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For more information on Michigan's gaming industry, please visit www.michigangaming.com

Editor in Chief:

David D. Waddell, Esq.

Phone: 517.507.3859

waddell@rmclegal.com

*Senior Gaming Analyst
& Editor:*

Robert R. Russell, II

Phone: 517.507.3858

russell@rmclegal.com

Reporter

Douglas L. Minke

Phone: 313.221.9380

minke@rmclegal.com

Reporter

Blaine R. DeGracia

Phone: 517.507.3857

degracia@rmclegal.com

Subscription information:

info@michigangaming.com

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RMC Ventures, LLC

University Place Center
333 Albert Ave, Suite 450
East Lansing, MI 48823
Phone: 517.507.3860
Fax: 517.908.0235
www.rmclegal.com

The _____ MICHIGAN GAMING _____ Newsletter



POWERBALL LOTTERY COMING TO MICHIGAN

According to an October 13, 2009, Michigan Lottery press release, a national agreement 'in principle' has been reached between the Mega Millions consortium of 12 states and the Multi-State Lottery Association, thus allowing for the possibility that Michigan Lottery players will soon be offered Powerball tickets at all of Michigan's 11,000 Mega Millions retailers.

"Players frequently ask why they can't play Powerball in Michigan," stated Michigan Lottery Commissioner M. Scott Bowen. "After several joint discussions between Mega Millions and the Multi-State Lottery Association, we are pleased an agreement has finally been reached to make that happen."

Michigan currently hosts the Mega Millions lottery game, available in 11 other states with a combined population of roughly 160 million. The addition of Powerball, which is currently available in 33 lotteries (31 states, plus the District of Columbia and Virgin Islands) with a combined population of roughly 125 million, will offer the potential for additional revenue to the School Aid Fund, yet Mr. Bowen feels it is premature to project any specific dollar amounts.

"The addition of Powerball to our game lineup will most certainly drive jackpots for that game, which will drive sales here in Michigan," said Mr. Bowen.

No firm date has been set for implementation, yet it is hoped that it may be early 2010.

Under the agreement between the Mega Millions Consortium and the Multi-

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State Lottery Association, both tickets will be cross-sold in all U.S. lottery jurisdictions.

According to the Michigan Lottery, over 95 cents of every dollar spent on Michigan Lottery tickets is returned to the state in the form of contributions to the state School Aid Fund, prizes to players and commissions to retailers. In fiscal year 2009, the contribution to schools was over \$715 million.

POLL: PURE MICHIGAN CAMPAIGN FINDS STRONG PUBLIC SUPPORT; MAY LOSE FUNDING

According to a recent state-wide poll conducted by EPIC-MRA, 65% of those surveyed believed that the Pure Michigan advertising campaign is an effective way to help improve Michigan's economy. The poll was commissioned by the Michigan Lodging and Tourism Association ("MLTA").

"Michigan residents love and recognize the effectiveness of those Pure Michigan ads as much as new tourists do," said MLTA's President Steve Yenich in a press release. "Clearly, providing permanent funding to maintain the first-ever nationwide and year-round Pure Michigan campaign is the key to improve Michigan's economy."

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. The funding package also allowed Pure Michigan television ads to air in all 50 states for the first time ever.

A recent survey of tourism business which tracks the origin of their guests, reported that 73 percent of those businesses had an increase in visitors from out-of-state.

The Michigan Legislature has attempted to create funding avenues for the campaign by introducing

several bills. Currently, considered bills include: House Bills 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.

According to the MLTA press release, tourism is Michigan's third largest industry, employing more than 200,000 people and generating \$16 billion in annual revenues. Research has shown that every \$1 invested in tourism promotions in other states generates \$2.86 in new sales tax revenues for Michigan.

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LEGISLATION WOULD RESTORE OFFICE OF RACING COMMISSIONER

On Thursday, October 29, 2009, House Bill 4288 (“HB 4288”) was unanimously reported out of the House Appropriations Committee after nearly eight months of stalled activity. HB 4288 seeks to restore the roughly \$7.5 million Michigan Governor Jennifer Granholm vetoed from the state’s horse racing industry earlier this month. State Representative John Espinoza (D-Croswell), chair of the House Agriculture Appropriations Subcommittee introduced HB 4288 in February of 2009.

Under HB 4288, the Office of Racing Commissioner would also be restored. Yet, if a bill is not signed into law that restores horse racing funding, the office will disappear from the state for 2010.

On October 8, 2009, Governor Granholm issued Executive Order No. 2009-45 which, among other things, transferred 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 essentially abolished by the Order.

Under Executive Order No. 2009-45, duties would 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. The Order will take effect on January 17, 2010.

OHIO’S ISSUE 3 CASINO POLL SHOWS SUPPORT AS NOV. ELECTION NEARS

According to a recent state-wide poll performed by the Institute of Policy Research at the University of Cincinnati, 57 percent of Ohio voters favor Issue 3, the ballot proposal to allow

for casino gaming to be introduced in the state of Ohio.

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

The recent poll findings are based on the most recent Ohio Newspaper Poll conducted as a part of The Ohio Poll by the Institute for Policy Research at the University of Cincinnati between October 14, 2009 and October 20, 2009. Specifically, a random sample of 678 registered voters from throughout the state were interviewed as part of a telephone survey which asked questions regarding Issue 3. Figures showed overall support for Issue 3, with 57 percent reporting they will vote “YES,” 39 percent saying they will vote “NO” and four percent remaining undecided.

Additionally, Columbus, Ohio Mayor Michael Coleman recently announced Wednesday that he is opposed to the casino plan, while Cleveland Mayor Frank Jackson, Cincinnati Mayor Mark Mallory and Toledo Mayor Carty Finkbeiner all have publicly endorsed Issue 3.

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.

For a copy of The Ohio Newspaper Poll please click [here](#).

Previous attempts to amend Ohio’s constitution

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and add a casino to the state of Ohio have failed in 1990, 1996, 2006 and most recently in 2008.

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/.