

Virginia Gaming Commission Operating Model

August 21, 2024



Agenda

- | # | Topic |
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| 1 | Introduction |
| 2 | Overview of Recommendations |
| 3 | Overview of Implementation Roadmap |
| 4 | Next Steps |
| 5 | Appendix |

Engagement Background

Study Mandate¹

Analyze and make recommendations with respect to:

- 1. **The feasibility of establishing a new agency** in the executive branch of state government, to be known as the Virginia Gaming Commission (the Commission), under which all legal forms of gaming in the Commonwealth, except for the state lottery established and operated pursuant to the Virginia Lottery Law (§ 58.1-4000 et seq.), shall be consolidated for the purposes of regulation and oversight.
- 2. **The timely and orderly transition of the regulatory authority** over casino gaming and sports betting, charitable gaming, and pari-mutuel wagering on horse racing from the Virginia Lottery, the Virginia Department of Agriculture and Consumer Services (VDACS), and the Virginia Racing Commission (VRC), respectively, to the Commission.
- 3. **Ways to effectively prioritize problem gambling prevention and treatment efforts.**
- 4. **All potential options to consolidate gaming regulation and oversight** and provide a **detailed transition plan** in support of recommendations.

Our Role

- 1. Providing project management support.
- 2. Conducting independent research and review.
- 3. Reporting on gaming oversight and regulatory models implemented by other states.
- 4. Determining the feasibility and conducting a cost-benefit analysis consistent with the establishment of the Virginia Gaming Commission or any other gaming regulation and oversight consolidation options.
- 5. Developing a transition plan in support of any gaming regulation and oversight recommendations.

¹ Language from HJR 548 (2023) and the Appropriations Act (2023 Special Session I). HJR10 and SJR12 (2024) continue the study and Joint Subcommittee.

Current Gaming Landscape in Virginia

Lottery, VDACS, and VRC regulate and oversee legal forms of gaming in the Commonwealth.


Note: Virginia ABC formerly regulated skill games.

Gaming Regulation & Oversight in Virginia

Agency	Gaming Operations	Total Handle in Millions (\$)	Time Period
Lottery	Lottery	2,550	7/1/22 – 6/30/23
	iLottery	2,060	
	Sports betting	5,130	
	Casinos (<i>Note: limited operations</i>) ¹	2,870	
VDACS	Charitable gaming ²	1,390	1/1/23 – 12/31/23
	Fantasy contests ³	Not reported	
VRC	Historical horse racing (HHR)	4,160	1/1/23 – 12/31/23
	Live horse racing ⁴	5	
	Simulcast racing	30	
	Advance-deposit wagering (ADW)	120	


¹ Bristol was operational for the 12-month period, Portsmouth opened in Jan. 2023, and Danville opened in May 2023
² Includes bingo, electronic and paper pull-tabs, and raffles. *Note: poker was not live in 2023*
³ Although fantasy contests are not considered gambling in the Code of Virginia, it is a common practice for gaming commissions to regulate and oversee fantasy contests
⁴ Includes live Thoroughbred racing, live Harness racing, and live Steeplechase wagering

Gaming in Virginia by the Numbers

\$1 Billion 

Gaming revenue generated in 2023


\$636 Million in sports bets placed in March 2024

2,790 

HHR terminals

218 Charitable gaming licenses issued in FY 2023

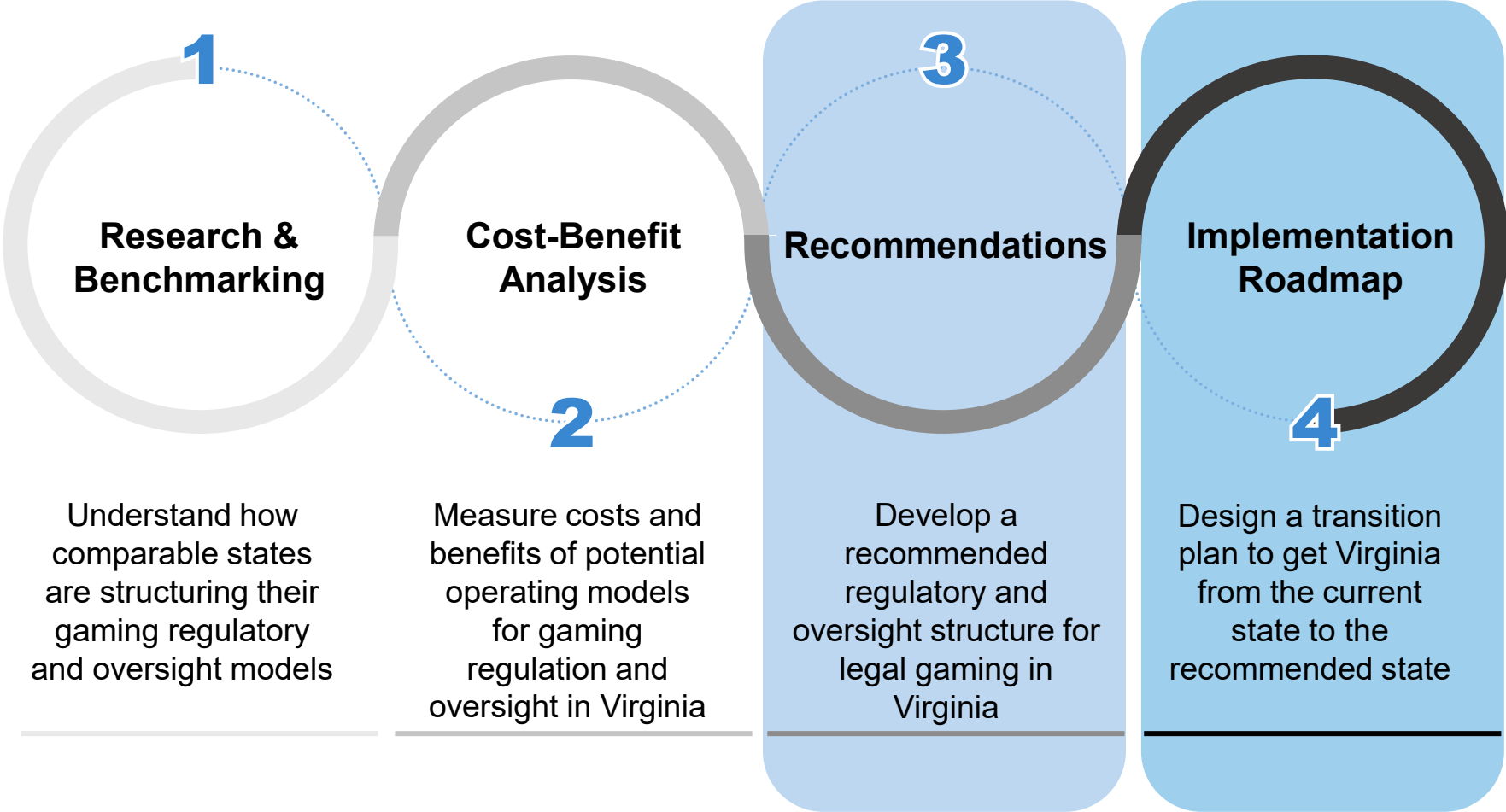
3 Operating casinos⁵ in Danville, Bristol, and Portsmouth

27 Live Thoroughbred racing days 

BINGO

⁵ A casino is authorized but not yet operational in Norfolk. SB628 (2024) also added Petersburg to the list of cities eligible to host a casino in the Commonwealth pending referendum and reenactment.

Engagement Progress



Overview of Operating Models

Decentralized (Current State)	VA Lottery	VDACS	VRC	States with similar models ²	Recently Consolidated ⁴
	<ul style="list-style-type: none"> Lottery iLottery 	<ul style="list-style-type: none"> Sports wagering Casinos 	<ul style="list-style-type: none"> Charitable gaming Fantasy contests 	<ul style="list-style-type: none"> Historical horse racing (HHR) Live horse racing Simulcast racing Advanced-deposit wagering (ADW) 	
	New gaming types ¹				
Option A Consolidation	VA Lottery	Virginia Gaming Commission (VGC)		VRC	
	<ul style="list-style-type: none"> Lottery iLottery 	<ul style="list-style-type: none"> Sports wagering Casinos Charitable gaming 	<ul style="list-style-type: none"> Fantasy contests HHR New gaming types¹ 	<ul style="list-style-type: none"> Live horse racing Simulcast racing ADW 	<ul style="list-style-type: none"> Indiana³ New Jersey³ Ohio³ Pennsylvania³
Option B Consolidation	VA Lottery	VGC			
	<ul style="list-style-type: none"> Lottery iLottery 	<ul style="list-style-type: none"> Sports wagering Casinos Charitable gaming 	<ul style="list-style-type: none"> Fantasy contests HHR New gaming types¹ 	<ul style="list-style-type: none"> Live horse racing Simulcast racing ADW 	<ul style="list-style-type: none"> Florida Massachusetts³ Michigan Mississippi³ South Dakota
Option C Consolidation	VGC			VRC	
	<ul style="list-style-type: none"> Lottery iLottery 	<ul style="list-style-type: none"> Sports wagering Casinos Charitable gaming 	<ul style="list-style-type: none"> Fantasy contests HHR New gaming types¹ 	<ul style="list-style-type: none"> Live horse racing Simulcast racing ADW 	<ul style="list-style-type: none"> Maryland³
Option D Consolidation	VGC				
	<ul style="list-style-type: none"> Lottery iLottery 	<ul style="list-style-type: none"> Sports wagering Casinos Charitable gaming 	<ul style="list-style-type: none"> Fantasy contests HHR New gaming types¹ 	<ul style="list-style-type: none"> Live horse racing Simulcast racing ADW 	<ul style="list-style-type: none"> New York
Additional Decision Point	Independent Agency vs. Executive Branch Agency				

