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The MICHIGAN GAMING Newsletter



OFFICE OF RACING COMMISSIONER TO BE ABOLISHED, MGCB EXECUTIVE DIRECTOR TO REGULATE HORSE RACING IN MICHIGAN

Yesterday, October 8, 2009, Michigan Governor Jennifer Granholm issued Executive Order No. 2009-45 which, among other things, transfers the regulation of horse racing from the Office of Racing Commissioner (ORC) in the Department of Agriculture to the Michigan Gaming Control Board (MGCB). The ORC and the position of Racing Commissioner were abolished by the Order. As of the effective date of the Order, MGCB Executive Director Rick Kalm will perform the functions of racing commissioner.

The ORC was created in 1933 to authorize and regulate horse racing and pari-mutuel wagering associated with the sport in Michigan. The ORC had existed within the Department of Agriculture since 1965. Regulatory and program objectives of the ORC include issuing occupational and track licenses, scheduling dates for races, collecting racing tax revenues, appointing stewards and veterinarians, and monitoring the daily conduct of live and simulcast racing.

These duties now fall under the control of the Executive Director of the Michigan Gaming Control Board. The Executive Order allows the MGCB's Executive Director to appoint officers to oversee the duties formerly conducted by the ORC, as well as vests final authority in the MGCB Executive Director over future and current rules, licenses, and license appeals.

Executive Order No. 2009-45 will take effect on January 17, 2010.

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POKAGON BAND DISBURSES \$6.2 MILLION TO LOCAL REVENUE SHARING BOARD

On October 1, 2009, the Pokagon Band of Potawatomi Indians (Pokagon Band) disbursed \$6.2 million to the Pokagon-New Buffalo Local Revenue Sharing Board (LRSB) in order to satisfy the Tribe's compact obligation to provide 2% of electronic gaming winnings to local governments. The LRSB is responsible for distributing the funds to the local municipalities.

These revenue sharing payments are designed to cover multiple costs for the local governments, including offsets for the increase in costs caused by the Casino, such as additional police presence, expansion of public utility services, and increased weight on the fire departments. Local school boards, municipal governments, and the county also receive payments from the LRSB. The payments from the LRSB are expected within the next 60 days.

BATTLE CREEK CITY MANAGER TO BE NAMED TO FIREKEEPERS REVENUE SHARING BOARD

Last week the *Battle Creek Enquirer* reported the city of Battle Creek is set to name City Manager Ken Tsuchiyama as its representative to the FireKeepers Casino Local Revenue Sharing Board (LRSB). The LRSB is responsible for deciding how to spend the agreed upon 2% of slot revenue guaranteed to the local governments.

If appointed, Mr. Tsuchiyama will join Calhoun County Board Chairman Mike Rae, and Emmett Township Supervisor Gene Adkins. Representatives from Marshall, Athens Township and the Nottawaseppi Huron Band of the Potawatomi (NHBP) are yet to be selected.

Notably, on Monday, September 14, Michigan Governor Jennifer Granholm announced the signing of an amended tribal gaming compact with the NHBP. The amendments officially take effect when published in the Federal Register.

According to a press release issued by the

Governor last month, the amended compact "stabilizes" the revenue sharing agreement between the state of Michigan and the NHBP, restructuring the LRSB in conjunction with the new FireKeepers Casino, located near Battle Creek, Michigan. The newly amended agreement requires the tribe to comply with a more "limited form of gaming exclusivity from the state." Additionally, the tribe's revenue sharing payments to the state for the FireKeepers Casino will be reduced using a sliding scale.

The tribe's contribution to the LRSB remains at 2% of net slot win, but expands Board membership from three to six members. Payments will be made annually instead of semi-annually.

A complete copy of the amended compact agreement can be found at:

http://nhbpi.com/pdfs/nhbp_compact.pdf.

CLEVELAND CITY COUNCIL ENDORSES OHIO CASINOS

On Monday, October 5, 2009, the Cleveland City Council voted 17-2 in favor of endorsing State Issue 3, the ballot proposal to allow for casino gaming to be introduced in the state of Ohio. In lending its support to Issue 3, the Cleveland City Council cited the anticipated creation of 15,000 permanent jobs for the state.

According to a press release from the Ohio Jobs and Growth Committee, City Council members passed Resolution 1456-09, stating that the passage of Issue 3 "will produce \$651 million in tax revenue every year, with the vast majority of the funds going to local governments and every school district in the state ... studies confirm that the casinos will bring a mandated \$1 billion in new economic development."

Ohio voters will be asked on the November 2009 state-wide ballot whether casinos should be built in Cleveland, Cincinnati, Columbus, and Toledo. The tax rate for the casinos would be 33%, the minimum capital investment per casino location would be \$250 million each, and each casino

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would be required to pay a \$50 million licensing fee.

The casino plan is backed by the Ohio Jobs and Growth Committee, lead by such figures as Quicken Loans CEO and Cleveland Cavaliers owner Dan Gilbert, former U.S. Congressman and former Mayor of Cincinnati Charlie Luken and Penn National Gaming. Other investors and supporters include the group MyOhioNow, which supported the 2008 casino initiative. The initiative would have allowed for a single casino site in southwest Ohio, but it failed in the November 2008 election, gaining just 37.6% of the vote. For a complete list of Issue 3 supporters please visit: www.yesonissue3.com/Backers.

Previous attempts to amend Ohio's constitution and add a casino to the state of Ohio have failed in 1990, 1996, 2006 and most recently in 2008.

G2E EARLY BIRD DISCOUNTS EXPIRE OCTOBER 29

Early Bird Discounts for the 2009 Global Gaming Expo (G2E), to be held at the Las Vegas Convention Center in Las Vegas, Nevada, from November 17 through 19, expire on October 29.

Early Bird Discounts include group discounts, Native American Casino Registration packages and special hotel and travel deals which registrants may take advantage of at the G2E website.

Patrons will have the opportunity to apply for Express Badges for G2E 2009. Expo organizers say the new badges will expedite registration and check-in time, thus creating more ease and convenience.

Over 30,000 gaming professionals from around the world are scheduled to attend this year's G2E from all gaming industry trades and sectors.

To register, or if you have any questions about G2E, please visit www.globalgamingexpo.com.

DAILY AGA SMARTBRIEFS

The American Gaming Association (AGA), which produces the Global Gaming Expo, has recently introduced *AGA SmartBriefs*, a free daily e-newsletter which keeps the gaming industry up to date on the latest gaming news. Sign up and stay ahead of the curve with updates on products, technologies, amenities, industry happenings and more. You can register to receive the free *AGA SmartBriefs* by visiting www.smartbrief.com/aga/.