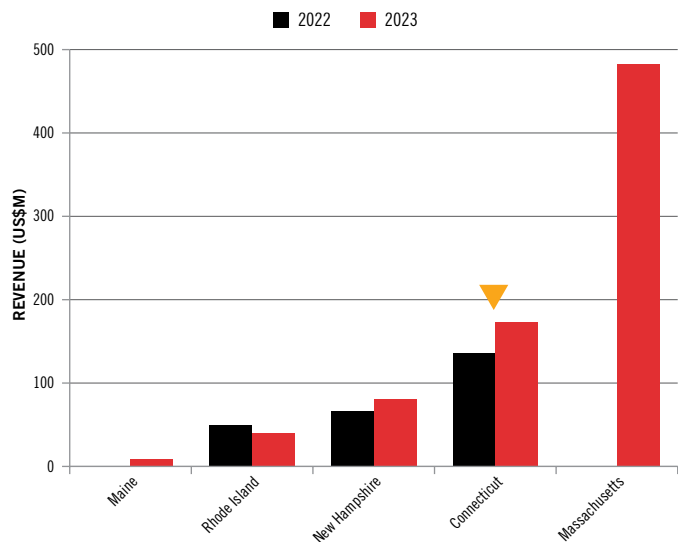
Gov. Lamont (D) signed a separate bill in June to make several amendments to Connecticut's 2021 law on sports wagering and iGaming.

The new legislation requires certain employees at live casino studios that stream blackjack, roulette and other popular table games to iGaming players to be formally licensed by the Connecticut Department of Consumer Protection. The bill also amended the definition of a key employee subject to licensure under the original law to also include chief information or data security officers. Finally, the legislation made a technical change to the definition of a "sporting event" eligible for sports wagering in Connecticut.

NEW ENGLAND STATES: COMMERCIAL SPORTSBOOK REVENUE (US\$M)

2023 vs 2022

Despite reporting strong growth in sports betting revenue in 2023, Connecticut lost its status as the largest legal sports wagering market in the New England region following the launch of sportsbook operations in neighboring Massachusetts in the early part of the year.



SOURCE: State Gaming Regulatory Agencies

DISTRICT OF COLUMBIA

In 2023, the District of Columbia reported \$19 million in sports betting revenue, a 17.9 percent decline amid expanded competition from land-based and online sportsbooks operating in neighboring 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 four mobile platforms with various degrees of geographic reach within the District.

The city legalized 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.

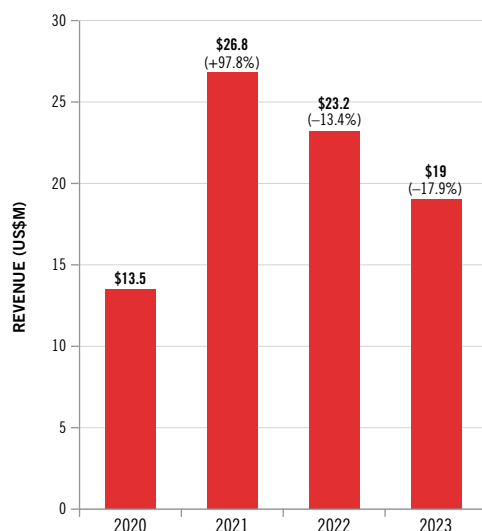
The law also authorized Washington D.C.'s four major sports arenas to host a retail sportsbook operation and offer limited mobile wagering within a two-block radius of their facilities. Finally, bars and restaurants licensed to serve alcohol in the District of Columbia are eligible to apply for licenses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

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

Market Performance

In 2023, total sports betting revenue in the District of Columbia amounted to \$19.0 million, down 17.9 percent from the previous year as the city's sportsbook operations faced their first full-year of expanded competition from mobile sports betting in neighboring Maryland.

DISTRICT OF COLUMBIA: COMMERCIAL SPORTS BETTING REVENUE (US\$M) 2020 to 2023



SOURCE: DC Office of Lottery and Gaming

The DC Lottery's GambetDC program reported revenue of approximately \$7.4 million, down 10.3 percent from 2022, and accounted for around 39 percent of the city's annual total. Commercial sports betting operators reported combined revenue of approximately \$11.7 million, down 22.1 percent on the prior year.

Unlike the vast majority of other states that offer both land-based and mobile sports betting, a majority of overall revenue—around 63.3 percent—came from land-based or limited mobile sports betting operations in 2023.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

0

CASINO FORMAT

N/A

REGULATORY AUTHORITY

DC Office of Lottery and Gaming

GROSS SPORTS BETTING REVENUE 2023

\$19.0M

SPORT BETTING TAX REVENUE 2023

\$4.9M



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 2023, commercial and lottery-operated sports betting operations generated total tax revenue of approximately \$4.9 million, down 13.0 percent versus the previous year.

As of October 2023, all tax revenue generated by privately-operated sports betting as well as 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 fierce regional competition from both land-based and online sportsbooks that are available in neighboring states.

Retail sportsbook locations in the city compete with those at Maryland's land-based casinos and other eligible venues. This includes the Fanatics Sportsbook at FedEx Field, home stadium of the Washington Commanders NFL team, which opened in January 2023.

Competition in the form of mobile sports betting comes from platforms that are licensed to operate in Virginia and Maryland.

Within the city, hundreds of licensed bars and restaurants are eligible to apply for Class B licenses to operate on-premises sports betting. Although just two Class B sportsbooks were open as of the end of 2023, 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 that are permitted in bars and other licensed establishments.

Policy & Regulatory Review

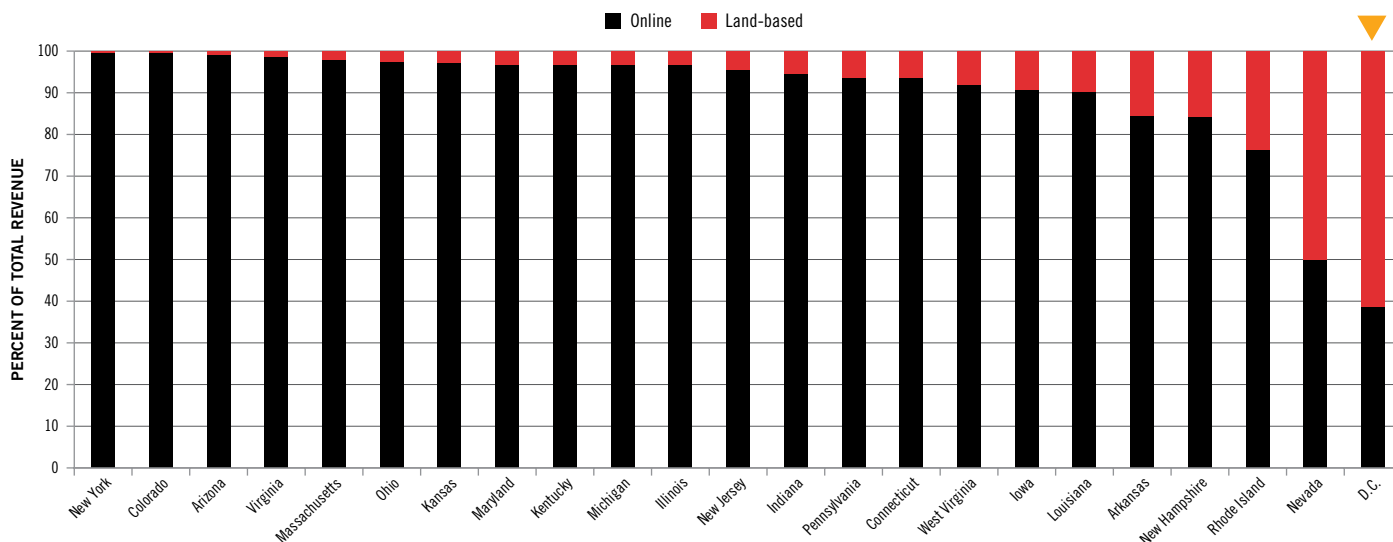
Taxation

In July, Mayor Muriel Bowser (D) signed an annual budget law that repealed the provisions of the District of Columbia's original sports wagering legislation which had specified how tax revenue from legal sports betting should be distributed.

Under the original law, the first \$200,000 in annual tax revenue generated by privately-operated sports betting was earmarked for the DC Department of Behavioral Health to fund programs to prevent, treat and research problem gambling. Remaining tax revenue was then split

SELECTED STATES: REGULATED SPORTSBOOK REVENUE SPLIT BY CHANNEL 2023

The District of Columbia was the only sports betting market to report higher revenue from land-based sportsbook operations compared to mobile sports wagering in 2023, with retail sportsbooks accounting for more than 60 percent of total revenue.



SOURCE: State Gaming Regulatory Agencies

District of Columbia

evenly between two funds to support early-stage education programs and neighborhood public safety initiatives.

As a result of the budget law, which became effective on October 1, all sports wagering tax revenue is instead allocated to the city government without any defined beneficiaries.

Payments Modernization

In November, the District of Columbia Office of Lottery and Gaming (OLG) published a guidance memo to clarify

that in-person sports wagers made at licensed sportsbook locations can be made using credit or debit cards, in addition to cash.

The city's sports wagering law expressly allows for use of cards for online sports betting, but the OLG said it had regulatory authority to permit card-based transactions for both retail and online wagers. Sportsbook operators were required to submit a request for permission and update their internal control procedures in order to offer card-based transactions at land-based locations, according to the memo.

DELAWARE

In 2023, total statewide commercial casino gaming revenue was \$507.0 million, up 3.1 percent from the prior year, as growth in revenue from electronic gaming devices and iGaming offset declining revenue from table games and sports wagering.

Market Overview

Delaware offers commercial casino gaming at three racinos, each of which operates 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. Internet gaming was approved in 2012.

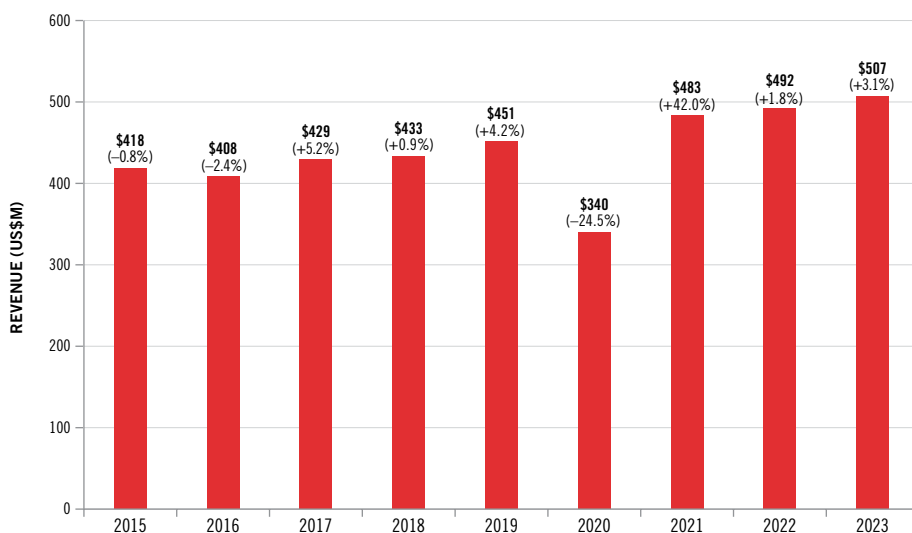
After the U.S. Supreme Court ruling overturned federal prohibitions on expanded sports wagering, Delaware racinos in June 2018 expanded their sports betting operations to include a full range of single-game and proposition wagers on all sports, not just football. The state's first mobile sports betting platform was launched in December 2023, following the selection of a new iGaming and sports betting partner by the Delaware Lottery.

Alongside full sportsbook operations at racinos and the lottery's mobile platform, the Delaware Lottery also offers football parlay cards at certain retail outlets, including liquor and grocery stores.

Market Performance

In 2023, total statewide commercial casino gaming revenue was \$507.0 million, up 3.1 percent versus the prior year and reflecting revenue growth from both traditional and interactive casino games.

DELAWARE: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Delaware Lottery

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

3

CASINO FORMAT

Racinos

REGULATORY AUTHORITY

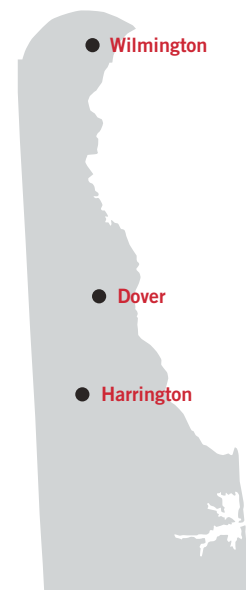
Delaware Lottery;
Delaware Division of
Gaming Enforcement

GROSS CASINO GAMING REVENUE 2023

\$507.0M

GAMING TAX REVENUE 2023

\$235.5M



Delaware

Total statewide revenue from electronic gaming devices was \$424.7 million, up 4.8 percent against 2022, but table game revenue was \$53.7 million, down 3.4 percent. Revenue from iGaming was \$14.1 million, up 3.3 percent from the previous year.

Facing a first full-year of competition from mobile sports wagering in neighboring Maryland, sports betting revenue again declined in 2023. Total revenue reported by Delaware racinos' sports wagering operations and sports lottery parlays was \$14.5 million, a decline of 16.0 percent from the previous year.

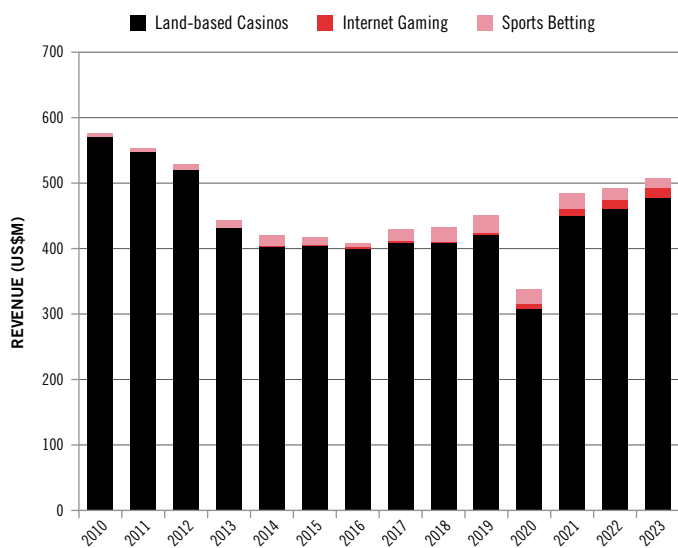
Gaming Tax Distribution

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 internet gaming revenue only after the total amount generated in any year surpasses \$3.75 million.

DELAWARE: COMMERCIAL GAMING REVENUE (US\$M) 2010 to 2023

While iGaming and sports betting have become major segments of the commercial casino gaming industry in neighboring states such as Pennsylvania, traditional land-based casino games continued to account for more than 94 percent of total casino gaming revenue in Delaware in 2023.



SOURCE: Delaware Lottery

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

In 2023, Delaware's racinos and sports lottery retailers generated total gaming tax revenue of approximately \$235.4 million, up 4.6 percent versus the previous year.

Of the total tax revenue generated by commercial gaming operations in 2023, approximately \$184 million was returned to Delaware's General Fund. Those funds appropriated annually for various purposes, including public and higher education, health and social services and public safety. Approximately \$51 million of gaming tax revenue was directed 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, land-based and online sportsbook operations are now available in all three of its bordering states since the launch of mobile sports wagering in Maryland in late 2022. In part due to the expanded regional competition, the Delaware Lottery launched its own online sports betting operation in late December 2023.

Policy & Regulatory Review

Sports Betting

More than five years after launching land-based sports betting at its racinos, Delaware expanded its sports wagering market in late December through the launch of a BetRivers-branded mobile sportsbook platform offered via a partnership with the Delaware Lottery and the state's three racino operators.

The launch of the online sports betting offering followed a procurement process conducted by the state lottery to select a new primary technology partner to support Delaware's existing iGaming operations as well as a new

Delaware

mobile sportsbook platform. In August, the Delaware Lottery announced that BetRivers operator Rush Street Interactive had been selected as its chosen vendor. The BetRivers sportsbook and online casino, co-branded with all three of Delaware's land-based racinos, was soft-launched towards the end of December.

The Delaware Lottery's expansion into mobile sports betting ran in parallel with a review of the state's policy options in the area by members of the state legislature.

In January, the Delaware House of Representatives passed a resolution to establish a four-member working group to evaluate regulatory models for online sports betting in other states and provide recommendations for the full House to consider.

The working group's report was published in December and recommended that Delaware consider a model that involves competition among multiple licensed online sports betting operators, rather than one single platform.

FLORIDA

In 2023, total statewide commercial casino gaming revenue was \$690.9 million, a slight decline from the previous year. Florida's commercial gaming market had previously grown every year since 2009, with the exception of 2020.

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 County and Miami-Dade County, 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

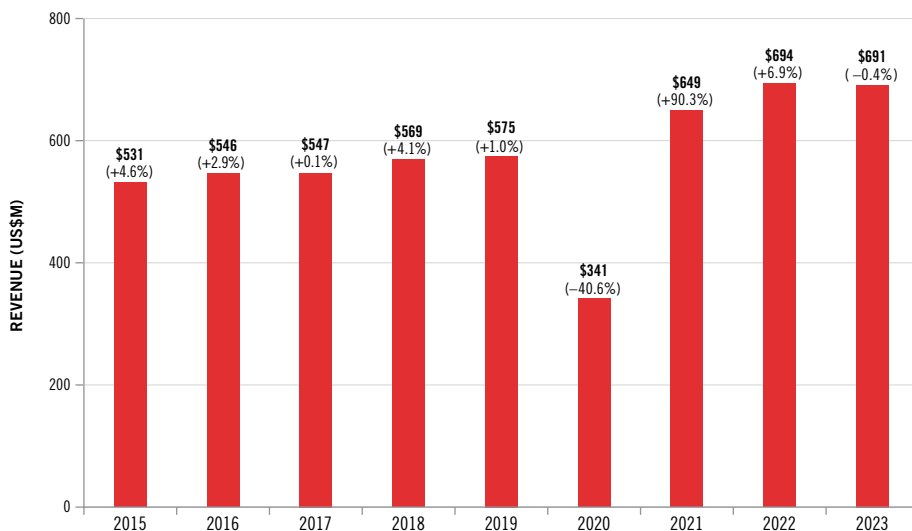
In 2023, total statewide commercial casino gaming revenue was \$690.9 million, a decline of 0.4 percent from the previous year.

The total marked the first time since 2009—aside from the peak pandemic year of 2020—that Florida's commercial casino gaming market failed to report record annual revenue.

Gaming Tax Distribution

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

FLORIDA: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Florida Division of Pari-Mutuel Wagering

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

8

CASINO FORMAT

Land-based Casinos;
Racinos

REGULATORY AUTHORITY

Florida Gaming
Control Commission

GROSS CASINO GAMING REVENUE 2023

\$690.9M

GAMING TAX REVENUE 2023

\$241.8M



Florida

In 2023, Florida commercial casinos generated total tax revenue of \$241.8 million, down 0.4 percent from the previous 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 Florida school districts, public colleges, and universities. Additional sums are also used to provide financial aid to Florida students. Each year, the Florida Legislature determines which programs are funded and at what level under the EETF.

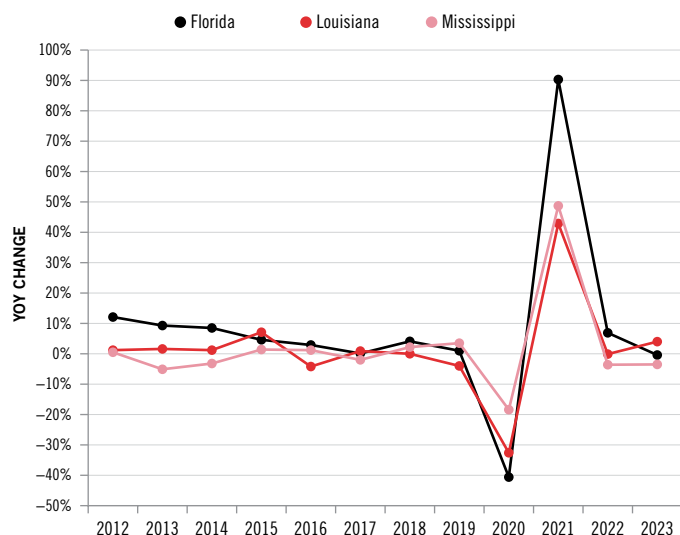
Competitive Landscape

Florida’s commercial casinos face significant competition from the state’s seven tribal casinos, 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 a full range of table games, as well as both retail and mobile sports betting.

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.

SOUTHERN STATES: YEAR-ON-YEAR CHANGE IN COMMERCIAL CASINO REVENUE 2012 to 2023

The modest drop in commercial casino gaming revenue in Florida in 2023 reversed the trend of previous years that saw commercial casinos in Miami-Dade and Broward counties report rising revenue but those in fellow southern state Louisiana witnessing a decline.



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

Policy & Regulatory Review

Tribal Gaming

In a landmark June ruling, the U.S. Court of Appeals for the District of Columbia Circuit unanimously reinstated a groundbreaking tribal gaming compact that was signed by the Seminole Tribe of Florida and the state of Florida in 2021.

Among other provisions, the compact authorizes the Seminole Tribe to offer mobile sports betting to players throughout Florida via servers located on Indian lands. The tribe was also permitted to offer craps, roulette, and retail sports betting within its existing tribal casinos.

The three-judge appeals court panel overturned a lower court ruling that had invalidated the compact on grounds that the U.S. Secretary for the Interior violated the 1988 Indian Gaming Regulatory Act by allowing the compact to take effect.

In October, the U.S. Supreme Court agreed to allow the Court of Appeals ruling to take effect during further legal appeals. The Seminole Tribe relaunched its mobile sports betting platform in Florida in November and then commenced retail sportsbook, craps and roulette operations several weeks later.

Payments Modernization

Florida regulators took several steps in 2023 toward allowing cashless gaming in the state’s commercial casino gaming facilities.

In September, the Florida Gaming Control Commission hosted a formal workshop with stakeholders to map out specific regulations that would enable patrons at commercial gaming facilities in Miami-Dade and Broward counties to fund electronic gaming devices via digital wallets. Formal regulatory changes are expected to be adopted at some point in 2024.

Similar rules have been adopted in recent years in various states, including Missouri, Nevada and South Dakota. Colorado adopted regulations for cashless gaming earlier in 2023.

ILLINOIS

In 2023, total statewide commercial casino gaming revenue increased by 17.7 percent to \$2.52 billion, fueled by growth in online sports betting and the opening of four new land-based casino properties.

Market Overview

Illinois offers commercial casino gaming at 10 riverboat casinos and five land-based casinos 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.

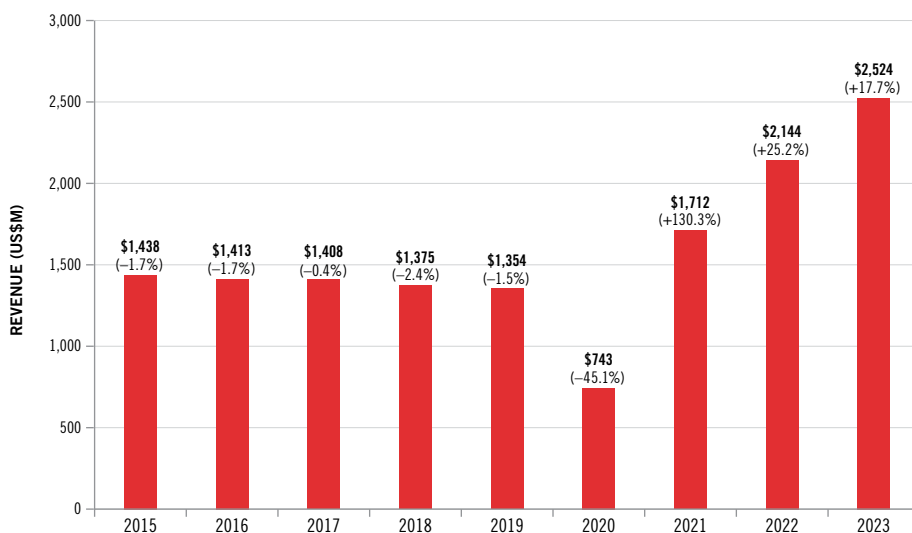
Additionally, the 2019 law legalized sports wagering at existing and future casinos and racinos, as well as at up to three off-track betting facilities affiliated with racinos and at major sports arenas across the state.

Casinos and racetracks are also eligible to operate statewide mobile sports betting. At the end of 2023, legal sports betting was available at 12 retail sportsbook locations and via eight online platforms, both up by one since the start of the year.

Market Performance

In 2023, total statewide commercial casino gaming revenue was \$2.52 billion. The record total was up 17.7 percent from the previous year and reflected expansion of Illinois' land-based casino market as well as ongoing maturation of the state's mobile sports betting market.

ILLINOIS: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Illinois Gaming Board

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

15

CASINO FORMAT

Riverboat Casinos;
Land-Based Casinos

REGULATORY AUTHORITY

Illinois Gaming Board

GROSS CASINO GAMING REVENUE 2023

\$2.52B

CASINO TAX REVENUE 2023

\$570.9M



Illinois

Total statewide revenue from traditional casino gaming was \$1.52 billion, an increase of 13.0 percent compared to 2022. Revenue from electronic gaming devices was \$1.15 billion, up 14.1 percent, while revenue from table games was \$368.8 million, up 8.9 percent.

Four new casino properties opened during the course of 2023 in Danville, Waukegan and Williamson County, as well as in Chicago. Operating under Illinois' 2019 gaming expansion law, the new casinos accounted for \$139.3 million—or 9.1 percent—of total traditional casino gaming revenue.

Illinois' 15 commercial casinos reported approximately 10.9 million admissions in 2023, up 19.9 percent from the prior year. Casinos earned an average of \$139.7 in revenue per admission, compared to \$148.2 in 2022.

Total statewide sports betting revenue in 2023 was \$1.00 billion, up 26.1 percent versus the prior year. Illinois was one of only three states to clear a billion dollars in annual sports wagering revenue, joining New York and New Jersey.

Online sports betting revenue accounted for \$969.8 million—or 96.8 percent—of the total and increased by 27.4 percent compared to the previous year. In contrast, land-based sports betting was \$32.5 million, down 3.1 percent.

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 2023, Illinois commercial casinos and sports betting operators generated total gaming tax revenue of approximately \$570.9 million, up 15.3 percent against the prior year.

Of that total, roughly \$470.1 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 other purposes. Approximately \$88.4 million in gaming tax revenue went to local governments that host casinos, with a further \$10.7 million provided to Cook County in the form of local sports wagering taxes.

Competitive Landscape

The competitive landscape for commercial casino gaming in Illinois was redrawn in 2023 with the opening of four new casinos that were authorized under the 2019 gaming expansion law.

New casino facilities were opened in Waukegan and Danville in February and May, respectively, followed by the opening of Walker's Bluff Casino Resort in southern Illinois in August. Bally's Chicago Casino then opened in September. Three of the four casinos—along with a fifth new Illinois casino that opened in Rockford in late 2021—are currently operating as temporary facilities with more limited gaming offerings while larger casino-resort properties remain under development. Those permanent casinos are set to open over the course of the next few years.

Meanwhile, plans for another new land-based casino in Chicago's southern suburbs received preliminary approval from the Illinois Gaming Board in late 2021. A temporary facility is expected to open in either 2024 or 2025. In addition, 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.