¹ New gaming types that may be authorized in the future

² Not including HHR, which is only legal in a small number of states

³ Initial peer state. Out of seven peer states, charitable gaming is only regulated by the gaming commission in Indiana. Peer states were identified based on gaming environment, population, gaming revenue, median income & geographic proximity

⁴ Gaming Commission created or consolidated after 2011. Mississippi created a Lottery in 2019

Review of Cost Benefit Analysis Key Takeaways

- Following a review of costs and benefits, the team deemed **options for a consolidated Virginia Gaming Commission feasible and consolidation could be pursued**
- Although there are additional temporary costs to consolidation, a **Virginia Gaming Commission would be more beneficial to the Commonwealth** than the current fragmented structure
- **Separating lottery operations** from a centralized commission **would best mitigate the risk of a conflict of interest**, while still capturing most synergies

		Relative Benefits	Relative Costs and Risks
<div>Centralized</div>	Option A Consolidation	<ul style="list-style-type: none">• Improved mission delivery – streamlined, standardized approach to regulation and oversight (e.g., licensing, investigations, auditing, enforcement)	<ul style="list-style-type: none">• New staff• Operational update and transition costs• Potential for short-term competition among agency objectives and cultures during transition• New governance to mitigate conflicts of interests and protect the existing policy autonomy and revenue streams of gaming types (e.g., live horse racing)• New technology systems in the long-term (if pursued)
	Option B Consolidation	<ul style="list-style-type: none">• Improved ability to forecast gaming revenues• Easier to facilitate a state-wide problem gambling strategy	
	Option C Consolidation	<ul style="list-style-type: none">• Single source of specialized information and resources for gaming (policy, enforcement, industry partners)• Increased transparency and accountability	
	Option D Consolidation	<ul style="list-style-type: none">• Increased scalability (e.g., workforce, technology)• Best position to respond to emerging gaming types	

Recommended Operating Model

The Virginia General Assembly may wish to consider Option B Consolidation in the medium-term and Option D Consolidation in the long-term. This new agency would be an Independent Agency.

Decentralized (Current State)	VA Lottery		VDACS	VRC	
	<ul style="list-style-type: none"> Lottery iLottery 	<ul style="list-style-type: none"> Sports wagering Casinos 	<ul style="list-style-type: none"> Charitable gaming Fantasy contests 	<ul style="list-style-type: none"> Historical horse racing (HHR) 	<ul style="list-style-type: none"> Live horse racing Simulcast racing ADW
	New gaming types ¹				
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Option B Consolidation	VA Lottery	VGC			
	<ul style="list-style-type: none"> Lottery iLottery 	<ul style="list-style-type: none"> Sports wagering Casinos Charitable gaming 	<ul style="list-style-type: none"> Fantasy contests HHR New gaming types¹ 		<ul style="list-style-type: none"> Live horse racing Simulcast racing ADW
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Option D Consolidation	VGC				
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Additional Decision Point		Independent Agency	vs. Executive Branch Agency ²		

¹ New gaming types that may be authorized in the future

² Executive branch agencies are subject to the requirements of the Virginia Public Procurement Act, the Personnel Act, must leverage VITA, and receive budgetary funding from general fund appropriations

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Setting up the Virginia Gaming Commission for Success

The Option B operating model aligns with the following design principles:

- **Maintaining funding** of beneficiaries
- Providing the best support to **prevent, treat, and provide recovery services for problem gamblers**
- Allowing existing employees to **continue to serve their customers** while benefiting from cross-training opportunities and additional resources
- Creating a structure that can effectively regulate **diverse gaming types** and **sustainable for new gaming types**
- Allowing the Commonwealth to **understand new gaming types** and their **impact to the existing gaming landscape**
- Bolstering the accountability ecosystem through **consistent compliance and regulatory standards**
- Providing state and local law enforcement, industry, the public, and other stakeholders with a **single point of contact and information**

Executive Summary: Recommendations (1/2)

The General Assembly may wish to consider the following recommendations:

- 1 Consolidating all gaming regulatory and oversight operations in the Commonwealth (except VA Lottery) into an independent, centralized Virginia Gaming Commission
- 2 Structuring the Virginia Gaming Commission to maximize forecasted economies of scale, facilitate cross-training, and leverage best practices within similar functions across different gaming types
- 3 Creating the Virginia Gaming Commission (Board) and assigning it regulatory and oversight responsibilities over all gaming types except live horse racing and the lottery
- 4 Maintaining the Virginia Racing Commission (Board) and transferring HHR, ADW, and simulcast racing regulatory and oversight responsibilities to the Virginia Gaming Commission (Board)
- 5 Directing the Charitable Gaming Board to advise the Virginia Gaming Commission on all aspects of the conduct of charitable gaming in Virginia
- 6 Establishing a Problem Gambling Division in the VGC that could coordinate with local, state (e.g., DBHDS, VCPG), and national stakeholders to manage problem gambling prevention, recovery, and treatment efforts
- 7 Establishing an External Affairs & Policy Division in the VGC to recommend gaming policy decisions to legislators and communicate with relevant stakeholders in Virginia

Executive Summary: Recommendations (2/2)

The General Assembly may wish to consider the following recommendations:

8	Establish the Executive Leadership team in the VGC and define roles and responsibilities with clear division of duties, including elevating the role of the Executive Secretary of Racing
9	Maintaining existing beneficiaries of revenue streams from each gaming type (e.g., HHR revenue continuing to support the live horse racing industry)
10	Directing the Virginia Gaming Commission to review consolidating technology systems to increase efficiency of core functions (e.g., licensing, auditing)
11	Directing the Virginia Gaming Commission to develop a standardized approach for reporting to the General Assembly on a regular basis across all gaming types
12	Following implementation of the consolidated gaming commission, consider how to further invest in gaming enforcement
13	Following the successful launch of the Virginia Gaming Commission, reconsider Virginia Lottery operations consolidation

Recommendation 1: Consolidating all gaming regulatory and oversight operations in the Commonwealth (except VA Lottery) into an independent, centralized Virginia Gaming Commission

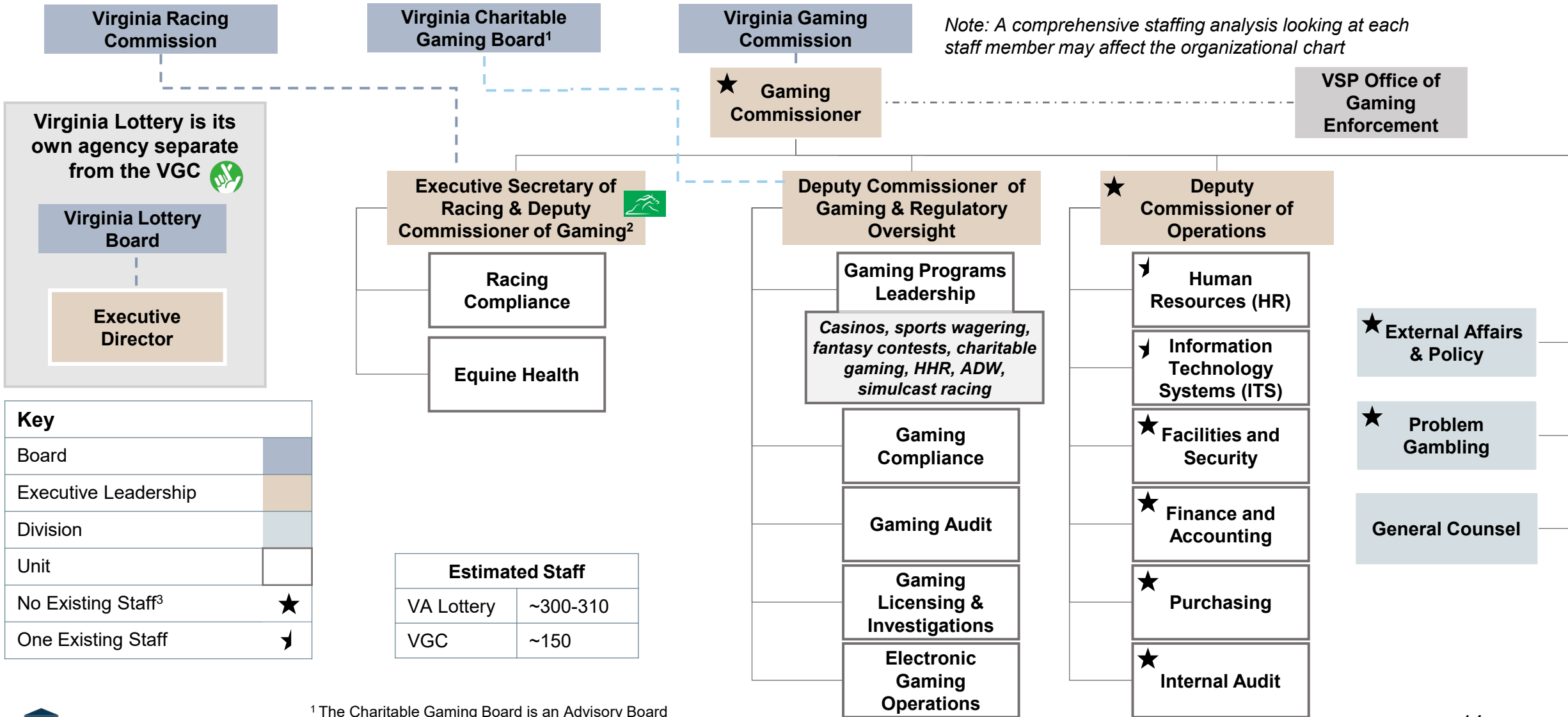
Option B Consolidation	VA Lottery	VGC (Independent Agency)		
	<ul style="list-style-type: none">• Lottery• iLottery	<ul style="list-style-type: none">• Sports wagering• Casinos• Charitable gaming	<ul style="list-style-type: none">• Fantasy Contests• HHR• <i>New gaming types</i>¹	<ul style="list-style-type: none">• Live horse racing• Simulcast Racing• ADW

