

Casinos haul in the dough last month

Written by Administrator
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BOSTON – Despite restrictions around the number of people allowed onto gaming floors and the number of active machines, gamblers put nearly \$605 million into slot machines at the three Massachusetts gaming centers last month, helping to contribute to a state revenue haul of just more than \$20 million.

The Mass. Gaming Commission announced Thursday that Plainridge Park Casino, MGM Springfield and Encore Boston Harbor had generated a cumulative \$70.54 million in gross gaming revenue last month, down from about \$71 million in August. Of that gross gaming revenue, the state is due \$20.02 million, the commission said.

The state's take for September was lower than the \$22.56 million full-month average since all three facilities have been in operation, though the state's slots parlor and casinos are operating under capacity limits and other restrictions. Massachusetts gambling centers were closed mid-March and reopened in July.

"The three licensees collected 87% of gross gaming revenue on approximately 49 percent of the gaming positions available, as compared to September 2019," the Gaming Commission said in a statement.

Encore Boston Harbor was the only gaming licensee to report an increase in gross gaming revenue last month — a total of \$42,974,803.89, up about \$584,000 from August. Most of Encore's revenue, \$23.44 million, came from its slot machines last month while its table games generated \$19.53 million in revenue.

August and September 2020 are the only two full months since Encore opened in June 2019 in which the higher-end casino's slot machines generated more revenue than its table games. That's likely a product of the Gaming Commission's decision to outlaw craps, roulette and poker when the casinos reopened, though roulette wheels have since been allowed to spin again.

At MGM Springfield, slot revenue of \$14.04 million was virtually unchanged from August's level, but table game revenue fell by nearly \$1 million to \$3.57 million. Overall, gaming revenue at the Springfield casino was down about \$845,000 from the prior month.

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Also Thursday, MassLive reported that MGM Springfield owes the city \$2.3 million as part of a contractual payment that was deferred due to the coronavirus pandemic. The outlet reported that the city and casino have been holding ongoing talks to resolve the matter.

“After this temporary deferment period, I will expect and will demand on behalf of our taxpayers that MGM Springfield honors their/our legally binding contractual agreements,” Springfield Mayor Domenic Sarno said, according to MassLive. “We will continue our collaborative dialogue with MGM as well as the (state) Gaming Commission concerning the impact of the unprecedented public health emergency created by the COVID-19 Coronavirus pandemic on MGM’s obligations under the Agreements.”

The slots parlor at Plainridge Park Casino in Plainville saw patrons wager about \$3.83 million less on its slots in September as compared to August, but its gross revenue dipped by just \$221,000 thanks to a lower payout percentage on its machines.

Combined, the two full-scale casinos generated about \$15.15 million in tax revenue for the state last month — about \$4.4 million from MGM Springfield and \$10.74 million from Encore Boston Harbor. Those businesses are taxed at a rate of 25 percent of their gross gaming revenue.

Massachusetts is also entitled to more than \$3.98 million of Plainridge’s September revenue in the form of taxes intended for local aid and another roughly \$895,000 for the Race Horse Development Fund. That works out to a total tax and assessment hit of about \$4.87 million, according to the Gaming Commission. Plainridge is taxed on 49 percent of its gross gaming revenue, with 82 percent of the levy going to local aid and 18 percent to a fund set up with the goal of supporting horse racing.

Since legalizing gambling in 2011, Massachusetts has collected \$635.78 million in revenue from casinos and the slots parlor. Based on the historic monthly average state revenue take, Massachusetts can expect about \$270.7 million in average annual gaming revenue.

This week, gambling industry analyst Ken Adams at CDC Gaming Reports said he is seeing that “the pent-up demand that drove higher revenues for most jurisdictions during the first month after reopening has leveled off.”

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“The frequency of visits to a casino and the amount wagered is probably approaching a more normal pattern. But there are plenty of people who are not comfortable going to a casino, restaurant, or movie theater, enough, for example, so that the release of new movies for theaters has all but stopped,” he wrote in his roundup of August gaming revenues.

Fitch Ratings this week said it expects the Las Vegas strip, the hub of gambling in America, will not fully recover from the COVID-19 pandemic until 2024. But regional gaming revenue — what major casino companies pull in from properties elsewhere in the country — is expected to be down 10 percent in 2021 but recovery fully by 2023, Fitch said.

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