

State of Delaware

Video Lottery Advisory Council

October 30, 2024

Rick Geisenberger
Secretary of Finance
State of Delaware
Carvel State Office Building
820 N. French Street
8th Floor
Wilmington, DE 19801

Dear Secretary Geisenberger,

In accordance with Title 29, Chapter 29, Paragraph 4824 of the Delaware Code, attached is the 2024 Report of the Video Lottery Advisory Council (VLAC). The recommendations in this report were voted on and approved of by a majority of members of the VLAC at our October 16, 2024 meeting.

Members of the VLAC are appreciative of the action that has been taken in the past as a result of the recommendations made in the annual Report. We look forward to discussing the recommendations in the near future.

Sincerely,



Patricia B. Key
Chairman
Attachment

State of Delaware

Video Lottery Advisory Council

2024 Report

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2024 Report**

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What is the competitive outlook for Delaware gaming?

The Mid-Atlantic market continues to see increased competition and saturation. There are currently three operating casinos in Virginia: Caesars Danville, Hard Rock Bristol, and Rivers Portsmouth. Additionally, there is a temporary casino opening in 2025 operated by Boyd Gaming/Pamunkey tribe with plans of a permanent casino in 2026.

There are currently only 7 states with iGaming. Six of them are located on the east coast-Delaware, New Jersey, West Virginia, Pennsylvania, Connecticut, and Rhode Island.

Sports betting is now legal in 38 states. From Maine to North Carolina and west to Missouri every state has some form of sports betting either retail or online. All the surrounding states of Delaware currently have sports betting.

Legislative and Administrative Recommendations

Recommendation #1: The industry believes that the law mandating that the State retains the initial \$3.75 million in net iGaming revenues before any revenues are shared with the gaming operators should be removed.

Justification: The industry believes eliminating the \$3.75 million hurdle will allow for improved integration and marketing synergies between the bricks and mortar gaming operations and the newly implemented BetRivers iGaming and online sports platform. All of the other gaming revenue sources are shared amongst the State, respective horsemen groups and casinos with no initial revenue stream requirements

Recommendation #2: Change the employee license renewal term to five (5) years for all licensees.

Justification: Changing to a 5-year term for all renewals will simplify the process and reduce costs.

What is the VLAC?

The Video Lottery Advisory Council (VLAC) (aka the Advisory Council on Video Lottery Planning) was formed under House Bill #269 on June 19, 2003 to serve in a planning and advisory capacity to the Secretary of Finance.

What is the purpose of the VLAC?

Per Title 29, Chapter 48 of the Delaware Code:

The purpose of the VLAC is to consider matters relating to the growth and competitive vitality of the video lottery industry in the State, including but not limited to the following:

- (1) The status of video lottery game development issues in the State;
- (2) The status of known game problem resolution;
- (3) Personnel issues and concerns affecting the industry;
- (4) The effectiveness of current operational procedures and recommendations for new operational procedures or regulations;
- (5) The competitive vitality of the video lottery industry in the state, and recommendations for marketing and technological improvements;
- (6) Issues and concerns relating to the repair and maintenance of video lottery machines and related equipment, including preventive maintenance programs.
- (7) Video lottery agent or manufacturer specific projects that will impact the operation of the video lottery; and
- (8) Issues and concerns of the State Lottery Office relating to the video lottery operations and the status of internal control approvals.

The VLAC shall submit a report on its activities to the Secretary of Finance by November 5 of each year, together with recommendations for legislative and/or administrative changes it deems desirable. (Emphasis added.)

What is the Mission Statement of the VLAC?

"To provide a forum for video lottery officials, agents, and vendors to routinely address and resolve issues related to maintaining and improving the utmost in program integrity and operational efficiency. The VLAC shall render an annual report to the State on the results of its efforts and include recommendations to improve the program's viability and to maximize the program's growth in an increasingly competitive regional market."

Who serves on the VLAC?

Per Title 29, Chapter 48 of the Delaware Code:

Membership on the VLAC consists of:

Lloyd Boulter	Scientific Games	302-678-7733
Mark Casto	Light & Wonder	702-532-6789
Terry Glebocki	Delaware Park	302-994-2521 ext. 7001
Patricia Key	Harrington Raceway & Casino	302-398-5913
Helene Keeley	Director of the State Lottery Office	302-744-1605
Michelle Lewis	Aristocrat Technologies	609-553-5799
Nick Polcino	Bally's Dover Casino & Resort	302-857-3219

The Governor shall designate one member to serve as Chairperson of the Council, who shall serve in capacity for two years and shall be eligible for reappointment.
(Patricia Key — CEO for Harrington Raceway, Inc. — Term 2024-2025).

How often does the VLAC meet?

Per Title 29, Chapter 48 of the Delaware Code:

The VLAC meets annually, and a meeting can be called by the Director, the Chairperson, or a majority of the members.

When & where did the VLAC meet in 2023?

VLAC meetings during 2023 were as follows:

<u>Date</u>	<u>Time</u>	<u>Place</u>
October 16, 2024	1:00 p.m.	Bally's Dover 1131 N. DuPont Hwy Dover, DE 19901

All of the VLAC meetings are open public meetings. Minutes of the VLAC meetings are available on the State of Delaware website.