Alongside expanding in-state competition, Illinois commercial casinos in the Greater Chicago and East St. Louis markets have historically competed directly with gaming properties in northwestern Indiana and eastern Missouri, respectively.

A major competitive challenge for Illinois' commercial casino gaming industry comes from electronic gaming devices—or video gaming terminals (VGTs)—that are

Illinois

authorized to operate in bars, restaurants, truck stops and other retail establishments pursuant to a 2009 state law.

In 2023, Illinois' network of more than 47,000 VGTs in some 8,464 establishments generated total revenue of \$2.88 billion, up 6.4 percent versus the prior year.

Policy & Regulatory Review Expansion

The authorization of additional land-based casino properties was a core area of focus for Illinois gaming regulators in 2023.

In June, the Illinois Gaming Board found Bally's Corporation suitable to operate a casino in the City of Chicago. Three months later, the board awarded Bally's Chicago a temporary operating permit to allow for the opening of the first casino facility in Illinois' largest city.

The gaming board also acted to extend operating permits for temporary casinos in Rockford and Waukegan, which like the Chicago casino were both also authorized under Illinois' 2019 gaming expansion law.

That law allowed for casino developers licensed under the 2019 act to operate temporary facilities for an initial

period of two years, with the possibility of a twelve-month extension subject to approval by the Illinois Gaming Board. In November, however, Gov. J.B. Pritzker (D) signed a bill that now requires the Illinois Gaming Board to extend authorizations for temporary casinos for up to 30 months following the initial two-year period, enabling temporary casino facilities to operate for up to four and a half years while permanent casinos are under construction.

Regulatory Reform

In August, Gov. Pritzker signed legislation to allow for individuals with felony convictions to obtain employment in non-gaming positions in Illinois' commercial casino industry for the first time.

Under prior state law, any individual with a criminal conviction was automatically barred from working in a casino. The new legislation repealed that restriction as it applies to non-gaming roles, such as working in restaurants or other amenities within a casino. The Illinois Gaming Board was instead granted discretion to determine whether an individual should be suitable for a license to work in a non-gaming position based on their particular circumstances, such as the nature and severity of the conviction and the length of time since that conviction occurred.

Illegal Gaming

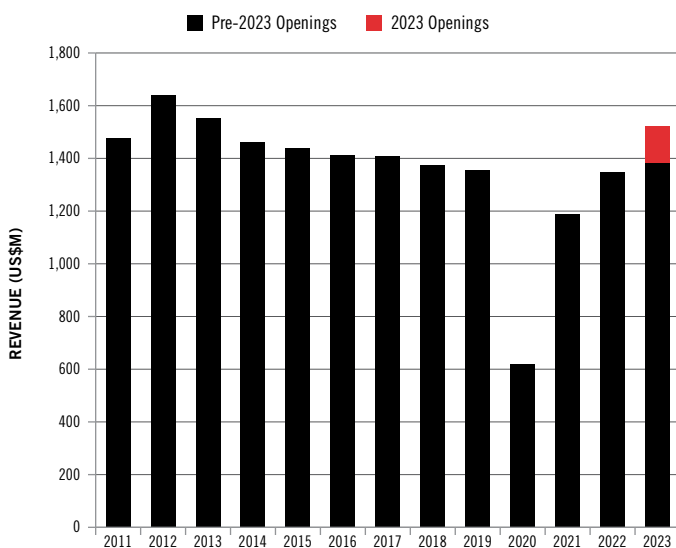
Illinois was one of several states that looked to address the operation of unregulated electronic gaming devices outside of casinos or other licensed gaming venues in 2023.

In March, a bill was approved by the Illinois Senate to extend the definition of a "gambling device" under state law to cover devices purporting to offer sweepstakes-based games. The stated intention of the legislation was to prevent electronic gaming devices being able to operate under the pretense of a non-gambling activity.

The bill was not taken up by the Illinois House prior to the end of the state's 2023 legislative session in May; however, the bill carried over to 2024 and remained pending as of the end of the year.

ILLINOIS: LAND-BASED CASINO GAMING REVENUE BY OPENING DATE (US\$M) 2011 to 2023

The four new commercial casinos that opened in Illinois in 2023 reported combined revenue of nearly \$140 million, representing approximately 10 percent of the state's total land-based casino revenue for the year.



SOURCE: Illinois Gaming Board

INDIANA

In 2023, statewide commercial gaming revenue fell to \$2.82 billion, down 2.3 percent, as continued growth in online sports betting failed to offset declining revenue from electronic gaming devices, table games and land-based sports wagering.

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 approved to also install live-dealer table games.

In 2019, the legislature passed a bill authorizing sports betting at commercial casinos and racinos, as well as at off-track betting facilities affiliated with racinos. Casinos and racinos are also permitted to deploy online sports betting through a maximum of three platforms operating under their licenses. At the end of 2023, Indiana’s online sports betting market was served by 12 digital sportsbook platforms, down from 14 at the start of the year.

Market Performance

In 2023, total statewide commercial casino gaming revenue was \$2.82 billion, down 2.3 percent relative to the prior year. Partly reflecting expanded

INDIANA: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Indiana Gaming Commission

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

12

CASINO FORMAT

Land-Based Casinos;
Riverboat Casinos;
Racinos

REGULATORY AUTHORITY

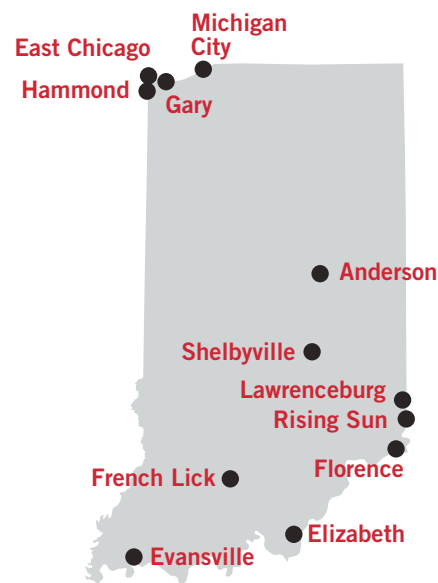
Indiana Gaming
Commission

GROSS CASINO GAMING REVENUE 2023

\$2.82B

GAMING TAX REVENUE 2023

\$669.3M



Indiana

competition from commercial casino gaming in Illinois, total statewide revenue from electronic gaming devices was \$1.99 billion, down 1.9 percent compared with 2022, while revenue from table games suffered a steeper decline of 9.6 percent to a total of \$432.9 million.

In contrast to the decline in traditional casino gaming revenue, statewide sports betting revenue totalled \$404.4 million in 2023, an increase of 4.5 percent. Online sports betting revenue of \$382.8 million was up 10.2 percent from the prior year and accounted for 94.7 percent of 2023's sports wagering revenue total. Land-based sports betting revenue was \$21.5 million, down 45.5 percent from 2022, when sportsbooks had yet to be opened at cross-border gaming venues in Ohio and Kentucky that compete with nearby Indiana casino properties.

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 generally 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 2023, Indiana saw total commercial casino gaming tax revenue of approximately \$669.3 million, down 2.8 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 beneficiaries.

Competitive Landscape

Indiana's commercial casinos and racinos operate in a midwestern gaming market that is becoming increasingly competitive as a result of recent expansion in Illinois, as well as the rollout of legal sports betting across the region.

Casinos in northwestern Indiana that have historically sought to attract patrons from the Greater Chicago area faced additional competition in 2023 from the first casino property located within Chicago city limits, which opened in September. Operations at the Bally's Chicago Casino is currently limited to a temporary facility while a larger casino-resort remains under development. Another Chicago-area casino, located in the city's southern suburbs, is also scheduled to open in mid-2024, having similarly been authorized by Illinois' 2019 gaming expansion law.

Elsewhere, commercial casinos in northern Indiana compete with one tribal casino in the city of South Bend that pursuant to a 2021 tribal gaming compact offers a full range of electronic gaming devices, table games and sports betting, having previously been limited to electronic bingo games.

Riverboat casinos in southeastern Indiana compete with a trio of Ohio casinos and racinos serving the Greater Cincinnati market, while casinos in southeastern and southern Indiana also face growing competition from the expansion of historical horse racing devices at racing venues in Kentucky. Those properties in Ohio and Kentucky were all able to start offering sports betting during 2023.

Within Indiana, a 13th commercial casino property is scheduled to open in 2024 in the city of Terre Haute near the state's western border with Illinois. The casino was authorized under a 2019 state law that allowed for one casino license in northwestern Indiana to be relocated to a location in Vigo County. Local voters approved the casino in a November 2019 referendum and the Indiana Gaming Commission eventually awarded a license for the project in late 2021.

Policy & Regulatory Review

Internet Gaming

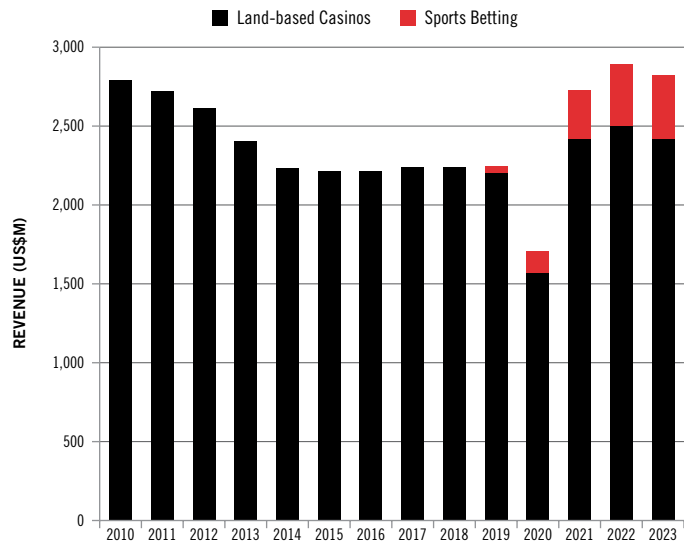
Proponents of legalizing iGaming were disappointed in 2023 as legislation introduced in the Indiana House of Representatives in January failed to pass out of committee.

Supporters of expansion had been optimistic for iGaming legislation in 2023 when the Indiana Gaming Commission published an independent study on the issue in late 2022. A similar study commissioned by the regulator on sports wagering in 2018 preceded the successful passage of legislation several months later.

Indiana lawmakers supportive of iGaming cited a lack of appetite among their colleagues to revisit matters of gaming expansion relatively soon after the 2019 law to authorize sports betting and allow for the relocation of two land-based casino properties in the state. Meanwhile, an official fiscal note attached to the 2023 iGaming bill by the Indiana General Assembly also suggested that some portion of iGaming revenue would come at the expense of traditional land-based casino gaming.

INDIANA: COMMERCIAL GAMING REVENUE (US\$M) 2010 to 2023

Mobile and land-based sports betting accounted for slightly over 14 percent of Indiana's overall commercial casino revenue total in 2023, compared with around 13 percent in the previous year.



SOURCE: Indiana Gaming Commission

IOWA

Total statewide commercial gaming revenue reached a record \$1.95 billion in 2023, as continued growth in Iowa's online sports betting market offset declines in revenue from traditional casino games and land-based sports wagering.

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. Iowa's commercial casinos and racinos were authorized to offer land-based and online sports betting by a law passed in 2019. At the conclusion of 2023, sports betting was available at each of Iowa's 19 commercial casino locations as well as through 17 affiliated mobile sports wagering platforms, down from 18 platforms in the previous year.

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 2023, total statewide commercial casino gaming revenue was \$1.95 billion, up 0.8 percent versus the previous year and setting a new annual revenue record for Iowa.

IOWA: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Iowa Racing and Gaming Commission

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

19

CASINO FORMAT

Land-Based Casinos;
Riverboat Casinos;
Racinos

REGULATORY AUTHORITY

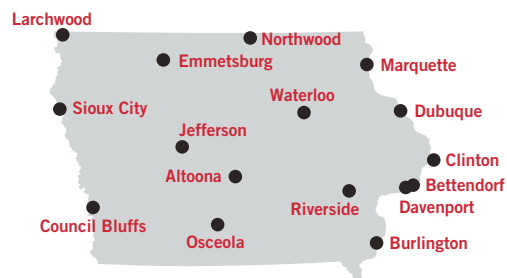
Iowa Racing and
Gaming Commission

GROSS CASINO GAMING REVENUE 2023

\$1.95B

GAMING TAX REVENUE 2023

\$384.9M



The overall market growth came as a continued increase in revenue from online sports betting offset slight declines in revenue from traditional land-based casino games.

Revenue from electronic gaming devices was \$1.57 billion, down 1.0 percent versus 2022, while revenue from table games was \$173.0 million, down 3.3 percent.

In contrast, statewide sports betting revenue was \$202.3 million, up 22.2 percent relative to prior year. Online sports wagering revenue increased by 28.8 percent to \$184.1 million and accounted for 91.0 percent of the sports betting total. Land-based sports betting revenue dropped to \$18.3 million, a decline of 19.4 percent from the previous year.

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. Sportsbook operators are also required to share 0.75 percent with their affiliated casino’s sponsoring charitable organization. Sportsbooks are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2023, Iowa’s commercial casino and sports betting operations generated total gaming tax revenue of \$384.9 million, down 2.1 percent from the prior year.

Of that amount, approximately \$354.6 million was received by the state and reallocated to various beneficiaries. A further \$16.8 million was allocated to city and county governments that host casinos, while \$13.5 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 from Nebraska is set to intensify in 2024 through the planned opening of a commercial casino at Horseman’s Park racetrack in Omaha. Another Nebraska casino is also planned for South Sioux City.

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

Policy & Regulatory Review

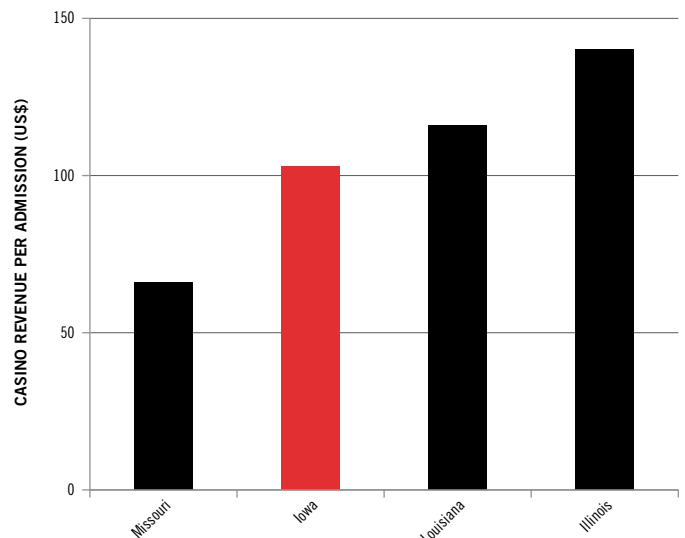
Sports Betting

In August, the Iowa Racing and Gaming Commission proposed updated regulations designed to prevent potentially fraudulent account activity through the state’s mobile sportsbook platforms.

Among other things, the proposed rules would require operators to display pop-up notices to warn patrons that account-sharing is prohibited and that it is an offense for any person to circumvent account registration requirements or to assist in the placing of a wager by a minor aged under 21.

SELECTED STATES: CASINO REVENUE PER ADMISSION (US\$M) 2023

Iowa’s commercial casino properties reported average gaming revenue of slightly over \$100 for each admission in 2023, compared to an average of \$66 per admission in southern neighbor Missouri.



SOURCE: State Gaming Regulatory Agencies

Iowa

In addition, the rules would require multi-factor verification to access wagering accounts and oblige operators to verify that the owner of a sports betting account is also an authorized user of the financial account being used to deposit funds for sports wagering.

The rules, which were subject to a public comment period and still pending final approval at the conclusion of the year, were proposed in the wake of a high-profile investigation into alleged illegal betting by student-athletes at the University Iowa and Iowa State University.

Expansion

In July, the Cedar Rapids City Council voted to set aside land for what would be Iowa's 20th commercial casino property.

Voters in Linn County—which includes Cedar Rapids—passed a referendum in November 2021 to grant local

approval for a potential casino in the city, but legislation approved by the state legislature during the 2022 session imposed a moratorium to prevent the Iowa Racing and Gaming Commission from issuing any additional casino licenses until at least June 1, 2024.

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 the wake of the 2021 local referendum, however.

Under a motion approved by the city council, a developer has the option to acquire the site for a potential casino in Cedar Rapids through the end of 2025, with a possible one-year extension depending on the status of the state casino licensing process.

KANSAS

A first full-year of legal sports betting in Kansas led to record commercial casino gaming revenue of \$588.3 million in 2023, up 23.0 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, each of which offers 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 (KRGK).

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.

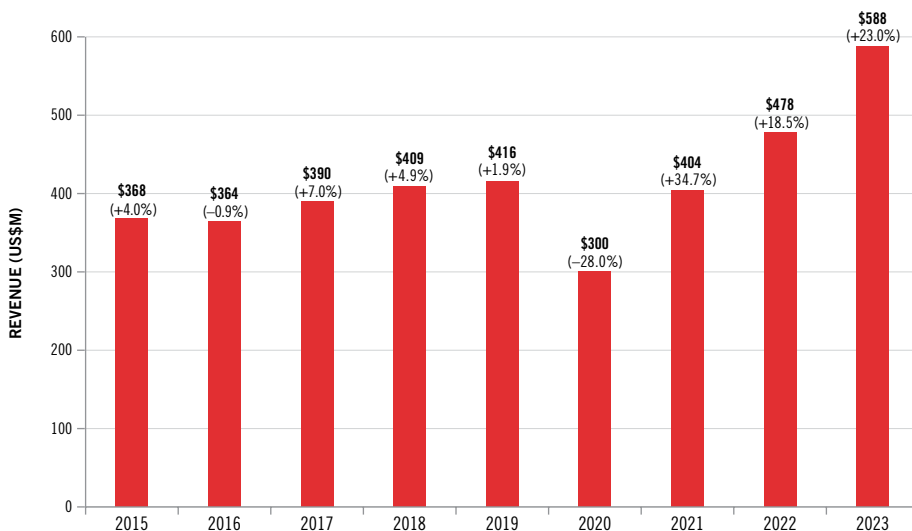
In 2022, lawmakers approved legislation authorizing Kansas’ commercial casinos to operate sports betting via land-based sportsbooks within their casino properties, through kiosks installed at partnering retail locations, as well as through a maximum of three branded mobile platforms for each casino. At the end of 2023, Kansas’s online sports betting market was served by six digital platforms, unchanged from the previous year.

Market Performance

In 2023, statewide commercial casino gaming revenue was \$588.3 million, up 23.0 percent from the previous year.

The record total was mainly driven by a first full-year of revenue from Kansas’ legal sports betting market, which was launched in September 2022. Overall sports betting revenue in 2023 was \$182.4 million, more than double the

KANSAS: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Kansas Racing and Gaming Commission

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

4

CASINO FORMAT

Land-Based Casinos

REGULATORY AUTHORITY

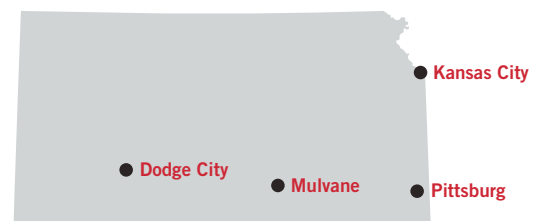
Kansas Racing and Gaming Commission

GROSS CASINO GAMING REVENUE 2023

\$588.3M

GAMING TAX REVENUE 2023

\$128.9M



Kansas

prior year total of \$76.5 million. Mobile sports betting accounted for \$177.5 million—or 97.3 percent—of the statewide sports wagering revenue total.

Total revenue from electronic gaming devices at Kansas' four commercial casino properties was \$355.8 million in 2023, an increase of around 1.0 percent. Table game revenue was \$50.0 million, up 1.8 percent.

Gaming Tax Distribution

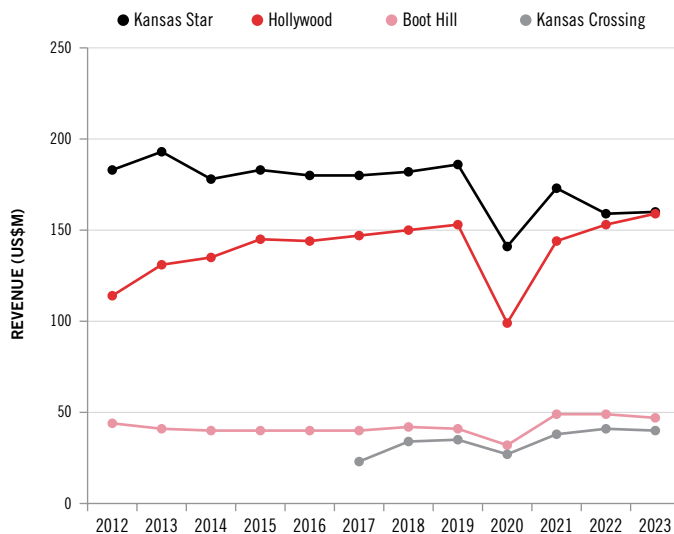
Kansas' commercial casinos are required by statute to pay a minimum tax rate of 27 percent on revenue from electronic gaming devices and table games, which includes a minimum 22 percent payment to the state, 3 percent to local governments, and 2 percent to fund problem gambling treatment. Casinos' management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

Revenue from land-based and online sports betting is taxed at a rate of 10 percent. Sports betting operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2023, Kansas' commercial casino gaming industry generated total tax revenue of approximately \$128.9 million, an increase of 16.6 percent from the prior year.

KANSAS: GAMING REVENUE BY CASINO (US\$M) 2012 to 2023

Competitive challenges from a new tribal gaming property meant Kansas Star Casino was on the verge of losing its status as the most lucrative commercial casino in the state in 2023, with Hollywood Casino at Kansas Speedway reporting comparable annual revenue for the first time.



SOURCE: Kansas Racing and Gaming Commission

Of this amount, approximately \$96.8 million was distributed to the state's Expanded Lottery Act Revenue 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 \$13.2 million was allocated in 2023 to local governments that host casinos, while \$8.8 million was generated to fund problem gambling services.

The annual tax total also included approximately \$10.0 million that was raised from taxes applied to sports betting. Under Kansas' 2022 sports wagering law, all sports betting tax revenue collected by the state is redistributed for specific purposes that include prosecuting illegal gambling, funding problem gambling initiatives and incentivizing professional sports teams to relocate to Kansas.

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. Kansas Star Casino, the state's largest commercial casino, competes directly with a tribal casino in Sedgewick County, near Wichita, which opened in 2021.

Under provisions that were included in Kansas' 2022 sports wagering law, Kansas Star Casino also faces forthcoming competition from electronic gaming devices based on the outcome of historical horse races that may be operated at the site of a former greyhound track in Sedgewick County.

Policy & Regulatory Review

Expansion

In July, the Kansas Racing and Gaming Commission approved an application to develop a historical horse racing gaming facility at the site of the shuttered Wichita Greyhound Park racetrack.

A 2022 state law authorized a maximum of 1,000 electronic gaming devices based on the outcome of historical horse races exclusively at a single site in

Kansas

Sedgwick County. The KHRC awarded the license to the owner of the former greyhound track after adopting a selection policy which served to disqualify a competing application submitted by the owner of the nearby Kansas Star Casino. In February, a state judge dismissed a lawsuit filed by the owner of Kansas Star Casino claiming that the authorization of the historical horse racing in Sedgwick County violated the terms of its management contract for the casino.

Tribal Gaming

In July, the U.S. Court of Appeals for the Tenth Circuit upheld a lower federal court ruling that enabled the Wyandotte Nation to open a tribal casino on a parcel of land roughly 10 miles north of Wichita.

The state of Kansas had claimed the U.S. Secretary of the Interior erred in its 2020 decision to approve the tribe's application to take the land into trust and develop a casino. However, the appeals court panel agreed that the Secretary was required to approve the application based on exemptions for tribal gaming outlined in 1988's Indian Gaming Regulatory Act.

The Wyandotte Nation opened its CrossWinds Casino as a temporary facility in 2021 but has said it intends to develop a larger casino-resort pending the resolution of legal challenges.

Sports Betting

In April, Gov. Laura Kelly (D) signed a bill to amend a provision of Kansas' 2022 sports betting law that had previously prevented federally recognized Indian tribes from including statewide mobile sports wagering in their tribal gaming compacts with the state.

In the wake of the statutory change, the state legislature passed a resolution approving an amendment to the compact between Kansas and the Prairie Band Potawatomi Nation to enable the tribe to offer a sportsbook within its established casino, as well as launch a mobile betting platform available across Kansas operating via servers on tribal lands.

The U.S. Department of Interior allowed the compact amendment to take effect in July.

Similar provisions to those of the Prairie Band Potawatomi Nation compact amendment were also included within the landmark 2021 tribal gaming compact agreed between Florida and the Seminole Tribe of Florida that was upheld by a federal appeals court in 2023.

KENTUCKY

In 2023, Kentucky reported total sports betting revenue of \$112.1 million, following the launch of operations in September.

Market Overview

Kentucky has no commercial casino venues but offers sports betting via state-licensed racetrack operators and affiliated online sportsbook platforms.

A state law passed in 2023 authorized retail sports betting at racetracks and simulcast facilities that also offer parimutuel wagering on horse races. Licensed racetrack operators may also partner with up to three mobile sports betting platforms—or “skins”—to offer mobile sports betting to players across Kentucky. Sports wagering is regulated by the Kentucky Horse Racing Commission.

Retail and mobile sports betting was launched in September 2023. At the end of the year, sports wagering was available at a total of seven retail locations and via seven mobile sportsbook platforms.

Market Performance

In 2023, total sports betting revenue in Kentucky was \$112.1 million. The total reflected almost four months of retail sports wagering operations and slightly over three months of mobile sports betting, following their launch in September.

Consistent with other markets, mobile sports betting accounted for the lion's share of total sports wagering revenue for 2023. Despite launching some three weeks later than Kentucky's first retail sportsbooks, mobile sports wagering accounted for \$108.5 million—or 96.8 percent—of total sports betting revenue. Land-based sports betting revenue for 2023 was \$3.6 million.

Gaming Tax Distribution

Revenue from land-based sports betting in Kentucky is taxed at a rate of 9.25 percent, while revenue from mobile 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 2023, sports betting generated total state tax revenue of approximately \$15.6 million.

Under the state's sports wagering law, the vast majority of state tax revenue from sports betting is allocated to a state fund used to cover Kentucky's state pension liabilities. A total of 2.5 percent of sports betting tax revenue is also distributed to a fund for services providing problem gambling support, education and treatment.

Competitive Landscape

Kentucky faces fierce regional competition for sports betting, with online and mobile sports wagering available in six of seven bordering states. Two of Kentucky's retail sportsbooks—at Ellis Park Racing and Turfway Park Racing

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

0

CASINO FORMAT

N/A

REGULATORY AUTHORITY

Kentucky Horse
Racing Commission

GROSS SPORTS BETTING REVENUE 2023

\$112.1M

SPORT BETTING TAX REVENUE 2023

\$15.6M



Kentucky

and Gaming—also compete directly with sportsbooks at nearby commercial casinos located in Evansville, Indiana and Cincinnati, Ohio, respectively.

In addition to offering betting on sports and horse racing, Kentucky’s licensed racing facilities may also offer electronic gaming devices determined by the outcome of historical horse races. In 2023, so-called historical horse racing devices generated total gaming revenue of approximately \$808.7 million, according to statistics gathered by the Kentucky Horse Racing Commission.

