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# The MICHIGAN GAMING Newsletter

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## MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR MAY 2007

On Tuesday, the Michigan Gaming Control Board (MGCB) released May 2007, total adjusted revenue figures for the three Detroit casinos - MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Revenue was down in May for MotorCity, (3.56%) and Greektown (8.56%), but was up for MGM Grand (5.61%).

Month in 2007	Total Adjusted Revenue 2007		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
January	\$40,503,320.38	\$40,452,401.96	\$28,439,733.74
February	\$36,771,280.82	\$39,208,228.16	\$28,998,669.02
March	\$47,402,120.22	\$42,894,972.21	\$33,427,503.33
April	\$41,040,958.48	\$39,345,925.30	\$30,060,692.80
May	\$41,417,910.37	\$36,787,442.36	\$27,394,026.36
<b>Total</b>	<b>\$207,135,590.27</b>	<b>\$198,688,969.99</b>	<b>\$148,320,625.25</b>

The figures released by the MGCB are the gross receipts less winnings paid to wagerers. The figures do not include: 1) the 12.1 percent state share of the wagering tax; 2) the 11.9 percent city of Detroit portion of the wagering tax; 3) any fees or other relevant city, state or federal taxes; 4) wages and benefits paid to casino employees; and 5) payments to suppliers, service providers or vendors.

The three Detroit casinos' total adjusted gross receipts for May 2007 were \$105,599,379.09. Of this amount, the three Detroit casinos collectively paid the state of Michigan \$12,777,524.87 and the city of Detroit \$12,566,326.11.

# MICHIGAN GAMING CONTROL BOARD MEETING REPORT

## ***MGCB Holds First Meeting with New Executive Director Kalm***

On Tuesday, the Michigan Gaming Control Board (MGCB) held its first public meeting since the formal appointment of Richard Kalm as the new executive director of the Board. Kalm noted that Acting Executive Director Tom Barker had done a “tremendous job”, and thanked the staff and John Page, Deputy Director of Enforcement, and Interim Deputy Director of Licensing, for all they have done to educate him on his new position.

Kalm, who has only been in the job for a little over a week, presented his first executive director’s report to the Board, providing an update on casino revenues (see story on first page), and discussing the recent successful opening of MotorCity Casino’s new gaming floor. Kalm, together with John Page, said the opening went smoothly from an operational standpoint.

Board Chair Damian Kassab urged Kalm to continue the progress with regard to the turnaround time for licensure. He noted that in recent years the Board has developed a system that allows for a 30-day turnaround with respect to occupational licenses, and asked Kalm to evaluate how the Board is doing with respect to other licenses. Kalm said he will be looking for ways to improve the system for supplier licensing and make it more efficient. He acknowledged the Board goal of a 90-day turnaround for such licenses and said he will strive to achieve it.

Kassab said that although speed is important, the Board also wants there to be a focus on the Board being given a high quality report that is very factual in nature, and that does not prejudge a circumstance that is more properly left up to the members of the Board.

## ***Board to Lose Key Executive Assistant, Patty James***

New MGCB Executive Director Richard Kalm, and Board Chair Damian Kassab announced that the Board’s executive assistant, Patty James will be retiring on July 13. James has served as the executive assistant to the executive director, and to the Board, since its original formation in 1997. She has served under three executive directors.

Kalm noted that although he has only been in his job for a short period of time, it is very apparent how valuable James has been to the organization. He said that she has played a key role in advising him, and that she will truly be missed. Kassab and Assistant Attorney General Jack Cahill discussed all the important contributions that James has made to the Board. Kassab announced that the Board will be inviting James back for some a formal recognition later this year.

## ***Next Scheduled Board Meeting***

The Board announced that the next regularly scheduled meeting of the Board will take place on August 14, at 10 a.m.

## **MICHIGAN LEADERS AGREE ON NEW MICHIGAN BUSINESS TAX**

On June 13, state legislators reached an agreement on the long-awaited replacement for Michigan’s expiring Single Business Tax (SBT). Michigan’s new business tax system will be called the Michigan Business Tax (MBT), and is expected to generate the same \$1.9 billion in annual tax revenue as its predecessor, the SBT.

