

REVENUE ESTIMATING CONFERENCE

Tax: Indian Gaming Revenues

Issue: 2021 Indian Gaming Compact Ratification

Bill Number(s): CS/SB 2-A

☐ **Entire Bill**

☒ **Partial Bill:** Sections 1 through 3 and 7

Sponsor(s): Appropriations and Senator Hutson

Month/Year Impact Begins: Fiscal Year 2021-22, upon publication of a notice of approval in the Federal Register (after federal approval by the U.S. Secretary of the Interior or by operation of law under 25 U.S.C. s. 2710(d)(8)).

Date of Analysis: June 21, 2021

Section 1: Narrative

- a. **Current Law:** On November 14, 2007, the Governor and the Seminole Tribe of Florida executed a gaming agreement which was subsequently invalidated by the Florida Supreme Court. On August 28, 2009, and August 31, 2009, the Governor and the Tribe executed another agreement which was sent to the President of the Senate and the Speaker of the House of Representatives, but it was neither ratified nor approved by the Legislature. On April 7, 2010, the Governor and the Tribe executed a third agreement that was ratified by the Legislature in Chapter 2010-29, L.O.F. (SB 622), and approved by the United States Secretary of the Interior.

The existing Compact (referred to as the 2010 Compact) has a term of 20 years, which began the first day of the month following the publication of the notice of approval in the Federal Register (July 6, 2010), making it effective August 1, 2010. Based on this, the expiration date is July 31, 2030. An exception was made to the general expiration for certain named banking or banked card games (including baccarat, chemin de fer, and blackjack, but excluding roulette, craps, roulette-styled games, and craps-styled games); this specific authorization was set to expire after five years.

The 2010 Compact authorized play of covered games at seven Seminole tribal gaming facilities. The games included slot machines at all seven facilities and banked card games at five of the seven facilities. As part of this authorization, the Tribe was granted partial but substantial exclusivity for both the play of banked card games and the operation of slots in counties other than Broward and Miami-Dade. In exchange, the Tribe agreed to a revenue sharing arrangement with the State. The Compact provided that once the authorization for banked card games expired, revenue share payments from all banked card games and all Broward activity would cease. It also provided that the Tribe had 90 days, referred to as a grace period, to cease the operation of banked card games. The authorization for banked card games expired on July 31, 2015, and the grace period ended October 31, 2015. Beginning in November 2015 and running through July 2017, revenue sharing associated with banked card games was not included in the state's official revenue forecasts. The Revenue Estimating Conference met in August 2017 where it took two actions that affected the treatment of past and future receipts. First, based on the Settlement Agreement and Stipulation entered into between the Seminole Tribe of Florida and the State of Florida in July 2017, the payments associated with banked card games that the state had held in reserve (\$233.8 million) since November 2015 were released. Of the total, \$226.8 million belonged exclusively to the State; the remainder was distributed to local governments pursuant to s. 285.710, Florida Statutes. Second, all future revenue share payments, including those formerly placed in reserve, were treated as nonrecurring revenues because continuation of these payments depended on actions by the State and the Seminole Tribe that could not be anticipated with sufficient certainty. In this regard, the Settlement Agreement and Stipulation required that "...the state takes aggressive enforcement action against the continued operation of banked card games, including Designated Player Games that are operated in a banked game manner..." during a specified Forbearance Period. The original Forbearance Period ended March 31, 2018; however, an amendment to the Settlement Agreement was signed on April 18, 2018, effectively extending the Forbearance Period to May 31, 2019. After making its April 2019 payment, the Tribe ceased all revenue sharing with the State. The Revenue Estimating Conference met in July 2019 where it zeroed out the revenue forecast and projected a remaining \$7.2 million dollar local distribution in March of 2020, which was related to a prior State liability.

Florida voters approved a constitutional amendment at the 2018 General Election (Amendment 3) which created Article X, s. 30 of the Florida Constitution. This amendment made citizen's initiatives the exclusive method of

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authorizing casino gambling (as defined in the amendment), with an exception made for gaming compacts for the conduct of casino gambling on tribal lands.

- b. Proposed Change:** The Governor and the Seminole Tribe of Florida signed a new Compact on April 23, 2021 with an amendment on May 17, 2021. It was subsequently ratified in Special Session by CS/SB 2-A, which was approved by the Governor on May 25, 2021. The first part of the amendment removed a reference to online casino gambling (or other casino-style gaming) of all types of covered games. The original provision was dependent on the results of future good faith negotiations that were to occur within 36 months after the effective date of the Compact. The second part of the amendment addressed the initiation of sports betting no earlier than October 15, 2021.

The legislation requires that, "Upon receipt of an act ratifying a tribal-state compact, the Secretary of State shall coordinate with the parties to the compact to formally submit forward a copy of the executed compact and the ratifying act to the United States Secretary of the Interior for his or her review and approval." Currently, the Compact has yet to be submitted. As of this writing, approval is not expected until sometime in August, beginning the first revenue sharing cycle on September 1, 2021.