Policy & Regulatory Review

Sports Betting

In March, Gov. Andy Beshear (D) signed a bill to authorize land-based and mobile sports betting in Kentucky.

With no established casino gaming industry in Kentucky, the law approved by the state legislature authorized sports betting exclusively through Kentucky’s licensed horse racetracks, with track owners eligible to deploy up to three mobile sports betting platforms under their sports wagering licenses.

Regulations to implement the new law were promulgated by the Kentucky Horse Racing Commission in July, at the same time as Gov. Beshear announced the formation of a

seven-member sports wagering advisory council to guide the racing commission through the implementation process.

Kentucky became the 37th state to launch legal sports betting in early September when retail sports betting began at racetracks and affiliated racing locations. Mobile sports betting was launched three weeks later.

Illegal Gaming

Gov. Beshear signed a separate bill in March to outlaw so-called “skill games,” unregulated electronic gaming devices that had proliferated in Kentucky bars and other establishments over recent years.

The bill specifically extended the definition of an illegal gambling device under state law to incorporate devices based on any element of chance, regardless of whether the outcome of the game was also partially based on skill. The legislation, which was supported by Kentucky’s racing industry but opposed by providers of the unregulated devices, also established new civil penalties for any person who conducts, manages or owns a gambling device in violation of state law.

Within weeks of the law passing, a lawsuit was filed to challenge the prohibition on state constitutional grounds. As of the end of 2023, that litigation remained pending before state courts.

LOUISIANA

In 2023, total statewide commercial casino gaming revenue was \$2.70 billion, up 4.0 percent versus the previous year, as growth in sports betting revenue offset a decline in revenue from traditional casino games offered by the state’s casinos and racinos.

Market Overview

Louisiana offers commercial casino gaming at 12 riverboat casinos and three land-based casinos, each of which may operate electronic gaming devices, table games and sports betting. Four racinos—limited to offering electronic gaming devices and sports betting—are also operational. All 19 properties are regulated by the Louisiana Gaming Control Board (LGCB).

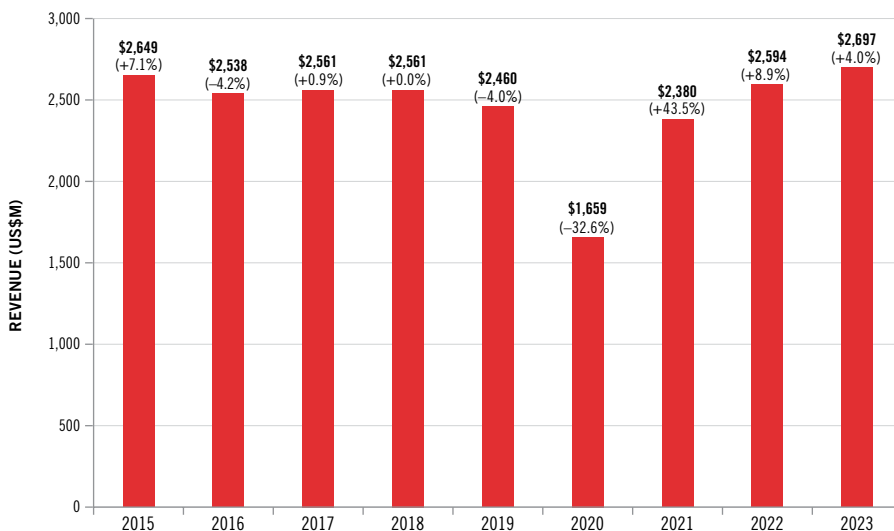
Commercial casino gaming was first authorized by a 1991 law allowing a maximum of 15 riverboat casinos, either sailing or permanently moored on specific waterways in different areas of the state. The following year, legislation passed authorizing a single land-based casino in downtown New Orleans. Racinos were approved by the legislature in 1997 and a 2018 law authorized riverboat casinos to apply for regulatory approval to move to land-based facilities located adjacent to their existing dock site.

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 commencing in January 2022. At the end of 2023, sports betting was available via 18 land-based sportsbook locations as well as via nine affiliated online platforms, up from eight online platforms a year earlier.

Market Performance

In 2023, total statewide commercial casino gaming revenue was \$2.70 billion, up 4.0 percent versus the previous year, as growth in sports betting revenue offset a decline in traditional casino games.

LOUISIANA: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Louisiana Gaming Control Board

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

19

CASINO FORMAT

Land-Based Casinos;
Riverboat Casinos;
Racinos

REGULATORY AUTHORITY

Louisiana Gaming
Control Board

GROSS CASINO GAMING REVENUE 2023

\$2.70B

CASINO TAX REVENUE 2023

\$603.3M



Louisiana

Combined revenue from electronic gaming devices and table games at Louisiana casinos and racinos was \$2.33 billion, down 2.0 percent compared to 2022.

In contrast, total statewide sports betting revenue reached \$367.0 million, an increase of 70.1 percent from the prior year. Mobile sports wagering accounted for 90.2 percent of the sports betting total.

Growth in the Louisiana casino gaming market was not spread evenly across all areas of the state. Whereas total electronic gaming device and table game revenue increased in the Lake Charles region—the state’s largest gaming market—casino revenue was down year-over-year in the New Orleans, Shreveport/Bossier and Baton Rouge markets.

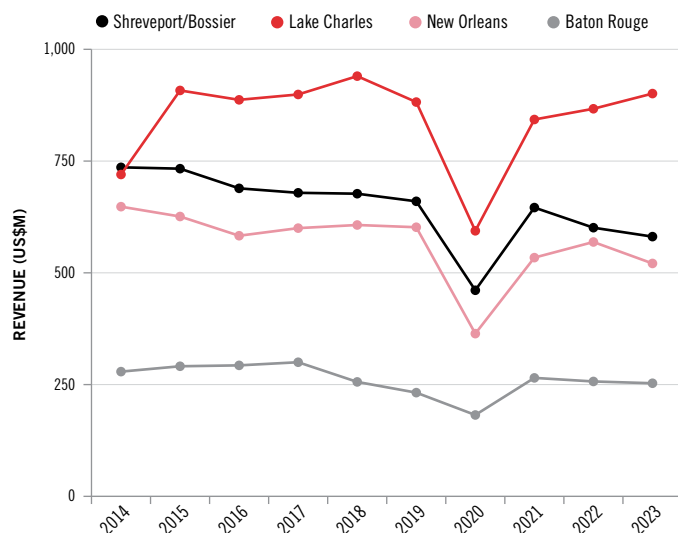
Gaming Tax Distribution

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: COMMERCIAL REVENUE BY REGION (US\$M) 2014 to 2023

Whereas the commercial casino gaming markets of Shreveport/Bossier, New Orleans and Baton Rouge all reported declining revenue in 2023, the Lake Charles region was able to extend its lead as the largest casino market in Louisiana.



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 2023, Louisiana’s commercial casino, racino and sports betting operations generated total gaming tax revenue of approximately \$603.3 million, up 0.3 percent from the previous year.

In accordance with state law, the majority of gaming tax revenue is remitted to Louisiana’s General Fund. From there, monies are appropriated at the direction of the legislature and used to pay for public education, public retirement systems, highway construction, and fire and police protection, among other things. Legislation approved in 2023 also allocates a minimum of either \$500,000 or 3 percent of total annual tax revenue from sports betting to a state problem gambling fund.

In addition, the state’s horse racing industry received approximately \$57.1 million in 2023 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 11,900 electronic gaming devices offered in Louisiana at some 1,392 non-casino locations, such as bars, restaurants, truck stops and off-track betting parlors. In 2023, total statewide revenue from electronic gaming devices in non-casino locations was \$762.0 million, down 5.9 percent from the previous year.

The competitive landscape for casino gaming in Louisiana continues to evolve as the state’s riverboat casinos gradually develop larger, land-based properties on neighboring sites in accordance with a 2018 state law. As of the end of 2023, two of Louisiana’s original riverboat casinos had reopened as land-based casino-resorts while

Louisiana

a third had received approval from the Louisiana Gaming Control Board to begin construction.

In terms of out-of-state competition, 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.

Those 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 eventually authorize casino gaming. In 2023, lawmakers in Texas again considered legislation to authorize casinos, but a constitutional resolution to enable commercial casino gaming failed to pass by the required majority in the state's House of Representatives.

Policy & Regulatory Review

Sports Betting

In June, then-Gov. John Bel Edwards (D) signed a bill to expressly prohibit Louisiana colleges and universities from entering into marketing partnerships to promote any of the state's licensed sports betting operators.

The new legislation included exemptions for existing marketing contracts already in place, as well as for

promotional campaigns exclusively directed at alumni networks or to promote responsible gambling initiatives.

The chief sponsor of the bill noted that the legislation aligned with the American Gaming Association's Responsible Marketing Code for Sports Wagering, which was updated in March 2023. Similar state laws were also approved in 2023 in Connecticut and Maryland.

Human Trafficking Awareness

Gov. Edwards signed a separate gaming bill in June to require the state's licensed casino gaming operators to implement formal training programs on human trafficking awareness and prevention, similar to the annual training requirements applicable to casinos in various states for responsible gaming and anti-money laundering, among other topics.

The legislation also mandated the Louisiana Gaming Control Board to adopt new regulations to set minimum standards for annual human trafficking awareness for casinos.

Further provisions of the gaming reform bill enabled Louisiana's licensed fantasy sports operators to apply for a sports wagering license in the event that not all the state's casinos and racinos seek to obtain one. The bill also reallocated a portion of annual state tax revenue from sports betting to a problem gambling prevention fund.

MAINE

The addition of sports betting to Maine’s commercial casino gaming market led to record annual revenue of \$175.1 million in 2023, up 6.1 percent on the previous year.

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.

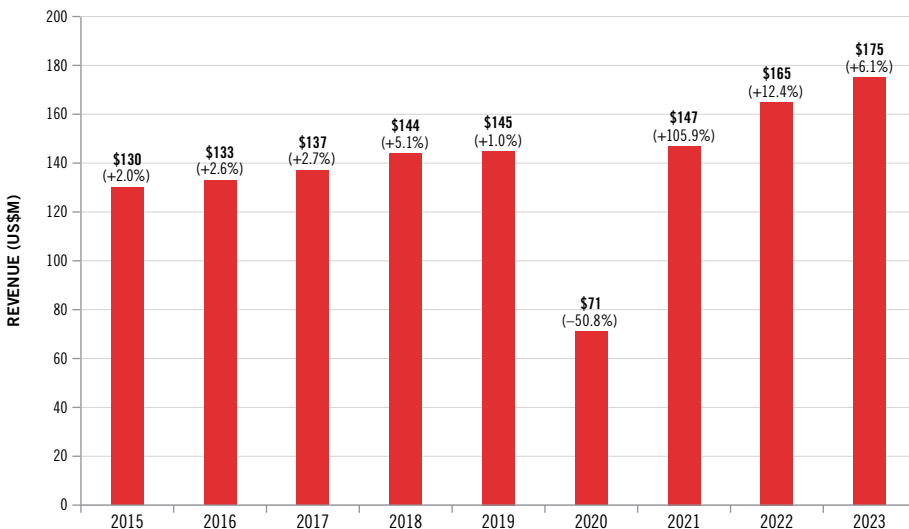
Under Maine’s regulatory framework, a maximum of two commercial casino gaming facilities may be operated after approval in a local referendum. There is also a statewide cap of 3,000 electronic gaming devices, with the allocation split evenly between the two properties.

Under legislation approved in 2022, Maine’s two commercial casinos and licensed racing simulcast facilities are also authorized to offer retail sports betting, while the state’s federally recognized Indian tribes are authorized to partner with commercial operators to offer mobile sports wagering within Maine. Mobile sports betting went live via two licensed platforms in November 2023 but land-based sports betting had yet to be launched as of the end of the year.

Market Performance

In 2023, statewide commercial casino gaming revenue was \$175.1 million, an increase of 6.1 percent from the prior year.

MAINE: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Maine Gambling Control Board

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

2

CASINO FORMAT

Land-Based Casinos;
Racinos

REGULATORY AUTHORITY

Maine Gambling
Control Board

GROSS CASINO GAMING REVENUE 2023

\$175.1M

GAMING TAX REVENUE 2023

\$70.1M



Maine

The record total primarily reflected the addition of legal sports betting to Maine’s commercial casino gaming market. After launching in early November, Maine’s online sports betting operators generated \$9.2 million in revenue in 2023.

Revenue from traditional land-based casino games was essentially flat from the prior year.

Electronic gaming devices at Maine’s two commercial casino properties generated a total of \$142.1 million in revenue in 2023, up 1.6 percent compared to 2022. That offset a decline in table game revenue, which fell 5.9 percent to \$23.8 million. Overall land-based casino gaming revenue was \$165.9 million in 2023 versus \$165.1 million in 2022.

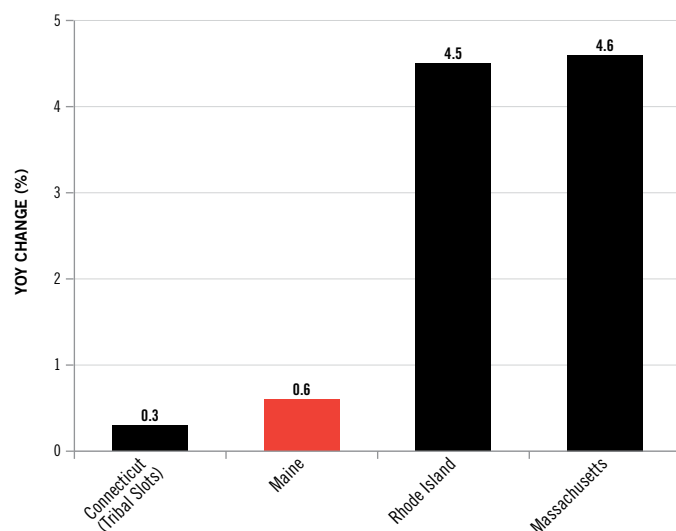
Gaming Tax Distribution

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

In 2023, Maine’s commercial casinos generated total gaming tax revenue of \$70.1 million, up 2.7 percent from the previous year.

NEW ENGLAND STATES: YOY CHANGE IN CASINO REVENUE 2023

In contrast with commercial casinos elsewhere in the New England region, Maine’s two properties reported modest growth in gaming revenue in 2023.



SOURCE: State Gaming Regulatory Agencies

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. The state’s casinos also face cross-border competition from charitable gaming locations in neighboring New Hampshire, which are able to offer electronic gaming devices based on the outcome of historical horse races as well as table games with limited stakes.

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 are eligible to offer retail sports wagering alongside Oxford Casino and Hollywood Casino Bangor, 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, but they are permitted to offer statewide mobile sports betting in partnership with specialist sportsbook operators.

Policy & Regulatory Review

Sports Betting

Maine regulators took a series of steps in 2023 to prepare for the launch of legal sports betting.

In October, the Maine Gambling Control Unit adopted regulations to fully implement the 2022 law that authorized retail and online sports wagering in Maine. The rules’ adoption followed a consultation process on draft regulations that were initially released in January. Notably, the final regulations included a series of restrictions related to advertising, but not a proposal for television advertising to be limited strictly to live sports event broadcasts.

Mobile sports betting was launched in early November through two online betting platforms—Caesars Sportsbook and DraftKings—operating via partnerships with Maine Indian tribes in accordance with the 2022 legislation.

Maine

Regulatory Reform

Maine gaming regulators approved amendments to several of the state's casino gaming regulations in 2023.

In October, the Maine Gambling Control Unit adopted new regulations governing the self-exclusion programs offered by the state's two commercial casinos. The regulator in March adopted revised minimum internal control standards

for casino gaming, which it said reflected technological advances made since initial standards were approved in 2004.

In November, the Gambling Control Unit also adopted new rules for fantasy sports contests to amend reporting and licensing requirements applicable to fantasy contest operators.

MARYLAND

Total statewide commercial casino gaming revenue hit a record \$2.50 billion in 2023, as a first full year of mobile sports betting offset declines in revenue from traditional land-based casino gaming and retail sports wagering.

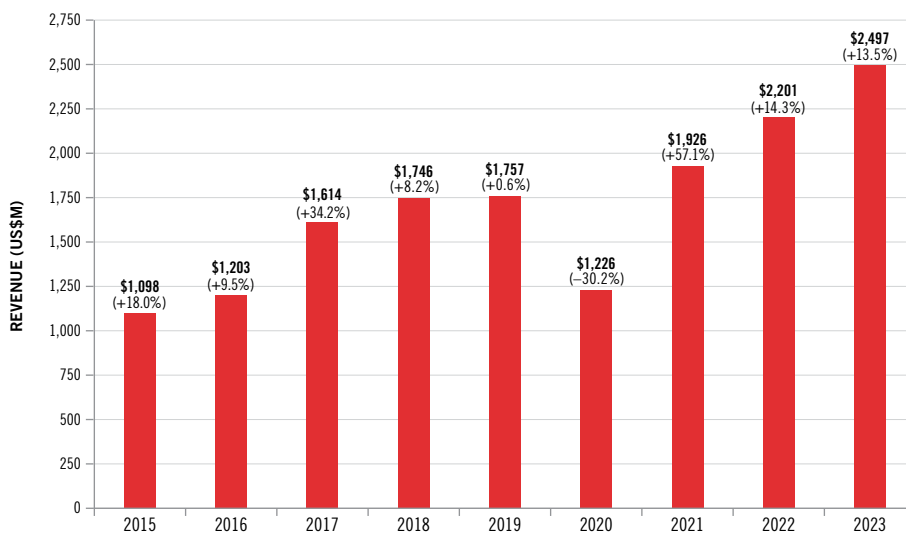
Market Overview

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 voters in 2020 and authorized via a state law enacted the following year. That law allowed for retail sports wagering at Maryland's commercial casinos, major sports stadiums and at various other locations. Up to 60 state licenses for mobile sports betting were also made available. Land-based sports betting was launched at Maryland commercial casinos in late 2021, followed by mobile sports betting in November 2022. At the end of 2023, sports wagering was available at 13 retail locations and via 12 mobile sportsbook platforms, up from nine retail locations and seven mobile platforms a year earlier.

MARYLAND: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Maryland Lottery and Gaming Control Agency

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

6

CASINO FORMAT

Land-Based Casinos;
Racinos

REGULATORY AUTHORITY

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

GROSS CASINO GAMING REVENUE 2023

\$2.50B

GAMING TAX REVENUE 2023

\$883.0M



Market Performance

In 2023, total statewide commercial casino gaming revenue reached \$2.50 billion, up 13.5 percent versus the prior year.

The figure was a record annual revenue total and reflected a first full year of mobile sports betting in Maryland.

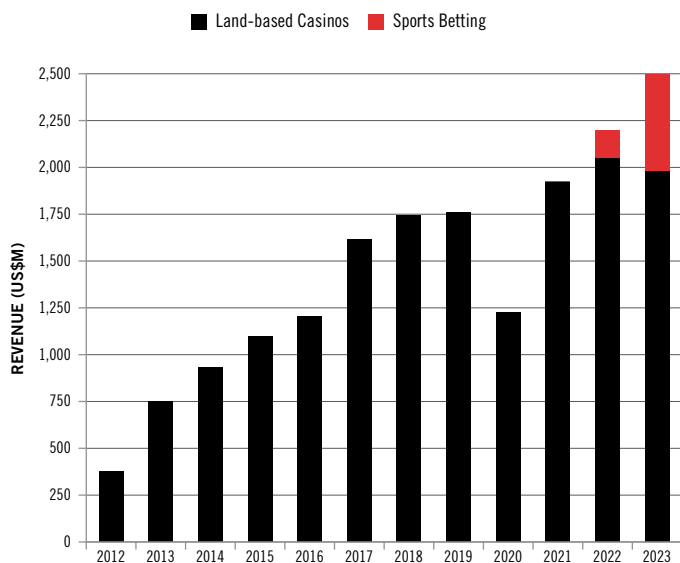
Annual sports betting revenue amounted to \$514.1 million in 2023, more than triple 2022's total of \$149.5 million that included less than two months of revenue from mobile wagering. Mobile sports betting accounted for \$497.7 million—or 96.8 percent—of the 2023 total. Revenue from land-based sports betting was \$16.4 million, down sharply from \$41.3 million in 2022.

Statewide revenue from electronic gaming devices at commercial casinos was \$1.33 billion in 2023, up 0.5 percent relative to the previous year. However, revenue from table games fell 10.4 percent to \$648.0 million.

Declining revenue from table games and retail sports betting meant MGM National Harbor in Prince George's County lost its status as the most lucrative commercial casino-resort outside of Nevada by gaming revenue. The property, located just outside of Washington D.C., reported a 6.6 percent decline in gaming revenue in 2023 and was surpassed by Resorts World New York City in Queens.

MARYLAND: COMMERCIAL GAMING REVENUE (US\$M) 2012 to 2023

A first full year of mobile sportsbook operations saw sports betting quickly become a key component of Maryland's overall commercial casino gaming market in 2023. Sports betting accounted for more than 20 percent of total annual revenue statewide.



SOURCE: Maryland Lottery and Gaming Control Agency

Gaming Tax Distribution

Maryland's commercial casinos pay some of the country's highest tax rates on proceeds from electronic gaming devices—between 42 and 58 percent in 2023—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 of revenue. Sportsbook operations are also subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2023, Maryland's commercial casino and sports betting operations generated total gaming tax revenue of \$883.0 million, up 3.3 percent from the previous year.

Of the gaming tax total, approximately \$651.1 million was distributed to two specific state funds that support public education initiatives. Approximately \$105.5 million was distributed in the form of local impact grants and other contributions to local governments, while a further \$92.5 million was raised to subsidize horse race pursues or support the maintenance of live racing facilities.

Additional beneficiaries of gaming tax revenue in Maryland include funds for problem gambling initiatives and to support small, minority- and women-owned businesses.

Competitive Landscape

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

In terms of sports betting, retail sportsbooks at the MGM, Live! and Horseshoe casinos, as well as those at FedEx Field in Landover and at a sports bar in North Bethesda, compete with five retail sportsbook facilities at Washington D.C.'s three major sports stadiums and other locations. In addition, Maryland's 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

Maryland's sports betting market continued to evolve in 2023 through the licensing of new operators and the adoption of two pieces of legislation to impose new limits on certain marketing activities.

In May, Gov. Wes Moore (D) signed a bill to expressly prohibit Maryland colleges and universities from entering into a marketing partnership with a licensed sports betting operator if either the college or an intermediary receives any form of incentive payment based on student participation in sports wagering. Similar legislation was also approved in 2023 in Connecticut and Louisiana.

A separate bill signed by Gov. Moore in May instructed the Maryland Lottery and Gaming Control Commission to adopt regulations to allow for the licensing of independent evaluators to review sports betting content promoted by operators, content partners or sports betting influencers. The purpose was to ensure the independence and transparency of betting recommendations made to players by touts, affiliate partners or by sportsbooks themselves.

During the year, Maryland regulators also awarded new licenses for four mobile and four retail sportsbook

operators and a new sportsbook facility opened at FedEx Field, home stadium of the NFL's Washington Commanders.

Internet Gaming

In April, Gov. Moore signed an annual budget law that included a provision requiring the Maryland Lottery and Gaming Control Commission to produce an official study on the potential authorization of iGaming in Maryland.

Among other things, the study was required to address the potential size of a regulated iGaming market in Maryland, the estimated impact of iGaming on revenue generated by the state's land-based commercial casinos, and potential mitigations for problem gambling impacts.

The study, produced by an independent consultant on behalf of the commission, was delivered to the Maryland General Assembly in November.

Legislation to authorize iGaming was introduced in the Maryland Senate earlier in 2023 but never advanced out of committee. That bill remained pending for the second year of the 2023-24 session, however. If legislation is approved by Maryland lawmakers, iGaming also would be subject to voter approval in a statewide referendum.

MASSACHUSETTS

The launch of legal sports betting in Massachusetts saw total statewide commercial casino gaming revenue reach a record \$1.67 billion in 2023, up 47.3 percent from the previous year.

Market Overview

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

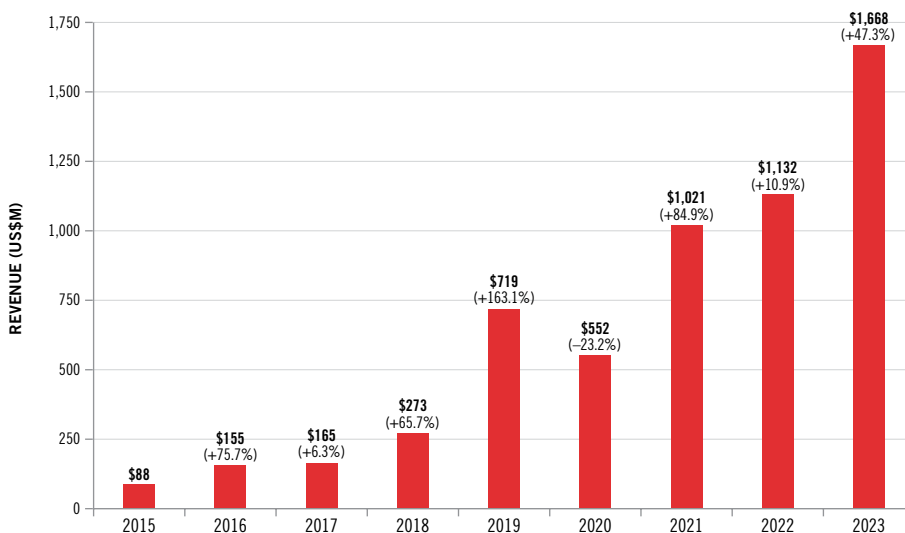
Casino gaming was legalized in 2011 when the legislature passed a law authorizing commercial gaming at three casino-resorts in different regions of the state, plus an additional “Category 2” facility limited to electronic gaming devices. The law also established the Massachusetts Gaming Commission to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

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

The license for Massachusetts’ fourth and final casino was designated under the 2011 law for the Mashpee Wampanoag Tribe to develop a tribal casino in the southeastern region of the state. The Mashpee project has faced a series of legal challenges, however, while the Massachusetts Gaming Commission has thus 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. Land-based sports betting was launched at the state’s three casino gaming facilities in January 2023. Mobile sports betting went live in March, with a total of eight online sportsbook platforms operational by the end of the year.

MASSACHUSETTS: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Massachusetts Gaming Commission

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

3

CASINO FORMAT

Land-Based Casinos;
Racinos

REGULATORY AUTHORITY

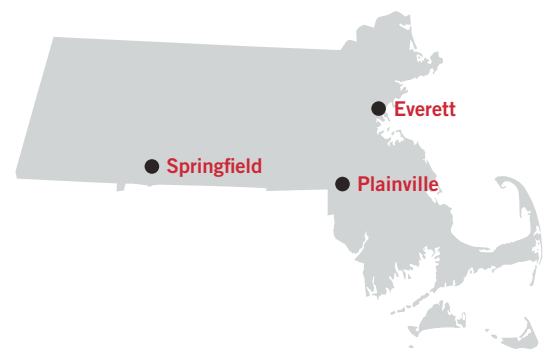
Massachusetts
Gaming Commission

GROSS CASINO GAMING REVENUE 2023

\$1.67B

GAMING TAX REVENUE 2022

\$427.4M



Market Performance

In 2023, total statewide commercial gaming revenue was \$1.67 billion, up 47.3 percent from the prior year.

The record total chiefly reflected the addition of sports betting to Massachusetts’ commercial casino gaming market.

