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# The MICHIGAN GAMING Newsletter



## MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR NOVEMBER 2009

The Michigan Gaming Control Board (MGCB) released the November, 2009 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino, and Greektown Casino. Overall, revenue was up by 0.62% from the same reporting period last year. Specifically, revenue for Greektown Casino was up by 21%, while revenue for MGM Grand and MotorCity Casino was down by 7.83% and 3.56% respectively, in comparison to the same month last year.

Month in 2009	Total Adjusted Revenue 2009		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$45,760,680.80	\$36,824,138.17	\$24,331,489.11
February	\$49,452,574.79	\$40,001,069.14	\$27,507,991.91
March	\$48,417,844.13	\$41,632,619.57	\$29,974,562.14
April	\$44,249,852.45	\$38,539,338.93	\$28,589,866.54
May	\$47,216,927.68	\$40,457,965.75	\$30,153,069.06
June	\$43,772,027.46	\$36,881,519.22	\$28,849,029.46
July	\$47,805,123.70	\$35,770,492.65	\$31,736,529.31
August	\$44,169,556.35	\$36,926,854.50	\$30,615,372.25
September	\$41,894,202.01	\$33,465,389.73	\$28,196,948.76
October	\$44,911,699.01	\$35,992,326.21	\$29,300,520.26
November	\$42,881,772.84	\$34,959,624.71	\$28,442,692.42
<b>Total</b>	<b>\$500,532,260.90</b>	<b>\$411,451,338.58</b>	<b>\$317,698,071.22</b>

## CHARTIY BINGO BILL TO CHARGE FEES FOR 'MILLIONAIRE PARTIES'

Month in 2009	Total Tax Revenue 2009 (cont.)		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$106,916,307.76	\$9,633,480.49	\$11,897,192.47
February	\$116,961,635.84	\$10,574,212.18	\$13,023,898.23
March	\$120,025,025.84	\$10,921,009.58	\$13,382,473.44
April	\$111,379,057.92	\$10,165,298.35	\$12,426,215.98
May	\$117,827,962.49	\$10,750,187.72	\$13,144,778.60
June	\$109,502,576.14	\$10,023,669.85	\$12,224,271.09
July	\$115,312,145.66	\$10,609,744.97	\$12,886,389.17
August	\$111,573,519.10	\$10,262,069.94	\$12,482,738.08
September	\$103,556,540.50	\$9,515,957.73	\$11,569,632.40
October	\$110,204,545.48	\$10,098,588.99	\$12,305,300.66
November	\$106,284,089.97	\$9,746,718.98	\$11,869,392.73
<b>Total</b>	<b>1,229,681,670.70</b>	<b>\$112,312,138.18</b>	<b>\$137,212,282.82</b>

The figures above do not include: 1) wages and benefits paid to casino employees; and 2) payments to suppliers, service providers or vendors.

For Greektown Casino, the State of Michigan's share of the wagering tax reflected in the numbers released by the MGC B is 12.1% and the City of Detroit's share is 11.9%, for a total tax of 24%. This 24% tax historically applied to all three Detroit casinos. Greektown Casino has applied for a tax reduction effective as of the opening of its permanent facility earlier this year.

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 MGC B. These properties are now subject to a wagering tax of 19%, with 10.9% of this levy to go to the City of Detroit and 8.1% to be paid to the State of Michigan.

On Wednesday, December 16, House Bill 5121 (HB 5121), sponsored by State Representative Harold Haugh (D-Roseville), was referred out of the Michigan House Committee on Regulatory Reform. HB 5121 now goes to the House floor for consideration, followed by consideration by the Senate if it passes in the House.

Millionaire parties, also known as "Las Vegas parties," are a form of charitable gaming that allows qualified organizations to raise money to fund their initiatives pursuant to Michigan law. The Bill sponsor introduced HB 5121 in response to an increase in charitable gaming applications. The Bill would make a distinction between millionaire parties operated and conducted solely by volunteer members of a qualified organization, and parties in which members or workers are paid or otherwise compensated. It would also create an expedited process for a license, and revise license fees.