If approved by the federal government, the 2021 Gaming Compact will supersede the 2010 Compact. In addition to the previously authorized games, it adds craps & roulette, sports betting, and fantasy sports contests. It also establishes a new bracket structure based on the different components of Net Win: Slot Machines, Raffles and Drawings + New Games; Table Games (including craps & roulette); Sports Betting – Tribe (direct); and Sports Betting – Qualified Pari-mutuel Permitholders.

The following provisions will cause new or altered fiscal impacts relative to the 2010 Compact.

Provisions with Potential Revenue Sharing Impact	Disposition for the Revenue Sharing Purposes of the Analysis
Craps & Roulette (part of Table Games)	Impact discretely identified in analysis.
Sports Betting directly hosted by the Seminole Tribe of Florida	Impact discretely identified in analysis; split between physical locations and online.
Sports Betting through Qualified Pari-mutuel Permitholder(s)	Impact discretely identified in analysis.
Fantasy Sports Contests	Impact subsumed under Sports Betting that is directly hosted by the Seminole Tribe of Florida.
4 Discrete Revenue Sharing Bracket Sets instead of 1: <ul style="list-style-type: none"> Slot Machines, Raffles and Drawings + New Games Table Games (including craps & roulette) Sports Betting – Tribe (direct) Sports Betting – Qualified Pari-mutuel Permitholders 	Impact incorporated in the analysis.
Guaranteed Minimum Payments (\$400 million per year; \$1.5 billion after 3 years and \$2.5 billion after 5 years)	Impact incorporated in the analysis.
7 Existing Facilities that can be relocated, expanded or replaced	Not included. Analysis assumes that Big Cypress will remain closed and that the other 6 facilities will remain configured as they currently are. The Tribe has indicated that changes to the Brighton facility are under active consideration, but that no firm plans are currently in place.
Addition of 3 new Facilities on the parcel which is part of the Tribe's Hollywood Reservation and which is east of the present location of the Florida Turnpike	Not included; no firm plans are currently in place.
Reductions of Tribal Payments because of Loss of Exclusivity or Other Changes in Florida Law; Exceptions (Part XII)	Not included. Analysis assumes that all requirements will be appropriately met, and that the authorizations for exceptions would be implemented separately, if at all (Historic Racing

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	Machines, Electronic Bingo Card Minders, reduction in Slot Machine Tax Rate, etc.).
Effective Date	Analysis assumes federal approval in August 2021; the beginning of the first revenue sharing cycle on September 1, 2021; and the first revenue sharing payment received October 15, 2021. The effective date occurs upon approval of the Compact by action of the U.S. Secretary of the Interior or by operation of law under 25 U.S.C. s. 2710(d)(8), with publication in the Federal Register.
Termination Date	No impact on the analysis. The Compact terminates on July 31, 2051.

Section 2: Description of Data and Sources

- [Voter Control of Gambling in Florida - Financial Information Statement](#)
- [Revenue Estimating Conference Indian Gaming Revenues \(state.fl.us\)](#)
- [Nevada Gaming Control Board : Statistics & Publications \(nv.gov\)](#)
- [AnnualReport-2019-2020--89th--20210224.pdf \(myfloridalicense.com\)](#)

Section 3: Methodology (Include Assumptions and Attach Details)