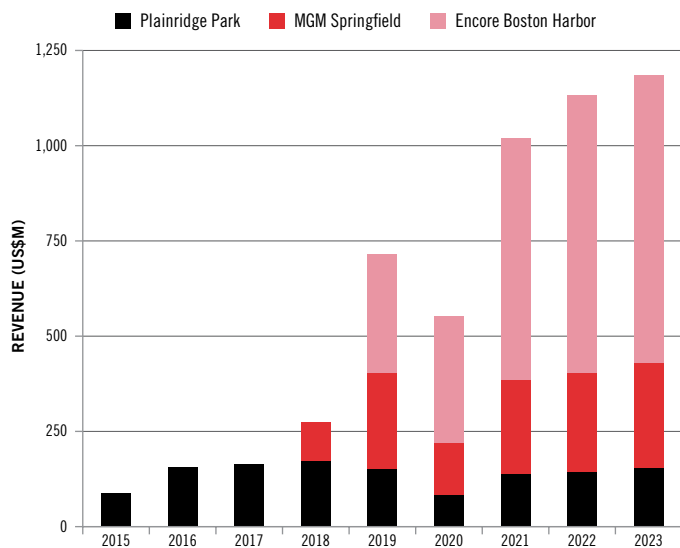
Sports betting revenue for the year was \$483.2 million from 11 months of land-based and ten months of online sports wagering operations, with the latter accounting for \$473.6 million—or 98.0 percent—of the annual total.

Revenue from traditional casino games at the state’s three casino properties was \$1.18 billion in 2023, up 4.6 percent from the previous year. Total revenue from electronic gaming devices was \$789.9 million, up 5.9 percent, while table games revenue was \$394.6 million, up 2.2 percent.

Encore Boston Harbor accounted for 63.7 percent of total land-based casino revenue. The property generated total revenue of \$754.8 million in 2023 and remained the third most lucrative commercial casino-resort outside Nevada, trailing only Resorts World New York City in Queens and MGM National Harbor in Maryland.

MASSACHUSETTS: COMMERCIAL CASINO REVENUE (US\$M) 2015 to 2023

While Encore Boston Harbor remained by far the largest of Massachusetts’ commercial casinos in 2023, its annual growth of 3.4 percent was outpaced by both MGM Springfield (5.7%) and Plainridge Park (8.8%).



SOURCE: Michigan Gaming Control Board

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.

Revenue from land-based sports betting is taxed at a rate of 15 percent, while mobile sports betting is taxed at 20 percent. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2023, Massachusetts’ commercial casinos and sports betting operators generated total gaming tax revenue of \$427.4 million, up 34.7 percent from the prior year.

Of this amount, approximately \$139.6 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. The fund receives the vast majority of tax revenue by Massachusetts’ Category 2 casino and is the single biggest beneficiary of taxes raised from electronic gaming devices and table games at the state’s two casino-resort properties. The Local Aid Fund also receives 27.5 percent of total sports wagering tax revenue.

Other major beneficiaries of commercial casino gaming tax revenue in Massachusetts include a transportation infrastructure fund, a state education fund, a public health trust fund and the state’s horse racing industry.

Competitive Landscape

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

Additional in-state competition is also pending in the shape of the Mashpee Wampanoag’s potential tribal casino-resort

Massachusetts

on Indian lands in the city of Taunton, some 20 miles from Plainridge Park Casino. As of the end of 2023, construction of the tribal casino remained on hold due to a series of lengthy legal challenges against the project. A second Massachusetts Indian tribe, the Wampanoag Tribe of Gay Head (Aquinnah), is also pursuing development of a more modest gaming facility limited to electronic bingo devices on the island of Martha's Vineyard.

From a sports betting perspective, thanks to the approval of legislation in Vermont in 2023, each of Massachusetts' bordering states either offered or would soon offer mobile sports wagering.

Policy & Regulatory Review

Sports Betting

In late January, Massachusetts became the 33rd state with legal sports betting when land-based sportsbooks were opened at all three of the state's land-based casino gaming facilities. Mobile sports betting was launched around six weeks later.

The year also saw the Massachusetts Gaming Commission continue its rulemaking process to fully implement the state's 2022 sports betting law.

The commission approved an official catalog of permitted wagering events just prior to the launch of legal sports betting in January. The agency also held a series of public consultation processes before adopting a range of updated regulations related to sports betting advertising, affiliate marketing, player management programs and data privacy protections, among other areas.

Responsible Gaming

In August, the Massachusetts Gaming Commission opened a request for information process to explore the potential of AI-driven technology solutions to identify potential problem gambling behaviors in online sports betting and land-based casino gaming in the state.

The information gathering process was the first step in the development of a strategic approach to the potential use of AI and other technologies to prevent problem gambling by monitoring play patterns.

Massachusetts already has a unique responsible gaming solution for casinos through its PlayMyWay system that enables patrons to set limits on the amount they wish to spend via electronic gaming devices at the state's land-based casino properties.

MICHIGAN

Commercial casino gaming revenue in Michigan hit a record high of \$3.58 billion in 2023, as strong growth in iGaming offset a decline in traditional casino gaming revenue at Detroit's three land-based casinos.

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 2023, a total of 14 online sportsbooks—one less than the previous year—, 15 internet casinos and three online poker platforms were operational.

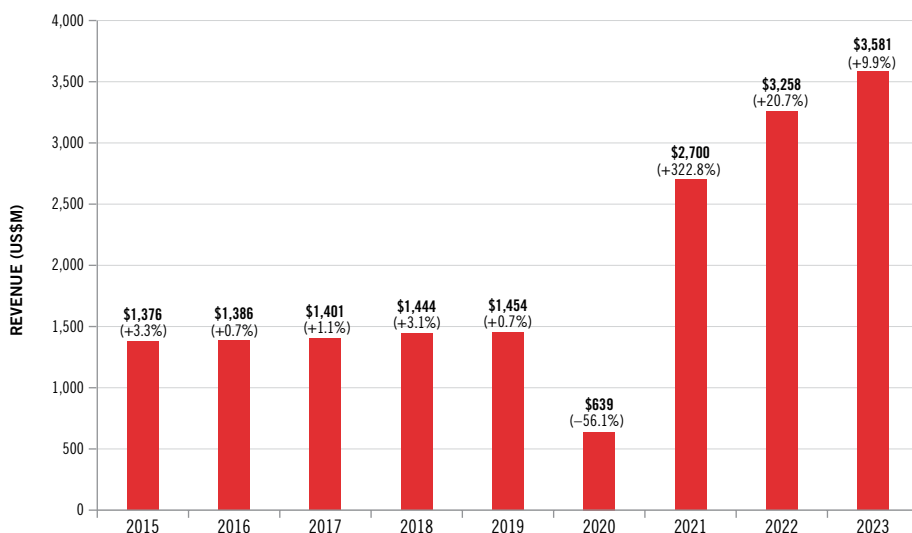
Market Performance

In 2023, total statewide commercial casino gaming revenue was \$3.58 billion, up 9.9 percent versus the previous year.

The record total reflected continued growth in Michigan's iGaming market, which offset a decline in traditional casino gaming revenue at casino properties in Detroit.

Total iGaming revenue from online casino games and poker reached \$1.92 billion, up 21.6 percent from 2022. In contrast, combined revenue from electronic gaming devices and table games at commercial land-based casinos was \$1.22 billion, down 2.7 percent. Notably, land-based casino gaming

MICHIGAN: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Michigan Gaming Control Board

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

3

CASINO FORMAT

Land-Based Casinos

REGULATORY AUTHORITY

Michigan Gaming Control Board

GROSS CASINO GAMING REVENUE 2023

\$3.58B

GAMING TAX REVENUE 2023

\$821.3M



Michigan

revenue was impacted by a lengthy labor dispute at Detroit's three casino properties during the final quarter of the year.

Commercial sports betting revenue was \$434.4 million, up 3.8 percent, with mobile sports betting accounting for \$420.4 million—or 96.8 percent—of the total. Retail sportsbooks in the three Detroit casinos generated some \$14.1 million in revenue, down 26.3 percent from 2022.

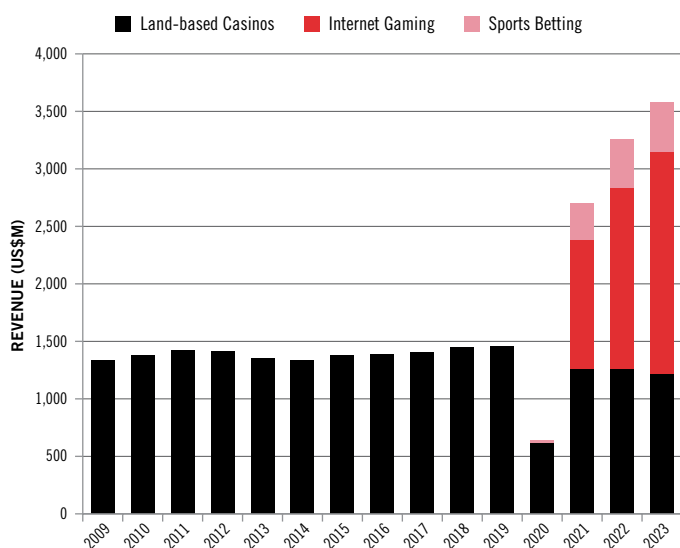
Gaming Tax Distribution

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 subject 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 (US\$M) 2009 to 2023

For the second straight year, Michigan reported more revenue from iGaming than from land-based commercial casino gaming in 2023. Together with online sports betting, iGaming accounted for 65.5 percent of total commercial gaming revenue in Michigan.



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

In 2023, Michigan's three commercial casinos and its regulated iGaming and online sports betting platforms generated estimated total gaming tax revenue of \$821.3 million, up 11.9 percent from 2022. Of this amount, approximately \$510.3 million was remitted to the state, with \$267.8 million going to the Detroit city government. A further \$43.1 million in iGaming taxes was transferred 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.

Policy & Regulatory Review

Illegal Gaming

Michigan authorities took a series of actions to tackle unregulated gaming during the course of 2023.

In the latter months of the year, the Michigan Gaming Control Board issued a series of cease-and-desist letters to the operators of three prominent sweepstakes gaming platforms. Although the companies in question claim to operate lawfully in most states across the country, the

Michigan

MGCB alleged that their offerings violated various state laws as well as the Michigan Penal Code.

The MGCB letters came after the state attorney general's office earlier took formal action against another provider of online sweepstakes games and was able to force that company to cease its operations in Michigan.

The MGCB and other law enforcement agencies also were involved in several operations against illegal land-based gaming businesses in different parts of the state.

Fantasy Sports

In October, a Michigan legislative committee adopted formal regulations proposed by the MGCB to govern fantasy sports contests in the state.

Among other provisions, the rules prohibited any fantasy contests that mimic proposition bets or other forms of

sports wagering. Similar restrictions were also adopted in 2023 in New York and Colorado.

Fantasy sports contests were formally authorized in Michigan by a 2019 state law which required contest operators to obtain a license and granted the MGCB a mandate to develop specific regulations to govern fantasy games.

Responsible Gaming

In March, the Michigan Gaming Control Board launched its "Don't Regret The Bet" multimedia public information campaign to promote responsible wagering with the state's licensed casino, iGaming and sports betting operators.

The first-of-its-kind campaign was funded via a \$3 million appropriation included in Michigan's 2023 fiscal-year budget. Funding for the campaign was also approved as an ongoing, annual appropriation in Michigan's 2024 budget law.

MISSISSIPPI

In 2023, total statewide commercial casino gaming revenue was \$2.48 billion, down 3.5 percent from the previous year as casinos reported lower revenue from electronic gaming devices, table games and sports betting.

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 2023, Mississippi's commercial casinos generated total gaming revenue of \$2.48 billion, down 3.5 percent compared with the previous year.

Total statewide revenue from electronic gaming devices as reported by the Mississippi Gaming Commission was \$2.05 billion, down 2.1 percent relative to 2022, while revenue from table games was \$342.7 million, down 7.7 percent.

Sports betting revenue fell more sharply, dropping 15.8 percent to \$51.2 million during the first year in which Mississippi's retail-only sports wagering

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

26

CASINO FORMAT

Land-Based Casinos;
Riverboat Casinos

REGULATORY AUTHORITY

Mississippi Gaming
Commission

GROSS CASINO GAMING REVENUE 2023

\$2.48B

CASINO TAX REVENUE 2023

\$294.3M

MISSISSIPPI: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Mississippi Gaming Commission



Mississippi

market faced a full twelve months of competition from mobile sportsbooks in neighboring Louisiana.

In 2023, casino-resorts in Mississippi's Gulf Coast region were more resilient than those located along the Mississippi River. Gulf Coast casinos located in Biloxi and other markets reported combined annual casino gaming revenue of \$1.59 billion, down just 0.6 percent from the prior year. In contrast, riverboat casinos located in the central region of the Mississippi River reported gaming revenue of \$327.2 million, down 3.0 percent, while gaming revenue generated by casinos in the northern region of the state declined 11.1 percent to \$565.6 million.

Gaming Tax Distribution

Mississippi imposes a graduated tax based on monthly gaming revenue. Casinos pay a 4 percent tax on gross gaming revenue 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 2023, Mississippi commercial casinos generated approximately \$294.3 million in direct gaming tax revenue, down 2.9 percent against the previous year, according to statistics collected by the Mississippi Gaming Commission.

Of that total amount, approximately \$158.8 million was distributed to Mississippi's General Fund from which it is appropriated annually to support various state budgetary needs, including education programs, transportation, local public safety programs and social welfare initiatives.

An additional \$99.5 million worth of gaming tax revenue 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's legal sports betting market remains limited to sportsbook operations located within commercial and tribal casino-resorts, statewide mobile sports betting is available in the bordering states of Louisiana, Tennessee and Arkansas.

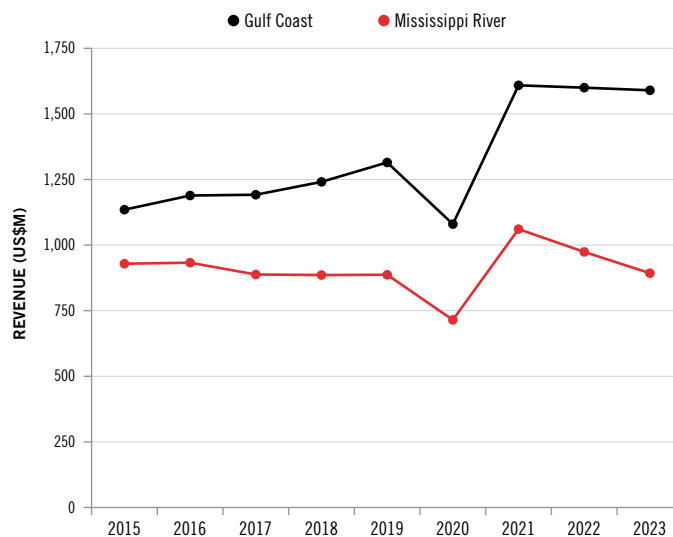
Policy & Regulatory Review

Sports Betting

In March, Gov. Tate Reeves (R) signed a bill to establish a legislative task force to study the potential authorization of mobile sports betting in Mississippi. The study bill was passed with little opposition in the state legislature, even though a series of past bills to regulate mobile sports betting had failed to advance out of committee since 2019.

MISSISSIPPI: COMMERCIAL GAMING REVENUE BY REGION (US\$M) 2015 to 2023

Mississippi's two gaming markets showcased contrasting results in 2023 with Gulf Coast casinos maintaining near-record gaming revenue for the third consecutive year. Conversely, revenue from riverboats moored on the Mississippi River declined again, constituting only 36.0 percent of the state's total gaming revenue lowest – the market's lowest ever share.



SOURCE: Mississippi Gaming Commission

Mississippi

The 13-member task force, comprised of state legislators, regulatory officials and industry representatives, held a series of three public hearings before releasing its report in December.

The task force concluded that Mississippi would generate significantly higher tax revenue from the addition of mobile

sports betting compared to the current market limited to sportsbook operations at casino facilities. The report stopped short of making a firm policy recommendation, however, instead setting out a series of factors for lawmakers to consider as they evaluate future legislative proposals.

MISSOURI

In 2023, total statewide commercial casino gaming revenue was a record \$1.92 billion, as growth in revenue from electronic gaming devices offset a decline in table games revenue.

Market Overview

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

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

Market Performance

In 2023, total statewide commercial casino gaming revenue was a record \$1.92 billion, up 0.8 percent versus the previous year.

Statewide revenue from electronic gaming devices was \$1.65 billion, up 1.4 percent versus 2022. The growth in electronic gaming device revenue offset a decline in table game revenue, which fell by approximately 2.4 percent to \$271.5 million.

Missouri’s 13 commercial casinos reported approximately 28.9 million admissions in 2023, essentially flat from the prior year. Casinos earned an average of \$66.4 in revenue per admission, compared to around \$65.9 in 2022, according to statistics collected by the Missouri Gaming Commission.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

13

CASINO FORMAT

Riverboat Casinos

REGULATORY AUTHORITY

Missouri Gaming Commission

GROSS CASINO GAMING REVENUE 2023

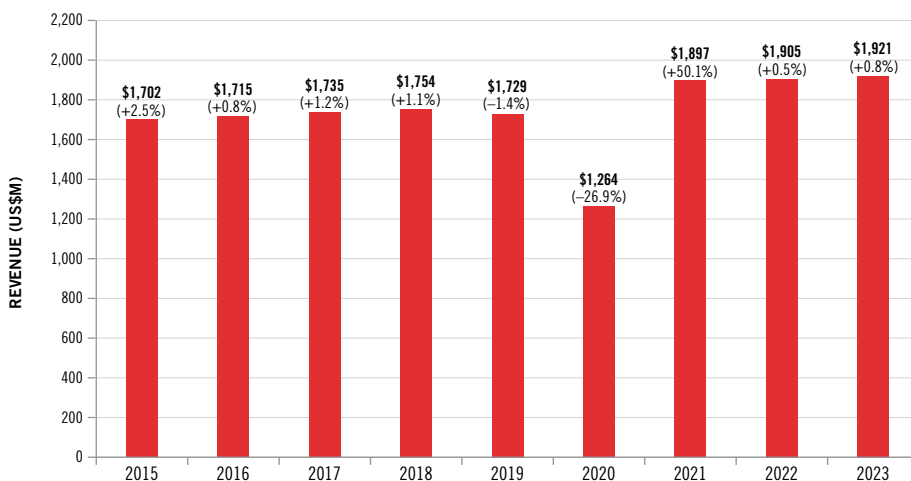
\$1.92B

GAMING TAX REVENUE 2022

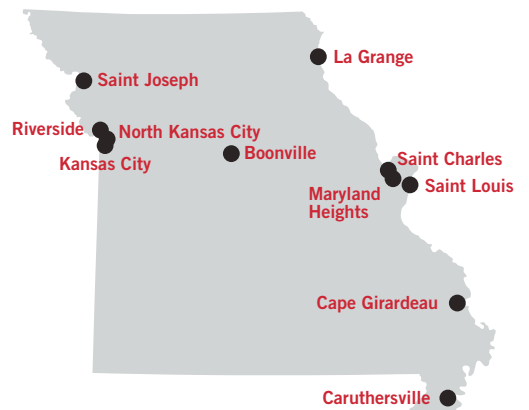
\$461.3M

MISSOURI: COMMERCIAL CASINO GAMING REVENUE (US\$M)

2015 to 2023



SOURCE: Missouri Gaming Commission



Gaming Tax Distribution

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

In 2023, Missouri’s commercial casinos generated total gaming tax revenue of \$461.3 million, including admissions fees, up 0.7 percent versus the previous year.

The majority of gaming tax revenue, approximately \$363 million in 2023, 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.

Approximately \$69.2 million in gaming taxes and admissions fees was paid in 2023 to local governments that host Missouri’s casinos. A further \$28.9 million was set aside for additional programs, including veterans initiatives, college assistance programs and problem gambling support services, 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, which since 2022 has been able to offer sports betting in addition to electronic gaming devices and table games.

Elsewhere, Missouri casinos in the St. Louis market compete with two casinos in East St. Louis and Alton, Illinois. Additional competition is also 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, some 11 miles from St. Louis. In August 2023, the new Walker’s Bluff Casino Resort was also opened in Williamson County, Illinois, roughly 60 miles from Missouri’s Century Casino Cape Girardeau.

Policy & Regulatory Review

Sports Betting

Proponents of legal sports betting in Missouri faced another year of frustration in 2023, as legislation once again stalled in the state Senate despite clearing the Missouri House of Representatives by an overwhelming majority for the second consecutive year.

In March, the House passed a bill to authorize both land-based and mobile sports wagering, but the bill was never brought up on the floor of the Senate. Senate opposition

stemmed from a desire by some for sports betting legislation to also include provisions to regulate electronic gaming devices at bars and other non-casino venues.

With that issue impeding sports betting legislation, proponents started to lay the groundwork in late 2023 for an alternative approach that would see sports wagering approved directly by voters through a ballot initiative.

In September, a coalition of Missouri professional sports teams submitted a series of potential ballot questions to the Missouri Secretary of State. The coalition was expected to commence signature gathering efforts in early 2024, with the aim of collecting the 170,000 required voter signatures in order to qualify a referendum on sports betting for the November 2024 ballot.

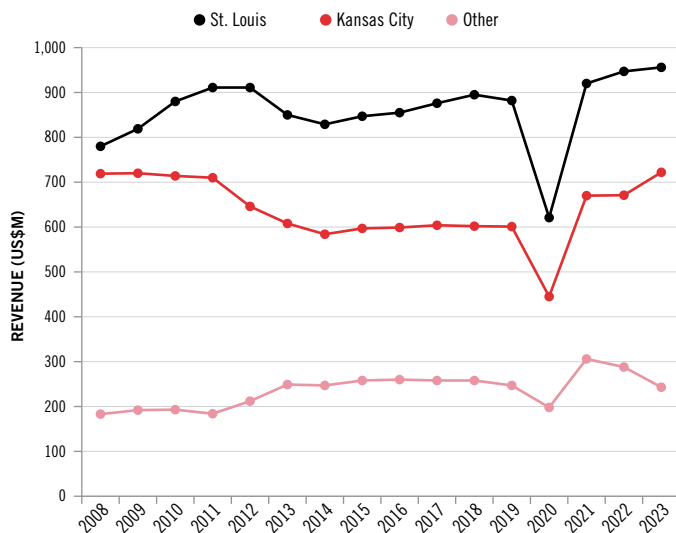
Regulatory Reform

The Missouri Gaming Commission approved a series of new rules in 2023 to update the state’s regulations applicable to commercial casino gaming.

In June, the commission filed 17 new regulations to update or streamline existing rules applicable to the certification and monitoring of electronic gaming devices, among other things. A further five regulations were filed in August, with the updated rules approved in October and December.

MISSOURI CASINOS: COMMERCIAL GAMING REVENUE BY REGION (US\$M) 2008 to 2023

Missouri commercial casinos serving the Greater St. Louis area reported an increase in casino gaming revenue of 1.1 percent in 2023 and revenue from those in the Kansas City market jumped 7.5 percent, both reaching new records, while casinos in other regions of the state saw a downturn compared to 2022.



SOURCE: Missouri Gaming Commission

MONTANA

The Montana Lottery reported total sports betting revenue of \$8.5 million in 2023, an increase of approximately 17.8 percent from the previous year.

Market Overview

Montana has no commercial casino venues but offers sports betting through a network of sports wagering kiosks available at more than 520 host locations across the state.

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.

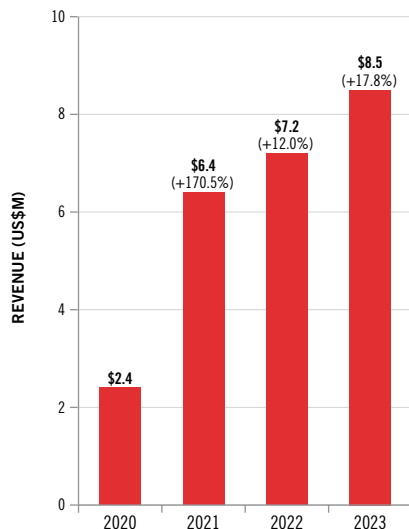
Market Performance

In 2023, total sports betting revenue generated by the Montana Lottery amounted to \$8.5 million, up 17.8 percent relative to the previous year. The total amount wagered—or handle—was \$62.3 million, up 22.3 percent compared with 2022.

Gaming Tax Distribution

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

MONTANA: COMMERCIAL SPORTS BETTING REVENUE (US\$M) 2020 to 2023



SOURCE: Montana Lottery

In 2023, sports betting generated profits for the Montana Lottery of approximately \$3.8 million, up 36.7 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 and healthcare.

Competitive Landscape

In addition to sports betting, Montana's wider gaming market includes 14 tribal casinos and three horse racetracks. Licensed bars and charitable gaming locations can also offer limited card games, bingo, charitable sports pools and up to 20 limited-stakes electronic

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

0

CASINO FORMAT

N/A

REGULATORY AUTHORITY

Montana Lottery Commission

GROSS SPORTS BETTING REVENUE 2023

\$8.5M

SPORT BETTING TAX REVENUE 2023

\$3.8M



Montana

gaming devices. In 2023, total statewide revenue these VGMs was \$547.2 million, up 4.8 percent from the previous year.

Montana faces limited regional competition for sports betting in the shape of online sports wagering platforms that are available on a statewide basis in southern neighbor 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 February, Gov. Greg Gianforte (R) signed a bill to clarify the rulemaking authority of the Montana Lottery to adjust

sales commissions and other policies applicable to the host locations for its sports betting program.

The new legislation expressly granted the Montana Lottery Commission the authority to adopt new policies for sports wagering sales agents without requiring a broader administrative process.

The bill was approved after the Montana Lottery acted in 2022 to halve the commission rate payable to the licensed bars and other locations that host Sports Bet Montana kiosks, as part of a broader restructuring that also involved the lottery lowering its hold rate in order to provide more attractive odds to players. Host locations now receive 3 percent of all amounts bet through kiosks at their properties, versus an initial 6 percent commission rate.

NEBRASKA

Nebraska reported total commercial casino gaming revenue of \$89.1 million in 2023, the state's first full year of casino gaming operations.

Market Overview

Nebraska offers commercial casino gaming at three temporary racino facilities that are authorized to offer electronic gaming devices, table games and sports betting. Sports betting is also offered at a fourth racetrack location.

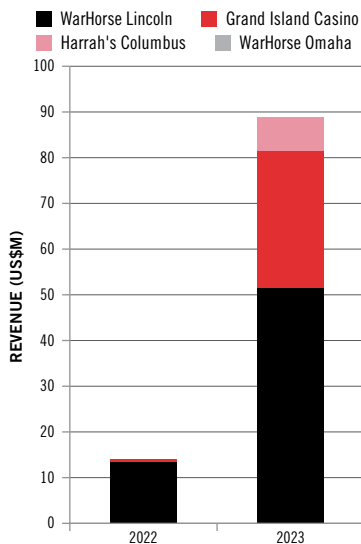
In 2020, voters approved a state constitutional amendment to allow commercial casino gaming at licensed racetracks in Nebraska. State lawmakers approved a bill in 2021 to implement the voter referendum, with that legislation recognizing the prospect of sports betting being offered at racinos alongside traditional electronic gaming device and table game operations. The state's first racinos commenced operations in 2022. Casino gaming is regulated by the Nebraska Racing and Gaming Commission.

