LIGHT Snapshots

June 2017

A publication of the Lloyd D. Levenson Institute of Gaming, Hospitality & Tourism at Stockton University
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Atlantic City Gaming Win & Non-Gaming Revenue

Source: N.J. Division of Gaming Enforcement

Month of May ($ In Thousands)	May 2017	Change from Prior Year	May 2016
Total Gaming Win (includes Internet)	$ 229,398	4.3%	$ 219,840
Internet Gaming Win	$ 21,071	27.3%	$ 16,546

First Quarter Ended March 2017 & 2016 (Current Operators, $ In Thousands)	Q1 - 2017	Change from Prior Year	Q1 - 2016
Total Revenue (Gaming & Non-Gaming)	$ 816,724	8.6%	$ 751,985

For the Three Months Ended March 2017 & 2016 (Current Operators, $ In Thousands)	March 31, 2017	Change from Prior Year	March 31, 2016
Casino Licensees:			
Casino	$ 606,297	11.1%	$ 545,635
Rooms	$ 83,766	4.2%	$ 80,401
Food & Beverage	$ 93,628	-1.0%	$ 94,606
Entertainment & Other	$ 33,033	5.4%	$ 31,343
Casino Licensees Total Revenue	$ 816,724	8.6%	$ 751,985
Third Party Business Sales	$ 40,926	3.1%	$ 39,709
Combined Sales	**$ 857,650**	**8.3%**	**$ 791,694**

Atlantic City Statistical Transportation Data

Source: South Jersey Transportation Authority

Travel Mode	Jan-April 2017	Change from Prior Year	Jan-April 2016
AC Expressway			
Total Toll-Paying Traffic Pleasantville Toll Plaza	5,532,475	-3.2%	5,714,188
AC Airport			
Scheduled Service Passengers	346,951	-13.7%	401,784
Charter Passengers	31,727	57.7%	20,116
Total Air Passengers	**378,678**	**-10.3%**	**421,900**
Casino Buses			
Casino Buses to A.C.	17,941	-8.1%	19,516
Casino Bus Passengers	280,337	-12.0%	318,438
NJ Transit Rail Service to A.C.			
Rail Passengers	308,511	-11.5%	348,418

Legislative Update

NJ Assembly Concurrent Resolution #ACR244 (Land, Andrzejczak, Mazzeo, Quijano)/ #SCR157 (Van Drew)- Opposes seismic airgun surveying and oil and natural gas drilling off Atlantic Coast. As recorded by the NJ State Legislature, members of the State Assembly (June 12) and Senate (June 15) introduced bills in opposition to proposed seismic airgun surveying off the Atlantic Coast. These bills are similar to a US House of Representatives Bill, #**HR2158** introduced on April 26, and a US Senate Bill, #**S1263** introduced May 25, which request an amendment to the Outer Continental Shelf Lands Act to prohibit oil-, gas- and methane hydrate-related seismic activities in the North Atlantic, Mid-Atlantic, South Atlantic and Straits of Florida planning areas of the outer Continental Shelf, and for other purposes. A second House Bill, #**HR2469** introduced May 16, requests a moratorium on oil and gas-related seismic activities off the coastline of the State of Florida, and for other purposes.

NJ Assembly Joint Resolution #AJR137 (Mazzeo) - Urges U.S. President Trump, members of his administration, and Congress to oppose measures and actions to prohibit states from authorizing and conducting Internet gaming. As reported by **NJOnlineGambling.com** and **USPoker.com,** the NJ Assembly passed a resolution(75-0) on June 8 asking federal leaders to resist efforts to ban online gambling at the federal level. Advocates of online gambling have expressed concern that opponents of the movement are planning to take actions against its legalization at the state level. A similar resolution was passed by the New Jersey Tourism, Gaming and the Arts Assembly Committee in October of 2014 in response to the Restoration of America's Wire Act (RAWA) initiative. If enacted, the RAWA initiative would effectively ban online gambling at the federal level by reinstating the provisions of the 1961 Wire Act which were bypassed by a 2011 Opinion from the Department of Justice.