Though the MBT is currently only an agreement among lawmakers, legislation that encompasses this agreement is expected to be drafted by the end of this week. Lawmakers hope to pass the MBT plan into law within the next two weeks.

The MBT is being described as a “hybrid” business tax in that roughly two-thirds of the MBT will be made up of a modified gross receipts tax, while the remainder will consist of a business income tax. Small businesses will have the option of paying a 1.8 percent income tax instead of paying the MBT.

Officials have said that 72 percent of businesses will get a tax cut as a result of the MBT, while the remaining 28 percent will see some form of tax increase. The MBT seeks to reward companies that choose to invest in Michigan, while shifting a higher tax burden upon out-of-state companies that realize substantial sales in Michigan without having facilities or a work force within the state.

## **LITTLE RIVER BAND OF OTTAWA INDIANS PRESENTS CHECK TO MANISTEE COUNTY**

On June 1, the Little River Band of Ottawa Indians presented a \$991,000 check to Manistee County government officials. The amount represents the 2 percent of slot machine profits the tribe earned during the past six months from the Little River Casino Resort. Based on the terms of 1998 compact between the tribe and the Michigan government, the money will go to the Manistee Local Revenue Sharing Board.

In an interview with the *Ludington Daily News*, Manistee Mayor Cyndy Fuller said the tribe has a large impact on the community and she is interested in continuing a cooperative relationship with the tribe.

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“And I’m not focusing on the 2 percent,” Fuller said. “I think the tribe being here with the casino provides jobs for local people and an attraction to bring people to the area.”

Patrick Wilson, leader of the Little River Band of Ottawa Indians, also spoke to the *Ludington Daily News* about his hope for continued cooperation.

“This is part of a direction I’ve wanted the tribe to go, working more with the local community,” said Wilson. “We want openness and to stop misinformation and misunderstanding. It’s all about succeeding and prosperity.”

## INDIANA GETTING READY FOR SLOTS: OHIO’S GOVERNOR PROMISES VETO OF SLOTS PROPOSAL

Earlier this year, the state of Indiana approved legislation allowing the state’s two horse racing tracks to install slot machines. However, according to a recent article in *The Indianapolis Star*, the licensing process will likely result in a 2008 opening for the new venues.

The legislation approved 2,000 slot machines at each of Indiana’s race tracks – Indiana Downs in Shelbyville and Hoosier Park in Anderson. Indiana Downs is currently scheduled to open later this year or early next year, and Hoosier Park is slated to debut its slot machines in 2008.

In order for a track to receive a license, the Indiana Gaming Commission, which currently regulates the Indiana Casino Riverboats, must complete the process of investigating the track owners, approving slot parlor designs and reviewing employees and vendors. Each slot machine will also need to be tested.

According to the legislation, each track is required to pay the state a \$250 million licensing fee - currently the highest licensing fee in the U.S. The money raised from the fees and wagering taxes is slated to be used for property tax relief. On top of the licensing fee, each track is required to invest no less than \$100 million on new facilities. Temporary facilities may be used for up to two years.

Ohio Governor Ted Strickland vowed to veto a legislative proposal seeking to allow a new type of video electronic betting at horse tracks.

The legislation has already passed the Ohio Senate, but its future in the House is in doubt in light of the governor’s comments.

The terminals considered in the proposal would be used for bets on past horse races.

## CASINO WINDSOR OPENS NEROS

Yesterday, Ontario’s Casino Windsor officially opened its newest restaurant, Neros gourmet steakhouse. Windsor marks the restaurant’s first opening outside of the U.S. – the original Neros is located in Caesars Palace in Las Vegas.

Neros will occupy 5,600 square feet off the casino lobby and will be able to accommodate up to 184 guests. It will also provide a private dining room for meetings and special occasions.

For more information on Neros, or to request a menu and photos, contact Holly Ward at 1-800-991-7777.