- *Craps & Roulette (part of Table Games)...* The projections related to the new authorization for craps and roulette were developed from detailed data available from the Nevada Gaming Control Board. This data allowed the calculation of the associated net win for each game, per location and per unit, over multiple years. Because the outbreak of Covid adversely affected the results for FY 2019-20, that data was excluded from the calculations. The final estimates assume that five of the seven tribal locations will have these games in the impact window. Growth through the forecast period ranges from 1.92% in first year of operation (moving from the backcast window) to 1.81% in the final years. The range of percentages is higher than the average 1.1% experienced in Nevada over the period FY 2011-12 to FY 2018-19 and higher than Florida's average population growth of residents aged 18+ (1.6% for calendar years 2020 to 2026). Underlying the analysis is a recognition that Florida will not be a gambling destination for tourists in the same way that Nevada is.
- *Sports Betting directly hosted by the Seminole Tribe of Florida...* EDR's Sports Betting Model is driven by a number of international and national studies, as well as the actual experience in other states (especially New Jersey) by year since inception. Some of these studies focused on the size of the illegal market that currently exists, which shapes the size of the expected legal market. The model's overall structure is primarily based on an analysis of the industry released in May 2017: *Economic Impact of Legalized Sports Betting*; Oxford Economics. A number of adjustments were made to account for the Florida-specific setting and more recent data, but the form and substance is otherwise similar. Using discrete inputs such as the forecast of the state's population aged 18+, location concentration factors and the relative activity level at tribal facilities, an estimate of net win was developed with separate components for physical presence and online participation. Based on all of the studies and data, 85% of the net win for revenue sharing is anticipated to come from players switching from illegal gaming to legal gaming, with the other 15% coming from increased betting by the converted players and new players. An important feature in other states is the presence of multiple sports books which tend to create arbitrage opportunities for players. While the Seminole Tribe is not required to have multiple sport books, it is not prohibited from doing so. The Tribe's current plans in this regard are unknown. Similarly, the amount of free play and promotional credits were slightly reduced from other states since the Tribe is anticipated to have exclusivity for sports betting (i.e., no legal competition that is outside their control).
- *Sports Betting through Qualified Pari-mutuel Permitholder(s)...* Further adjustments were made to the model to account for sports betting conducted through the Qualified Pari-mutuel Permitholder(s). Recent gaming activity for each facility (cardroom gross receipts, parimutuel handle and slots activity when applicable) was analyzed at a granular level and used to create an index. The index was then applied to detailed sports betting activity data from New Jersey to develop estimates by facility. Finally, a scalar was applied to the total for all facilities to account for (1) the lack of arbitrage opportunities since the sports book is expected to match the Tribe's book; (2) the absence of a compelling need to enter through the pari-mutuel's branded application when the Tribe's application will be available statewide; and (3) uncertainty

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regarding how many pari-mutuel facilities will choose to participate. The Compact requires good faith negotiations to enter into at least three contracts within the first three months of the Compact's effective date, but then requires that similar terms be available to all other pari-mutuel facilities operating slots or cardrooms. If the negotiations fail to produce the required number of contracts, the payments due to the State from Tribe's direct sports-betting activity increase by two percent once the Tribe's operations commence. The analysis effectively assumes that at least four slots facilities and one large cardroom facility participate. During FY 2019-20, there were 26 permitholders that obtained a cardroom license (inclusive of those cardrooms located at slots facilities).

- *4 Discrete Revenue Sharing Bracket Sets instead of 1...* See accompanying table for a display of the brackets. The new structure requires the current net win forecast to be disaggregated into banked card games and slot machines. The analysis uses historical activity to develop the relative shares. The new estimates for craps and roulette are then added to the estimates for existing banked card games to create the base for the Table Games bracket set. All other components stand alone.
- *Revenue Sharing Cycle...* Assumed to begin September 1st of each year and end August 31st of each year, crossing state fiscal years. The Guaranteed Minimum Payments (described below) are measured against the revenue sharing cycles as opposed to the state fiscal year conversions.
- *Guaranteed Minimum Payments...* The guarantees apply to the first five revenue sharing cycles.
 - ✓ At least \$400 million for any revenue sharing cycle during the first five years of the Compact, however, no details are given regarding the payment due date;
 - ✓ At least \$1.5 billion by the end of the third revenue sharing cycle with the payment due within 30 calendar days after the end of the third cycle; and
 - ✓ At least \$2.5 billion by the end of the fifth revenue sharing cycle with the payment due within 30 calendar days after the end of the fifth cycle.
- *Impact on Other Revenue Sources...* New money spent on gaming activities is typically viewed as a cannibalization of other types of expenditures; however, sports betting is unique in that 85% of the now legal bets will come from players who previously bet illegally, so long as the effective revenue sharing rate or tax rate is perceived to be reasonable. To the extent this is proven correct, any impact on sales tax is already occurring for this subgroup—only the mechanism has changed. Further, net win represents only the losses experienced by players—the winnings would continue to be spent in the economy. This reduces the potential sales tax impact to the net win associated with the 15% coming from converted players who increase their gaming activity in the legal market and new players. Similar assumptions are made for craps and roulette, although the evidence is less clear.

Section 4: Proposed Fiscal Impact

NOTE: The estimate for Indian Gaming Revenues is now shown as 100% of revenue sharing and contains no deduct for the local distribution. Those amounts will be shown separately on the General Revenue Financial Outlook Statement.