Specifically, the Bill distinguishes between "small" and "large" millionaire parties. "Small" millionaire parties would have to be operated or conducted only by members of the qualified organization who do not receive any wage, salary, pay, or profit for operating or conducting the party. The license fee would remain at the current amount of \$50 per day. "Large" millionaire parties would be those not classified as "small" millionaire parties. The fee for a large millionaire party would be \$250 per day.

The proposed legislation would also allow an applicant for a millionaire party license to pay an additional \$300 in order to expedite the license. If the application is approved, an expedited license would have to be issued by the Bureau of State Lottery within ten days of the application's filing.

Millionaire parties fall under the Charitable Gaming Division of the Michigan Lottery. The division is self-supporting from fees and the sale of its various game tickets. Any revenue over the division's operating expenses is disbursed to the state's General Fund. According to a legislative analysis of HB 5121 released December 9, 2009, the creation of the separate \$250 fee for "large" millionaire parties, and the \$300 expedited license fee would conceivably increase the distribution of revenue to

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the state's General Fund.

### **ADDITIONAL FACTS:**

The Michigan Lottery reported early this year that it issued 4,043 Millionaire Party licenses for casino-style gaming in fiscal year 2008. These 2008 figures display a significant increase from fiscal year 2007, when the Michigan Lottery awarded 2,900 such licenses.

Each non-profit organization is entitled up to four licenses per calendar year, enabling a charitable organization to conduct a millionaire party for up to four consecutive days with each license. As a result, there were over 15,500 events held during fiscal year 2008.

In January, 2009 the Charitable Gaming Division of the Michigan Lottery issued its Annual Report for the period October 1, 2007 to September 30, 2008. According to the report, during fiscal year (FY) 2008, licensed charitable gaming operations generated nearly \$480 million in revenue, resulting in over \$75 million in net profits for the participating qualified non-profit organizations. For a copy of the Annual Report please visit the following: [www.michigan.gov/documents/cg/BSL-CG-AR2008\\_262688\\_7.pdf](http://www.michigan.gov/documents/cg/BSL-CG-AR2008_262688_7.pdf)

According to the Annual Report, casino-style Millionaire Parties have earned Michigan charities an estimated \$10.4 million for the FY 2008. Casino-style charity gambling events are now being held in more than 120 establishments statewide, according to the Charitable Gaming Division of the Michigan Lottery.

## **SOARING EAGLE CASINO & RESORT TEMPORARILY CLOSED DUE TO BOMB THREAT**

On Wednesday, December 16, at approximately 2:00pm, the Soaring Eagle Casino & Resort in Mt. Pleasant briefly shut down operations due to a bomb threat. The Saginaw Chippewa Tribal Police received the threat of possible explosives on the property around 1:30 pm. Six additional law enforcement agencies were called, and were on the grounds within minutes to assist.

Players and guests were evacuated just after 3:00pm, and those staying at the hotel were shuttled

to the nearby Soaring Eagle Inn and Conference Center. The threat displaced approximately 2,000 patrons, 250 hotel guests, and 700 resort employees. According to a statement posted on the Saginaw Chippewa Indian Tribe Web site, the decision of the Tribal Council and Tribal Council Chief Dennis V. Kequom to evacuate "was made out of concern for the safety of patrons and associates."

A massive search, which lasted over six hours, revealed no evidence of a bomb. Employees were asked to return to work at 12:01am on Thursday, with guests and patrons allowed back on to the property beginning at 2:00am Thursday.

## **MGCB EXEC. DIRECTOR TO ASSUME DUTIES OF OFFICE OF RACING COMMISSIONER: 2010 RACE DATES ANNOUNCED**

At the Tuesday, December 15, 2009 Michigan Gaming Control Board (MGCB) public meeting, it was confirmed that the MGCB's Executive Director will assume the duties of the Office of the Racing Commissioner, effective January 17, 2010.