Atlantic City Information

Atlantic County Freeholders Vote in Favor of Suing the State- As reported by **The Press of Atlantic City,** The Atlantic County Board of Chosen Freeholders have approved the expense of as much as $500,000 to sue the State of New Jersey over PILOT Legislation. The county had expected to receive 13.5 percent of the collective $120 million to paid by Atlantic City's Casinos each year for the next decade in lieu of property taxes. Instead the county has been offered 10.4 percent which city officials say is in line with what had been paid in recent years. The difference is $4 million or $40 million over a period of 10 years.

The Casino Reinvestment Development Authority (CRDA) Commits $135,000 to demolition of blighted homes- As reported by **The Press of Atlantic City**, on June 20 the CRDA approved a resolution to tear down four properties adjacent to the city's tourism district.

Harold R. Brown Memorial Park Opens After Renovations- As reported by **The Press of Atlantic City,** Harold R. Brown Memorial Park was officially opened to the public on May 29. The park, located between Stanley Holmes Village and the Schoolhouse Apartments in the city's 3rd Ward, had been closed in December as part of a $1.5 million renovation project. Community leaders are hopeful that the improvements to the park, including new equipment, a community stage, play areas and a sculpture to honor veterans, will entice residents to maintain the park as a safe and fun space for all. To further deter the homelessness and drug-related activities which previously earned the park a reputation as a community "eyesore," the new park will feature more lighting, video surveillance and a fence which will be locked during off hours at night.

New Section of Boardwalk Officially Opens- As reported by **The Press of Atlantic City,** a new section of the Atlantic City Boardwalk between Rhode Island and Oriental Avenues was opened to the public on June 8. The project, begun nearly a year ago, was funded by a grant from the New Jersey Economic Development Authority. A second phase of the Boardwalk rebuilding project is being undertaken by the U.S. Army Corps of Engineers and will include the construction of bulkheads and a seawall along the inlet. When complete the newly rebuilt and extended boardwalk is expected to draw more activity to the Southeast Inlet and make it an attractive area for future development.

The New Jersey Department of Community Affairs Imposes Regulations on Atlantic City's Boardwalk Rolling Chair Operators- As reported by **The Press of Atlantic City,** the new regulations require companies seeking to operate rolling chairs on the Boardwalk to submit bids to the city and pay the city 50 percent of all advertising revenues received. The regulations, referred to as "Ordinance 10," also require rolling chair operators to wear uniforms.

Local Gaming News

Associated Press Leaks Hard Rock International's plans for the former Trump Taj Mahal casino- As reported in **The Press of Atlantic City,** the Associated Press has gained access to a "wish list" which Hard Rock International submitted to the New Jersey Division of Gaming Enforcement. Partially redacted to protect "trade secrets" the list includes plans to offer gambling in areas off of the casino floor and to offer new slots products which have yet to be available in New Jersey. The $500 million redesign of the former Taj Mahal is likely to feature poolside and restaurant gambling, skill-based gaming and fantasy sports wagering. While many of these elements are not new, they have debuted at other Atlantic City Casinos over the years as with Tropicana's slots in "The Quarter," Caesars' skill-based slots and Resorts' fantasy sports tournaments. The combination could make Hard Rock AC unique amongst its competitors. According to a June 21 article from **The Press of Atlantic City** the Hard Rock AC is expected to open in time for Memorial Day 2018.

Governor pledges to unveil changes to casino regulations within 30 to 45 days- As reported by **CalvinAyre.com,** New Jersey Gov. Chris Christie met with casino operators on June 1 to discuss New Jersey's gambling regulations. Representatives from MGM Resorts International and Caesars Entertainment, requested that the governor lift, amend or strike down a number of existing rules and regulations in an effort to "bring Atlantic City's regulations into the 21st century." Christie's pledged to unveil changes to the regulations within 30 to 45 days.

MGM and Caesars consider Joint Atlantic City Project- As reported by **The Press of Atlantic City,** during a press conference on June 1 with New Jersey Gov. Chris Christie, representatives of MGM Resorts International (owners of the Borgata) hinted that they were working with Caesars Entertainment Corp. (owners of Caesars, Bally's and Harrah's) on a joint project for Atlantic City. While no details were released, Christie said that formal announcements would be forthcoming.

