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The MICHIGAN GAMING Newsletter



HOUSE OF REPRESENTATIVES ANNOUNCES HEARING ON SMOKING BAN LEGISLATION: SENATE INTRODUCES LEGISLATION TO PUT SMOKING BAN BEFORE VOTERS

Late this afternoon, the House Committee on Regulatory Reform announced that it will hold a hearing at noon on Wednesday, April 29, 2009 to take testimony on House Bill 4377, which is a bill that seeks to ban smoking in public areas in Michigan.

Representatives in the Michigan House have been reviewing legislation regarding several different proposals that would limit smoking in public areas. Most recently, House Bill 4377, which was introduced in February by Representative Lee Gonzales (D-Flint Township), has been the focus of these discussions. As currently drafted, the proposed legislation has an exemption from the smoking ban for the Detroit casinos. The House Committee held a series of hearings on the smoking ban in March, but has yet to take a vote on any legislation. Today's announcement indicates that the Committee is expected to vote on House Bill 4377, as early as next week. If approved by the Committee, the bill would then go to the full House for consideration. If approved by the House then the bill would be transfer to the Michigan Senate for consideration.

During the March 25, 2009 House Committee hearing, MGM Grand Detroit President and COO Lorenzo Creighton provided testimony regarding the proposed statewide smoking ban. Mr. Creighton testified that a statewide smoking ban in public places would cut casino business by 11 to 22 percent in the first year of implementation, based on industry figures reflected when similar bans went into effect in Delaware, Illinois, Colorado and Windsor, Ontario. At the same March hearing, Bruce Dall, CFO for MotorCity Casino,

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also provided testimony emphasizing that a ban would likely create a combined workforce loss of an estimated 750-1,500 employees at the three Detroit commercial casinos.

On April 23, 2009 State Senator Tupac Hunter (D-Detroit) introduced Senate Bill 469 proposing a state-wide ban on smoking. The legislation proposes a voter referendum on the smoking ban issue. This bill, if passed by the House and the Senate and approved by the Governor, would place a smoking ban referendum on the November 2010 ballot for voters to consider.

Senate Bill 469 proposes a complete smoking ban without exemptions for bars, restaurants, or casinos. If the bill is approved and placed in the November 2010 ballot and passes, then, as currently drafted, the ban would affect all public places and places of business within the state. On Wednesday, Senate Bill 469 was referred to the Senate Committee of Government Operations and Reform. The *Michigan Gaming Newsletter* was informed by the clerk for the Senate Committee of Government Operations and Affairs and that there are no currently scheduled committee meetings next week.

MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR MARCH 2009

The Michigan Gaming Control Board (MGCB) recently released the March, 2009 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, revenue was down 3.01% percent from the same reporting period last year. Specifically, revenue for MGM Grand and Greektown casinos were down by 3.58% and 7.00% respectively, while MotorCity Casino was up by 0.8% in comparison to the same month last year.

Month in 2009	Total Adjusted Revenue 2009					
	MGM Grand Detroit	MotorCity Casino	Greektown Casino	All Detroit Casinos		
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$45,760,680.80	\$36,824,138.17	\$24,331,489.11	\$106,916,307.76	\$9,633,480.49	\$11,897,192.47
February	\$49,452,574.79	\$40,001,069.14	\$27,507,991.91	\$116,961,635.84	\$10,574,212.18	\$13,023,898.23
March	\$48,417,844.13	\$41,632,619.57	\$29,974,562.14	\$120,025,025.84	\$10,921,009.58	\$13,382,473.44
Total	\$143,631,099.40	\$118,457,826.88	\$81,814,043.16	\$343,902,969.44	\$31,128,702.25	\$38,303,564.14

The figures do not include: 1) the City of Detroit portion of the wagering tax; 2) wages and benefits paid to casino employees; and 3) payments to suppliers, service providers or vendors.

For Greektown Casino, the State of Michigan's share of the wagering tax is 12.1% and the City of Detroit's share is 11.9%, for a total tax of 24%.

MGM Grand Detroit and MotorCity Casino have received a tax base reduction certification as a result of their facilities being declared "fully operational" by the MGCB. These properties are now subject to a wagering tax of 19%, with a 10.9% of this levy to go to the City of Detroit and 8.1% to be paid to the State of Michigan.

FIREKEEPERS CASINO UPDATE

The Firekeeper's Casino is one step closer to completion as the 2,078-space parking garage is now complete. Construction workers and tribal members marked the occasion by signing the last pre-cast section of concrete block before it was put into place. Tribal leaders from the Nottawaseppi Huron Band of

Potawatomi Indians have stated that the Class III casino is on track to open this summer, with total construction currently about sixty percent complete.

Located near Battle Creek off of Interstate 94, the casino is estimated to generate more than 1,500 new jobs in the area. The 286,000 square foot Las Vegas-style casino will offer 2,500 slot machines and 90 table games.

The Firekeeper's also unveiled a new website in anticipation of the new casino. The site allows for easy access to details on the eight dining establishments and two musical venues on the casino site. A link to the new website is contained below:

<http://www.firekeeperscasino.com/default/index.cfm>