The target operating model for the Virginia Gaming Commission is an **efficient, cost-effective, and strong regulator**. This is achieved through consolidation Option B, which is designed to:

- Respond to new regulatory and oversight needs from emerging gaming types
- Maintain the Commonwealth's commitment to the horse racing and charitable gaming industries
- Capture long-term forecasted economies of scale and operational efficiencies in staffing and technology as the gaming industry continues its rapid growth
- Increase transparency through centralized annual reporting to the public and the Virginia government and increase accountability for gaming regulation and oversight
- Facilitate a consistent state-wide problem gambling strategy across gaming types
- Clarify the points of contact for key stakeholders (e.g., Virginia State Police [VSP] and local law enforcement, legislators, players, industry) by:
 - Creating a centralized source of specialized information and resources for gaming
 - Encouraging effective collaboration with VSP Office of Gaming Enforcement to combat gaming-related criminal activity across all gaming types

¹ New gaming types that may be authorized in the future

Recommendation 2: Structuring the Virginia Gaming Commission to maximize forecasted economies of scale, facilitate cross-training, and leverage best practices within similar functions across different gaming types *(illustrative organizational structure below)*

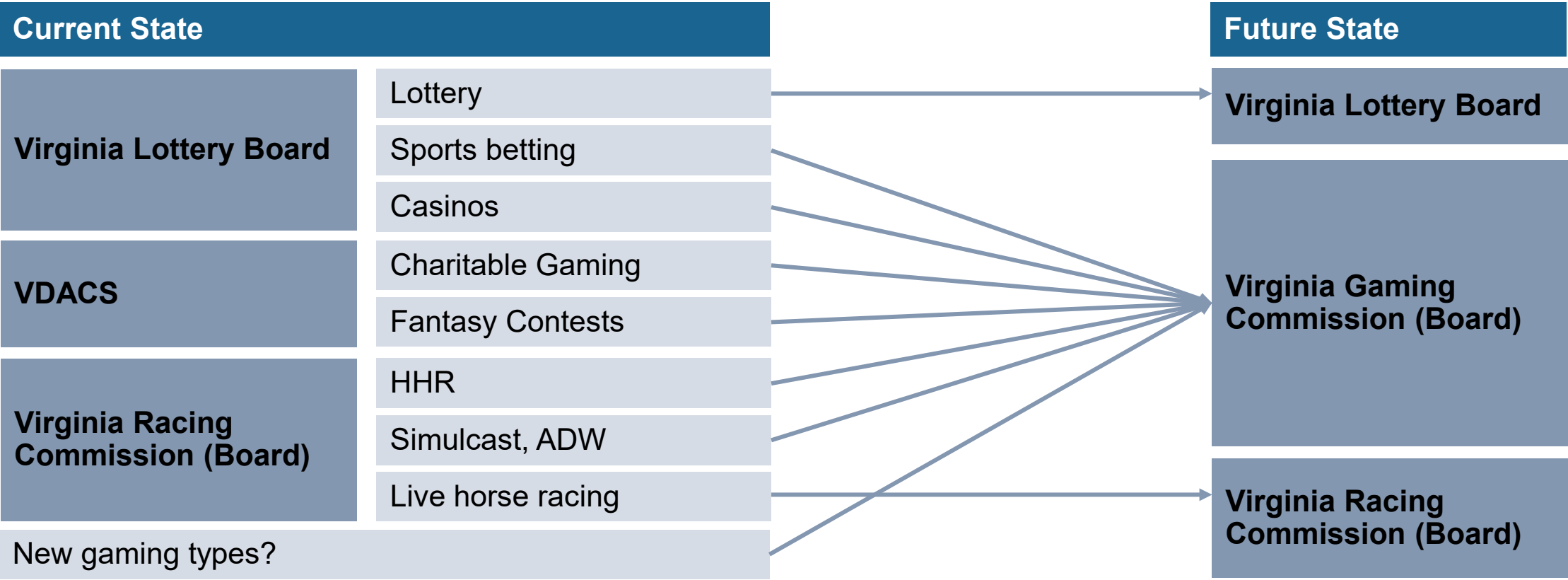


Note: A comprehensive staffing analysis looking at each staff member may affect the organizational chart

¹ The Charitable Gaming Board is an Advisory Board
² Oversees non-gaming responsibilities associated with live horse racing such as equine health and drug testing of horses and jockeys
³ Requires all new hires

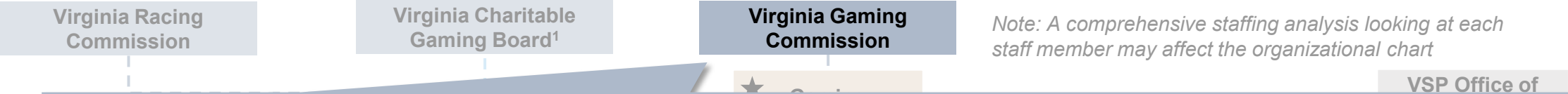
Recommendation 3: Creating the Virginia Gaming Commission (Board) and assigning it regulatory and oversight responsibilities over all gaming types except live horse racing and the lottery

Recommendation 4: Maintaining the Virginia Racing Commission (Board) and transferring HHR, ADW, and simulcast racing regulatory and oversight responsibilities to the Virginia Gaming Commission (Board)



Note: Virginia Charitable Gaming Board advises VDACS in the current state on charitable gaming. In the future state, they would advise the Virginia Gaming Commission.

Recommendation 3: Creating the Virginia Gaming Commission (Board) and assigning it regulatory and oversight responsibilities over all gaming types except live horse racing and the lottery



Virginia Gaming Commission (Board)

The Virginia Gaming Commission (Board) could regulate and oversee all gaming types in the Commonwealth, except for live horse racing and the Virginia Lottery. The regulation and oversight of casinos, and sports wagering, which currently reside in the Virginia Lottery Board would transfer to the VGC (Board).

