

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



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STAFF AGENDA MEMORANDUM

DATE OF MEETING: August 17, 2016

AGENDA ITEM: **Temporary VLT Reduction Request- MGM National Harbor**

PRESENTER: Charles LaBoy, Assistant Director for Gaming
Representatives from MGM National Harbor

ISSUE SUMMARY: MGM National Harbor (MGM) has submitted a request to temporarily reduce its VLT count by 279 VLTs bringing their total VLT count to 3,321 to “respond to present market factors and other factors and ensure the highest potential tax revenues are achieved..” MGM was allocated 3,600 VLTs by the Location Commission on December 23, 2013.

The Commission has approved similar requests from licensees:

Casino	Reduction Amount	Date
Hollywood Casino	342	Feb 2013
Maryland Live	409	Mar2013
Maryland Live	71	Oct 2013
Maryland Live	100	Feb 2014
Hollywood Casino	308	Dec 2014
Maryland Live	300	Jan 2015
Horseshoe Casino	300	Jan 2015

Past experience has demonstrated that VLT reductions have not negatively impacted revenues when supply has outpaced demand and when resources were better served on other gaming and non-gaming amenities. MGM’s request appears to be reasonable and since the reduction will be temporary the property will have one year to fine tune the floor at which point the total number that have not been placed on the floor shall become a permanent reduction.

COMMISSION ACTION REQUIRED/REQUESTED: Approval of MGM National Harbor’s request to temporarily decrease their VLT count by 279.

Staff Recommendation: Staff recommends approval.