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22			317.64	317.64		
2022-23			450.70	450.70		
2023-24			470.36	470.36		
2024-25			636.08	636.08		
2025-26			516.43	516.43		

List of affected Trust Funds:

General Revenue Fund

Section 5: Consensus Estimate (Adopted: 6/21/2021): The Conference adopted the estimates as shown above, but strongly cautions that there is a significant degree of risk associated with the forecast, especially for the first-year cash number, due to the level of uncertainty regarding several issues. These include federal approval of the Compact and its timing, successful preparations to undertake the new forms of gaming, commencement of operations, and the level of participation by Qualified

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Pari-mutuel Permitholders. Each of these elements presents unique challenges and risks that could lead to different outcomes than anticipated by the estimates. While there may be spillover effects to other revenue sources, such as sales tax and lottery ticket sales, the Conference believes these impacts would be an indirect effect of the new gaming options allowed under the Compact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	317.6	317.6	0.0	0.0	0.0	0.0	317.6	317.6
2022-23	450.7	450.7	0.0	0.0	0.0	0.0	450.7	450.7
2023-24	470.4	470.4	0.0	0.0	0.0	0.0	470.4	470.4
2024-25	636.1	636.1	0.0	0.0	0.0	0.0	636.1	636.1
2025-26	516.4	516.4	0.0	0.0	0.0	0.0	516.4	516.4

Revenue Sharing Worksheet (numbers are based on liability year, not fiscal year)

Revenue Sharing Percentages	
0.120	12% of net win up to \$2 billion (including \$2B)
0.150	15% of net win between \$2 billion and \$3 billion (above \$2B and including \$3B)
0.175	17.5% of net win between \$3 billion and \$3.5 billion (above \$3B and including \$3.5 B)
0.200	20% of net win between \$3.5 billion and \$4 billion (above \$3.5 and including \$4B)
0.225	22.5% of net win between \$4 billion and \$4.5 billion (above \$4B and including \$4.5B)
0.250	25% of net win over \$4.5 billion

Fiscal Year	Implied Betting	Adopted February 2021 Net Win	% change*	Rev Share Liability	Factor 0.2126 NW minus BCG
2018-19	20,592.0	2,574.0	1.42%	326.1	2,026.7
2019-20	17,495.8	2,187.0	-15.04%	268.0	1,722.0
2020-21	19,021.6	2,377.7	8.72%	296.7	1,872.2
2021-22	20,047.2	2,505.9	5.39%	315.9	1,973.1
2022-23	21,041.6	2,630.2	4.96%	334.5	2,071.0
2023-24	21,533.6	2,691.7	2.34%	343.8	2,119.4
2024-25	22,239.2	2,779.9	3.28%	357.0	2,188.8
2025-26	22,832.8	2,854.1	2.67%	368.1	2,247.3
2026-27	23,420.8	2,927.6	2.58%	379.1	2,305.1

*% Change shows year-over-year growth.

Slot Machines at Revised Brackets; Banked Card Games & Craps and Roulette; Sports Betting at Separate 10% Bracket

Current Brackets	
240.0	0.120
150.0	0.150
87.5	0.175
100.0	0.200
112.5	0.225

Revised Brackets for Slots	
Up to & = \$2.08	240.0 0.120
\$2.08 to \$2.58	87.5 0.175
\$2.58 to \$3.08	100.0 0.200
\$3.08 to \$3.58	112.5 0.225
\$3.58+	0.250

Brackets for BCG, Craps & Roulette	
Up to & = \$1.08	150.0 0.150
\$1.08 to \$1.58	87.5 0.175
\$1.58 to \$2.08	112.5 0.225
\$2.08+	0.250

Component Pieces:	Scalar 0.3588	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Qualified Pari-mutuel Permitterholder Brand		15,078,426	16,909,364	18,789,701	20,708,325	22,655,869	24,631,655	26,657,071
Physical Presence Gaming Revenue (Net Win) as adj for promo		137,338,511	154,015,210	171,141,843	188,617,211	206,355,979	224,351,995	242,800,047
Online Gaming Revenue (Net Win) as adj for promo		484,021,728	529,476,529	576,092,025	623,536,032	671,548,152	720,132,610	769,925,663
Sports Betting Total--Tribe Direct		621,360,239	683,491,739	747,233,868	812,153,243	877,904,131	944,484,605	1,012,725,710
Craps & Roulette at five facilities (Tribe's Old Net Win Growth Rate)		34,503,904	35,214,685	35,890,807	36,565,554	37,227,390	37,901,206	38,587,218
Combined Total		670,942,569	735,615,788	801,914,375	869,427,122	937,787,390	1,007,017,466	1,077,969,998

Revenue Sharing for Slot Machines at revised brackets...

Fiscal Year	Implied Net Win	Implied Increase	Net Win Change*	Revenue Share	Rev Share Difference	Rev Share Change*
2019-20	1,722.0	-	0.0%	206.6	-	n/a
2020-21	1,872.2	-	0.0%	224.7	-	n/a
2021-22	1,973.1	-	0.0%	236.8	-	n/a
2022-23	2,071.0	-	0.0%	252.4	-	n/a
2023-24	2,119.4	-	0.0%	260.9	-	n/a
2024-25	2,188.8	-	0.0%	273.0	-	n/a
2025-26	2,247.3	-	0.0%	283.3	-	n/a

*Shaded rows are backcast.