Overview of New Role

- Adopting regulations governing sports wagering, casinos, HHR, fantasy contests, charitable gaming, ADW, simulcast racing, and any new gaming types in the Commonwealth
- Providing recommendations to the Gaming Commissioner and studying the future direction of gaming in the Commonwealth

Conflict of Interest

- VGC board members shall have no direct or indirect ownership, financial interests, or management interests in any gaming activities or services in connection with any gaming establishment or gaming activity

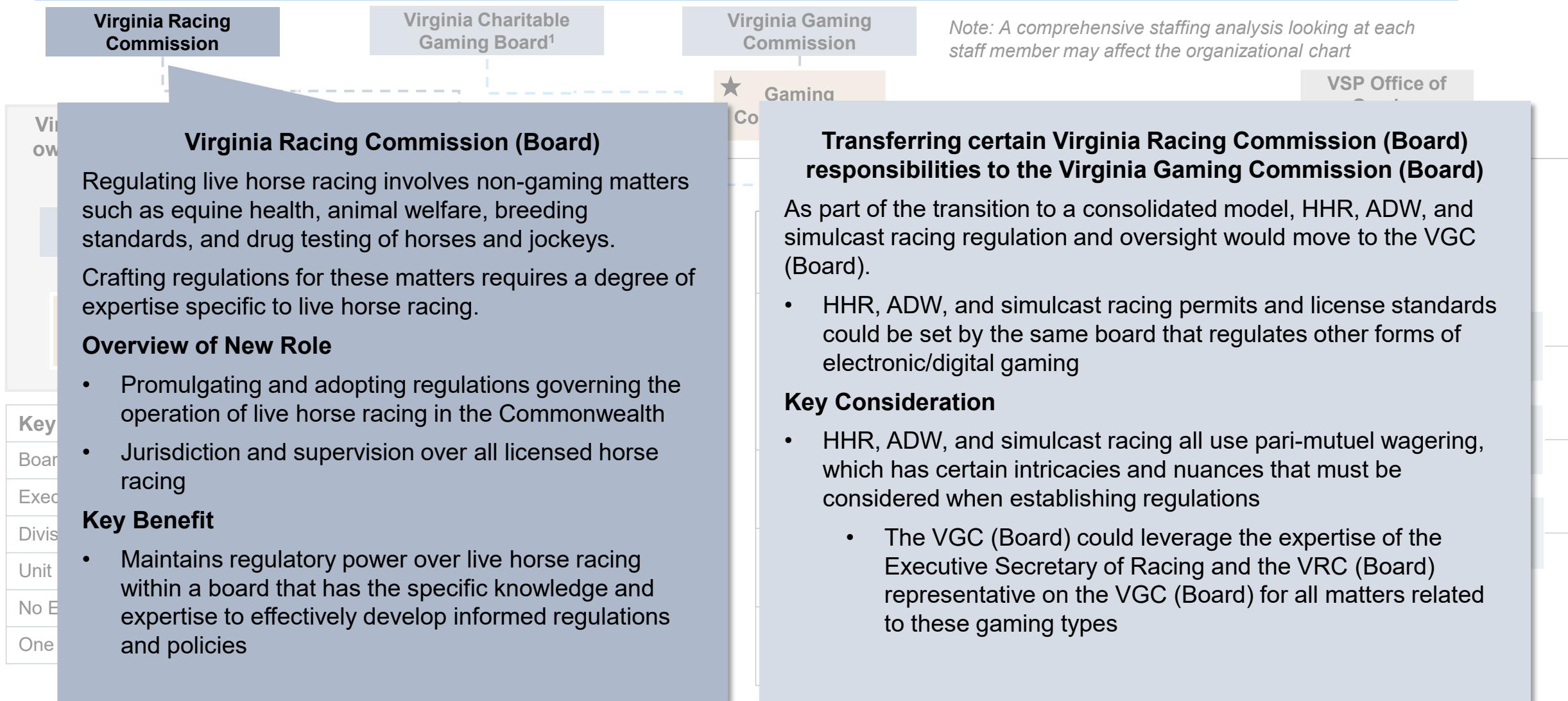
Consideration

- Other stakeholders (e.g., VSP, member of VRC, member of Charitable Gaming Board, Executive Secretary of Racing) could serve in an ex-officio capacity

Note: The Virginia Lottery Board would continue to promulgate and adopt regulations governing the establishment and operation of the lottery.

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Recommendation 4: Maintaining the Virginia Racing Commission (Board) and transferring HHR, ADW, and simulcast racing regulatory and oversight responsibilities to the Virginia Gaming Commission (Board)

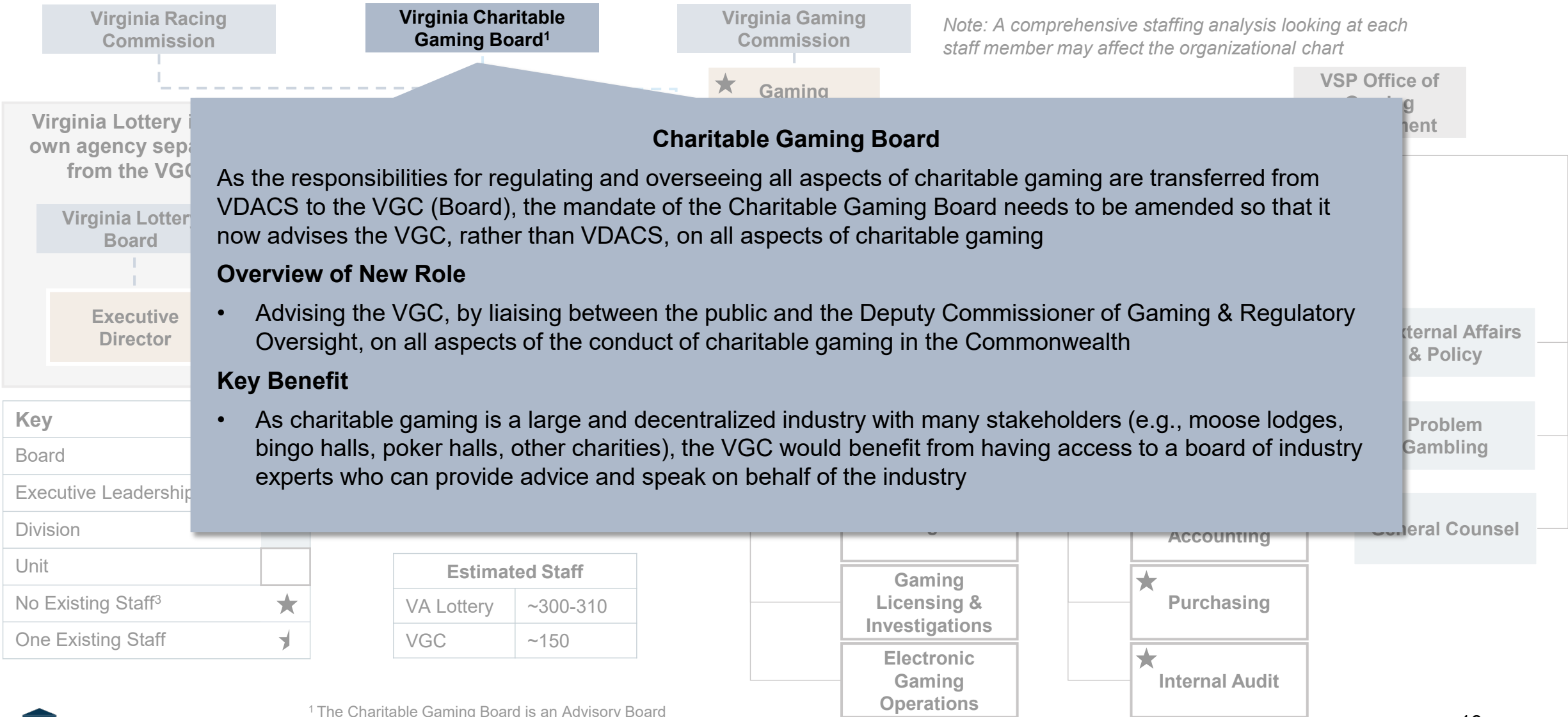


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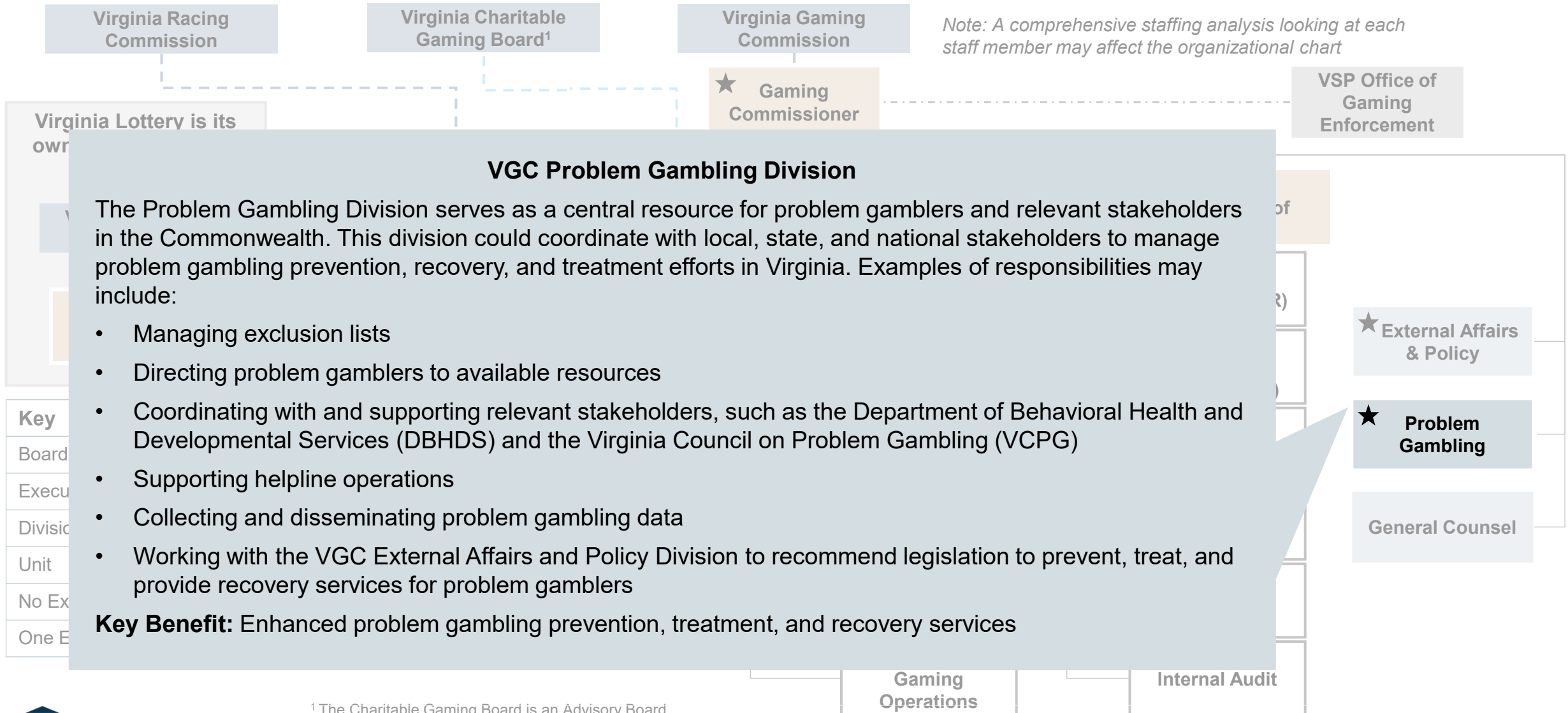
³ Requires all new hires

