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The _____ MICHIGAN GAMING _____ Newsletter



MGCB NOTICE OF PUBLIC MEETING DATE CHANGE

The Michigan Gaming Control Board ("MGCB" or "Board") recently released its revised Notice of Public Meeting. The MGCB will hold its next regular public meeting on Thursday, May 10, 2012 at 9:30 a.m. in its Detroit Office. The meeting was previously scheduled to be held on Tuesday, May 8, 2012.

The purpose of the Board meeting is to conduct Board business regarding the implementation, administration and enforcement of the provisions of the *Michigan Gaming Control & Revenue Act*, related to the licensing, regulation and conduct of casino gaming in the City of Detroit.

The meeting will be held at the MGCB Detroit office, Cadillac Place, 3062 West Grand Blvd., Suite L-700.

THE MICHIGAN GAMING WEBSITE LAUNCHES REVAMPED WEBSITE

The Michigan Gaming Website has launched a newly designed website that provides visitors with helpful news and information related to the Michigan gaming industry. Areas of interest include commercial and Native American casinos, Michigan Lottery, and horse racing. Use of the website is free of charge and provides complimentary email subscription services to its *Michigan Gaming Newsletter* publication and *RMC Daily Gaming Newsfeed*.

Currently in its 18th year of publication, *The Michigan Gaming Newsletter* is a weekly e-mail news publication. Established in 1994, the *Newsletter* reports objectively on significant happenings in the Michigan gaming industry. The Michigan Gaming Website also hosts numerous other Michigan gaming industry material including responsible gaming information. Subscribers to the *Newsletter* include: casino operators,

suppliers, financial analysts, regulators, media, and elected officials.

The *RMC Daily Gaming Newsfeed* is a daily report that includes news article links relating to pertinent issues in the gaming industry from across Michigan and the U.S. markets.

For more information regarding the website or subscription services for *The Michigan Gaming Newsletter* and *RMC Daily Gaming Newsfeed*, please visit: www.michigangaming.com.

HORSE RACING LEGISLATION ADVANCES IN MICHIGAN LEGISLATURE

On Thursday, April 26, 2012, the Michigan Senate Committee on Agriculture voted to refer Senate Bill 1075 (“SB 1075”), which would amend the state’s Horse Racing Law of 1995, to the Committee of the Whole and to give the bill immediate effect. The vote follows the House Committee on Agriculture’s vote on Wednesday, April 25, 2012 to refer House Bill 5546 (“HB 5546”), which mirrors SB 1075, to the order of Second Reading of Bills.

If passed, the concurrent legislation would amend the Horse Racing Law of 1995 to provide a near complete overhaul of the current statute. SB 1075 was introduced by Sen. Joe Hune (R-Hamburg) and Sen. Vincent Gregory (D-Oakland). HB 5546 was introduced by Rep. Kevin Daley (R – Lum).

The legislation seeks to expand the type of wagering that occurs at tracks to allow wagering on not only live horse racing but on any form of pari-mutuel games or activities.

Mike O’Connor, Vice President of Table Games at MGM Grand Detroit testified to the Senate Agricultural Committee that pretty much any casino style gaming could be adopted to use a pari-mutuel wagering system. Thus, passage of this legislation could lead to the tracks operating much like casinos according to his testimony.

Representatives of the horse racing industry have indicated an intent to take advantage of technological advances through passage of this

legislation. One such advance that they are seeking is the use of “Instant Racing” machines, which look and operate much like slot machines. These machines have recently been the subject of controversy and litigation in Kentucky.

The Michigan Constitution (as amended by Proposal 1 of 2004) requires both statewide and local voter approval of any form of gambling authorized by law after January 1, 2004. Opponents of the Legislation have indicated that it is unconstitutional under this provision.

Shoshanna Levine, an attorney representing Hazel Park Raceway told the Agricultural Committees that there is no constitutional issue because “pari-mutuel” wagering is not specifically in the scope of the constitutional provision on gambling activities and that pari-mutuel wagering has been allowed in Michigan since the 1930’s.

Notably, Paul Connors, legislative liaison for the Michigan Department of Treasury expressed opposition to the legislation on behalf of Governor Snyder’s administration.

AARON PAYMENT ANNOUNCES HIS CANDIDACY FOR SAULT TRIBE CHAIRMAN

Yesterday, April, 26, 2012, Aaron Payment, a former elected chairperson and CEO for the Sault Ste. Marie Tribe of Chippewa Indians (“Sault Tribe”) announced his candidacy for the position of Tribal chairperson.

Mr. Payment seeks to replace current interim Sault Tribe Chairman Joe Eitrem. Mr. Payment has previously served the Sault Tribe Board as a member for eight years, including two terms as vice-chair and one four-year term as Tribal chair.

Notably, the Sault Tribe is currently in the process of developing a proposed casino in Lansing, Michigan, and last month the Lansing City Council voted in favor of advancing their plan to create a \$245M gaming facility in downtown Lansing with the capacity for up to 3,000 slot machines and 48 table games.

The Sault Tribe is currently circulating a voter

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referendum to registered Sault Tribe voters regarding the approval of the proposed Lansing casino project. Ballots were mailed to all registered tribal voters on April 12, 2012.

According to yesterday's announcement, Mr. Payment has been generally supportive but critical of a Lansing Casino deal; mostly due to the appointed chair's failure to articulate a vision for how 85 percent of net revenues will be spent from a Lansing Casino.

According to Payment: "Gaming tribes all across the country [have] revenue sharing plans that take the mystery out of where the money goes as it is obligated for member benefit."