On 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) to the MGCB. The ORC and the position of Racing Commissioner were abolished by the Order.

On November 5, 2009, the Michigan Legislature passed House Bill 4311, which reinstated funding for the Office of the Racing Commissioner until the Executive Order becomes effective in January of 2010.

As of the effective date of the Order, MGCB Executive Director Rick Kalm will perform the functions of the Racing Commissioner.

According to Mr. Kalm's statement at Tuesday's MGCB public meeting, the MGCB is currently working on finding committees that will assist the transition of the Office. The MGCB will be bringing over a number of current Office or Racing Commissioner staff to work in accordance with the

*(Continued on page 4)*

horse racing division.

Mr. Kalm also noted that the transition should “have no impact to Gaming’s budget because the intent of [the] move was not to use State Services Fee Funds any longer to fund horse racing, which has been done in the past.” He noted an important issue facing the Office is whether there will be enough funding available in the Agricultural Equine Fund, as provided through the Department of Agriculture and as allocated by the Michigan Legislature, to employ personnel on designated race days.

The Agricultural Equine Fund collects dollars from Michigan’s 3.5 percent tax on horse simulcast races, licensing, and fines.

The five-person Board will have no actual role in regulating horse racing in Michigan, since the Gaming Control and Regulatory Act, the Act governing the MGCB, only grants regulatory authority to the governance of Detroit’s three commercial casinos. “... it will be run out of the Executive Director’s Office, but it will be separate and distinct, apart, from the Michigan Gaming Control Board” noted Mr. Kalm.

#### **ADDITIONAL FACTS:**

A summary of 2010’s race dates is as follows:

#### **2010 Race Dates for Harness Tracks**

**Hazel Park Harness Raceway** - A total of 62 harness race dates beginning Friday, April 30, 2010, through Saturday, September 18, 2010. Racing shall be conducted every Monday, Friday, and Saturday.

**Northville Downs** - A total of 32 harness race dates beginning Friday, February 12, 2010, through Saturday, April 24, 2010. Racing shall be conducted every Thursday, Friday, and Saturday. Additionally, a total of 27 harness race dates beginning Thursday, September 23, 2010, through Saturday, November 20, 2010. Racing shall be conducted every Thursday, Friday, and Saturday.

**Sports Creek Raceway (Swartz Creek)** - A total of 18 harness race dates for the winter meet beginning Friday, January 1, 2010, through Sunday, February 7, 2010. Racing shall be conducted every Friday, Saturday, and Sunday. Also, a total of 15 harness race dates for the fall meet beginning

Friday, November 26, 2010, through Friday, December 31, 2010. Racing shall be conducted every Friday, Saturday, and Sunday. There shall be racing on Monday, December 27, 2010. No racing will be conducted on Friday, December 24, 2010, or Saturday, December 25, 2010.

**Mount Pleasant Meadows** - A total of 23 mixed breed race dates beginning Saturday, May 15, 2010, through Saturday, September 25, 2010. Racing shall be conducted every Saturday. Racing shall also be conducted on Sunday, August 1, 2010, Sunday, August 22, 2010, Sunday, September 5, 2010 and Sunday, September 12, 2010. No racing shall be conducted on Saturday, August 14, 2010.

**Pinnacle Racecourse (New Boston)** - A total of 84 thoroughbred race dates beginning Friday, June 4, 2010, through Sunday, October 31, 2010. From Friday, June 4, 2010, through Sunday, June 27, 2010, racing shall be conducted every Friday, Saturday, and Sunday. From Tuesday, June 29, 2010, through Sunday, October 31, 2010, racing shall be conducted every Friday, Saturday, Sunday, and Tuesday.

For more information about upcoming events, the five pari-mutuel horse race tracks, racing schedules, and Michigan horse racing, visit [www.michigan.gov/horseracing](http://www.michigan.gov/horseracing).

## **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/](http://www.smartbrief.com/aga/).