Recommendation 5: Directing the Charitable Gaming Board to advise the Virginia Gaming Commission on all aspects of the conduct of charitable gaming in Virginia



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Recommendation 6: Establishing a Problem Gambling Division in the VGC that could coordinate with local, state (e.g., DBHDS, VCPG), and national stakeholders to manage problem gambling prevention, recovery, and treatment efforts

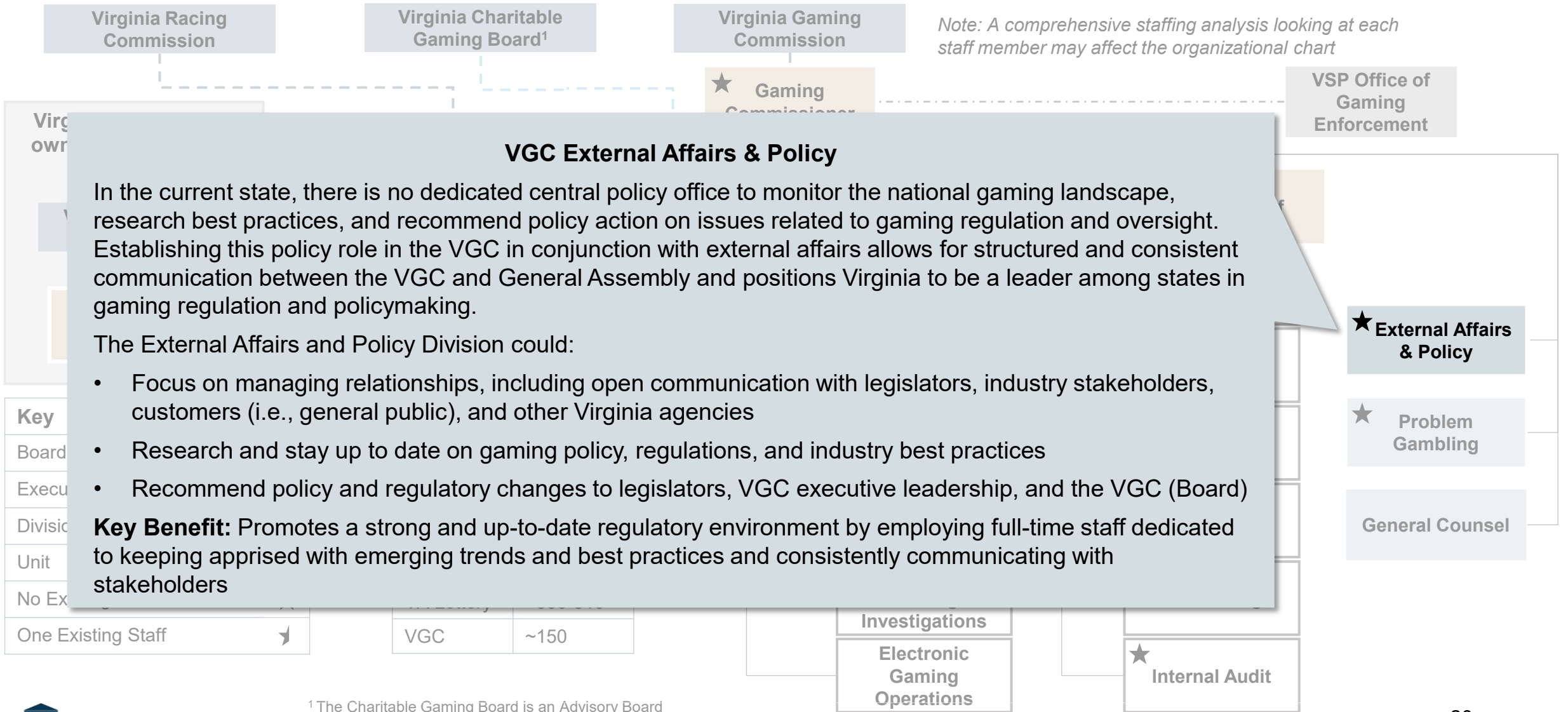


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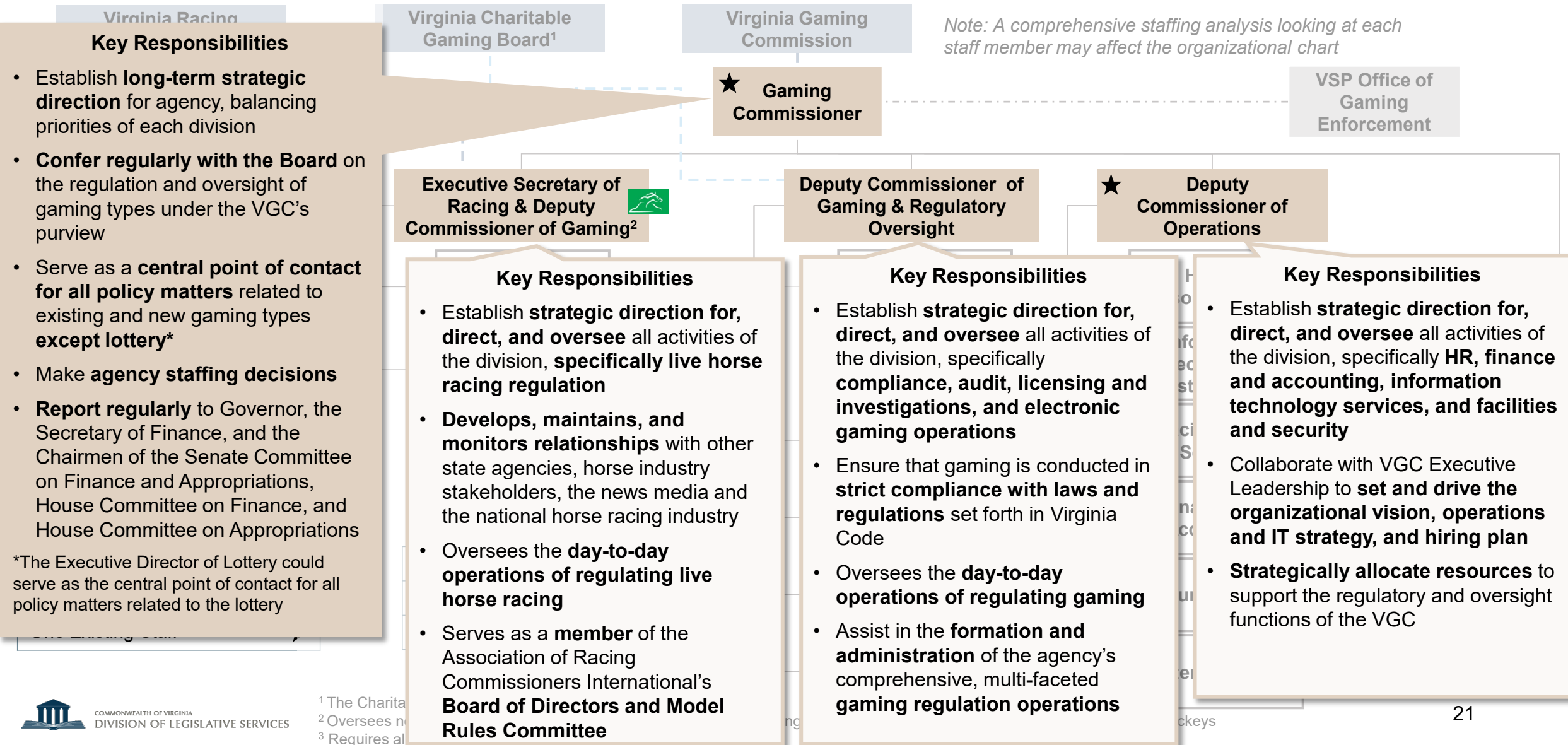
³ Requires all new hires