Bracket Set	Effective Revenue Share over Period
"Slots"	Forecasted: 12.7%
"Slots"	12.0%
"Slots"	12.0%
"Slots"	12.0%
"Slots"	12.2%
"Slots"	12.2%
"Slots"	12.3%
"Slots"	12.5%
"Slots"	12.6%

Revenue Sharing for Table Games (Banked Card Games & Craps and Roulette) at revised brackets...

Fiscal Year	Implied Net Win	Implied Increase	Net Win Change*	Revenue Share	Rev Share Difference	Rev Share Change*
2019-20	499.5	34.5	1.6%	74.9	-	n/a
2020-21	540.8	35.2	1.5%	81.1	-	n/a
2021-22	568.7	35.9	1.4%	85.3	-	n/a
2022-23	595.8	36.6	1.4%	89.4	-	n/a
2023-24	609.5	37.2	1.4%	91.4	-	n/a
2024-25	629.0	37.9	1.4%	94.3	-	n/a
2025-26	645.4	38.6	1.4%	96.8	-	n/a

*Shaded rows are backcast.

Bracket Set	Effective Revenue Share over Period
"BCG+"	Forecasted: 12.7%
"BCG+"	15.0%
"BCG+"	15.0%
"BCG+"	15.0%
"BCG+"	15.0%
"BCG+"	15.0%
"BCG+"	15.0%
"BCG+"	15.0%

Revenue Sharing for Sports Betting directly hosted by the Tribe...

Fiscal Year	Implied Net Win	Implied Increase	Net Win Change*	Revenue Share	Rev Share Difference	Rev Share Change*
2019-20	621.4	621.4	28.4%	85.4	-	n/a
2020-21	683.5	683.5	28.7%	94.0	-	n/a
2021-22	747.2	747.2	29.8%	102.7	-	n/a
2022-23	812.2	812.2	30.9%	111.7	-	n/a
2023-24	877.9	877.9	32.6%	120.7	-	n/a
2024-25	944.5	944.5	34.0%	129.9	-	n/a
2025-26	1,012.7	1,012.7	35.5%	139.2	-	n/a

*Shaded rows are backcast.

Bracket Set	Effective Revenue Share over Period
13.75%	Forecasted: 316866570809.2%
13.75%	13.75% 243460.00%
13.75%	13.75%
13.75%	13.75%
13.75%	13.75%
13.75%	13.75%
13.75%	13.75%

Revenue Sharing for Sports Betting through Qualified Pari-mutuel Permitterholder Brand...

Fiscal Year	Implied Net Win	Implied Increase	Net Win Change*	Revenue Share	Rev Share Difference	Rev Share Change*
2019-20	15.1	15.1	0.7%	1.5	-	n/a
2020-21	16.9	16.9	0.7%	1.7	-	n/a
2021-22	18.8	18.8	0.7%	1.9	-	n/a
2022-23	20.7	20.7	0.8%	2.1	-	n/a
2023-24	22.7	22.7	0.8%	2.3	-	n/a
2024-25	24.6	24.6	0.9%	2.5	-	n/a
2025-26	26.7	26.7	0.9%	2.7	-	n/a

*Shaded rows are backcast.

Bracket Set	Effective Revenue Share over Period
10.00%	Forecasted: 316866570809.2%
10.00%	10.00%
10.00%	10.00%
10.00%	10.00%
10.00%	10.00%
10.00%	10.00%
10.00%	10.00%

Total Revenue Share...2021 Compact

Fiscal Year	Implied Net Win	Implied Increase	Net Win Change**	Revenue Share	Rev Share Difference	Rev Share Change*
2019-20	2,857.9	670.9	30.7%	368.5	-	n/a
2020-21	3,113.3	735.6	30.9%	401.4	-	n/a
2021-22	3,307.8	801.9	32.0%	426.7	-	n/a
2022-23	3,499.6	869.4	33.1%	455.5	-	n/a
2023-24	3,629.5	937.8	34.8%	475.3	-	n/a
2024-25	3,786.9	1,007.0	36.2%	499.7	-	n/a
2025-26	3,932.1	1,078.0	37.8%	522.0	-	n/a

*Shaded rows are backcast.

Guarantee Test	Guarantee Paymt
1,357.5	142.5
2,379.3	120.7

Approval: Aug-21
Effective Date Starts: 9/1/2021 (First activity month where the 2021 Compact is in place)
Cash Receipt: 10/15/2021 (Cash lagged to following month from activity)
Share Per Month: 0.08333
Sports Betting Factor (YR 1 1.0000

