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The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN RACING COMMISSIONER RESIGNS

Late yesterday, Michigan Racing Commissioner Christine White announced that she has been appointed by U.S. President Barack Obama as the Michigan State Executive Director for the Farm Service Agency at the U.S. Department of Agriculture. She indicated that she has notified Michigan Governor Jennifer M. Granholm of her resignation to take effect on July 3, 2009.

In an interview with the *Michigan Gaming Newsletter*, Mrs. White stated the following:

“I have thoroughly enjoyed my time as Racing Commissioner. It has been a challenge because of the economy in Michigan—but at the same time I have met and worked with some wonderful people.”

“I hope horse racing finds a level of sustainability.”

A press-release issued by the Obama Administration noted:

“Christine White has a solid understanding of the challenges and opportunities facing our rural communities and will help build on the Obama Administration’s efforts to rebuild and revitalize rural America.”

The Farm Services Agency works to increase economic opportunity and improve the quality of life for rural Americans. Some of the agency's efforts include providing direct operating loans for farm equipment, seed, and fertilizer, as well as rural housing loans to help rural people buy, build, or rent housing. FSA also procures various commodities to benefit low-income families through domestic food assistance programs. At the same time, the agency creates jobs by funding the growth and creation of rural business and cooperatives.

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MICHIGAN LEGISLATURE DEBATES “PURE MICHIGAN” CAMPAIGN FUNDING

The Michigan Legislature is currently in the process of considering legislation that would establish a source of funding for Michigan’s “Pure Michigan” travel and tourism campaign. The current funding of the state’s Pure Michigan campaign, which includes television, radio and print advertisements in surrounding states and within Michigan, has been paid for by \$30 million in state spending. The campaign has been funded by special appropriations from the 21st Century Job Fund and early payout of the state’s tobacco lawsuit settlement. This funding source is set to expire at the end of the current 2009 fiscal year (September 30, 2009).

The House Bills that are currently being considered include: 5017, 5018, 5088, and 5098. Below is a summary of the package of bills from a June 15, 2009 House Fiscal Agency Analysis:

House Bill 5017 would create the "Michigan Promotion Assessment Act" to impose a \$2.50 per day assessment on certain rental vehicle transactions in Michigan during the period October 1, 2009 through September 30, 2014. These assessments would be deposited into the Michigan Promotion Fund created by House Bill 5018. If a balance of more than \$40 million dollars (adjusted annually for inflation) remained in the Promotion Fund at the end of a state fiscal year, the rental vehicle assessment would be reduced by 50 cents the next fiscal year and new assessments would be deposited in the General Fund, not the Promotion Fund. If the balance exceeded \$40 million for two years in a row, the assessment would no longer be collected.

House Bill 5018 would create the "Michigan Promotion Fund" to be administered by the Michigan Strategic Fund. (MCL 125.20038) At least 75 percent of the money in this fund would be used for tourism promotion with up to 25 percent allowed to be used for business development.

House Bill 5088 would send a specified portion of Michigan's use tax collections to the new Promotion

Fund. (MCL 205.111) Generally, the growth in collections from the first four cents of the use tax on certain tourist-related businesses would flow to the Fund.

House Bill 5089 would send a specified portion of Michigan's sales tax collections to the new Promotion Fund. (MCL 205.75) Generally, the growth in collections from the first four cents of the sales tax on certain tourist-related businesses would flow to the Fund.

A copy of the complete Fiscal Agency Analysis and draft legislation can be obtained at: www.legislature.mi.gov

The House Committee on Tourism, Outdoor Recreation and Natural Resources held two Hearings on the set of bills on June 16 and June 23. The House Committee makes available its minutes and written testimony at www.house.michigan.gov/committees.asp.

“As Lansing looks to stimulate and grow this state’s economy, Michigan’s tourism industry is our best and perhaps, only option,” said Steve Yencich, president of the Michigan Lodging and Tourism Association in a June 5, 2009 Press Release.

The House Committee on Tourism, Outdoor Recreation and Natural Resources voted the four bill package out of Committee on June 23, 2009. The Michigan House is scheduled to return to session on July 14, 2009. Similar legislation is pending in the Michigan Senate (Senate Bills 619 and 620), but no action occurred on the legislation prior to the Senate adjourning last week for its two week summer recess. The Senate is also schedule to return to session during the second week of July.

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OHIO GAMING UPDATE: OHIO GOVERNOR SUPPORTS RACINOS; CASINO BACKERS SUBMIT PETITION SIGNATURES

Today, the Ohio Senate passed a 7-day temporary budget to keep the state running while lawmakers negotiate the 2010-2011 budget and suggest ways to balance the \$3.2 billion shortfall.

Debate continues between lawmakers over whether to allow for the implementation of Video Lottery Terminals (“VLT”) at Ohio’s seven horse race tracks. Senate Republicans contend the VLTs would be an expansion of new gambling in the state, a choice which should be put to Ohio voters.

On Friday, June 19, Ohio Governor Ted Strickland announced that he favors adding VLTs at the state’s seven horse race tracks as a way to help balance the state’s \$54 billion budget.

Under the plan, the governor’s office estimates that the implementation of up to 15,250 VLTs has the potential to generate nearly \$1 billion in 14 months. The state would collect 48 percent of revenue for state education programs, while the other 52 percent would be split among the seven track owners to pay operational expenses, including payouts to winners.

The state would also collect a one-time licensing fee from track owners, estimated at \$65 million for each location.

It is unclear whether the Ohio Legislature will support the proposal to expand gaming without state-wide voter approval. Both chambers must approve the budget proposal for it to become effective.

Under the plan, the Ohio Lottery would operate the slots.

Last Thursday, June 25, 2009, supporters of a proposed plan for four casinos in Cleveland, Columbus, Cincinnati and Toledo, Ohio delivered more than 850,000 signatures to the Ohio Secretary of State’s Office.

The Ohio Jobs and Growth Committee, the group behind the proposal, was given a July 1 deadline to submit the required 402,275 signatures. State elections officials must certify the signatures before the proposal can move forward.

“The very significant total of signatures we’ve obtained, and the large number of counties in which we qualified, tells us that voters all over Ohio understand the benefits in terms of economic development and revenue for local governments and schools.” said Charlie Luken, chairman of the Ohio Jobs and Growth Committee.

Currently, Ohio’s gaming industry includes a state lottery and wagering on horse racing. The state does not have any Native American owned casinos or state authorized electronic gaming.

FIREKEEPERS CASINO JOB FAIR: SEEKING TO FILL 326 POSITIONS

Last Thursday, June 25, 2009, FireKeepers Casino held a two-day job fair at the FireKeepers Employment and Training Center, near Marshall, Michigan. The job fair was held in an effort to continue to fill the estimated 1,500 positions before the casino’s August, 2009 opening.

Currently, Firekeepers Casino is looking to fill 326 open positions for food and drink servers, cooks, valet attendants, and club representatives. The casino has previously hired 1,197 employees and offered on-site hiring to qualified individuals.

For more information regarding FireKeepers Casino employment, please visit: <http://www.firekeeperscasino.com/default/index.cfm/employment/>.

Located on Michigan Avenue near Exit 104 of I-94, just outside of Battle Creek, Michigan, the \$300 million FireKeepers Casino project is owned by the Nottawaseppi Huron Band of Potawatomi Indians. The actual casino will be managed by Gaming Entertainment (Michigan), L.L.C., a joint venture between Las Vegas-based Full House Resorts Inc., and RAM Entertainment, L.L.C., a privately owned investment company.