Market Performance

In 2023, total statewide commercial casino gaming revenue amounted to \$89.1 million, more than six times 2022's total of \$14.0 million that was derived exclusively from electronic gaming devices at two temporary racino facilities.

The total reflected a first full year of casino operations at the WarHorse Gaming racino in Lincoln and Grand Island Casino & Resort at Fonner Park racetrack. A third Nebraska racino—Harrah's Columbus Racing & Casino—was opened in June 2023, while a temporary sportsbook facility was also opened at Horsemen's Park racetrack in Omaha in November.

NEBRASKA: COMMERCIAL CASINO REVENUE (US\$M) 2022 to 2023



SOURCE: Nebraska Racing and Gaming Commission

Electronic gaming devices accounted for approximately \$86.6 million of 2023's casino gaming revenue total. However, the total also included \$1.8 million in revenue from sports betting offered at the WarHorse Gaming racino and WarHorse Casino sportsbook in Omaha. Grand Island Casino & Resort reported some \$733,000 in revenue from table games at its temporary casino facility.

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. Sportsbook operations at racinos are also subject to a 0.25 percent federal excise tax applied to wagering handle.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

3

CASINO FORMAT

Racinos

REGULATORY AUTHORITY

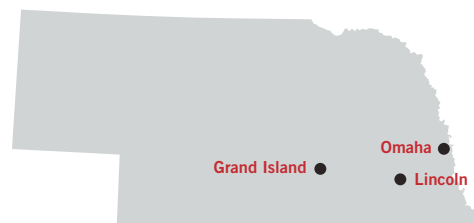
Nebraska Racing and Gaming Commission

GROSS CASINO GAMING REVENUE 2023

\$89.1M

GAMING TAX REVENUE 2023

\$17.8M



Nebraska

In 2023, Nebraska's racinos generated approximately \$17.8 million in gaming tax revenue, compared with \$2.8 million the prior year.

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.

Competitive Landscape

After launching in September 2022, Nebraska's commercial casino gaming market remains very much in its infancy with all four racino and sportsbook locations still operating as temporary facilities as of the end of 2023. Permanent casino-resorts featuring a wider array of gaming and entertainment offerings are expected to open at all four racino locations in either 2024 or early 2025. In addition, established racetracks in Hastings and South Sioux City are also eligible to obtain licenses to offer casino gaming.

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 four established tribal casinos on Indian reservation lands in Nebraska.

Policy & Regulatory Review

Regulatory Reform

In April, Gov. Jim Pillen (R) signed a bill to make a series of technical corrections to Nebraska's 2021 casino legislation and the state's lottery laws.

Among other things, the new law amended the definition of a "licensed racetrack enclosure" where casino gaming may be conducted to explicitly include all areas of a racetrack facility, including the grandstand, parking lot or any other area designated by the Nebraska Racing and Gaming Commission.

The legislation also clarified the commission's authority to recommend future statutory reforms and impose administrative fines in the event of non-compliance with the state's gaming law.

Sports Betting

In June, Nebraska became the 36th state with legal sports betting when a sportsbook was opened at the WarHorse Gaming temporary racino facility in Lincoln.

Although 2020's state constitutional amendment on commercial casino gaming did not explicitly reference the possibility of sports betting, state lawmakers considered the language to be sufficiently broad and decided to include sports wagering in the enabling legislation to implement the amendment that was approved the following year.

After initially prioritizing the rollout of electronic gaming devices and other casino games at temporary racino locations, the Nebraska Racing and Gaming Commission adopted regulations for sports betting in late 2022. A catalog of approved sports wagering events was approved by the commission in May 2023.

Following the launch of sports betting at its Lincoln facility, WarHorse Gaming also opened a temporary sportsbook in November at the site of its forthcoming racino in Omaha.

NEVADA

In 2023, total statewide commercial casino gaming revenue was \$15.52 billion, up 4.6 percent from the prior year. It was the third consecutive year that Nevada reported all-time record annual gaming revenue.

Market Overview

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

In 2001, Nevada became the first state to legalize iGaming 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.

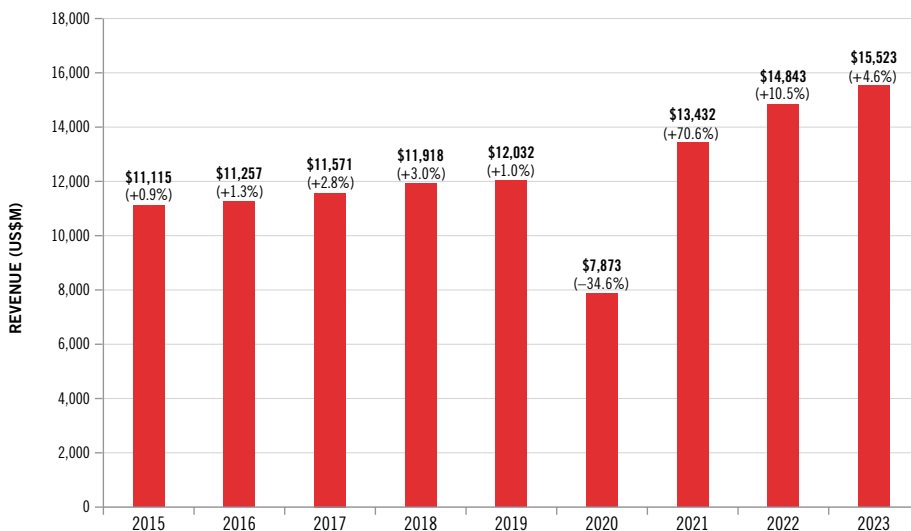
The state's commercial casinos are regulated by the Nevada Gaming Control Board (NGCB) and Nevada Gaming Commission (NGC), with no restrictions on the number of licenses available.

Market Performance

In 2023, total statewide commercial casino gaming revenue was a record \$15.52 billion, up 4.6 percent compared to 2022. After suffering a sharp revenue decline during the peak pandemic year of 2020, 2023 was the third straight year of record-setting commercial gaming revenue in Nevada.

Total statewide gaming revenue from electronic gaming devices was \$10.28 billion, up 2.8 percent versus the prior year, while revenue from table games was \$4.76 billion, up 8.4 percent. Sports betting revenue hit a record total of

NEVADA: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Nevada Gaming Control Board

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

225

CASINO FORMAT

Land-Based Casinos

REGULATORY AUTHORITY

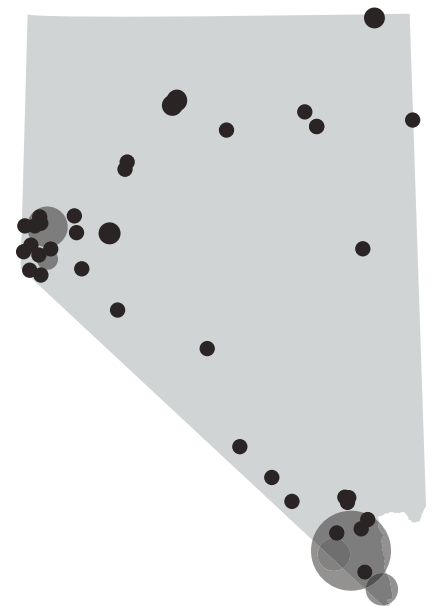
Nevada Gaming Control Board; Nevada Gaming Commission

GROSS CASINO GAMING REVENUE 2023

\$15.52B

CASINO TAX REVENUE 2023

\$1.21B



Nevada

\$481.3 million, up 7.7 percent from 2022. Unlike in other states with both land-based and mobile sports betting, revenue in Nevada was equally split between the two channels in 2023, 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 wagering accounts.

Continuing a post-pandemic trend, overall growth of the Nevada commercial casino gaming market was again led by the Las Vegas Strip in 2023. Commercial casino-resorts on the Strip reported total revenue from electronic gaming devices and table games of \$8.69 billion, up 7.2 percent versus 2022, while those in other parts of Nevada that are typically more dependent on local players than out-of-state tourists reported total casino gaming revenue of \$6.35 billion, up slightly less than one percent.

In 2023, Las Vegas received some 40.8 million visits from tourists, up 5.2 percent from 2022, according to the Las Vegas Convention and Visitors Authority.

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. Quarterly and annual fees are also 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 2023, Nevada collected a total of \$1.21 billion in state gaming and live entertainment tax revenue from commercial casinos, an increase of 5.0 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 gaming tax funds go to local school systems and county governments.

Competitive Landscape

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

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

In December 2023, two major new Las Vegas casino-resorts—Fontainebleau Las Vegas and Durango Resort—opened their doors. The landmark Tropicana Las Vegas casino-resort is set to be shuttered in 2024, however, in order to make way for a new baseball stadium adjacent to the Las Vegas Strip.

Outside of Las Vegas, commercial casinos in Reno and other parts of northern Nevada face fierce regional competition from several dozen tribal casino-resorts in northern California.

Policy & Regulatory Review

Illegal Gaming

In April, the chairman of the Nevada Gaming Control Board sent a letter to U.S. Attorney General Merrick Garland on behalf of gaming regulatory agencies in Nevada and six other states, urging the U.S. Department of Justice to prioritize enforcement actions against illegal offshore sports betting and iGaming platforms.

"The many significant threats posed by offshore illegal gambling cannot be addressed by states alone and, therefore, require heightened federal attention and engagement," said the letter, which was co-signed by chief gaming regulatory officials in New Jersey, Michigan, Illinois, Colorado, Louisiana and Mississippi.

The U.S. Department of Justice sent a response to the letter in July, insisting that federal law enforcement agencies take illegal gambling seriously and continue to investigate illegal iGaming operations.

Regulatory Reform

Nevada policymakers advanced several gaming regulatory reform initiatives in 2023.

Nevada

Following a series of workshops with industry executives, the Nevada Gaming Control Board launched a new initiative in November to enable certain modifications to gaming technologies and systems to be deployed without requiring inspection or prior approval by either the board or an independent testing laboratory. Industry officials had previously complained that Nevada’s approval process meant new gaming technologies could often be deployed quicker in other markets.

In June, Gov. Joe Lombardo (R) separately signed a bill to make several reforms to Nevada gaming statutes. Among other things, the new legislation means Nevada casino gaming operators no longer have to file an annual report with the Nevada Gaming Control Board related to their gaming operations outside the state.

Sports Betting

In October, the Nevada Gaming Commission voted to adopt regulatory amendments to facilitate betting on esports contests through the state’s licensed sportsbooks.

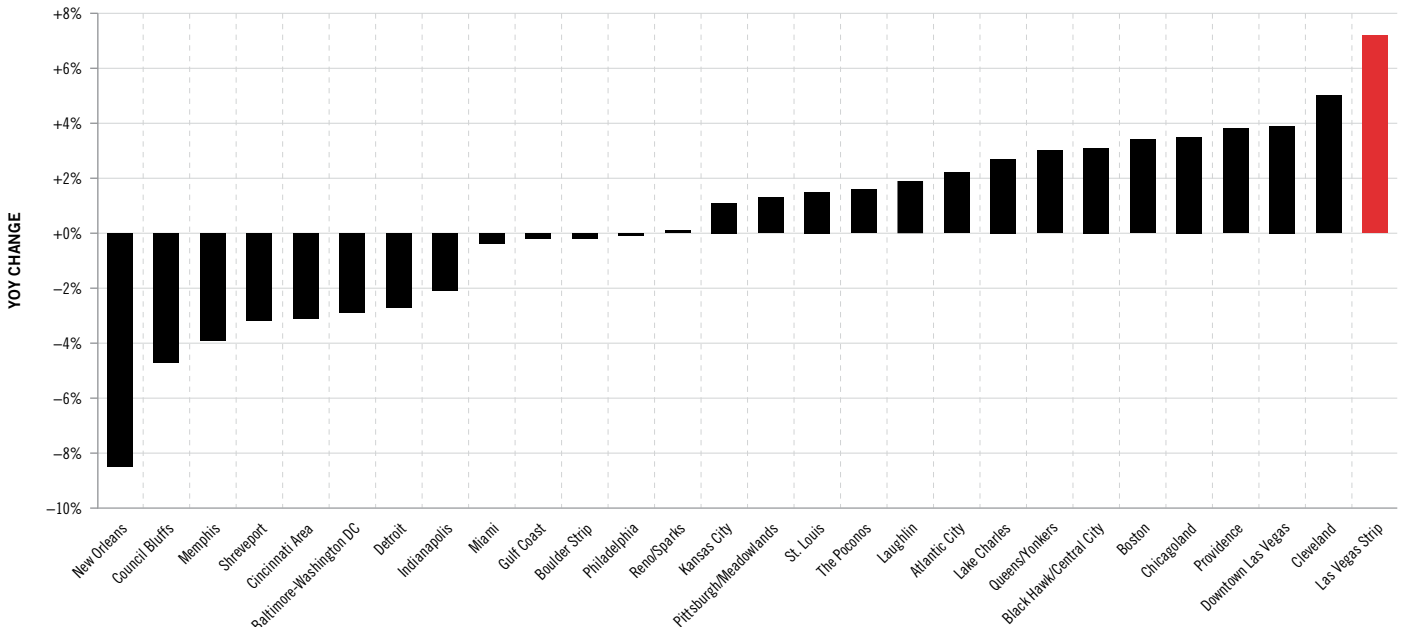
The new regulations enable sports betting operators to generally offer wagers on esports contests just as they do on traditional sporting events, provided they have been able to obtain sufficient information regarding the integrity of the esports event in question. Operators are also required to submit a quarterly report on the esports events on which they accept wagers.

Under previous regulations, Nevada sportsbook operators were required to obtain prior regulatory approval for each and every esports tournament they wished to offer bets on.

The updated regulations were developed by a special advisory panel formed in 2021 at the behest of the state legislature.

UNITED STATES: YOY COMMERCIAL CASINO REVENUE GROWTH BY MARKET 2023

The Las Vegas Strip was both the largest and fastest growing land-based commercial casino market in 2023, with total annual gaming revenue on the Strip increasing by 7.4 percent to more than \$8.90 billion.



SOURCE: State Gaming Regulatory Agencies

NEW HAMPSHIRE

In 2023, New Hampshire reported a 20.3 percent increase in sports betting revenue to \$80.3 million, as the state's sportsbooks weathered new cross-border competition from legal sports wagering in neighboring Maine and Massachusetts.

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 full sports betting through mobile platforms and at up to ten retail sportsbook locations by partnering with a maximum of five private operators to conduct sports wagering on its behalf. The lottery is also authorized to directly operate sports lottery parlay games through its traditional network of retailers.

Through a request for proposals process, the New Hampshire Lottery selected DraftKings to be its exclusive agent for mobile and retail sports wagering. DraftKings' New Hampshire mobile sportsbook was launched in December 2019. At the end of 2023, retail sports betting was also available at four land-based sportsbook locations.

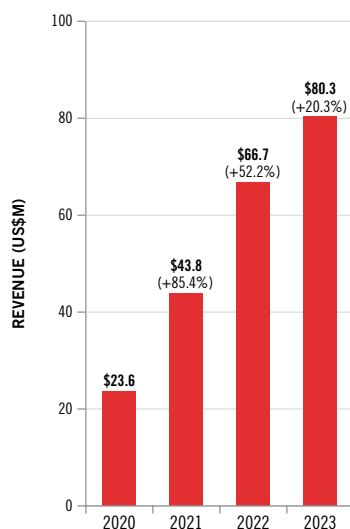
Market Performance

In 2023, total sports betting revenue in New Hampshire was \$80.3 million, up 20.3 percent versus the previous year.

Total revenue from online sports betting was approximately \$67.4 million, up 13.3 percent relative to 2022, while revenue from land-based sports betting was \$12.9 million, up 78.0 percent. The strong growth in land-based sports betting revenue reflected, in part, the opening of a fourth retail sportsbook location in September. Meanwhile, overall market growth came despite the

launch of legal sports wagering in neighboring states Massachusetts and Maine during the course of the year.

NEW HAMPSHIRE: COMMERCIAL SPORTS BETTING REVENUE (US\$M) 2020 to 2023



SOURCE: New Hampshire Lottery

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.

In 2023, sports betting generated total tax revenue of approximately \$35.6 million, up 14.9 percent from the previous year.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

0

CASINO FORMAT

N/A

REGULATORY AUTHORITY

New Hampshire Lottery Commission

GROSS SPORTS BETTING REVENUE 2023

\$80.3M

SPORT BETTING TAX REVENUE 2023

\$35.6M



New Hampshire

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. Other funds were allocated to cover administrative costs and to fund a state responsible gambling council that was established under the 2019 sports betting law.

Competitive Landscape

New Hampshire's retail and mobile sportsbooks operate in a New England sports betting market that became increasingly competitive during 2023. Following approval of new laws in 2022, Massachusetts launched retail sports betting in January followed by online sports betting in March, while mobile sports betting went live in Maine in November. Neighboring Vermont also passed legislation to authorize online sports betting in June 2023, with operations due to commence in early 2024.

Aside from sports betting, New Hampshire's broader gaming market includes a racetrack and simulcast facilities, as well as 14 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

Internet Gaming

In March, the New Hampshire Senate voted to pass a bill to authorize iGaming in the state under the oversight of the New Hampshire Lottery Commission.

The bill approved by senators specifically would have authorized the commission to hold a procurement process to select one or more private operators to conduct iGaming on its behalf. Only online versions of casino table games would be permitted, and not games replicating those of an electronic gaming device.

After narrowly passing the Senate by a one-vote margin, the bill was abruptly shelved in the New Hampshire House of Representatives. During Senate hearings, lawmakers received testimony from operators of charitable gaming in New Hampshire who expressed concern that iGaming could cannibalize revenue from their land-based facilities.

Regulatory Reform

In June, Gov. Chris Sununu (R) signed a bill to allow for higher stakes games in New Hampshire's charitable gaming locations.

Among other statutory changes, the legislation specifically increased the maximum wager for a table game at a charitable casino from \$10 to \$50. The bill also raised the maximum amount a player may spend during the course of a single game from \$150 to \$2,500.

The new legislation was the latest in a series of initiatives to bolster New Hampshire's charitable gaming sector. After lawmakers approved a law in 2021 to permit electronic gaming devices based on historical horse races at charitable casinos, Gov. Sununu signed legislation the following year to also authorize extended opening hours for charitable gaming facilities.

NEW JERSEY

In 2023, statewide commercial casino gaming revenue hit a record total of \$5.78 billion. The figure bested New Jersey's previous record set in 2006 and reflected continued growth in the state's iGaming and online sports betting markets.

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 via a 1976 constitutional amendment that restricted casinos to Atlantic City. The state's first commercial casino opened two years later.

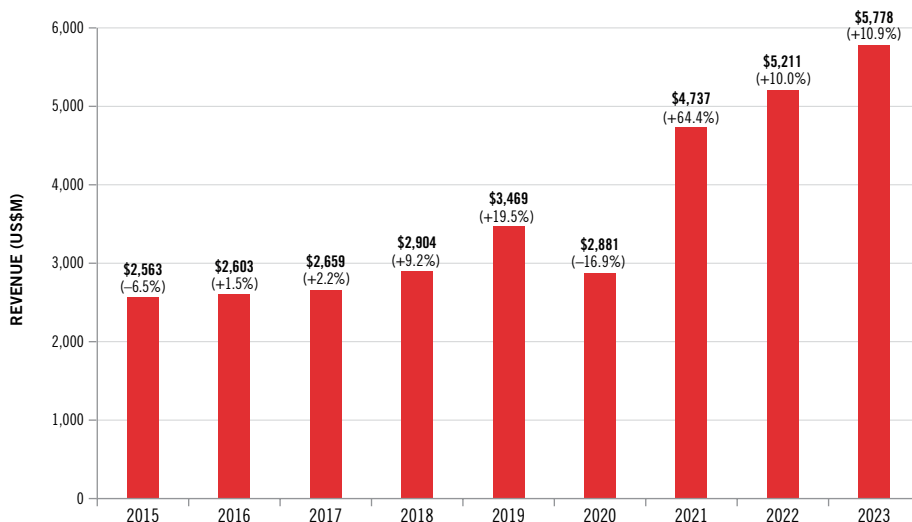
Internet gaming was legalized in 2013, with online and land-based sports betting following in 2018 after New Jersey successfully challenged a federal ban on sports wagering before the U.S. Supreme Court. At the close of 2023, a total of 30 internet casinos and 20 online sportsbooks were operational. Compared to a year earlier, the number of internet casinos was unchanged but online sportsbooks was down from 27.

Market Performance

In 2023, total statewide commercial casino gaming revenue reached \$5.78 billion, up 10.9 percent from 2022 and surpassing New Jersey's previous record high of \$5.22 billion set in 2006.

At that time commercial casino gaming in New Jersey was limited to land-based casino operations in Atlantic City, whereas 2023's record total reflected the

NEW JERSEY: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: New Jersey Division of Gaming Enforcement

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

9

CASINO FORMAT

Land-Based Casinos

REGULATORY AUTHORITY

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

GROSS CASINO GAMING REVENUE 2023

\$5.78B

GAMING TAX REVENUE 2023

\$691.8M



New Jersey

continued growth of the state's iGaming and mobile sports betting markets.

In 2023, total iGaming revenue was \$1.92 billion, up 15.7 percent from the prior year. Sports betting revenue was \$1.01 billion, up 31.9 percent on 2022.

In contrast, revenue from traditional land-based casino gaming offerings in Atlantic City increased by a more moderate 2.2 percent to \$2.85 billion. Total statewide revenue from electronic gaming devices was \$2.11 billion, up 3.3 percent versus 2022, but table game revenue fell to \$736.2 million, down 0.7 percent.

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.

iGaming revenue, meanwhile, is taxed at an effective rate of 17.5 percent, comprising 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 2023, New Jersey commercial casinos and racetracks generated approximately \$691.8 million in total state tax revenue from gaming operations, an increase of 13.0 percent from the previous year.

Of that total, approximately \$595.5 million was deposited into the New Jersey Casino Revenue Fund, where funds are appropriated each fiscal year for the exclusive benefit of New Jersey's senior citizens and disabled residents.

On top of the casino revenue fund amounts, approximately \$96.3 million was also distributed by operators into 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.

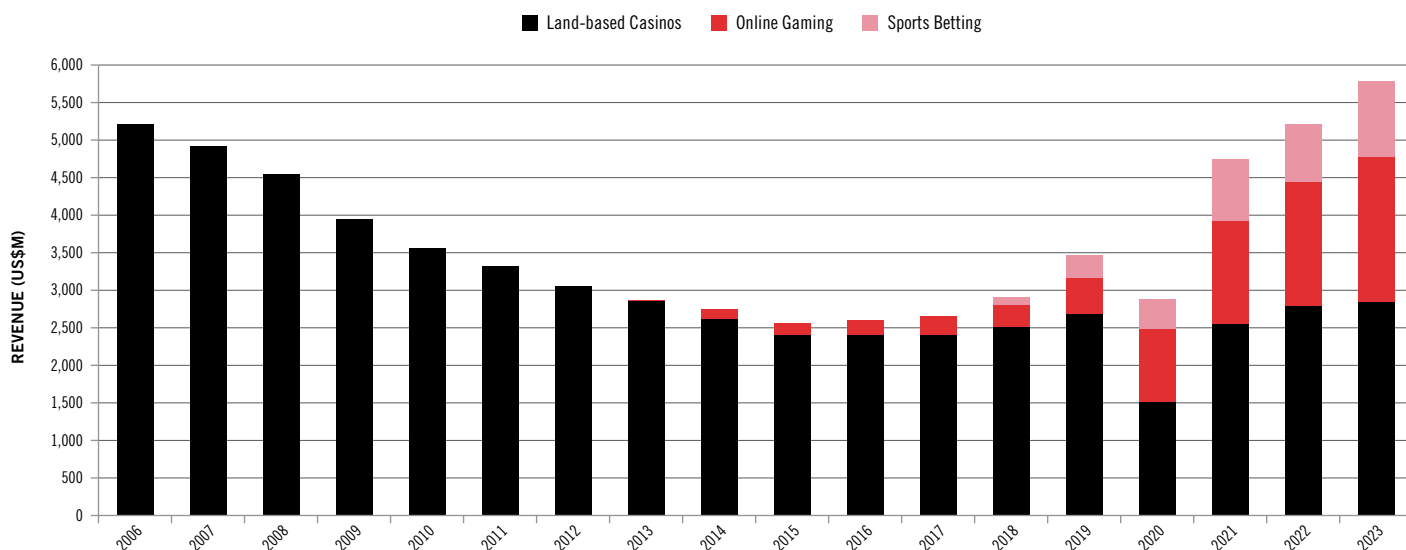
Competitive Landscape

New Jersey commercial casinos compete in a crowded Mid-Atlantic region that includes five casino properties in the Greater Philadelphia area 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

NEW JERSEY: COMMERCIAL GAMING REVENUE (US\$M) 2006 to 2023

Strong growth in revenue from iGaming and mobile sports betting allowed New Jersey to report its highest ever commercial casino gaming revenue total in 2023. The previous best of \$5.22 billion in 2006 was delivered exclusively by land-based casinos in Atlantic City.



SOURCE: New Jersey Division of Gaming Enforcement

New Jersey

the licensing of three major casino-resorts in the New York City area as authorized under New York's 2022-23 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.

Policy & Regulatory Review

Responsible Gaming

New Jersey officials announced two new sets of formal best practices in 2023 to govern responsible gaming and advertising activities by licensed iGaming and sports betting operators in the state.

In February, the state's Attorney General and Division of Gaming Enforcement jointly announced the introduction of new standards for responsible gaming that oblige 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.

In April, similar standards for advertising were announced, with operators obliged to offer clear terms and conditions for any bonuses or other promotions and give players the opportunity to opt-out of direct marketing.

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.

Internet Gaming

In June, Gov. Phil Murphy (D) signed a bill to extend statutory authorization for iGaming in New Jersey for a further five years until at least 2028.

A so-called sunset provision in New Jersey's 2013 iGaming legislation meant the law would have expired exactly 10 years after the market's launch without further action by lawmakers to renew it.

As initially introduced, the bill signed by Gov. Murphy would have extended authorization for iGaming for a further 10 years. The bill was abruptly amended in the New Jersey Assembly to limit authorization to just two years, before lawmakers then agreed to a five-year extension lasting through November 2028.

NEW MEXICO

In 2023, total statewide revenue from electronic gaming devices at commercial casinos was \$270.9 million, up 3.4 percent against the previous year.

