

**CASINO REVENUE FUND ADVISORY COMMISSION  
REGULAR MEETING ON SEPTEMBER 13, 2019  
MINUTES OF MEETING**

The regular meeting of the Casino Revenue Fund Advisory Commission was held on Friday, September 13, 2019 at the State House Annex. Those in attendance were:

**Members:**

Jim Thebery, Chair NJACDS  
Tina Zsenak, Vice Chair – NJDHS  
Sydney Simonitis, representing Senator Gopal  
James Carney, Seniors  
Peggy Carrigg, Seniors  
Alex Solomon, representing Sen. Chris Brown  
Nicole Sutterley, representing Asw. Mazzeo  
Kriten O'Rourke, ARO

**Guests:**

David Scanlan, CCC  
James Fehon, CCC  
Patrick Ealer, CCC

**Support:**

Desmond Webb, Treasury OMB  
Jennifer Valentoc, Treasury OMB  
Karen Storcella, Treasury fiscal  
Kim Mantuano, Treasury fiscal

Jim opened the meeting (10:45a) followed by the flag salute by Desmond Webb . Minutes for the July 12, 2019 meeting were approved. The committee commented on the FY20 CRFAC Annual Report – which will be posted on the CRFAC website.

**Membership:**

Introduction/welcome of committee and guests were announced.

**Press of Atlantic – David Danzis – Casino revenue up 13% in August 2019**

Online gaming and sports betting contributed heavily to a double-digit percentage increase in gaming revenue for the city's nine casinos last month. Total gaming revenue was \$338.8 million, an increase of 13% in August compared to the same month last year, according to figures released Thursday by the state Division of Gaming Enforcement. This summer's total gaming revenue was up 11.6% over the same three-month period in 2018.

"These results show there is a great deal of customer interest in Atlantic City's offerings and operators have made strides adjusting in a competitive environment," said James Plousis, chairman of the Casino Control Commission.

August was the 15<sup>th</sup> consecutive month of gaming revenue increases for AC casinos.

Rummy Pandit, executive director of the Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism at Stockton University, said the monthly revenue results were continuing “an overall positive trend for AC.”

“Overall, AC continues to demonstrate strong gaming revenues compared to 2018, indicating a consistent growth within its market segments and further strengthening its position as a premier destination resort on the East Coast,” Pandit said.

Online gaming revenue was \$41.1 million in August, the first time the amenity has topped the \$40 million mark in a month since internet betting was legalized in 2013. Golden Nugget Atlantic City and its online partners, including BetFair Casino, continued to be the market leaders in internet gaming, generating just shy of \$15 million in revenue last month, an increase of nearly 84%.

Sports betting – which has only been legal in NJ since June 2018 – accounted for \$11.26 million in revenue last month, an increase of 115% over August 2018.

“New Jersey has successfully managed to shrug off competition and continue to grow, and at a faster rate than initially expected,” said Dustin Gouker, lead sports betting analyst for PlayNJ.com.” “With new operators launching in September and the NFL season in full swing, NJ’s upward trajectory should continue, even as neighboring Pennsylvania expands online sports betting.”

Nearly \$6.7 million of the sports betting revenue generated by AC casinos came from DraftKings, an online partner with Resorts Casino Hotel.

“The addition of sports betting has been a boon for NJ online casinos. Revenue has surged to unprecedented levels over the last year, and that growth can be directly linked to online sports betting,” said Steve Ruddock, content director at BettingUSA.com. “August is a perfect example. It was record-setter for online casino revenue, and year-over-year growth was an astounding 66%.”

Eight of the nine AC casinos reported increases in total gaming revenue – which includes revenue from table games, slot machines, internet gaming and sports betting – with the lone exception being Harrah’s Resort Atlantic City, which had a slight decline (0.9%) of \$299,251 in August.

Borgata Hotel Casino & Spa generated nearly \$80 million in total gaming revenue last month, including a record-setting period of slot machine win. Borgata officials said the summer of 2019 was the best in the property’s 16-year history.

Marcus Glover, president and COO of Borgata, said the market-leading property was “looking forward to continuing the momentum into the fall.”

We are thrilled with the record-breaking success Borgata has experienced throughout the summer,” Glover said. “Bolstered by significant capital expenditure, strategic gaming promotions and unparalleled guest service displayed by our team members, Borgata enjoyed its highest three-month stretch of gross gaming revenue in the property’s 16-year history.” Hard Rock Hotel & Casino AC was second in the market in total gaming revenue for the third consecutive month. Hard Rock, which opened in June 2018, along with Ocean Casino Resort, reported monthly gaming revenue of \$40.8 million in August, a nearly 31% increase over August 2018.

Golden Nugget, bolstered by its online gaming revenue, was third last month, reporting total gaming revenue of \$36.1 million. Tropicana AC (\$36mill), Caesars AC (\$35.9mill), Resorts (\$33.6mill), Harrah’s (\$31.3mill), Ocean (\$25.7mill) and Bally’s AC (\$19.4mill) rounded out the rest of the market.

Ocean also had a record-setting month in August, besting numbers reported by the property’s previous incarnation, Revel Casino Hotel.

“August was the best performing month in the property’s history; highest gross gaming revenue, slot revenue, hotel revenue and non-gaming revenues,” said Mike Donovan, chief marketing officer and senior vice president of Ocean. “We continue to see strong volumes, highlighted by 42% increase in our slot business over prior year.”

#### **Desmond Webb – Casino Tax Rates**

Slots & table games: 8%

Plus 1.25% Investment Alternative Tax (IAT)

Internet games: 15%

Plus 1.25% IAT

Sports wagering: 8.5%

Plus 1.25% IAT used exclusively for tourism & marketing of Atlantic City

Internet Sports Wagering: 13%

Plus 1.25% IAT used exclusively for tourism & marketing of Atlantic City

#### **Desmond Webb provided following reports:**

CRF Revenue as of September 10th (by Fiscal Year)

End of Year Total CRF (2013 – September 2019)

Gross Casino Revenues as of July 2019

Monthly Internet Revenues as of July 2019

#### **General:**

Travel expense reports were distributed to the committee and instructed to use for travel expenses to and from the CRFAC meetings in Trenton. (i.e., Mileage, tolls, parking)

Our December 6, 2019 meeting has been changed to November 15, 2019.

Motion to close the meeting – motion seconded. Meeting concluded at 11:30a. Next meeting will be on Friday, November 15, 2019 at the State House Annex, 145 W. State St, Rm 10 – 3<sup>rd</sup> floor, Trenton, NJ