Rutgers releases findings of Daily Fantasy Sports (DFS) Study- According to **The Prevalence of Online and Land-Based Gambling in New Jersey**, Nower, L., Volberg, R.A. & Caler, K.R. (2017) study conducted by the Rutgers Center for Gambling Studies, DFS players exhibit many of the same traits as traditional gamblers. **LegalSportsReport.com** summarized the findings of the study including potential correlations between DFS and problem gambling, and DFS and mental health disorders. The findings of the study underline the need for further research into this area and researchers urge policy makers to include prevention, education and treatment resources in their plans to regulate DFS.

Study reveals positive economic impact of online gambling in New Jersey- As reported by **CalvinAyre.com,** researchers Alan Meister, Ph.D. of Nathan Associates and Gene Johnson of Victor conducted an analysis of

financial and sociological data collected since the introduction of online gambling in 2013. Their study "Economic Impact of New Jersey Online Gaming: Lessons Learned," reveals the direct and indirect contributions of online gambling, or iGaming, to the New Jersey economy. Among these impacts are the creation of 3,374 jobs and the generation of $124.4 million in tax revenue to state and local governments.

National Gaming News

American Sports Betting Coalition (ASBC) announces campaign to end the Professional and Amateur Sports Protection Act (PASPA)- According to a press release from the **American Gaming Association (AGA),** a coalition has been formed to challenge the federal PASPA. Citing research conducted by Oxford Economics and Greenberg Quinlan Rosner (GQR) the ASBC hopes to make the case that the widespread popularity of sports betting and its vulnerability (as an unregulated activity) to corruption are primary reasons why the 25-year-old act should be overturned. "A regulated market would give states the ability to monitor sports betting and diminish the flow of money that fuels criminal organizations," the AGA explains. "An open, transparent market – along with modern analytics technology – also makes tracking betting much easier, ensuring the integrity of the game." For some in the coalition, sports betting is a matter of state sovereignty. Seven states, Pennsylvania, Michigan, South Carolina, New York, Maryland, West Virginia and Connecticut, have introduced sports betting bills in 2017.

US Supreme Court (SCOTUS) Agrees to hear New Jersey Sports Betting Case- On June 27, SCOTUS announced that it would hear NJ's appeal to legalize sports betting. An article from **LegalSportsReport.com** outlines the next steps of the case which include the collection of a new set of briefs and an oral argument before the judges. A resolution of the case is not expected until 2018.

Connecticut- According to a June 7 article by **LegalSportsReport.com,** the Connecticut House of representatives has passed a bill which would allow for the future legalization of sports betting. Specifically, the bill "instructs the state's consumer protection department to begin establishing a regulatory structure for potential sports betting in the event of legalization by the federal government." To become law, the bill would need to be passed by the Connecticut Senate and signed by the state's governor. Connecticut is the latest in a series of states to introduce sports betting legislation in 2017 including Maryland, Michigan, New York, Pennsylvania, South Carolina and West Virginia. According to Legal Sports Report it is the first state to make "real progress" in 2017.

North Jersey- As reported by **The Morning Call,** New Jersey horse racing tracks are turning to past races for a potential source of future income. A new product, referred to as Historical Racing, would allow players to wager on the outcomes of pre-recorded races. Before placing their wagers, players are only given the horses' odds and some stats on past performances; the date, place and names of jockeys and horses are omitted. Proponents emphasize that the product, which is currently offered in Kentucky, Arkansas, Wyoming and Oregon, is a game of skill which is not subject to New Jersey's Casino Regulations. Representatives of the New Jersey Horse Racing Industry hope that the new product which could offer a race every five to six minutes would increase revenues for tracks which run a live race every 25 minutes.