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 2023, total commercial casino gaming revenue from the operation of electronic gaming devices at racetracks was \$270.9 million. The record annual total represented an increase of 3.4 percent from the previous year.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

5

CASINO FORMAT

Racinos

REGULATORY AUTHORITY

New Mexico Gaming Control Board

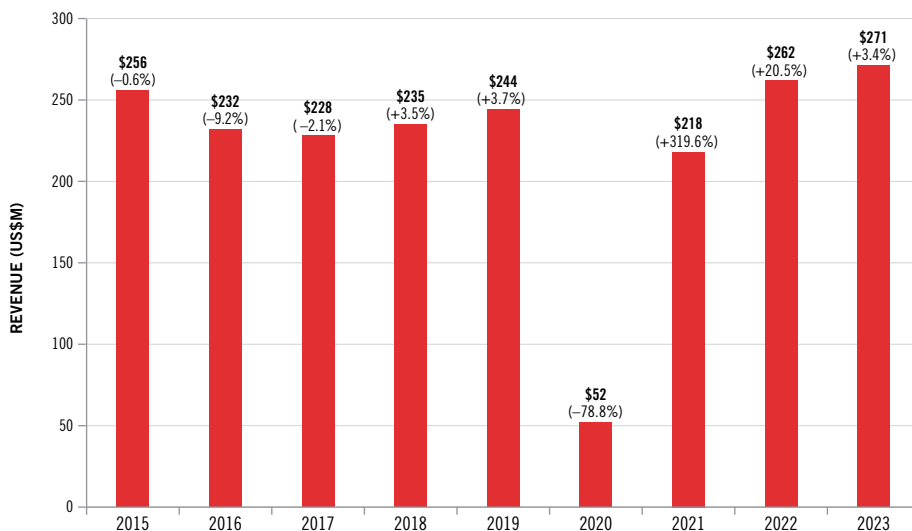
GROSS CASINO GAMING REVENUE 2023

\$270.9M

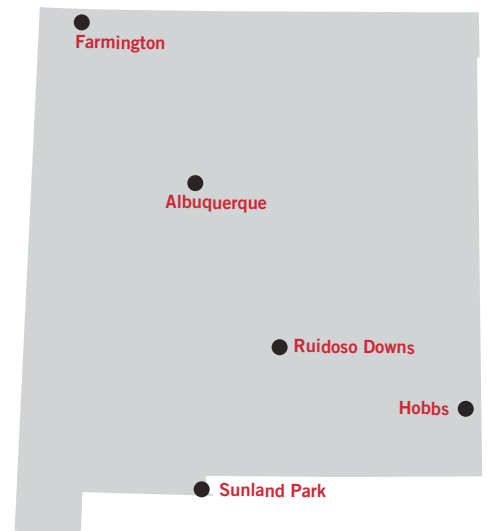
CASINO TAX REVENUE 2023

\$122.9M

NEW MEXICO: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: New Mexico Gaming Control Board



Gaming Tax Distribution

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

In 2023, New Mexico commercial racinos generated total gaming tax revenue of approximately \$122.9 million, up 1.4 percent against the previous year.

Of that amount, \$68.0 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.

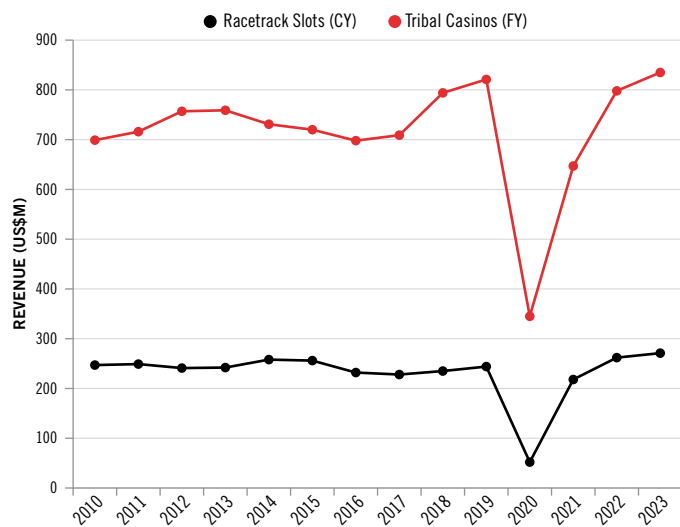
An additional \$54.2 million in commercial casino gaming tax revenue was distributed to New Mexico’s horse racing industry to supplement race purses, with the remainder allocated to the funding of problem gambling services.

Competitive Landscape

New Mexico commercial casinos face considerable competition from the state’s 21 tribal casinos. Unlike the state’s racinos, tribal casinos are permitted to offer table games and sports betting in addition to electronic gaming devices. During the state’s 2023 fiscal year ending June 30, New Mexico tribal casinos generated \$835.0 million in casino gaming revenue, an increase of 4.6 percent increase from 2022.

NEW MEXICO: GAMING REVENUE BY VENUE TYPE (US\$M) 2010 to 2023

While New Mexico’s five commercial racinos reported record annual revenue from electronic gaming devices in 2023, they remained overshadowed in terms of overall gaming revenue by the state’s 21 tribal casinos.



SOURCE: New Mexico Gaming Control Board

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

Regulatory Reform

In April, Gov. Michelle Lujan Grisham (D) signed a bill to increase the maximum jackpots that can be offered by electronic gaming devices operating in New Mexico fraternal and veterans halls. The legislation specifically increased the maximum prize payout that can be offered by each device from \$4,000 to \$10,000.

In August, the New Mexico Gaming Control Board published draft regulations in order to implement the statutory change on payouts alongside other revisions to state rules applicable to electronic gaming devices at non-profit locations.

NEW YORK

In 2023, commercial casino gaming revenue increased by 11.6 percent to a record \$4.72 billion, as growth in revenue from mobile sports betting and electronic gaming devices offset modest declines from table games and land-based sports wagering.

Market Overview

New York’s commercial gaming market includes seven racinos with electronic gaming devices, four casino-resorts offering electronic gaming devices, table games and sports betting, and 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. 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. At the end of 2023, mobile sports betting was offered by a total of nine licensed sportsbook platforms, unchanged from the previous year.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

13

CASINO FORMAT

Land-Based Casinos;
Racinos

REGULATORY AUTHORITY

New York State
Gaming Commission

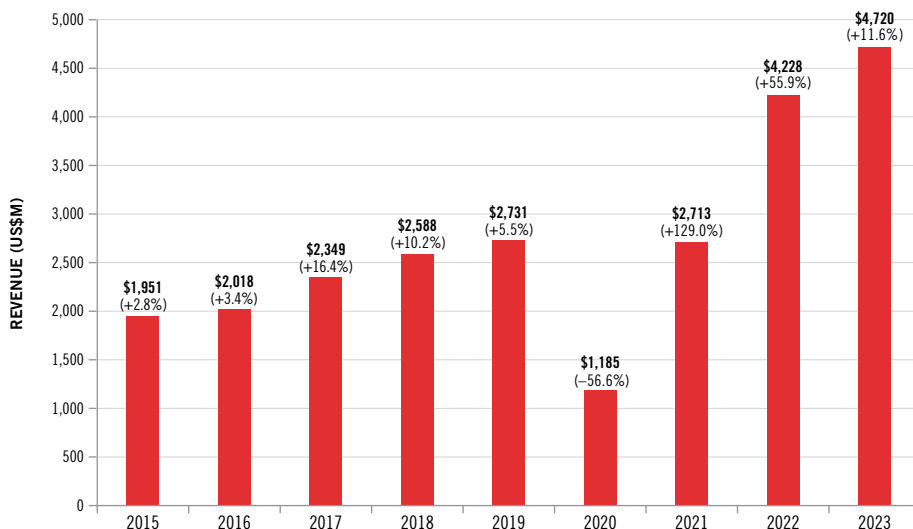
GROSS CASINO GAMING REVENUE 2023

\$4.72B

CASINO TAX REVENUE 2023

\$2.07B

NEW YORK: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: New York Lottery



Market Performance

In 2023, statewide commercial casino gaming revenue reached a record total of \$4.72 billion, up 11.6 percent from the previous year.

The overall market growth was driven primarily by New York’s mobile sports betting market, which remained by far the largest in the country in 2023.

Total revenue from sports betting was \$1.70 billion, up 24.2 percent from 2022, with mobile sports wagering accounting for 99.6 percent of the total. Land-based sportsbooks at New York’s four commercial casino-resorts reported \$7.4 million in revenue in 2023, down around 7.2 percent from the previous year.

Combined revenue from traditional casino games at New York’s commercial casinos and racinos totaled \$3.02 billion in 2023, up 5.6 percent against 2022. Revenue from electronic gaming devices amounted to \$2.82 billion. That was an increase of 6.2 percent versus the previous year and included some \$75 million in annual revenue generated by the Resorts World Hudson Valley casino, which opened in December 2022. In contrast, statewide revenue from table games was \$199.8 million in 2023, down 2.0 percent from the prior year.

In 2023, the Resorts World New York City racino in Queens regained its status as the most lucrative commercial casino outside of Nevada. The casino, which is limited to electronic gaming devices and does not currently offer table games or a sportsbook, reported annual gaming revenue of \$942.6 million, up 5.7 percent from the prior year, surpassing the total generated by MGM National Harbor casino in Maryland.

Gaming Tax Distribution

New York Effective Gaming Tax Rates

Sector	Effective Gaming Tax Rate
Racino EGDs	~55 percent
Casino EGDs	30 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 was taxed at 30 percent in 2023, following the extension of a reduced tax rate established by a 2022 state budget law to all four casino properties in the market. Table game and sports betting revenue generated by commercial casino-resorts is taxed at 10 percent.

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 2023, New York’s commercial casino gaming industry generated approximately \$2.07 billion in total state gaming tax revenue, up 12.8 percent versus the previous year.

In total, mobile sports betting generated tax revenue of around \$861.8 million in 2023. The vast majority of that tax revenue was dedicated to 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 sports betting tax funds 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 \$1.04 billion in total tax revenue for the state’s Education Fund in 2023, while New York’s four commercial casino-resorts generated approximately \$163.8 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

As a result of the 2022 budget law that authorized additional casinos in the New York City metro area, New York’s commercial casino gaming market remains in a state of flux.

That law will see up to three commercial casino-resorts become licensed over the coming years, materially expanding a downstate New York market that is currently served by the Resorts World New York City and Empire City racinos that are eligible to offer electronic gaming devices but not table games or sports betting. Additional expansion is also pending thanks to a separate law

approved in 2022 which will allow the Jake's 58 casino facility on Long Island to double the size of its gaming floor up to a maximum of 2,000 electronic gaming devices. Local government approvals for the expanded casino were granted in 2023.

Established casino gaming facilities in downstate New York have traditionally competed to varying extents with tribal casino-resorts in Connecticut and with commercial casinos in eastern Pennsylvania and Atlantic City, New Jersey. Casinos and racinos in parts of upstate New York also directly compete with the state's 21 tribal casinos operated by three federally recognized sovereign tribal nations.

In terms of sports betting, New York's mobile sportsbook platforms compete to a limited extent with those available in neighboring New Jersey that are also able to offer iGaming plus a wider range of bonuses and promotions due to the significantly lower tax rate applied to sports wagering revenue in New Jersey. After legislation was approved in Vermont in 2023, each of New York's bordering states, as well as Ontario across the Canadian border, either currently offers legal mobile sports betting or is set to do so in the near future.

Policy & Regulatory Review Expansion

In January, an independent Gaming Facility Location Board issued a request for applications to kick off a process to award up to three licenses for new commercial casinos in the downstate New York region.

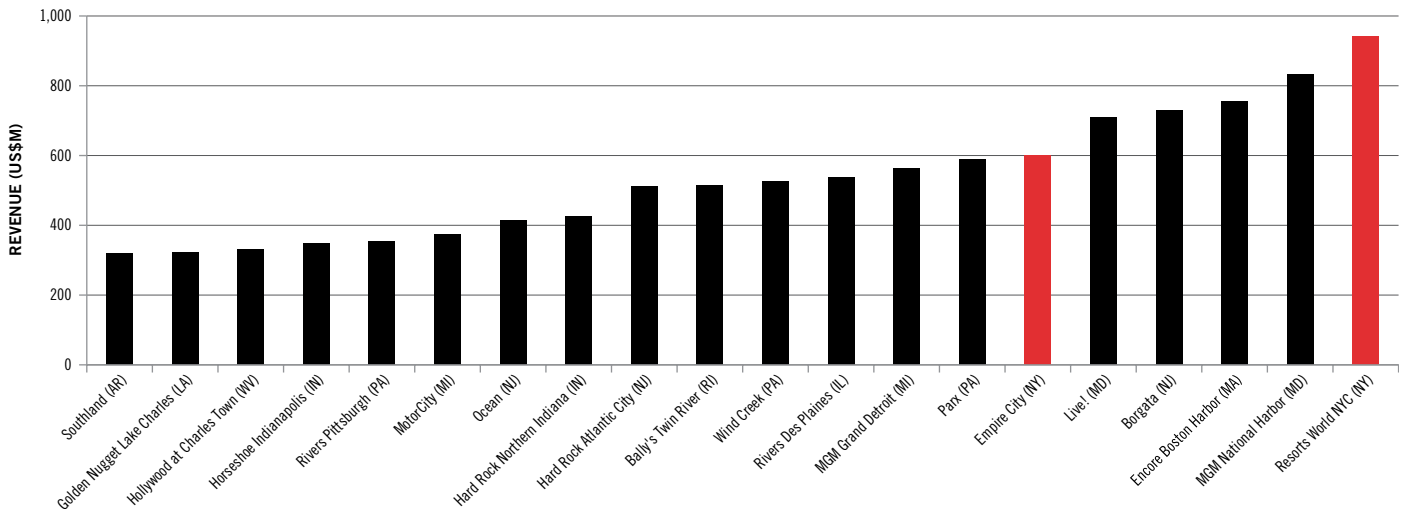
The board also adopted rules to require a minimum upfront fee of \$500 million for each of the three licenses, with the same amount required as a minimum capital investment in each project.

The location board's action triggered a consultation phase during which prospective applicants were able to submit a series of formal questions regarding the terms of the selection process. At the end of the year, the board was still in the process of responding to a second set of follow-up questions submitted by potential operators. Formal applications are due to be submitted within 30 days after the board issues those responses.

Among other criteria, casino license applications will be evaluated based on their proposed capital investment, proposed tax rates, projected revenue and job generation, range of proposed amenities, impact on surrounding communities, and workforce diversity plans.

TOP 20 COMMERCIAL CASINOS BY REVENUE (US\$M) 2023

Resorts World New York City in Queens regained its status as the most lucrative commercial casino property outside of Nevada in 2023. The casino reported total annual revenue of more than \$942 million, earned exclusively through electronic gaming devices.



SOURCE: State Gaming Regulatory Agencies
Chart reflects top 20 commercial casinos by GGR outside of NV and MS which do not provide property level data.

Sports Betting

In October, the New York State Gaming Commission voted to adopt new regulations to govern the advertising of sports betting in the state.

Among other things, the new rules formally prohibited marketing on college and university campuses or via media where the target audience is disproportionately made up of minors. The rules also prohibit operators or their marketing partners from engaging in irresponsible advertising such as by linking sports betting to personal or financial success. Operators were also required to avoid using certain terms in their advertising or promotional campaigns and offer their customers the opportunity to opt out of direct marketing, among other requirements.

In its rulemaking notice, the commission noted that several of its new regulations replicated provisions within the American Gaming Association’s Responsible Marketing Code for Sports Wagering. The rules were also issued in response to public complaints regarding supposedly misleading promotions offered by sportsbook operators.

Fantasy Sports

Also in October, the New York State Gaming Commission adopted formal regulations to govern interactive fantasy sports contests in the state.

The rules were adopted in accordance with a 2016 state law that enabled the commission to establish a temporary permitting system for fantasy contest operators while the authority developed more specific regulations in the area. The rulemaking process had been delayed by unsuccessful legal challenges filed against that 2016 law.

Among other provisions, the new rules prohibited any fantasy contests that mimic proposition bets or other forms of sports wagering. Similar restrictions were also adopted in 2023 in Michigan and Colorado.

OHIO

The launch of legal sports betting in Ohio saw annual commercial casino gaming reach a record total of \$3.32 billion in 2023, an increase of 42.3 percent on the previous year.

Market Overview

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

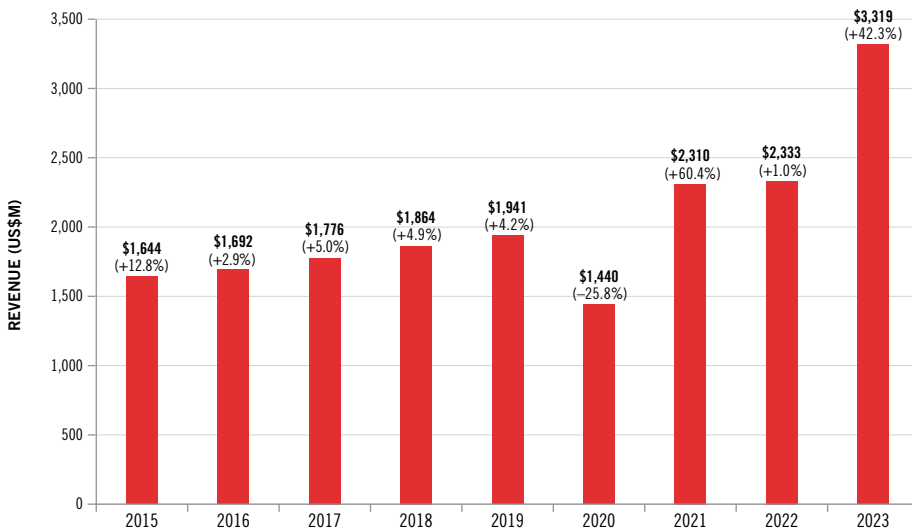
In 2009, Ohio voters approved a ballot initiative authorizing commercial casinos in the state's four largest cities: Cincinnati, Cleveland, Columbus and Toledo. Two years later, an executive order approved electronic gaming devices (specifically video lottery terminals, or VLTs) at established Ohio racetracks. 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 launched on January 1, 2023. By the end of the year, a total of 15 land-based sportsbooks and 19 mobile sports betting platforms were operational in the state.

Market Performance

In 2023, total statewide commercial casino gaming revenue was a record \$3.32 billion, up 42.3 percent versus the prior year.

OHIO: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Ohio Casino Control Commission, Ohio Lottery

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

11

CASINO FORMAT

Land-Based Casinos;
Racinos

REGULATORY AUTHORITY

Ohio Casino Control
Commission, Ohio
Lottery Commission

GROSS CASINO GAMING REVENUE 2023

\$3.32B

GAMING TAX REVENUE 2023

\$929.9M



Ohio

The growth was driven almost entirely by the addition of sports betting to Ohio's commercial casino gaming market.

Total sports betting revenue for the year was \$936.6 million, with mobile sports betting accounting for \$913.7 million—or 97.5 percent—of overall revenue. The total meant Ohio was the fourth largest sports wagering market in the country in its first year of operation, behind New York, New Jersey and Illinois.

Total statewide revenue from traditional casino games at Ohio's commercial casinos and racinos was \$2.38 billion in 2023, up 2.1 percent from the prior year.

Revenue from electronic gaming devices at casinos and racinos was \$2.10 billion, up 3.3 percent versus 2022. In contrast, table game revenue at casinos was \$286.1 million, down 5.8 percent compared to the prior year.

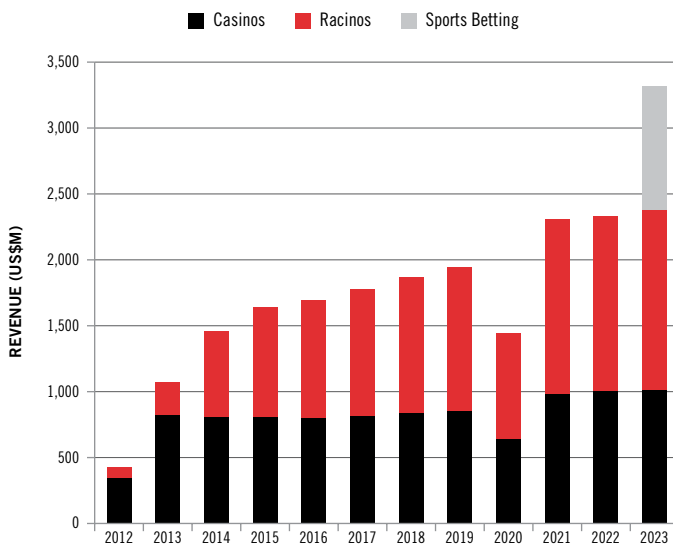
Including revenue from retail sportsbook operations, Ohio's four casino-resorts located in the downtown areas of the state's major cities reported total revenue of \$1.03 billion, up 2.1 percent. Ohio's seven racinos reported total revenue of \$1.38 billion from electronic gaming devices and land-based sports wagering, an increase of 3.8 percent on the prior year.

Gaming Tax Distribution

Ohio levies a 33 percent tax on casinos' revenue from electronic gaming devices and table games, while racinos

OHIO: COMMERCIAL GAMING REVENUE (US\$M) 2012 to 2023

Retail and online sportsbooks accounted for more than one quarter of total commercial casino gaming revenue in Ohio in 2023, as the state's sports wagering market immediately become one of the top five largest in the United States.



SOURCE: Ohio Casino Control Commission, Ohio Lottery

pay a slightly higher 33.5 percent effective tax rate on their revenue from electronic gaming devices.

In accordance with a 2023 state budget law, revenue from both land-based and online sports betting 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.

In 2023, Ohio's casinos, racinos and sports betting operations generated total state gaming tax revenue of approximately \$929.9 million, up 19.1 percent from the prior year. Taxes applied to electronic gaming devices and table games at Ohio's four casinos accounted for \$333.5 million of the total, while electronic gaming devices at racinos generated \$462.8 million. Land-based and online sports betting generated approximately \$133.6 million in state tax revenue in its first year of operation.

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

Under Ohio law, all tax revenue generated by electronic gaming devices at racinos must be used for the purpose of funding state education programs. Accordingly, racino tax revenue flows into the Lottery Profits Education Fund, which supports primary and secondary schools in Ohio. Additionally, 0.5 percent of racino commissions from electronic gaming devices are allocated to support state treatment programs for problem gambling.

The vast majority of sports betting tax revenue, after reimbursement of the state's direct regulatory costs, is distributed to an education fund that supports public and non-public K-12 education programs via appropriations made by the state legislature. Two percent of sports betting tax revenue is also set aside for a state problem gambling fund.

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

Ohio

horse races, as well as sports wagering. Elsewhere, three West Virginia racinos and one Pennsylvania racino are also located near Ohio's eastern border and draw customers from the state. In October 2023, a new Kentucky historical horse racing facility opened just a few miles from Ohio's southern border.

Thanks to legislation passed by the Kentucky General Assembly in 2023, land-based and online sports betting is also available in each of the five states that border Ohio.

Policy & Regulatory Review

Sports Betting

In June, Gov. Mike DeWine (R) signed a state budget that made several amendments to Ohio's 2021 sports betting laws.

The most notable change doubled the tax rate applicable to sports betting revenue from 10 percent to 20 percent, effective July 1, 2023. Gov. DeWine had proposed the tax increase as part of his executive budget proposal released in January, citing concerns over the prevalence of sports betting advertising within the first few weeks since the market's launch.

Another provision of the budget law provided the Ohio Casino Control Commission with statutory authority to involuntarily exclude individuals from participating in sports wagering if they publicly threaten harm to athletes involved in sporting events. The amendment was the result of concerns expressed by Ohio college athletic directors over inappropriate comments by sports bettors on social media directed toward student athletes.

Expansion

A further provision of Ohio's budget law signed in June established a new 11-member commission to study the future of the state's gaming, lottery and racing industries.

The commission, to be made up of state legislators and representatives of Ohio's regulatory bodies, was specifically mandated to evaluate the implementation of sports betting as well as the status of commercial casino gaming in the state and submit policy recommendations regarding both sectors for consideration by the Ohio General Assembly. Those recommendations are due to be submitted by June 30, 2024.

OKLAHOMA

In 2023, total casino gaming revenue generated by Oklahoma's two commercial racinos was a record \$151.4 million, an increase of 0.4 percent on the previous year.

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 2023, total statewide commercial casino gaming revenue was a record \$151.4 million, up 0.4 percent from 2022.

Remington Park, which is located in the heart of Oklahoma City and operated by a commercial subsidiary of the Chickasaw Nation of Oklahoma, again accounted for the vast majority of statewide commercial casino gaming revenue in 2023. The racino facility reported electronic gaming device revenue of \$129.2 million, essentially in line with the equivalent total from the prior year.

Meanwhile, revenue from electronic gaming devices at Cherokee Casino Will Rogers Downs, owned by the Cherokee Nation, was \$22.2 million, an increase of 2.8 percent from 2022.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

2

CASINO FORMAT

Racinos

REGULATORY AUTHORITY

Oklahoma Horse Racing Commission

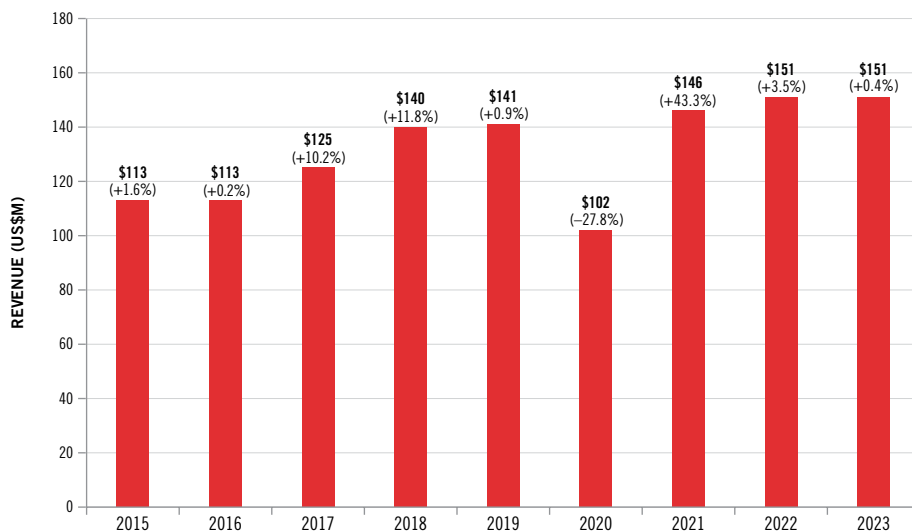
GROSS CASINO GAMING REVENUE 2023

\$151.4M

GAMING TAX REVENUE 2023

\$68.9M

OKLAHOMA: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



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 2023, Oklahoma racinos paid approximately \$68.9 million in total gaming taxes, an increase of 0.3 percent relative to the previous year.

Commercial gaming tax revenue is shared between the state government and Oklahoma’s horse racing industry. Approximately \$31.5 million was remitted to the state in 2022 and used to fund state education initiatives, as well as for general budgetary purposes.

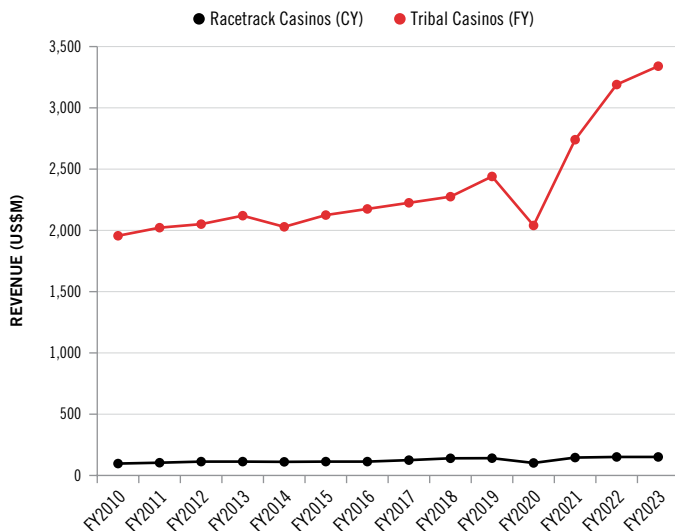
Racinos also distributed roughly \$36.6 million to help subsidize horse racing purses, breeding programs and other horse racing industry expenses.