Recommendation 7: Establishing an External Affairs & Policy Division in the VGC to recommend gaming policy decisions to legislators and communicate with relevant stakeholders in Virginia



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³ Requires all new hires

Recommendation 8: Establish the Executive Leadership team in the VGC and define roles and responsibilities with clear division of duties, including elevating the role of the Executive Secretary of Racing



Recommendation 9: Maintaining existing beneficiaries of revenue streams from each gaming type through transition (e.g., HHR revenue continues to support live horse racing industry)

Currently, the proceeds (e.g., tax revenue, licensing fees) from each gaming type in Virginia have specific beneficiaries and funds:

Gaming Type	Funding Recipients
Lottery	Lottery Proceeds Fund (for public education in the Commonwealth), Literary Fund
Sports Wagering	Problem Gambling Treatment and Support Fund
Casinos	Localities hosting casinos, Virginia Indigenous People's Trust Fund, Problem Gambling Treatment and Support Fund, Family and Children's Trust Fund, School Construction Fund
Charitable Gaming	General Fund, lawful religious, charitable, community, or educational purposes for which the organization is specifically chartered or organized
Fantasy Contests	None
HHR	Problem Gambling Treatment and Support Fund, Virginia Breeder's Fund, Virginia-Maryland Regional College of Veterinary Medicine, Virginia Horse Center Foundation, Virginia Horse Industry Board, Racing Benevolence Fund
Live Horse Racing/ADW/Simulcast	Locality in which racetrack/satellite facility is located, Virginia Breeder's Fund, Virginia-Maryland Regional College of Veterinary Medicine, Virginia Horse Center Foundation, Virginia Horse Industry Board, Virginia Thoroughbred Association for the promotion of breeding in the Commonwealth, Racing Benevolence Fund

While the regulation and oversight of certain gaming types would transfer to the VGC (Board) (e.g., charitable gaming, HHR), maintaining existing beneficiaries minimizes disruption and maintains current goals of existing policy.

- As an example, while HHR would be regulated by the Virginia Gaming Commission (Board) rather than the Virginia Racing Commission (Board), proceeds from HHR could continue to support the Virginia horseracing industry, as originally intended when HHR was legalized.

Key Consideration: Funding for the oversight of each gaming type also comes from a small portion of the money generated by each gaming type (e.g., a portion of the fees collected from charitable gaming fund VDACS OCRP oversight operations for charitable gaming). These **funding sources may have to be reexamined**, as appropriate.

Recommendation 10: Directing the Virginia Gaming Commission to review consolidating technology systems to increase efficiency of core functions (e.g., licensing, auditing)

Benefits of Consolidation

- Increased efficiency of core functions through reduction of manual processes (e.g., using spreadsheets/paper-based processes)
- Standardization of similar process across different gaming types (e.g., case management, auditing, licensing)

Sample System Consolidation: Case Management

Current State

Lottery: MS Technologies

VDACS: Oracle/Excel

VRC: Network drive



Future State

VGC: One central case management system

Recommendation 11: Directing the Virginia Gaming Commission to develop a standardized approach for reporting to the General Assembly on a regular basis across all gaming types

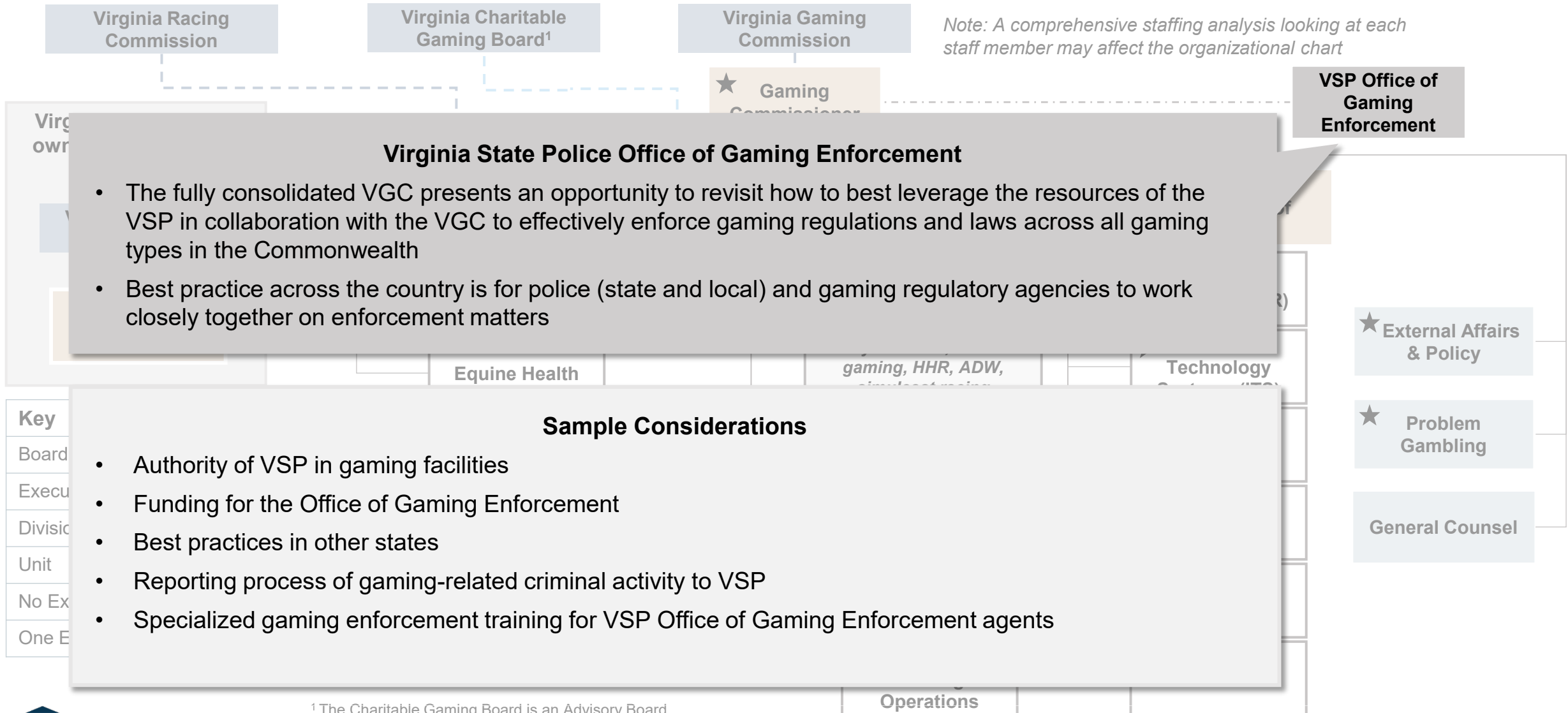
Benefits of Centralized Reporting Requirements

- Transparency to the Virginia government and the public
- Sharing of best practices for reporting among gaming types
- Improved forecasting capability across gaming types

Sample of Consistent Reporting Standards

- Operators could be required to report same data across gaming types (e.g., Fantasy contests operators and sportsbook operators could both report on total handle wagered)
- Standardized reporting periods (i.e., calendar year, fiscal year) for gaming types
- Same frequency of reports (e.g., monthly, quarterly, annually)

Recommendation 12: Following implementation of the consolidated gaming commission, consider how to further invest in gaming enforcement




¹ The Charitable Gaming Board is an Advisory Board

² Oversees non-gaming responsibilities associated with live horse racing such as equine health and drug testing of horses and jockeys

³ Requires all new hires

Recommendation 13: Following the successful launch of the Virginia Gaming Commission, reconsider Virginia Lottery operations consolidation