	TOTAL		426.70		True-Up	Guarantee	Total	Conversion to State Fiscal Year			
	Sports Betting	104.62	total minus Sports Betting	322.08				\$ Total	FY	Local Distrib	
Revenue Sharing Cycle #1	Oct-21	26.84					26.84	Jul-21	-		
	Nov-21	36.35					36.35	Aug-21	-		
	Dec-21	36.35					36.35	Sep-21	-		
	Jan-22	36.35					36.35	Oct-21	26.84		
	Feb-22	36.35					36.35	Nov-21	36.35		
	Mar-22	36.35					36.35	Dec-21	36.35		
	Apr-22	36.35					36.35	Jan-22	36.35		
	May-22	36.35					36.35	Feb-22	36.35		
	Jun-22	36.35					36.35	Mar-22	36.35		
	Jul-22	36.35					36.35	Apr-22	36.35		
	Aug-22	36.35					36.35	May-22	36.35		
	Sep-22	36.35			0.01	0.00	36.36	Jun-22	36.35	317.64	FY 2021-22
Revenue Sharing Cycle #2	TOTAL		455.53								
	Oct-22	37.96					37.96	Jul-22	36.35		
	Nov-22	37.96					37.96	Aug-22	36.35		
	Dec-22	37.96					37.96	Sep-22	36.36		
	Jan-23	37.96					37.96	Oct-22	37.96		
	Feb-23	37.96					37.96	Nov-22	37.96		
	Mar-23	37.96					37.96	Dec-22	37.96		
	Apr-23	37.96					37.96	Jan-23	37.96		
	May-23	37.96					37.96	Feb-23	37.96		
	Jun-23	37.96					37.96	Mar-23	37.96		12.80
	Jul-23	37.96					37.96	Apr-23	37.96		
	Aug-23	37.96					37.96	May-23	37.96		
	Sep-23	37.96			0.02	0.00	37.98	Jun-23	37.96	450.70	FY 2022-23
Revenue Sharing Cycle #3	TOTAL		475.30								
	Oct-23	39.61					39.61	Jul-23	37.96		
	Nov-23	39.61					39.61	Aug-23	37.96		
	Dec-23	39.61					39.61	Sep-23	37.98		
	Jan-24	39.61					39.61	Oct-23	39.61		
	Feb-24	39.61					39.61	Nov-23	39.61		
	Mar-24	39.61					39.61	Dec-23	39.61		
	Apr-24	39.61					39.61	Jan-24	39.61		
	May-24	39.61					39.61	Feb-24	39.61		
	Jun-24	39.61					39.61	Mar-24	39.61		13.67
	Jul-24	39.61					39.61	Apr-24	39.61		
	Aug-24	39.61					39.61	May-24	39.61		
	Sep-24	39.61			0.02	142.47	182.09	Jun-24	39.61	470.36	FY 2023-24
Revenue Sharing Cycle #4	TOTAL		499.72								
	Oct-24	41.64					41.64	Jul-24	39.61		
	Nov-24	41.64					41.64	Aug-24	39.61		
	Dec-24	41.64					41.64	Sep-24	182.09		
	Jan-25	41.64					41.64	Oct-24	41.64		
	Feb-25	41.64					41.64	Nov-24	41.64		
	Mar-25	41.64					41.64	Dec-24	41.64		
	Apr-25	41.64					41.64	Jan-25	41.64		
	May-25	41.64					41.64	Feb-25	41.64		
	Jun-25	41.64					41.64	Mar-25	41.64		14.26
	Jul-25	41.64					41.64	Apr-25	41.64		
	Aug-25	41.64					41.64	May-25	41.64		
	Sep-25	41.64			0.02	0.00	41.66	Jun-25	41.64	636.08	FY 2024-25
Revenue Sharing Cycle #5	TOTAL		522.00								
	Oct-25	43.50					43.50	Jul-25	41.64		
	Nov-25	43.50					43.50	Aug-25	41.64		
	Dec-25	43.50					43.50	Sep-25	41.66		
	Jan-26	43.50					43.50	Oct-25	43.50		
	Feb-26	43.50					43.50	Nov-25	43.50		
	Mar-26	43.50					43.50	Dec-25	43.50		
	Apr-26	43.50					43.50	Jan-26	43.50		
	May-26	43.50					43.50	Feb-26	43.50		
	Jun-26	43.50					43.50	Mar-26	43.50		15.66
	Jul-26	43.50					43.50	Apr-26	43.50		
	Aug-26	43.50					43.50	May-26	43.50		
	Sep-26	43.50			0.02	120.75	164.27	Jun-26	43.50	516.43	FY 2025-26

Other Revenue Sources

(assumes Sales Tax lag is equivalent to Revenue Sharing Lag)