Competitive Landscape

Oklahoma’s two racinos are overshadowed by the state’s 139 tribal casinos, which are authorized to offer table games, in addition to electronic gaming devices. During the state’s 2023 fiscal year ending June 30, Oklahoma tribal casinos generated an estimated \$3.34 billion in casino gaming revenue, a 4.7 percent increase from the

OKLAHOMA: GAMING REVENUE BY VENUE TYPE (US\$M) FY2010 to FY2023

While Oklahoma’s two commercial racinos have reported a modest increase in revenue since the height of the COVID-19 pandemic in 2020, the state’s far larger tribal gaming sector has since seen its annual revenue soar to \$3.34 billion in fiscal year 2023.



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

previous year. This figure is exclusive of revenue from popular electronic bingo devices.

While Oklahoma borders no less than five states that offer commercial casino gaming, the primary competitive threat to the state’s gaming market comes from potential legalization in Texas. In 2023, lawmakers in Texas again considered legislation to authorize casinos, but a constitutional resolution to enable commercial casino gaming failed to pass by the required majority in the state’s House of Representatives.

Policy & Regulatory Review

Tribal Gaming

Legal and legislative wrangling over the status of tribal gaming compacts in Oklahoma continued in 2023.

In October, a state legislative committee rejected the request of Gov. Kevin Stitt (R) to validate new tribal gaming compacts that he signed with two of Oklahoma’s Native American tribes in 2020. Those compacts were allowed to take effect by the U.S. Department of Interior but later blocked by the state Supreme Court, which ruled that they impermissibly included additional forms of commercial gaming—specifically sports betting—that had not yet been approved by the Oklahoma legislature. Litigation over the same issue remained pending before federal courts as of the end of 2023.

Gov. Stitt, a second-term governor who was re-elected in 2022, 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 November, Gov. Stitt announced a legislative proposal to authorize sports betting in Oklahoma.

Stitt’s plan would authorize retail sports wagering exclusively at Oklahoma tribal casinos pursuant to tribal gaming compacts, while also enabling the state to issue additional licenses for mobile sports betting to be conducted as a form of commercial casino gaming.

Legislation reflecting the governor’s proposal was not formally considered in 2023 and Native American tribes swiftly voiced opposition to the plan, which they said they were not consulted on.

In March, a separate bill to authorize sports wagering exclusively via tribal gaming compacts was approved by the Oklahoma House of Representatives. The bill was not taken up in the Senate prior to the end of the legislative session, however.

OREGON

The Oregon Lottery reported a 53.1 percent increase in total sports betting revenue to \$64.3 million, the first full-year of DraftKings operating the state's lone online sportsbook 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 ended 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 instead 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.

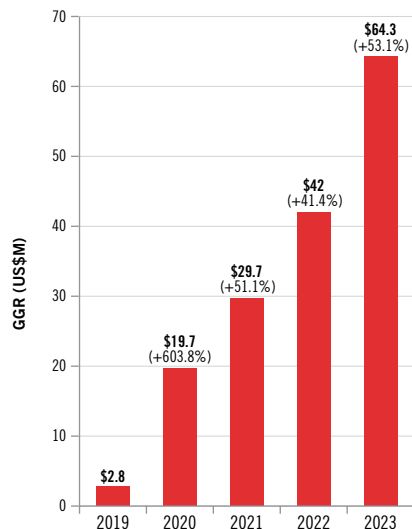
Market Performance

In 2023, total commercial sports betting revenue in Oregon was \$64.3 million, up 53.1 percent from the previous year, as reported by the Oregon State Lottery Commission.

As the Oregon Lottery has yet to launch any form of retail sports wagering, the entirety of commercial gaming revenue generated in 2023 was derived from DraftKings' online sports betting platform.

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.

OREGON: COMMERCIAL SPORTS BETTING REVENUE (US\$M) 2019 to 2023



SOURCE: Oregon Lottery

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 2023, sports betting generated estimated state tax revenue of approximately \$30.1 million, up 54.1 percent from the prior year.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

0

CASINO FORMAT

N/A

REGULATORY AUTHORITY

Oregon Lottery Commission

GROSS SPORTS BETTING REVENUE 2023

\$64.3M

SPORT BETTING TAX REVENUE 2023

\$30.1M



Oregon

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 tribe 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 horse racing, as well as more than 10,600 electronic gaming devices (VLTs) operated by the Oregon Lottery at 2,013 bars and other retail locations. In 2023, total statewide revenue these VLTs was \$1.18 billion, down 2.1 percent from the previous year.

Policy & Regulatory Review

Legislative Oversight

In January, the Oregon House of Representatives confirmed the appointment of a permanent committee on gambling

regulation to have primary oversight and lawmaking responsibilities for all matters related to gaming in the state.

The new permanent committee was formed after an interim committee made up of both House and Senate members was disbanded at the end of 2022.

During the 2023 session, the House Committee on Gambling Regulation held 16 meetings and evaluated five specific pieces of legislation related to the distribution of state lottery revenue, greyhound racing and proposed studies of the Oregon gaming market. None of the measures was approved, however.

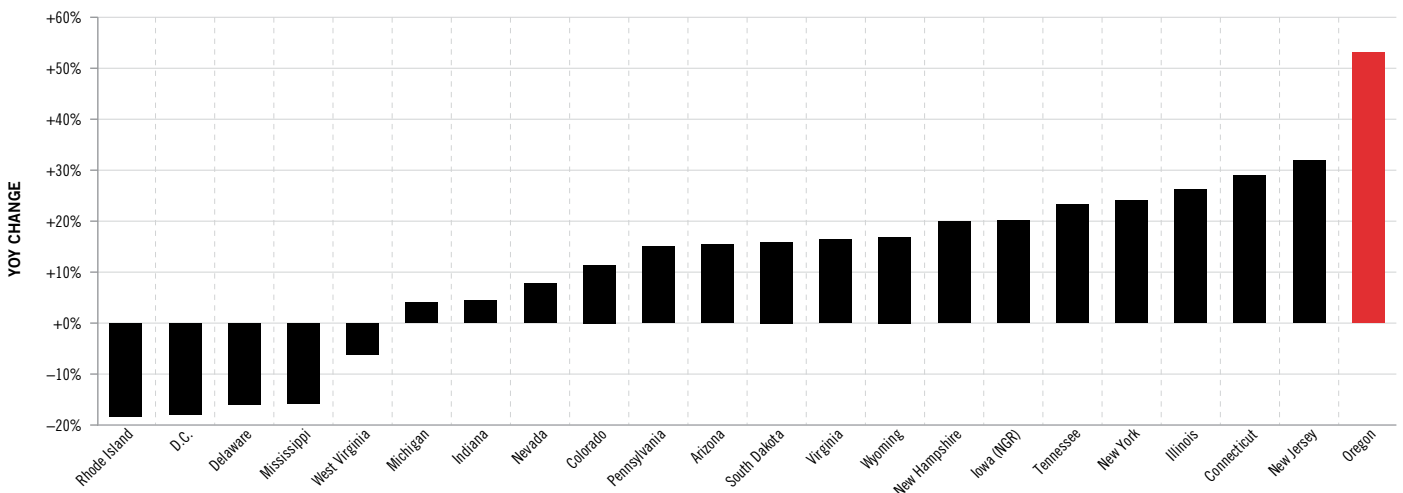
Expansion

In June, the Oregon Lottery Commission approved new regulations to lift a moratorium on the expansion of the lottery's network of state-operated electronic gaming devices (video lottery terminals or VLTs) to additional retail locations across the state. The moratorium had been in place since 2021, limiting the Oregon Lottery's VLT program to approximately 2,000 existing retail establishments.

Under the new rules, retail locations are eligible to apply to be on a waiting list to become a VLT host location. Any location must have been open for business for at least nine months prior to hosting VLTs. Meanwhile, Oregon video lottery retailers are required under the new rules to receive a minimum of \$10,000 in weekly wagering volume per device and those locations that fail to meet that threshold risk having one of their devices reallocated to another location. The prior weekly sales threshold was less than \$2,700.

SELECTED STATES: YOY CHANGE IN SPORTS BETTING REVENUE 2023

In 2023, Oregon reported the highest sports betting revenue growth of any established U.S. market, with revenue from the DraftKings platform operated on behalf of the Oregon Lottery up more than 50 percent from the previous year.



SOURCE: State Gaming Regulatory Agencies

PENNSYLVANIA

Continued growth in iGaming revenue saw Pennsylvania’s commercial casino gaming industry report record revenue of \$5.86 billion in 2023, an increase of 9.8 percent on the prior year.

Market Overview

Pennsylvania offers commercial casino gaming at 11 land-based casinos and six racinos, all of 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.

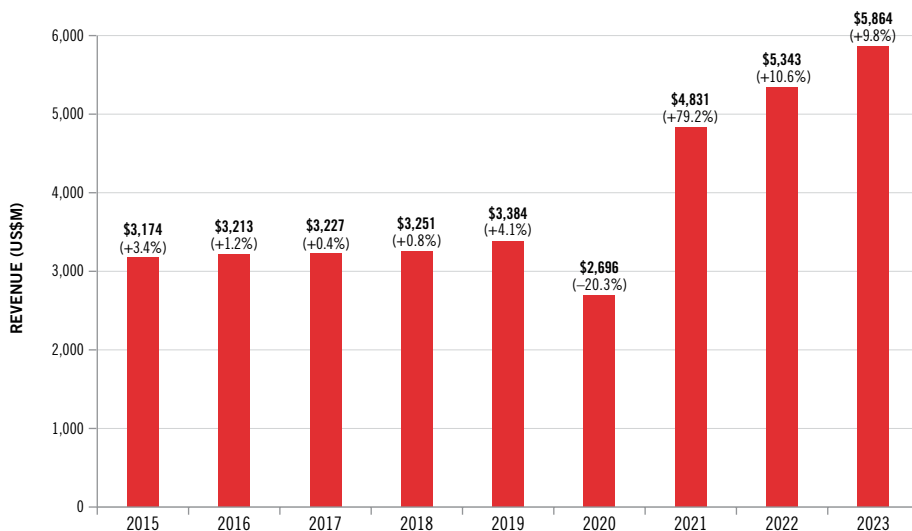
In addition, the 2017 legislation authorized Pennsylvania commercial casinos to apply for separate licenses to offer land-based and online sports betting as well as iGaming via affiliated online casino platforms. At the end of 2023, a total of 21 online casinos and 12 online sportsbooks were operational in Pennsylvania, compared to 20 online casinos and 14 online sportsbooks a year prior.

Market Performance

In 2023, total statewide commercial casino gaming revenue was a record \$5.86 billion, up 9.8 percent compared with the previous year.

Pennsylvania’s iGaming market was the primary driver of overall casino gaming revenue growth in 2023. Total iGaming revenue for the year, as reported by the Pennsylvania Gaming Control Board, was \$1.74 billion, up 27.6 percent relative to 2022.

PENNSYLVANIA: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Pennsylvania Gaming Control Board

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

17

CASINO FORMAT

Land-Based Casinos;
Racinos

REGULATORY AUTHORITY

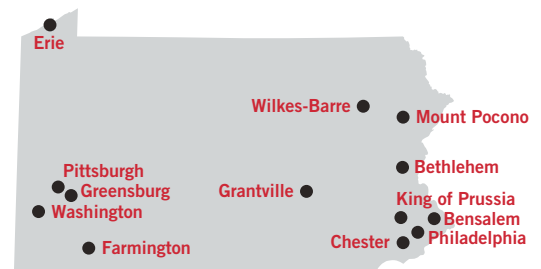
Pennsylvania Gaming
Control Board

GROSS CASINO GAMING REVENUE 2023

\$5.86B

GAMING TAX REVENUE 2023

\$2.32B



Pennsylvania

Pennsylvania's commercial casinos reported land-based casino gaming revenue of \$3.44 billion, a more modest increase of 1.6 percent compared to the prior year. Statewide revenue from electronic gaming devices increased by 3.1 percent to \$2.46 billion, offsetting a 1.9 percent decline in annual table game revenue to \$971.7 million.

Total statewide sports betting revenue was \$686.9 million, up 15.0 percent. Online sports betting revenue grew by approximately 17.4 percent and accounted for \$643.0 million of the statewide sports wagering total. In contrast, revenue from Pennsylvania's land-based sportsbooks fell for the second straight year, dropping 11.8 percent to \$43.9 million.

Gaming Tax Distribution

Pennsylvania land-based commercial casinos and racinos pay a 55 percent tax rate on electronic gaming device revenue, a 16 percent tax rate on table game revenue, and a 50 percent effective tax rate on revenue from electronic versions of table games.

Revenue from iGaming is taxed at a headline rate of either 54 or 16 percent, depending on whether the online casino game in question simulates an electronic gaming device or a table game.

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

In 2023, total casino gaming tax revenue in Pennsylvania amounted to \$2.32 billion, some \$250 million more than was generated in any other state in the nation. The tax revenue total was up 10.6 percent from 2022.

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 2023, the state's share of direct gaming tax revenue was approximately \$1.62 billion.

Approximately \$196.2 million was distributed to Pennsylvania's horse racing industry in 2023, while remaining monies 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.

Competition within the state's borders has also intensified since 2017's gaming expansion law, following the opening of four additional satellite casinos in different regions of Pennsylvania that must be owned or operated by one of the state's incumbent land-based casinos. The 2017 law generally restricted the site of the state's satellite casinos to at least 25 miles from a pre-existing casino property, among other conditions.

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 2023, electronic gaming devices operational at a total of 71 truck stops across the state generated approximately \$41.2 million in gaming revenue, down 2.0 percent from the previous year.

Policy & Regulatory Review

Illegal Gaming

Pennsylvania's network of tens of thousands of unregulated electronic gaming devices operating in bars and convenience stores across the state was a focus of state policymakers, law enforcement and court judges in 2023.

In October, the state Senate committee with primary responsibility for gaming matters heard conflicting testimony as to how to best address the devices which purport to offer games based on skill but resemble those typically found in a casino. Providers of the devices advocated for their operations to be recognized as lawful and regulated in Pennsylvania. Representatives of the state's commercial casino industry instead called for the devices to be more clearly prohibited and eliminated, while a third proposed approach would see the state expand its VGT market to include bars and other locations beyond truck stops, similar to Illinois.

Contrasting bills to either prohibit or regulate so-called Pennsylvania Skill devices were introduced in the Senate in 2023, but neither had advanced out of committee before the end of the year. Notably, proponents of

Pennsylvania

regulating the devices have advocated for legislation that would allow them to avoid oversight by the Pennsylvania Gaming Control Board and pay significantly lower taxes and fees than those applied to the commercial casino gaming industry.

The ongoing debate over the future of unregulated gaming devices in Pennsylvania further evolved in November when the state's Commonwealth Court ruled that at least one prominent device did not meet the statutory definition of a "slot machine," and therefore was not necessarily illegal under current law.

Expansion

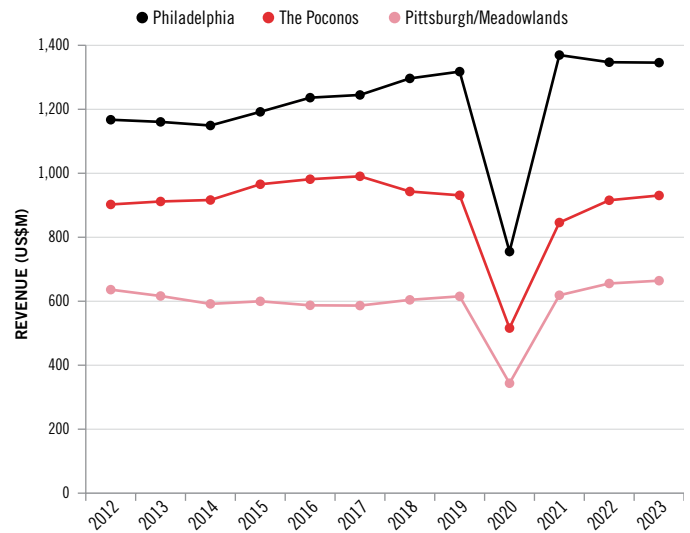
In January, the Pennsylvania Gaming Control Board awarded the state's fifth Category 4 casino license for a satellite casino project sited near Pennsylvania State University in Centre County.

In 2020, a minority owner of Rivers Casino Pittsburgh won an auction to acquire the license before later establishing a partnership with Bally's Corporation to develop and operate the casino that will offer the maximum permitted 750 electronic gaming devices plus 30 table games and a retail sportsbook.

As of the end of 2023, however, the proposed satellite casino remained subject to a pending legal challenge that was filed before the Pennsylvania Supreme Court by a rival casino operator. The court challenge argues that having a minority ownership in one casino is insufficient to qualify for a Category 4 license per the state's 2017 gaming expansion law.

PENNSYLVANIA CASINOS: COMMERCIAL GAMING REVENUE BY REGION (US\$M) 2012 to 2023

As in previous years, Pennsylvania was home to three of the top 20 largest land-based commercial casino markets in the U.S. in 2023. However, revenue reported by casinos in the largest of those three markets—Philadelphia—was down slightly from the previous year.



SOURCE: Pennsylvania Gaming Control Board

RHODE ISLAND

In 2023, total statewide commercial casino gaming revenue was a record \$707.5 million, up 2.8 percent, as growth in traditional casino games and mobile sports betting offset a sharp decline in revenue from land-based sports wagering.

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 and to offer table games.

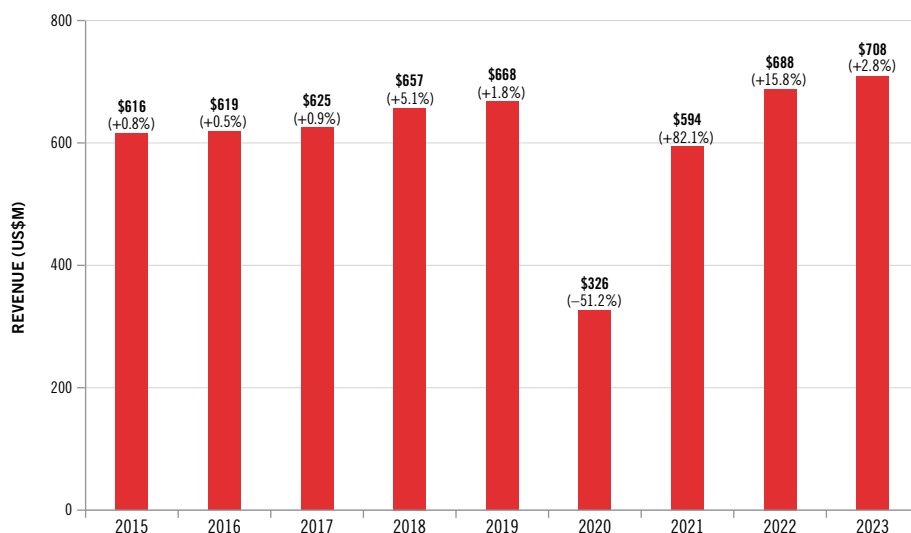
In June 2018, the legislature passed a bill authorizing the state lottery to operate sports betting at both commercial casinos. Subsequent legislation the following year authorized online sports betting. In 2023, legislation was passed to authorize iGaming in Rhode Island, with operations expected to launch in 2024.

Market Performance

In 2023, total statewide commercial casino gaming revenue was a record \$707.5 million, up 2.8 percent against the previous year.

Total revenue from electronic gaming devices was \$531.4 million, an increase of 4.5 percent from the previous year, while revenue from table games was \$135.8 million, up 4.4 percent.

RHODE ISLAND: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Rhode Island Lottery

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

2

CASINO FORMAT

Land-Based Casinos

REGULATORY AUTHORITY

Rhode Island Lottery

GROSS CASINO GAMING REVENUE 2023

\$707.5M

CASINO TAX REVENUE 2023

\$357.3M



Rhode Island

The growth in traditional land-based casino gaming revenue offset a year-over-year decline in sports betting revenue.

Faced with a significant increase in regional competition from the newly launched retail and mobile sportsbooks in Massachusetts, sports betting revenue in Rhode Island amounted to \$40.3 million in 2023, down 18.3 percent versus the prior year. Online sports betting accounted for \$30.7 million—or 76.3 percent—of the total, up 6.6 percent from 2022. In contrast, land-based sports betting revenue was \$9.6 million, less than half the prior-year total of \$20.5 million.

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.

Casino table game revenue is taxed at a headline effective rate of 16.5 percent, consisting of a 15.5 percent

allocation to the state plus an additional 1 percent to the casino's host community.

Sports betting is taxed at an effective rate of 51 percent with the remaining amount split between the operating partners of the state lottery (32 percent) and the casino hosting the sportsbook operation (17 percent).

In 2023, commercial casino gaming generated \$357.3 million in total tax revenue for Rhode Island's General Fund and casinos' host communities, up 3.0 percent versus the previous year. Gaming revenue in the General Fund is appropriated annually at the direction of the legislature and is used to pay for various state services, including education, public safety programs and healthcare.

By statute, the towns of Lincoln and Tiverton are also entitled to receive a minimum of \$3 million in annual commissions for hosting electronic gaming devices and table games, plus an additional \$200,000 for hosting sports betting.

Competitive Landscape

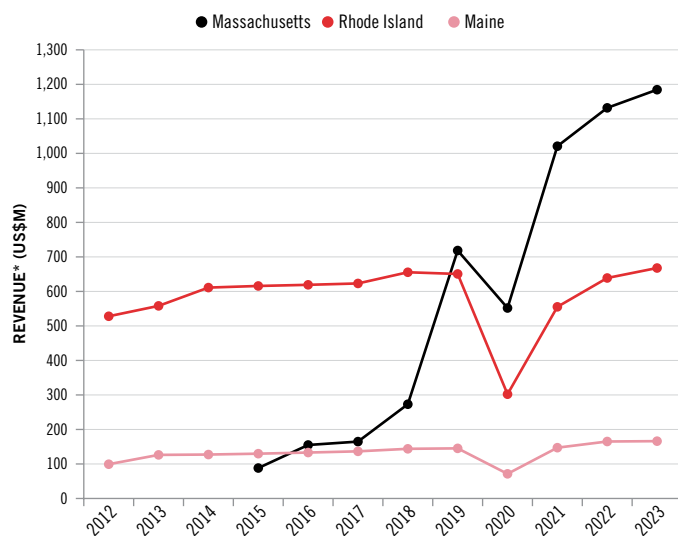
Rhode Island's commercial casinos compete directly with Plainridge Park Casino in Massachusetts, which is just 20 miles from Providence, as well as the Foxwoods and Mohegan Sun tribal casinos in southeastern Connecticut. Since mid 2019, New England casinos have faced a substantial increase in competition 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.

Following the launch of legal sports betting in Massachusetts in early 2023, both Rhode Island's bordering states offer a full range of retail and mobile sports wagering. iGaming is also available in Connecticut.

NEW ENGLAND STATES: COMMERCIAL GAMING REVENUE (US\$M) 2012 to 2023

Four years after first losing its status as the largest commercial casino gaming market in New England, Rhode Island fell further behind Massachusetts in 2023 following the launch of legal sports betting in the Bay State.



SOURCE: State Gaming Regulatory Agencies
*Revenue excludes contributions from sports betting

Policy & Regulatory Review Internet Gaming

In June, Gov. Dan McKee (D) signed legislation making Rhode Island the eighth state to authorize iGaming.

The legislation signed by the governor specifically provides for a joint venture between the state's incumbent land-based casino operator and its primary lottery system provider to offer digital versions of traditional casino games to players throughout Rhode Island. The new law was set to take formal effect in March 2024.

Rhode Island

Rhode Island was the only state to legalize iGaming in 2023, although legislation was also introduced in Illinois, Indiana, Iowa, Maryland, Maine and New York.

Sports Betting

A separate bill signed by Gov. McKee in June amended Rhode Island's sports betting law to allow for limited wagering on in-state collegiate teams.

The legislation allows for betting on Rhode Island colleges and universities only when those teams are taking part in a tournament involving at least four teams. Previously the law prohibited any wagering on a college sports event either taking place in Rhode Island or involving a team from the state. Betting on the actions or statistics of individual college athletes remains prohibited.

The new legislation essentially aligned Rhode Island's approach to betting on college sports with that of neighboring Massachusetts.

SOUTH DAKOTA

In 2023, statewide commercial casino gaming revenue in South Dakota hit an all-time record total of \$147.6 million, an increase of 3.3 percent from the previous year.

Market Overview

South Dakota offers commercial casino gaming at 22 locations exclusively within the city limits of historic Deadwood, located on the edge of the Black Hills National Forest near the Wyoming and Montana borders.

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

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

Market Performance

In 2023, total statewide commercial casino gaming revenue was a record \$147.6 million, up 3.3 percent against the previous year.

Total revenue from electronic gaming devices at commercial casinos in Deadwood was \$130.6 million, up 3.7 percent. Table game revenue was \$16.0 million, essentially the same amount as in 2022. Meanwhile, sports betting revenue amounted to slightly over \$1.0 million, up 15.9 percent compared to the prior year.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

22

CASINO FORMAT

Land-Based Casinos

REGULATORY AUTHORITY

South Dakota
Commission on
Gaming

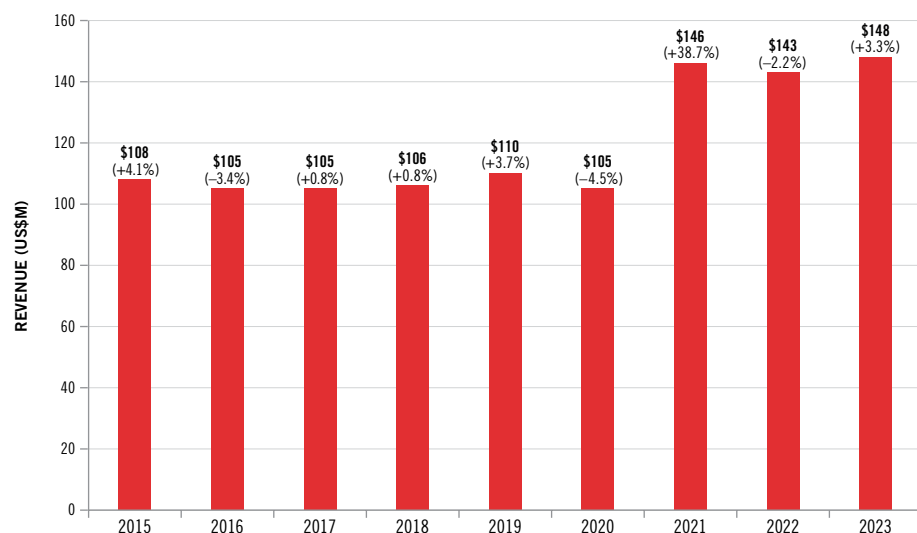
GROSS CASINO GAMING REVENUE 2023

\$147.6M

GAMING TAX REVENUE 2023

\$12.6M

SOUTH DAKOTA: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: South Dakota Commission on Gaming



Gaming Tax Distribution

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

In 2023, commercial casinos in South Dakota generated total gaming tax revenue of approximately \$12.6 million, up 3.8 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.

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 13 tribal casinos spread across the state, as well as a network of over 10,700 electronic gaming devices operated by the South Dakota

Lottery at more than 1,300 retail locations, such as bars and taverns. In 2023, total statewide revenue from such electronic gaming devices was \$392.8 million, up 0.8 percent from the previous year.

Policy & Regulatory Review

Sports Betting

Proponents of online sports betting in South Dakota faced another year of frustration in 2023.

In February, a constitutional resolution to authorize statewide mobile sports betting was defeated on the floor of the state’s House of Representatives by a 41–28 margin.