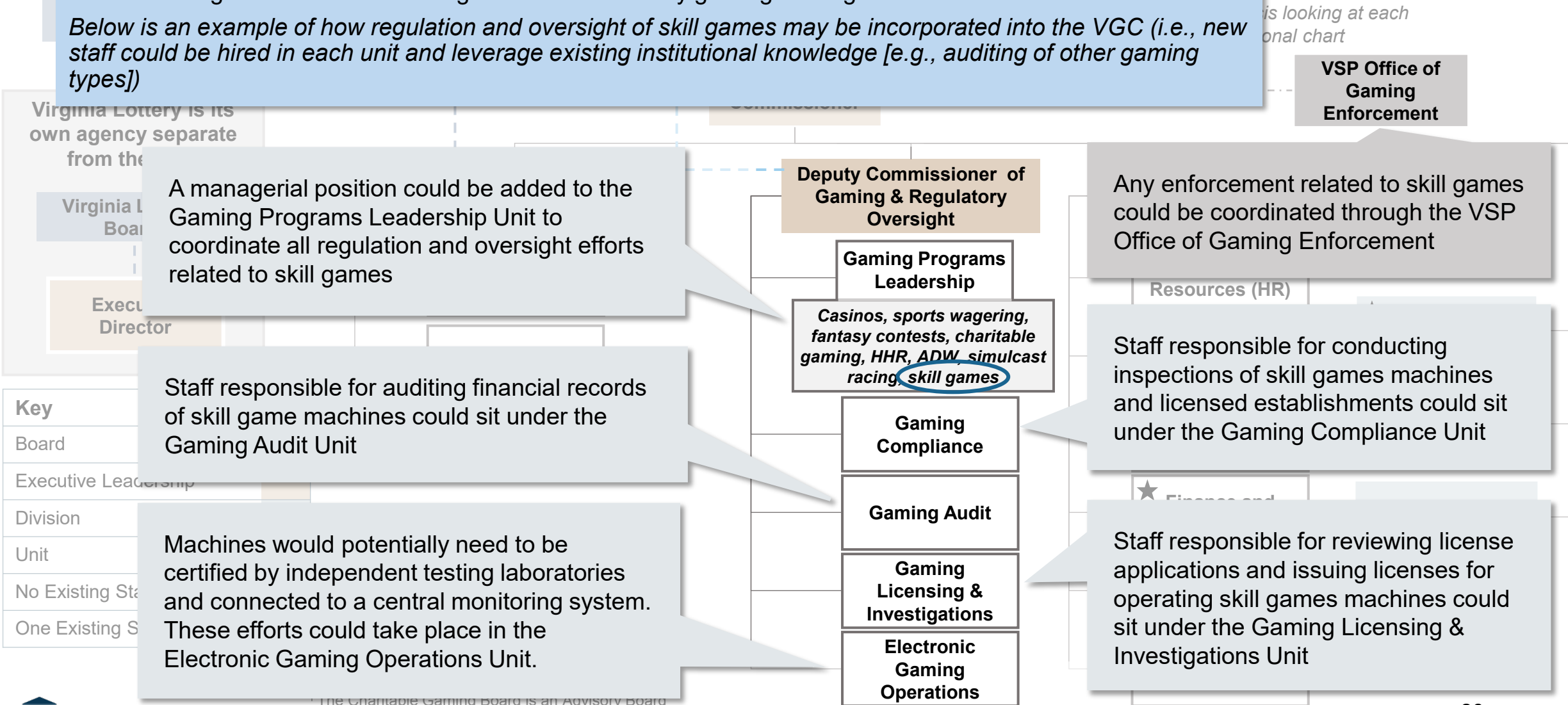
- The level of consolidation could be a phased decision; the Virginia General Assembly may choose to increase level of consolidation in the future
- The Generally Assembly could consolidate with Option B now, and move to Option D in the future, if it becomes apparent that full consolidation efficiencies in Option D outweigh other considerations in Option B

Near-term recommendation	Option B Consolidation	VA Lottery	VGC		
		<ul style="list-style-type: none">• Lottery• iLottery	<ul style="list-style-type: none">• Sports wagering• Casinos• Charitable gaming	<ul style="list-style-type: none">• Fantasy Contests• HHR• <i>New gaming types¹</i>	<ul style="list-style-type: none">• Live horse racing• Simulcast Racing• ADW
					
Long-term option	Option D Consolidation	VGC			
		<ul style="list-style-type: none">• Lottery• iLottery	<ul style="list-style-type: none">• Sports wagering• Casinos• Charitable gaming	<ul style="list-style-type: none">• Fantasy Contests• HHR• <i>New gaming types</i>	<ul style="list-style-type: none">• Live horse racing• Simulcast Racing• ADW

Case Study: Potential Legalization of Skill Games

The proposed organizational structure is designed to easily incorporate new gaming types as they are legalized, as the Gaming Division's units are organized based on key gaming oversight functions.

Below is an example of how regulation and oversight of skill games may be incorporated into the VGC (i.e., new staff could be hired in each unit and leverage existing institutional knowledge [e.g., auditing of other gaming types])



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Implementation Roadmap Key Points (1/2)

- A transition to a fully consolidated Virginia Gaming Commission would take an estimated **two years**
- To enable the start of the transition process on July 1, 2025, the **Virginia General Assembly would need to pass legislation** during the upcoming legislative session (i.e., January 2025)
- The transition approach is **employee-centric**, including frequent and clear communication throughout the process
- The Roadmap is designed to **limit the potential disruptions** to current operations of VA Lottery, VDACS, and VRC and maintain the integrity of the regulatory landscape

Implementation Roadmap Key Points (2/2)

- The Roadmap focuses on three key workstreams:
 - **Human Resources:** includes all staffing-related tasks, such as a staffing analysis, recruitment, transferring employees, onboarding, and training
 - **Technology:** includes all IT, data management, and information security tasks, such as confirming IT policies, establishing an IT infrastructure, and enhancing/consolidating certain technology solutions
 - **Operations:** broadly includes updating policies and procedures, agency performance management, financial management, relevant reporting, and office space

Implementation Roadmap Approach

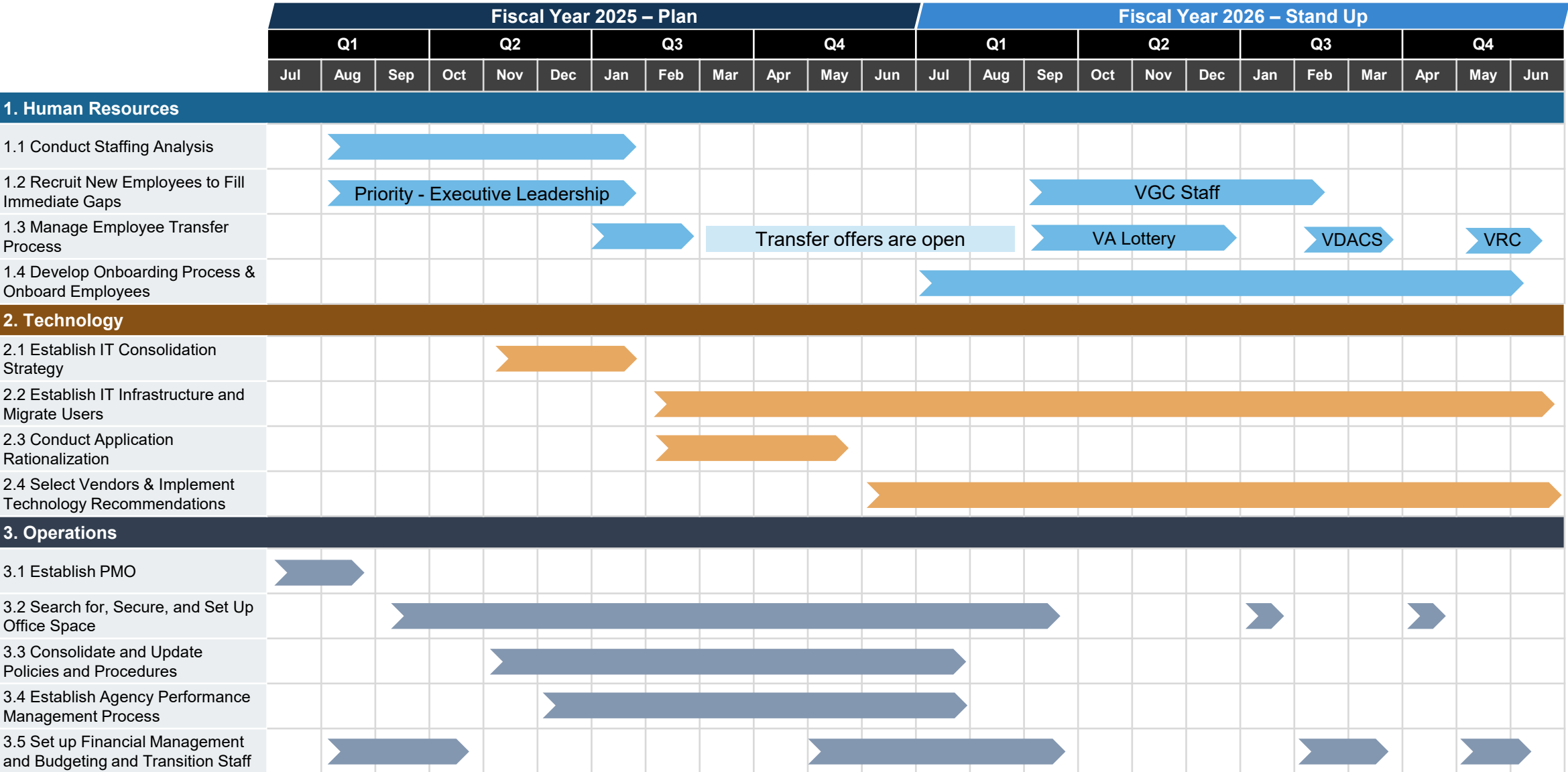
The approach to the transition is a three-step process: Plan, Stand Up, and Refine. The two-year Roadmap begins on July 1, 2025, after enabling legislation takes effect, and focuses on the Plan and Stand-Up phases.

