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The _____ MICHIGAN GAMING _____ Newsletter



PROPOSED MICHIGAN TRIBAL CASINO PLANS VOTED DOWN IN U.S. HOUSE OF REPRESENTATIVES

On Wednesday, June 25, 2008, a Congressional proposal, H.R. 2176, which sought to approve Tribal land claim settlements and which would allow for Native American casinos to be built in Romulus and Port Huron, Michigan was defeated in the U.S. House in a 298-121 vote.

The Congressional proposal sought to approve land claim settlements involving the Sault Ste. Marie Tribe of Chippewa Indians and the Bay Mills Indian Community concerning a contested land claim dispute over land in the Charlotte Beach area of Michigan's Upper Peninsula. These disputed land claims date from the 1800's.

The congressional delegation supporting the proposals included U.S. Rep. Dale Kildee (D), U.S. Rep. Candice Miller (R), Bart Stupak (D) and Rep. John Dingell (D). The longest-serving active member of the House, Rep. Dingell previously testified that the proposed districts would benefit from the casinos as they would create many jobs for the areas. "This is a cry for justice from the Indians which had their lands unjustly taken from them," remarked Dingell.

Detroit Mayor Kwame Kilpatrick was among those opposing the legislation. The mayor remarked in a statement that, "[o]ur city has benefited from the significant investment made by our three casinos, not only in bricks and mortar, but also through the creation of career opportunities for Detroiters. Opening casinos in the proposed nearby cities would have severely harmed our ongoing transformation."

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According to a statement made on Wednesday by Sault Ste. Marie Tribe of Chippewa Indians Chairperson, Aaron Payment, “[w]e will continue to fight to resolve this illegal land taking and bring thousands of much-needed jobs to our state.”

For a copy of the proposed bill please click the following: [H.R. 2176](#).

U.S. BANKRUPTCY COURT AND MGCB APPROVE GREEKTOWN CASINO LOAN REQUEST

Yesterday, Judge Walter Shapero of the United States Bankruptcy Court for the Eastern District of Michigan entered a Final Order that, among other things, approves the second half of Greektown Casino’s proposed \$150 Million financing package. The approval of the Greektown loan will allow the casino to complete construction on its permanent casino and hotel facility. The Bankruptcy Court had approved \$51.3 Million of the financing package on June 4, 2008, and this Interim approval was approved by the Michigan Gaming Control Board (MGCB) on June 5, 2008

The entry of the Final Order was the result of a hearing held yesterday in which attorneys for Greektown, the casino’s creditors and the casino’s lenders addressed the Bankruptcy Court concerning Greektown’s financing request. After a lengthy hearing, all interested parties were able to agree upon the terms of the Final Order, which was signed by Judge Shapero subject to approval by the MGCB.

Today, the Bankruptcy Court’s Final Order regarding Greektown Casino was approved by the MGCB at a special meeting; “Consider[ing] Greektown Casino L.L.C.’s Request for Final Approval of DIP Financing.” Today’s approval was on the remainder of the approved \$150 million financing package.

Following today’s MGCB vote on the Order, Rick Kalm, executive director of the Michigan Gaming Control Board stated in a press-release that “the Board will continue to monitor closely the

Greektown casino’s compliance to previous Board orders, financial agreements, and hotel and casino construction.”

ENROLLED HOUSE BILL 5102 PUTS END TO ENHANCED LOTTERY PAYOUTS

On May 28, 2008, Michigan Governor Jennifer Granholm signed House Bill 5102, which prohibits Michigan Lottery Retailers from offering additional payouts to those holding winning lottery tickets. The legislation, now known as Public Act 142 of 2008, took immediate effect on May 28, 2008.

The effect of Public Act 142 of 2008 prevents retailers from offering additional cash or material prize incentives to customers which total more than the authorized amount awarded on a winning lottery ticket.

Proponents of the new law state that the practice of vendors offering additional incentives had previously been used by some retailers in order to attract prospective lottery ticket buyers into their establishments. Without the law, those vendors offering their customers incentives would potentially create a competitive edge over other lottery retailers and pressure others to follow.

The new law gives the state the authority to punish licensed lottery ticket vendors who are found in violation by suspending or revoking their licenses.

The text of this new law can be can be read by clicking on the following link:

<http://www.legislature.mi.gov/documents/2007-2008/publicact/pdf/2008-PA-0142.pdf>

ILLINOIS SMOKING BAN: CASINO, STATE AND LOCAL REVENUES DOWN

On January 1, 2008 the Smoke Free Illinois Act went into effect in the state of Illinois,

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banning smoking in virtually all public places including offices, theaters, museums, libraries, educational institutions, schools, commercial establishments, enclosed shopping centers and retail stores, restaurants, bars, private clubs and gaming facilities. In response to the ban, Illinois riverboat casino revenues have dropped significantly compared to the same time last year.

In May of 2008, adjusted gross receipts for Illinois riverboat casinos dropped over 14% compared to the same month last year, according to the Illinois Gaming Board's monthly report. Since January, 2008 and the enactment of the smoking ban, adjusted gross receipts have decreased for all nine riverboat casinos in Illinois, compared to the same time last year.

Notably, state and local tax allocations have dropped 23% and 12% respectively during May of 2008 when compared to May of last year.