Split Analysis of Increase to Net Win	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	5-year Total
Revenue Sharing Cycle Increase	801.91	869.43	937.79	1,007.02	1,077.97	4,694.12
Conversion Factor to Fiscal Year	0.1413	0.2004	0.2092	0.2195	0.2297	1.00
Converted \$ Levels	663.05	940.81	981.85	1,030.40	1,078.02	
 A. Illegal Gaming to Legal	 0.85	 0.85	 0.85	 0.85	 0.85	
<i>Net Win from Sports Betting</i>	563.6	799.7	834.6	875.8	916.3	
 B. Increased Betting by Converted	 0.10	 0.10	 0.10	 0.10	 0.10	
<i>Gross Win from Sports Betting</i>	66.3	94.1	98.2	103.0	107.8	
 C. New Players	 0.05	 0.05	 0.05	 0.05	 0.05	
<i>Gross Win from Sports Betting</i>	33.2	47.0	49.1	51.5	53.9	
 Loss of Taxable Sales at 100%	 (99.5)	 (141.1)	 (147.3)	 (154.6)	 (161.7)	
Loss of State Sales Tax at 6%	(6.0)	(8.5)	(8.8)	(9.3)	(9.7)	

Revenue Sharing Percentages...

2010 Compact for All Covered Games

0.120	12% of net win up to \$2 billion (including \$2B)
0.150	15% of net win between \$2 billion and \$3 billion (above \$2B and including \$3B)
0.175	17.5% of net win between \$3 billion and \$3.5 billion (above \$3B and including \$3.5 B)
0.200	20% of net win between \$3.5 billion and \$4 billion (above \$3.5 and including \$4B)
0.225	22.5% of net win between \$4 billion and \$4.5 billion (above \$4B and including \$4.5B)
0.250	25% of net win over \$4.5 billion

2021 Compact for Slot Machines, Raffles and Drawings + New Games

0.120	12% of net win up to \$2 billion (including \$2B)
0.175	17.5% of net win between \$2 billion and \$2.5 billion (above \$2B and including \$2.5B)
0.200	20% of net win between \$2.5 billion and \$3.0 billion (above \$2.5B and including \$3.0 B)
0.225	22.5% of net win between \$3.0 billion and \$3.5 billion (above \$3.0 and including \$3.5B)
0.250	25% of net win over \$3.5 billion

2021 Compact for Sports Betting – Tribe (direct)

0.1375	13.75% for all amounts of net win
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2021 Compact for Table Games (including craps & roulette)

0.150	15% of net win up to \$1 billion (including \$1B)
0.175	17.5% of net win between \$1 billion and \$1.5 billion (above \$1B and including \$1.5B)
0.225	22.5% of net win between \$1.5 billion and \$2.0 billion (above \$1.5B and including \$2.0 B)
0.250	25% of net win over \$2.0 billion

2021 Compact for Sports Betting – Qualified Pari-mutuel Permitholders

0.1000	10% for all amounts of net win
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Note: If the negotiations fail to produce at least three contracts, the payments due to the State from Tribe's direct sports-betting activity increase by two percent once the Tribe's operations commence.

Sports Betting Worksheet

Sports Betting at All Tribal Facilities and One Statewide Online Sportsbook Operated by the Tribe

Middle: Baseline Sports Betting	Oxford Model	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Population (FL Input; Adult Pop: 18+)	16,772,900	17,143,039	17,426,166	17,688,287	17,943,819	18,188,584	18,424,937	18,655,123
Per Capita GGR	45.00	45.00	48.75	52.50	56.25	60.00	63.75	67.50
Prelim Gaming Revenue (Net Win; GGR)	754,780,500	771,436,755	849,525,593	928,635,068	1,009,339,819	1,091,315,040	1,174,589,734	1,259,220,803
Percent of Handle after Prizes (Hold Percentage)	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%
Prelim Handle (Prior to Concentration)	11,436,068,182	11,688,435,682	12,871,599,886	14,070,228,295	15,293,027,557	16,535,076,364	17,796,814,148	19,079,103,068
Location Concentration Factor (FL Input)	0.853086	0.853086	0.852899927	0.853667355	0.854218816	0.854516792	0.854589472	0.855143665
Adjusted Handle	9,755,949,661	9,971,240,842	10,978,186,606	12,011,294,569	13,063,591,887	14,129,500,417	15,208,970,005	16,315,374,120
Adjusted Net Win	643,892,678	658,101,896	724,560,316	792,745,442	862,197,065	932,547,028	1,003,792,020	1,076,814,692
Adjustment to Allow Parimutuel Brands	-	(30,160,637)	(33,822,974)	(37,584,120)	(41,421,850)	(45,317,426)	(49,269,495)	(53,320,835)
Free Play and Promotional Credits	0.0200	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
Final Net Win for Revenue Sharing	631,014,824	621,360,239	683,491,739	747,233,868	812,153,243	877,904,131	944,484,605	1,012,725,710

Component Pieces:

Total Net Win Related to Physical Presence	221,524,118	137,338,511	154,015,210	171,141,843	188,617,211	206,355,979	224,351,995	242,800,047
Total Net Win Related to Online	409,490,706	484,021,728	529,476,529	576,092,025	623,536,032	671,548,152	720,132,610	769,925,663
Share Online of Net Win	64.9%	77.9%	77.5%	77.1%	76.8%	76.5%	76.2%	76.0%