Fiscal Year 2025				Fiscal Year 2026				FY 2027
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Plan				Stand Up				Refine
<ul style="list-style-type: none">• The Plan phase is focused on preparing for the transition to a centralized commission, including conducting a staffing analysis and defining the performance management process.• At the end of the phase, the VGC would be prepared to begin implementing new technology and begin transferring staff into the agency.				<ul style="list-style-type: none">• The key milestone during the Stand Up phase is “Go Live”, when the agency would begin to operate independently• The Stand Up phase is focused on getting ready for Go Live and normalizing operations afterwards• At the end of the phase, all operational and staffing transitions would be complete and the VGC could be positioned to regulate and oversee gaming in Virginia				

Ongoing change management and public awareness to sustain stakeholder buy-in and facilitate a smooth transition

Illustrative Implementation Roadmap¹

Note: Roadmap is illustrative, detailed deliverable to follow



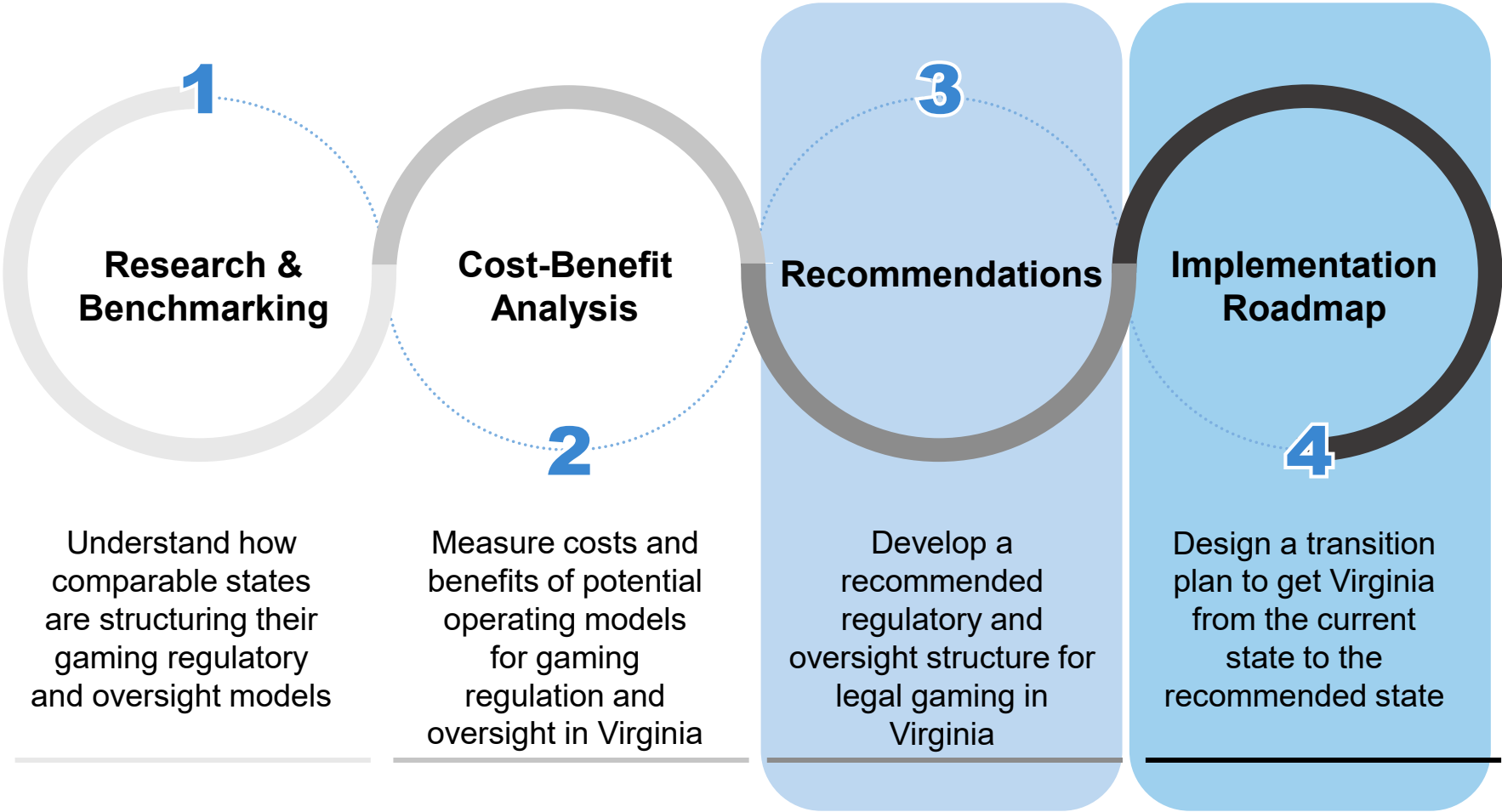
Ongoing change management and public awareness to sustain stakeholder buy-in and facilitate a smooth transition

¹ Implementation Roadmap is not a detailed work plan, it is common for notable dependencies to arise in work planning that may cause shifts in sequence and timeline.

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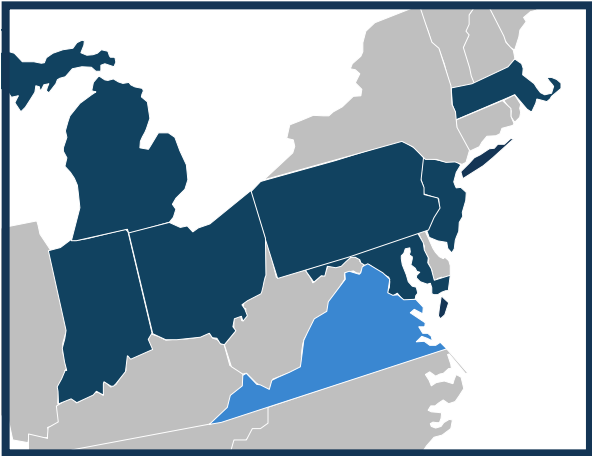
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Benchmarking – Peer States Benchmarked with Virginia




The following metrics were used to identify the seven peer states listed in the table below: **gaming environment, population, gaming revenue, median income, and geographic proximity.**

State	Lottery	Racing	Casinos	Sports Wagering	Charitable Gaming	State Population (in millions) ²	Gaming Revenue (in billions) ³	Median Household income ² (in thousands)
Virginia					VDACS	8.7	\$1.1	\$122
Indiana						6.9	\$2.8	\$96
Maryland					County	6.2	\$2.5	\$138
Massachusetts					Attorney General	7.0	\$1.7	\$149
Michigan					  ¹	10.0	\$3.6	\$104
New Jersey					Consumer Affairs	9.3	\$5.8	\$141
Ohio					Attorney General	11.8	\$3.3	\$101
Pennsylvania					Dept. of Revenue	13.0	\$5.9	\$110

Geographic proximity of peer states


































Regulator

Lottery	
Racing Commission	
Gaming Commission	




¹ Raffles, bingo and charity games are regulated by the Charitable Gaming Division of the Michigan Lottery (the "Michigan Lottery"). However, millionaire parties are regulated by the Michigan Gaming Control Board ("MGCB")
² Source: US Census, State Population by Characteristics: 2020-2023
³ Gaming revenue includes slots, table games, sports wagering, and iGaming. Source: American Gaming Association Commercial Gaming Revenue Tracker (CY 2023)

Benchmarking – Recent Approaches to Gaming Operating Models

State	Lottery	Racing	Casinos	Sports Betting	Charitable Gaming	Year Commission Established	Gaming Revenue 2023 (in millions)
South Dakota					County	2023	\$148
Florida						2021	\$691
Mississippi						1990 ¹	\$2,483
New York						2013 ²	\$4,720
Maryland					County	2012 ²	\$2,497
Massachusetts					Attorney General	2011	\$1,668
Ohio					Attorney General	2011	\$3,319

States with operating models similar to Option B

Regulator

Lottery	
Racing Commission	
Gaming Commission	

¹ The Mississippi Lottery was established in 2019 as a separate entity

² Year of consolidation

³ Wyoming also has a Pari-Mutuel Commission

The following states recently made changes to their gaming agencies, however, they do not have casinos:

- **New Hampshire** Lottery Commission consolidated in 2015 to regulate all forms of gaming: sports betting, HHR, racing, charitable gaming, and lottery.
- **Wyoming** established its lottery in 2013 as a separate entity from the Gaming Commission, which regulates sports betting, HHR, racing, and charitable gaming.³
- **DC's** Office of Lottery and Charitable Games renamed to the Office of Lottery and Gaming in 2019 after sports betting was legalized.
- **Tennessee** established the Sports Wagering Council in 2021. Tennessee also has a Lottery and a Racing Commission.

The lotteries in the following states have taken on additional gaming responsibilities as they've legalized: Delaware, Montana, Oregon, Vermont, West Virginia