Pennsylvania – As reported by **The Press of Atlantic City** and **OnlinePokerReport.com,** the Pennsylvania House of Representatives passed legislation (**HB 271**) on June 7 to expand casino-style gaming to airports, bars and the internet. Among other provisions, the bill would legalize Online Gambling and Daily Fantasy Sports (DFS), approve tablet gaming at certain airports, authorize the Pennsylvania Lottery to offer online products and allow liquor license holders to operate video gaming terminals (VGTs). Casinos would also be permitted to operate slot machines at a number of off-track betting parlors. The bill represents a counter-proposal to a similar bill passed by the Pennsylvania Senate in May. According to a June 22 article from **OnlinePokerReport.com**, the Pennsylvania House and Senate continue to debate a number of issues including tax rates and licensing fees for online gambling as well as the approval of VGTs. Senate Minority Leader Jay Costa predicted an amended version of the bill would

be passed in time for the June 30 legislative recess and could be implemented by the industry by January 1. If passed, the law will represent the largest gambling expansion for the state since casinos were legalized in 2004.

Vermont- On June 8, Vermont became the 12th state to legalize Daily Fantasy Sports. As reported by **LegalSportsReport.com,** the Vermont legislature passed a bill (**S136**) which makes provisions for the basic regulation of Daily Fantasy Sports. In addition to providing consumer protections, the bill also lowers the barrier to entry for operators and requests that the governor's office set the tax rate for revenue earned through fantasy sports.

Hospitality News

The American Hotel and Lodging Association (AHLA) Partners with U.S. Department of Labor on Apprenticeship Program- In a June 15 press release, **AHLA** announced its commitment "to participating in a cornerstone apprenticeship project to ensure the education marketplace is further connected to the needs of the lodging industry." The AHLA has the stated goal of enrolling 225 apprentices by September 2017.

The American Hotel and Lodging Association (AHLA) Supports the Department of Labor's Decision to Rescind a Rule Expanding Joint Employer Standards- In a June 7 press release, the **AHLA** announced their support for the Department of Labor's decision to rescind 2015 and 2016 informal guidance, based on the National Labor Relations Board's (NLRB) 2015 Browning-Ferris Industries of California decision. The **Browning-Ferris Industries of California** decision revised the standard for determining joint employer status and had a significant impact on lodging businesses. Three out of five lodging businesses are considered small businesses and many of these operate under a franchise model. The Department of Labor's decision is expected to clarify who these businesses employ and what their liability is under the law. Supporters of the decision anticipate that the re-instatement of a previous version of the rule will stimulate job creation and provide a more stable regulatory environment.

The Hospitality and Tourism Industries Respond to the Trump Administration's Proposal to Reduce Funding for Brand USA- Brand USA is a public-private partnership created by congress, as part of the 2010 Travel Promotion Act, to market the U.S. as a global tourist destination. In comments to **Travel Weekly,** Roger Dow, CEO of the U.S. Travel Association, said "With all that's going on in the world, unilaterally disarming the marketing of the U.S. as a travel destination would be to surrender market share at the worst possible time." According to Dow, international visitation is the country's second largest export, supporting 15 million jobs. A return on investment study conducted by Oxford Economics in 2016 found that every dollar spent on Brand USA marketing generated $21.20 in visitor spending. In 2015, the $160.7 million spent on marketing through Brand USA generated $3 billion in visitor spending, $6.6 billion in direct and indirect economic activity and 44,533 jobs. Brand USA contributed $457 million in incremental federal taxes, and an additional $410 million in state and local taxes. In an **AHLA** press release, AHLA president and CEO Katherine Lugar said, "We need Brand USA's strong marketing message to remind visitors that the U.S. is open for business ... Now is the time to ensure the vital economic contributions made by the tourism industry to the nation's GDP remain strong."

Poll Commissioned by the American Hotel and Lodging Association (AHLA) Reveals Increase in Online Hotel Booking Scams- In a June 14 press release, the **AHLA** shared new findings on the prevalence of online booking scams and announced a campaign to raise awareness of deceptive online marketing practices. In 2017, 22 percent of American Travelers reported that they had been the victims of an online booking scam this is nearly four times the rate reported in 2015 (6 percent). In 2017 this amounted to 55 million fraudulent bookings worth $3.9 billion. Online booking scams have grown in proportion to the popularity of online travel agencies. To raise awareness of these scams and other "deceptive marketing tactics" used by online booking sites, the AHLA has launched a **"Search Smarter"** Campaign. Katherine Lugar, president and CEO of AHLA, urges consumers to "look before you book, slow down, and search smarter" and recommends they book directly with hotels or through trusted travel agents.