Split:		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
A. Illegal Gaming to Legal	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Net Win from Sports Betting	536,362,600	528,156,204	580,967,978	635,148,787	690,330,257	746,218,512	802,811,914	860,816,853
B. Increased Betting by Converted	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Gross Win from Sports Betting	63,101,482	62,136,024	68,349,174	74,723,387	81,215,324	87,790,413	94,448,460	101,272,571
C. New Players	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Gross Win from Sports Betting	31,550,741	31,068,012	34,174,587	37,361,693	40,607,662	43,895,207	47,224,230	50,636,285
Loss of Taxable Sales at 100%	(94,652,224)	(93,204,036)	(102,523,761)	(112,085,080)	(121,822,987)	(131,685,620)	(141,672,691)	(151,908,856)
Loss of State Sales Tax at 6%	(5,679,133)	(5,592,242)	(6,151,426)	(6,725,105)	(7,309,379)	(7,901,137)	(8,500,361)	(9,114,531)

Nevada Gaming Control Board

7/1/2019 to 6/30/2020
 7/1/2018 to 6/30/2019
 7/1/2017 to 6/30/2018
 7/1/2016 to 6/30/2017
 7/1/2015 to 6/30/2016
 7/1/2014 to 6/30/2015
 7/1/2013 to 6/30/2014
 7/1/2012 to 6/30/2013
 7/1/2011 to 6/30/2012
 Average

Craps					Roulette				
		Units Per		Win			Units Per		Win
# Of Loc*	Avg units	Location	Win Amount	Percent	# Of Loc*	Avg units	Location	Win Amount	Percent
119	287	2.4	316,613,000	16.16%	115	365	3.2	273,805,000	17.14%
120	363	3.0	398,105,000	15.12%	117	452	3.9	388,985,000	19.07%
123	367	3.0	395,855,000	15.22%	119	456	3.8	381,212,000	18.93%
125	367	2.9	379,203,000	14.88%	119	447	3.8	363,551,000	17.37%
126	368	2.9	383,399,000	14.69%	120	445	3.7	320,623,000	16.70%
129	384	3.0	378,404,000	13.71%	125	460	3.7	340,886,000	17.90%
130	381	2.9	368,613,000	13.64%	124	446	3.6	339,975,000	17.53%
129	389	3.0	370,073,000	13.72%	124	449	3.6	375,897,000	19.20%
132	394	3.0	387,257,000	12.36%	123	467	3.8	342,982,000	15.70%
Avg		3.0	1.10		Avg		3.7	0.86	
		GGR	Per Unit	Per Loc			GGR	Per Unit	Per Loc
FY 19-20	1,959.24		6.83	16.46	FY 19-20	1,597.46		4.38	13.89
FY 18-19	2,632.97		7.25	21.94	FY 18-19	2,039.77		4.51	17.43
FY 17-18	2,600.89		7.09	21.15	FY 17-18	2,013.80		4.42	16.92
FY 16-17	2,548.41		6.94	20.39	FY 16-17	2,092.98		4.68	17.59
FY 15-16	2,609.93		7.09	20.71	FY 15-16	1,919.90		4.31	16.00
FY 14-15	2,760.06		7.19	21.40	FY 14-15	1,904.39		4.14	15.24
FY 13-14	2,702.44		7.09	20.79	FY 13-14	1,939.39		4.35	15.64
FY 12-13	2,697.33		6.93	20.91	FY 12-13	1,957.80		4.36	15.79
FY 11-12	3,133.15		7.95	23.74	FY 11-12	2,184.60		4.68	17.76
Avg			7.15		Avg			4.43	

	Combo Total	Growth
2011-12	730,239,000	
2012-13	745,970,000	2.2%
2013-14	708,588,000	-5.0%
2014-15	719,290,000	1.5%
2015-16	704,022,000	-2.1%
2016-17	742,754,000	5.5%
2017-18	777,067,000	4.6%
2018-19	787,090,000	1.3%
	Average:	1.1%

Each Site Net Win*...	3.29	Craps (3 units)
	3.44	Roulette (4 Units)
One Location:	6.73	
Two Locations:	13.46	
Three Locations:	20.20	
Four Locations:	26.93	
Five Locations:	33.66	
Six Locations:	40.39	
Seven Locations:	47.13	

*Assumes FY 2019-20 Per Unit essentially =s FY 2018-19, with 2.06% growth in FY 2020-21.

Handle Calculation...

	Net Win at 5
2019-20	34,503,904.1
2020-21	35,214,684.6
2021-22	35,890,806.5
2022-23	36,565,553.7
2023-24	37,227,390.2
2024-25	37,901,206.0
2025-26	38,587,217.8