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# The MICHIGAN GAMING Newsletter



## MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR MARCH, 2012

The Michigan Gaming Control Board (“MGCB” or “Board”) released the March, 2012 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, revenue for the Detroit Market was up 1.9% in March, 2012 from the same reporting period last year. Specifically, revenue for MGM Grand Detroit Casino and Greektown Casino was up by 5.0%, and 4.5%, respectively while revenue for MotorCity Casino was down 3.8% during March, 2012 in comparison to the same month last year.

Month in 2012	Total Adjusted Revenue 2012		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$47,869,082.24	\$36,708,630.10	\$29,607,452.04
February	\$53,443,696.53	\$42,922,456.88	\$32,560,470.47
March	\$57,181,553.70	\$43,543,183.32	\$34,602,503.13
<b>Total</b>	<b>\$158,494,332.48</b>	<b>\$123,174,270.30</b>	<b>\$96,770,425.64</b>

Month in 2012	Total Adjusted Revenue 2012		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$114,185,164.38	\$9,248,998.32	\$12,446,182.92
February	\$128,926,623.88	\$10,443,056.60	\$14,053,002.00
March	\$135,327,240.15	\$10,961,506.45	\$14,750,669.18
<b>Total</b>	<b>\$378,439,028.41</b>	<b>\$30,653,561.30</b>	<b>\$41,249,854.10</b>

The market shares for MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino for the month of March, 2012 were 42%, 32% and 26%, respectively.

All three casinos are 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.

The figures released by the Michigan Gaming Control Board are the gross receipts less winnings paid to wagerers. The figures do not include: 1) any fees or other relevant city, state or federal taxes; 2) wages and benefits paid to casino employees; 3) payments to suppliers, service providers or vendors; and 4) other normal business expenses.

## **FOUR WINDS TO HOST JOB FAIR MAY 5, OPEN NEW HOTEL EXPANSION JUNE 29**

On Thursday, April 19, 2012, Four Winds New Buffalo announced that it will host a job fair on Saturday, May 5, from 10:00 a.m. to 4:00 p.m. at New Buffalo High School, located at 1112 E. Clay Street, in New Buffalo. It is estimated that 300 full- and part-time jobs will need to be filled in order to staff the expansion at Four Winds New Buffalo, which includes 250 additional hotel rooms, the Silver Creek Event Center, and the Hard Rock Café Four Winds.

The casino is looking for qualified candidates to fill positions in the areas of food and beverage, hospitality and retail. Those interested in attending the job fair should fill out an online application prior to attending. The form can be found at: [www.fourwindscasino.com/employment](http://www.fourwindscasino.com/employment).

The Silver Creek Event Center is a 1,500 seat, multi-use facility that will be located next to the casino floor. The Hard Rock Café Four Winds will be located adjacent to the gaming floor and will include seating for over 275 people and a performance stage. Both are schedule to open this summer.

## **SOARING EAGLE WATER PARK TO OPEN THIS MONTH**

On Monday, April 16, 2012, *The Morning Sun* reported that the Soaring Eagle Waterpark and Hotel in Mt. Pleasant will be holding a soft opening of its new facilities on April 23.

According to the report, the two hotel towers include a restaurant and lounge, which will feature indoor seating for 134 and outdoor seating for 72.

The new hotel and water park facility will stand just miles from Soaring Eagle Casino Resort, which has 200,000 square feet of gaming floor space and 514 hotel rooms.

Initial plans for the water park were announced by the Saginaw Chippewa Indian Tribe's Migizi Economic Development Company in October of 2009.

## **COMMITTEE HEARING ON SENAT HORSE RACING BILL**

Yesterday, April 19, 2012, the Michigan Senate Committee on Agriculture held a meeting regarding Senate Bill 1075 ("SB 1075") that would amend the Horse Racing Law of 1995 to provide a near complete overhaul of the current horse racing law. The bill was introduced by Sen. Joe Hune (R-Hamburg) and Sen. Vincent Gregory (D-Oakland). The committee members present were: Sen. Hune, Sen. Geoff Hansen (R-Muskegon), Sen. Judy Emmons (R-Clinton County), Sen. Darwin Booher (R-Manistee), and Sen. John Gleason (D-Genesee County).

Shoshana Levine, an attorney from Miller Canfield and representing Hazel Park, provided a general overview of SB 1075. She stated that Michigan's horse racing tracks are in favor of the bill and that it was the result of several months of discussions among the tracks, horseman associations, breeders, and other interested parties. She further expressed that the main reason for the bill is that the current law was written in 1995 when there were 8 tracks and nearly 26,000 people involved in the horse racing industry. Today, there

*(Continued on page 3)*

are only 4 operating tracks and less than 12,000 industry members in the state. In addition, the bill would eliminate certain population requirements for track locations to adapt to current industry numbers. The bill would also add a 15% tax on track commissions earned, with 3/4 of the tax given to the general fund, 1/8 to the local community, and 1/8 to the county where the track is located. The tax is in addition to any breakage fees paid to local units of government.

SB 1075 would amend several sections of existing law to adapt to the industry's current size, including capping the total number of licenses issued for tracks at 5. The licenses would be "grandfathered" to the existing tracks as of 2010, which would include Pinnacle Race Course, should a party decide to take control of the location and reopen the site. The bill would require a minimum of 75 live horse racing dates for each thoroughbred track and a minimum of 100 days for each standard bred track.

Ms. Levine also noted that the bill's definition of "pari-mutuel wagering" was drafted in accordance with a state supreme court decision on the matter and was designed to prevent tracks from operating like casinos. Specifically, this definition was crafted to "maintain the distinction between casinos and horse racing tracks." She also stated that there was no constitutional issue with the 2004 amendment regarding the expansion of gaming because pari-mutuel wagering is not specifically included in the amendment's scope of "gaming activities," noting that pari-mutuel wagering has occurred in the state since the 1930's and has not been included in the general probation against gambling activities throughout this time period.

Mr. Brett Boyd, President of the Michigan Harness Horseman's Association also spoke, noting the widespread support of the industry for the bill. Mr. Boyd specifically noted that the expansion of casino gaming (both tribal and commercial), internet wagering, and charitable gaming has greatly reduced revenues for the horse tracks. Mr. Boyd placed emphasis on the charitable gaming activities during his statement as a major problem for the tracks. He also noted the problem of illegal internet wagering on horse races, stating that it was serious problem that has no easy or readily-available solution, and that New

Jersey has attempted to solve the problem through authorizing an official, state-run website where residents can wagering on horse races occurring within the state.

Mr. Richard Powers of the Michigan Horseman's Benevolent and Protection Association officially stated that he opposed the bill but clarified with the commission that the MHBPA supports the overall bill with some minor amendments regarding certified horseman association requirements. Mr. Powers echoed Mr. Boyd's remarks regarding internet wagering, noting that it is a huge problem in the industry that cannot easily be solved. He also noted that there are several businesses and people who have left the state to race in neighboring states that have more vibrant horse racing industries that would like to return to Michigan if this bill is passed.

The last speaker was Mr. Mike Bale, President of the Great Lakes Quarter Horse Association. Like Mr. Powers, Mr. Bale officially opposes the bill but stated that he supports the overall language with a few caveats. His main concern was the requirement for simulcast wagering as it would be applied to Mt. Pleasant, stating that "if this language stays in the bill, Mt. Pleasant will close down." This is because the track would need to set up a new broadcast/simulcast system that would cost approximately \$250,000.

The meeting was adjourned for time purposes and several people did not get an opportunity to speak. The Committee is currently planning to take a vote on the bill within the next week.