The legislative setback came after a similar constitutional amendment was passed by the South Dakota Senate in 2022 but never brought up for a vote in the House. If a measure on online sports betting is ultimately approved by lawmakers, it would then be subject to a statewide voter referendum.

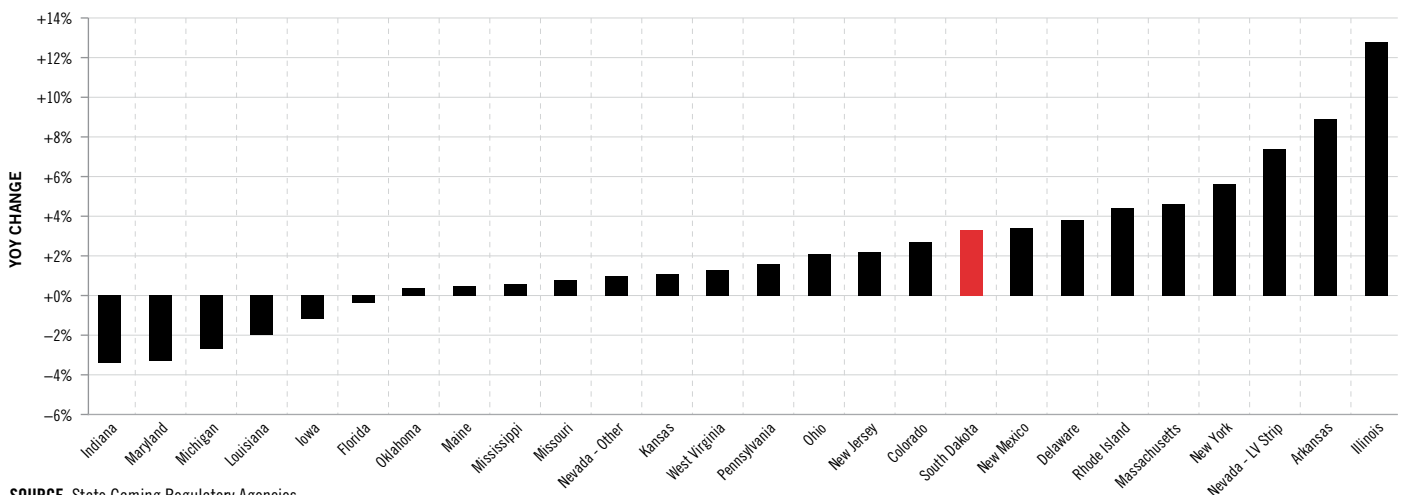
Responsible Gaming

In March, the South Dakota Commission on Gaming approved new regulations requiring Deadwood’s commercial casinos to take additional measures to prevent underage players from entering the casino floor.

The new rules specifically require each operator to have a designated employee to ensure the casino has a full view of any gaming conducted on the premises. Each casino is also required to submit detailed procedures on how it intends to control access to the gaming floor for formal approval by the commission.

SOUTH DAKOTA: YOY COMMERCIAL CASINO REVENUE GROWTH BY STATE 2023

Deadwood casinos rebounded from a modest decline in revenue in 2022 to report record overall gaming revenue in 2023.



SOURCE: State Gaming Regulatory Agencies

TENNESSEE

Tennessee's online sports betting market generated estimated total revenue of \$458.4 million in 2023, a year that saw lawmakers pass significant amendments to the state's 2019 Sports Gaming Act.

Market Overview

Tennessee has no commercial casino venues but offers sports betting through online sportsbook operators subject to regulation by the Tennessee Sports Wagering 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.

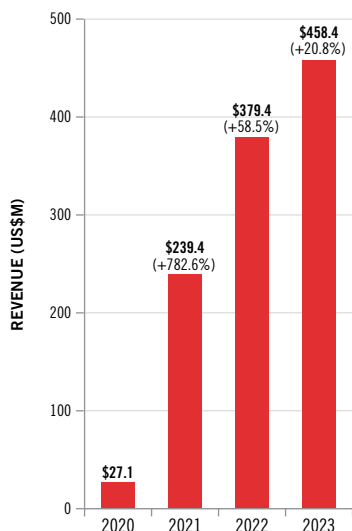
Legal sports betting began in November 2020. At the end of 2023, 12 online sports betting platforms were available, unchanged from the previous year.

Market Performance

In 2023, total sports betting revenue in Tennessee reached an estimated \$459.3 million, up 20.8 percent from 2022's reported total of \$379.4 million.

Tennessee does not release revenue data, but a revenue figure for 2023 was estimated by applying the average national hold percentage for online sports betting, adjusted to account for the historical variance between Tennessee's historical hold percentage and the national average, to the monthly sports wagering handle as reported by the Tennessee Sports Wagering Council. The council ceased reporting monthly revenue statistics in mid-2023 following a change in the state's sports wagering tax structure.

TENNESSEE: COMMERCIAL SPORTS BETTING REVENUE (US\$M) 2020 to 2023



SOURCE: Tennessee Sports Wagering Advisory Council

Total handle for mobile sports betting in 2023 was \$4.30 billion, an increase of 11.6 percent relative to 2022.

Gaming Tax Distribution

Since July 2023, online sports betting in Tennessee is taxed at a rate of 1.85 percent of handle, or the amount of each bet. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle. Federal excise tax payments are deducted prior to the application of the state tax. Notably, Tennessee is the only state in the U.S. that applies taxes based on handle rather than operators' revenue following payment of winning bets and other deductions.

In 2023, sports betting generated total state tax revenue of approximately \$83.6 million, up 22.8 percent from the previous

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

0

CASINO FORMAT

N/A

REGULATORY AUTHORITY

Tennessee Sports Wagering Council

GROSS SPORTS BETTING REVENUE 2023

\$458.4M (est.)

SPORT BETTING TAX REVENUE 2023

\$83.6M



Tennessee

year, according to statistics collected by the Tennessee Sports Wagering Council.

Of that amount, approximately \$66.8 million was distributed to the Tennessee Lottery's education fund used to support education programs across the state. Some \$12.5 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 expanding regional competition from sports betting operations in bordering states. Mobile sports betting is available in neighboring Virginia, Arkansas and—as of September 2023—Kentucky. North Carolina also approved legislation for mobile sports wagering in 2023, with operations expected to launch in 2024.

Retail sports betting is offered at one Arkansas commercial casino and at several Mississippi casinos in the Tunica/Lula market that attract patrons from the Greater Memphis area. A sportsbook is also set to open in 2024 at Virginia's Hard Rock Bristol casino, located just across the Tennessee border. The Bristol casino opened in 2022 as a temporary facility limited to electronic gaming devices and table games.

Policy & Regulatory Review

Sports Betting

In May, Gov. Bill Lee (R) signed a bill to make a series of amendments to Tennessee's 2019 sports wagering law.

One provision of the new legislation replaced Tennessee's 20 percent tax on sports betting revenue with a 1.85 percent tax applied on wagering handle. The legislation also eliminated a statutory requirement for the state's

mobile sportsbook operators to use official sports league data to settle any in-play bets. Tennessee was the first state in the nation to include an official league data mandate in its sports betting law—a policy that has since been followed by Arizona, Michigan, Virginia and several other states.

Other statutory changes made by the 2023 legislation included setting a tiered licensing fee structure for sports betting operators based on their reported annual handle, instead of a flat \$750,000 annual fee for all operators. The bill further introduced a new licensing structure for sports wagering suppliers.

The Tennessee Sports Wagering Council—which was also renamed from the Tennessee Sports Wagering Advisory Council under the new law—approved revised administrative regulations in September to conform with the statutory changes. Those updated regulations took effect in December.

Fantasy Sports

In April, Gov. Lee signed a separate bill to grant the Tennessee Sports Wagering Council regulatory authority over fantasy sports contests being offered in the state.

In 2016, Tennessee became one of the first states to pass a specific law to license and regulate fantasy sports contests—two years before the landmark U.S. Supreme Court ruling that allowed states to do the same with sports wagering.

Fantasy sports operators had previously been subject to licensing by Tennessee's Secretary of State before the new legislation transferred authority to the specialist sports betting agency. The Tennessee Sports Wagering Council approved new regulations for fantasy contests in September 2023, with those rules taking formal effect in December.

VIRGINIA

Total statewide commercial casino gaming revenue surpassed \$1 billion in 2023 as a result of the opening of two additional land-based casino properties and continued growth in revenue from mobile sports betting.

Market Overview

Virginia offers commercial casino gaming at one land-based casino that offers electronic gaming devices, table games and sports betting, as well as at two temporary land-based casino facilities that are limited to electronic gaming devices and table games. Additionally, online sports betting is offered through a total of 17 licensed sportsbook platforms, an increase from 14 in the previous year.

In 2020, the Virginia General Assembly approved legislation authorizing up to five casinos in specific cities across the state, subject to local voter approval. Virginia's first casino facility was opened in the city of Bristol in July 2022, followed by two additional casino properties in the cities of Portsmouth and Danville in January and May 2023, respectively.

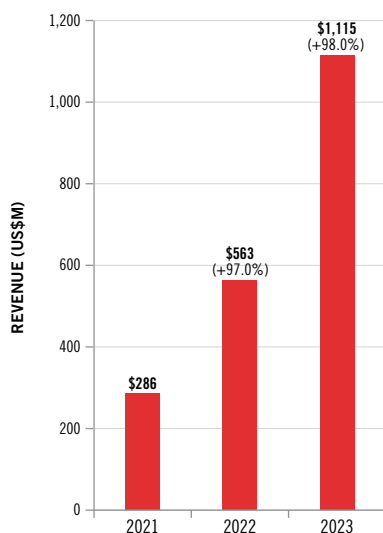
Also in 2020, Virginia legislators approved a separate law authorizing qualified sports betting operators to obtain permits to offer online sports wagering across the state. State law allows for up to 19 permits to be awarded, with seven of them reserved for the designated partners of Virginia's land-based casinos or certain professional sports teams and a further 12 available to other operators.

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

Market Performance

In 2023, total statewide commercial casino gaming revenue reached \$1.12 billion, almost double 2022's total of \$563.2 million.

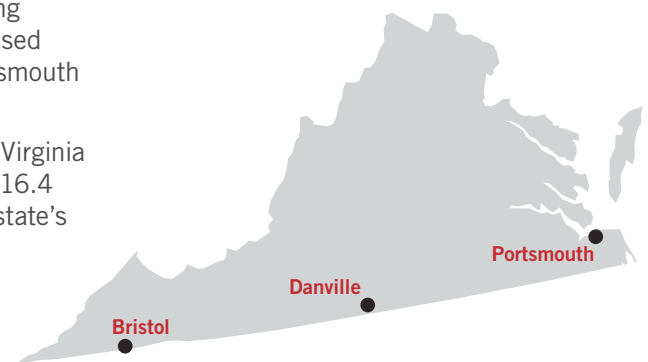
VIRGINIA: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2021 to 2023



SOURCE: Virginia Lottery

Total revenue from casino gaming offered at Virginia's expanding land-based casino market reached \$561.5 million in 2023, compared with a total of just \$82.0 million in 2022. Revenue from electronic gaming devices at the three properties totaled \$410.8 million, while table games revenue was \$144.1 million. Sports betting revenue at Virginia's lone land-based sportsbook at Rivers Casino Portsmouth amounted to \$6.6 million.

Overall sports betting revenue in Virginia was \$560.2 million in 2023, up 16.4 percent from the prior year. The state's



KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

3

CASINO FORMAT

Land-Based Casinos

REGULATORY AUTHORITY

Virginia Lottery Board

GROSS GAMING REVENUE 2023

\$1.12B

GAMING TAX REVENUE 2023

\$173.6M

Virginia

17 licensed mobile sports betting platforms accounted for 98.8 percent of the total.

Gaming Tax Distribution

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 2023, Virginia's casino and sports betting operations generated total state gaming tax revenue of approximately \$173.6 million, versus an equivalent total of \$66.5 million in 2022. Land-based casino gaming accounted for \$101.3 million of the tax revenue total, while sports betting generated approximately \$72.3 million in taxes.

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 goes to Virginia's General Fund and is used for state budgetary purposes as determined 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

Virginia's commercial casino market underwent a significant expansion in 2023 as two new casino properties were opened in the cities of Portsmouth, near Norfolk, and Danville, located on the state's southern border with North Carolina.

While Rivers Casino Portsmouth opened as a permanent casino-resort offering a full range of electronic gaming devices and table games plus a sportsbook, both the Caesars Virginia casino in Danville and Hard Rock International's Bristol Casino continued to operate as temporary facilities pending construction of full-scale resort properties. Permanent casinos are expected to open in both Danville and Bristol at some point in 2024.

Under a 2020 state law, casinos are also authorized in the cities of Norfolk and Richmond, although only the former has received the requisite local approval by city voters.

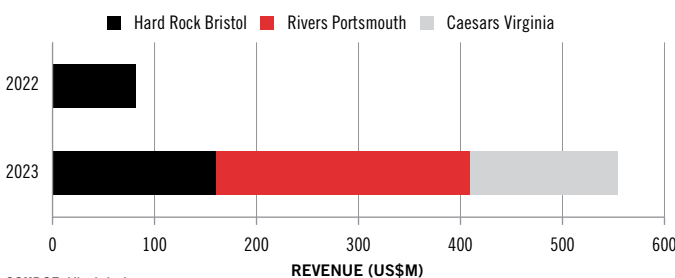
In terms of sports betting, Virginia's online sportsbook platforms compete for customers in the populous Greater Washington D.C. region with online and land-based sportsbooks operating in Maryland and the District of Columbia. Bordering Kentucky and North Carolina both approved laws to authorize mobile sports betting in 2023, with operations already live in neighboring Tennessee and West Virginia.

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. A larger historical horse racing facility offering up to 1,800 electronic gaming devices is under development in the city of Dumfries, some 30 miles south of Washington D.C., and is scheduled to open in 2024. The Virginia Lottery also offers a range of online lottery games.

VIRGINIA: COMMERCIAL CASINO REVENUE BY PROPERTY (US\$M)

2023 vs 2022

After opening in January, Rivers Casino Portsmouth reported nearly \$250 million in revenue in 2023, making it the most lucrative of the state's three commercial casino properties. Notably, Rivers was the first of Virginia's three casinos to open as a permanent resort facility offering a full range of table games and a sportsbook, in addition to electronic gaming devices.



SOURCE: Virginia Lottery

Policy & Regulatory Review

Expansion

In November, local voters in Richmond rejected a referendum on a proposed casino-resort to be sited in Virginia's capital city. It was the second time that Richmond voters had rejected a casino, following the defeat of an initial referendum two years earlier.

The outcome of the second referendum was set to renew debate in the Virginia General Assembly over potential alternative locations for one of the five casinos authorized under a 2020 gaming expansion law.

Legislation to authorize a casino at an alternative site in the nearby city of Petersburg was proposed during the 2023 session but not approved by lawmakers, despite plans announced by one casino company to develop a \$1.4 billion Petersburg casino-resort.

Also in November, local voters in the city of Manassas Park rejected a separate referendum initiative to authorize a gaming facility featuring electronic gaming devices based on the outcome of historical horse races.

Illegal Gaming

In 2023, two separate court decisions made in October and November reinforced a statewide ban on unregulated electronic gaming devices purporting to offer games of skill.

The first ruling by the Virginia Supreme Court overturned a lower court's injunction to prevent enforcement of a 2021 ban on the devices offered in gas stations, convenience stores, bars and other locations across the state. In November, a separate court ruling granted the state's motion to dismiss a lawsuit challenging that prohibition on constitutional grounds.

Electronic gaming devices supposedly offering skill games were prohibited in 2021 following the expiration of a temporary registration system to govern the devices. Virginia lawmakers have since passed additional laws to firm up state laws on illegal gaming.

Responsible Gaming

In March, Gov. Glenn Youngkin (R) signed a bill to establish a new problem gambling advisory council within the state's Department of Behavioral Health and Developmental Services.

The new law specifically directed the commissioner of the department to set up a new committee to ensure collaboration between prevention and treatment providers and commercial gaming operators in efforts to reduce the negative effects of problem gambling in Virginia.

The new committee met for the first time in July and includes representatives from the Virginia Council on Problem Gambling, state regulatory agencies, plus operators of casinos, sports betting, historical horse racing and charitable gaming.

WEST VIRGINIA

In 2023, total statewide commercial casino gaming revenue was \$805.9 million, an increase of 6.5 percent that was driven primarily by strong growth in West Virginia's iGaming market.

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, a 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 2023, a total of eight online sportsbooks and eight online casinos were operational, compared to nine online sportsbooks and seven online casinos a year earlier.

Market Performance

In 2023, total statewide commercial casino gaming revenue in West Virginia was \$805.9 million, up 6.5 percent from the prior year. The total was the

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

5

CASINO FORMAT

Land-based Casinos;
Racinos

REGULATORY AUTHORITY

West Virginia Lottery
Commission

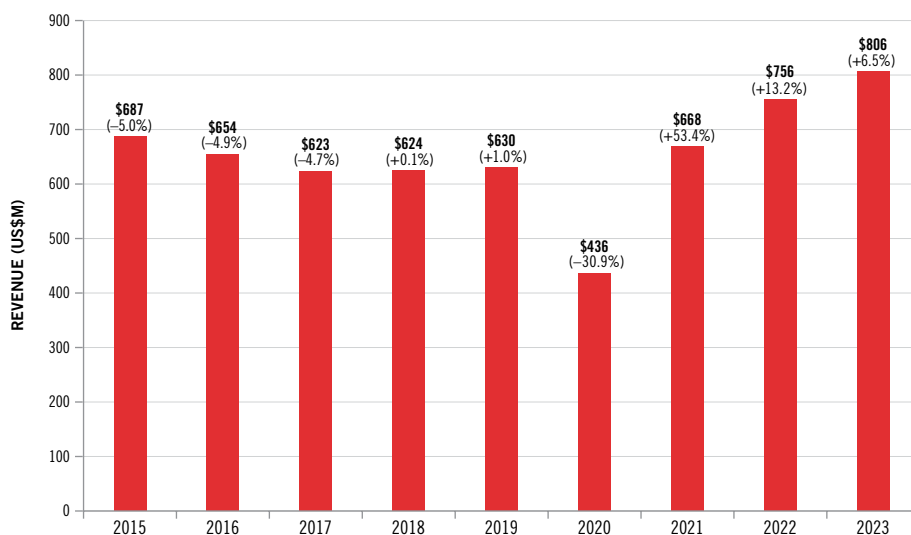
GROSS CASINO GAMING REVENUE 2023

\$805.9M

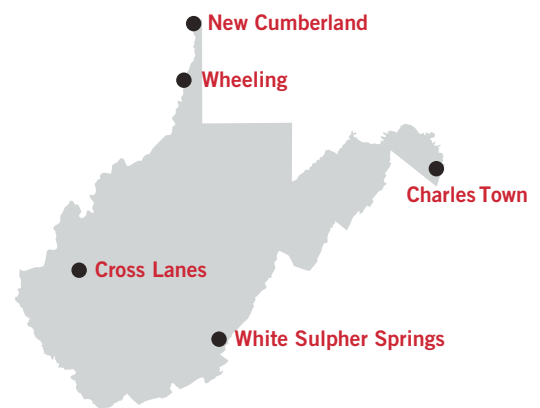
GAMING TAX REVENUE 2023

\$311.0M

WEST VIRGINIA: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: West Virginia Lottery



West Virginia

state's highest since 2012, when a competing casino-resort opened in neighboring Maryland.

Annual revenue from traditional casino games at West Virginia's four racinos and lone land-based casino was \$600.5 million, up 1.3 percent versus 2022, as growth in revenue from electronic gaming devices offset a decline in table game revenue. Total revenue from electronic gaming devices was \$497.0 million, up 2.3 percent, whereas table game revenue was \$103.6 million, down 3.4 percent from the previous year.

The principal driver of overall revenue growth, however, was iGaming. Total revenue from iGaming in 2023 was \$157.5 million, up 39.9 percent versus the equivalent figure from 2022.

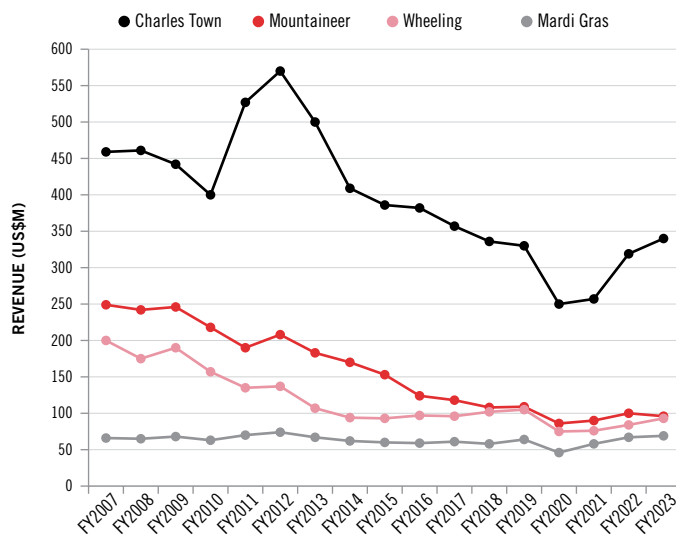
In contrast, sports betting revenue fell by approximately 6.0 percent to \$47.8 million in 2023, reflective of expanded competition from sports betting operations in neighboring states Kentucky, Maryland and Ohio.

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.

WEST VIRGINIA: COMMERCIAL GAMING REVENUE BY RACINO (US\$M) FY2007 to FY2023

Hollywood Casino at Charles Town Races remained by far the largest of West Virginia's commercial casinos in 2023, accounting for more than 40 percent of total land-based casino gaming revenue in the state.



SOURCE: West Virginia Lottery

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 2023, West Virginia's commercial casinos and affiliated online sports betting and internet gaming platforms generated total gaming tax revenue of \$311.0 million, an increase of 4.0 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 monies 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 around Pittsburgh and in eastern Ohio. Up to five land-based casinos have also been authorized in neighboring Virginia, although none for locations near the West Virginia border.

Following the launch of legal sports betting in Kentucky and Ohio in 2023, West Virginia is surrounded by five bordering states that all offer a full range of land-based and mobile sports wagering. Only Pennsylvania also offers iGaming, however.

Within the state, West Virginia's commercial casinos also compete with a network of nearly 8,200 limited-stakes electronic gaming devices (VLTs) situated at retail establishments, such as bars and taverns. In 2023, total statewide revenue from these VLTs was \$493.6 million, up 1.2 percent from the previous year.

Policy & Regulatory Review

Internet Gaming

In November, the West Virginia Lottery Commission announced that it had joined Delaware, Nevada, New Jersey and Michigan as a signatory of the Multi-State Internet Gaming Agreement, enabling online poker players in West Virginia to compete against those in the other four member states subject to regulatory approval.

As of the end of 2023, none of West Virginia's eight online casinos were offering peer-to-peer poker games to players located within the state—largely because of the state's relatively small population and the challenges that creates in establishing sufficient liquidity for poker games to be attractive.

In theory, multistate poker play offers a more appealing experience for players as operators can offer a broader range of games and tournaments, with larger prize pools.

Regulatory Reform

In March, Gov. Jim Justice (R) signed a bill designed to incentivize operators of West Virginia's racinos to upgrade their electronic gaming devices and associated software by lowering annual permit fees that are levied on each device.

The legislation specifically enables commercial gaming operators to pay an annual fee of \$500 instead of \$1,000 for any electronic gaming device that outperforms the bottom 10 percent of devices in the state by more than \$500 in terms of annual revenue.

WYOMING

In 2023, Wyoming reported total sports betting revenue of \$17.3 million, an increase of 16.9 percent from the prior year.

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

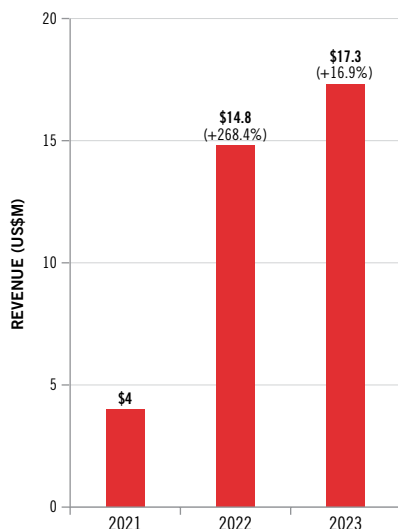
In 2023, total online sports betting revenue in Wyoming was \$17.3 million, an increase of 16.9 percent compared with the prior year. Sports wagering handle also increased by approximately 19.2 percent to a total of \$172.2 million.

Gaming Tax Distribution

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

In 2023, online sports betting generated total state tax revenue of approximately \$1.1 million, an increase of 26.0 percent versus 2022.

WYOMING: COMMERCIAL SPORTS BETTING REVENUE (US\$M) 2021 to 2023



SOURCE: Wyoming Gaming Commission

Under state law, the first \$300,000 in sports wagering tax revenue in each fiscal year is directed 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 also 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.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

0

CASINO FORMAT

N/A

REGULATORY AUTHORITY

Wyoming Gaming Commission

GROSS SPORTS BETTING REVENUE 2023

\$17.3M

SPORT BETTING TAX REVENUE 2022

\$1.1M

Wyoming

Two additional mobile sports betting platforms have also been licensed by the Wyoming Gaming Commission and are expected to launch in 2024.

In addition to sports betting and tribal gaming, Wyoming's broader gaming market includes pari-mutuel wagering on horse races and electronic gaming devices in bars and other establishments based on player "skill."

Policy & Regulatory Review

Sports Betting

In March, Gov. Mark Gordon (R) signed a bill making various technical amendments to Wyoming's 2021 sports wagering law.

Among other things, the new legislation expanded the range of service providers explicitly required to obtain a vendor license from the Wyoming Gaming Commission to include server hosts and integrity monitoring services.

The bill also amended prior statutory language governing the deduction of bonuses and other promotions from taxable sports betting revenue and restricted the ability of operators to carry over any monthly losses to offset future tax liabilities.

Illegal Gaming

In February, Gov. Gordon signed a separate bill to limit regulated "skill-based" electronic gaming devices to specific locations in the state.

A 2021 state law authorized the Wyoming Gaming Commission to license and regulate the operation of so-called skill game devices that are commonly offered on an unregulated basis in various other states through the country. The 2023 legislation limits the devices to truck stops meeting certain criteria, smoke shops, or retail establishments licensed to serve alcohol. Any devices already installed in another location prior to September 2022 were permitted to remain in operation, however.

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	
Kentucky	Kentucky Horse Racing Commission khrc.ky.gov	
Louisiana	Louisiana Gaming Control Board lgcb.dps.louisiana.gov Louisiana State Police, Gaming Enforcement Division lsp.org/about/leadershipsections/bureau-of-investigations/gaming-enforcement-division/	Louisiana Casino Association casinosofla.com
Maine	Maine Gambling Control Unit maine.gov/dps/gcu	
Maryland	Maryland Lottery and Gaming Control Commission; Maryland Lottery and Gaming Control Agency mdgaming.com	
Massachusetts	Massachusetts Gaming Commission massgaming.com	

State Regulatory & Industry Contacts

STATE	STATE REGULATORY AUTHORITY	STATE GAMING ASSOCIATION
Michigan	Michigan Gaming Control Board michigan.gov/mgcb	Michigan Gaming michigangaming.com
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 Council tn.gov/swac.html	
Virginia	Virginia Lottery valottery.com	
West Virginia	West Virginia Lottery wvlottery.com	
Wyoming	Wyoming Gaming Commission gaming.wyo.gov	

