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# The MICHIGAN GAMING Newsletter



## MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR JULY 2015

The Michigan Gaming Control Board (“MGCB” or “Board”) released the July, 2015 total adjusted revenue figures for the three Detroit casinos—MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, the revenue for the Detroit market was up 3.1% compared to the same reporting period last year. Year-to-date aggregate revenue for the three Detroit casinos is up 4.6% compared with the same period last year.

Month in 2015	Total Adjusted Revenue 2015		
	MGM Grand Detroit	MotorCity Casino	Greektown Casino
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue
January	\$46,227,016.63	\$38,061,452.27	\$26,733,375.86
February	\$47,523,251.14	\$39,023,483.79	\$27,875,609.34
March	\$49,824,133.92	\$43,432,911.12	\$30,646,861.38
April	\$51,849,138.07	\$40,532,401.92	\$28,167,335.92
May	\$51,747,439.96	\$39,825,609.22	\$28,242,004.16
June	\$47,328,471.77	\$37,006,364.49	\$25,595,355.54
July	\$48,731,187.77	\$38,735,882.74	\$27,306,479.48
<b>Total</b>	<b>\$343,230,639.26</b>	<b>\$276,618,105.55</b>	<b>\$194,567,021.68</b>

Specifically, revenue for MotorCity Casino and MGM Grand Detroit was up by 6.2% and 5.2% respectively, during July, 2015 when compared to the same month last year. Monthly revenue for Greektown Casino was down 4.3% compared to July 2014.

Month in 2015	Total Adjusted Revenue and Taxes 2015		
	All Detroit Casinos		
	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$111,021,844.76	\$8,992,769.43	\$12,101,381.08
February	\$114,422,344.27	\$9,268,209.89	\$12,472,035.53
March	\$123,903,906.42	\$10,036,216.42	\$13,505,525.80
April	\$120,548,875.91	\$9,764,458.95	\$13,139,827.47
May	\$119,815,053.34	\$9,705,019.32	\$13,059,840.81
June	\$109,930,191.80	\$8,904,345.54	\$11,982,390.91
July	\$114,773,549.99	\$9,296,657.55	\$12,510,316.95
<b>Total</b>	<b>\$814,415,766.49</b>	<b>\$65,967,677.09</b>	<b>\$88,771,318.55</b>

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 market shares for MGM Grand Detroit, MotorCity Casino, and Greektown Casino for July 2015 were 42%, 34%, and 24%, respectively.

The figures released by the 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, services providers or vendors; and 4) other normal business expenses.

## MOTORCITY CASINO UNVEILS NEW FOOD TRUCK

On Monday, August 11, 2015, MotorCity Casino Hotel introduced a new dining option with its new, fully loaded food truck. The truck brings with it a variety of menu options crafted by the culinary team at MotorCity Casino Hotel.

Famed automotive designer, and star of TV series “Overhaulin”, Chip Foose, designed the truck’s look, while local fabrication shop Detroit Custom Coach built the design. The state-of-the-art food truck features a modern kitchen, a tablet-oriented ordering system, Wi-Fi connectivity, and a hi-tech sound system. While all customers will be able to make purchases with traditional payment methods, Club Metro rewards members will also be able to use their MotorCity Miles.

“We’re really excited to introduce our new food truck to the community,” said Randy Villareal, vice president, Non-Gaming Operations. “In addition to the superior service and quality food typical of MotorCity Casino Hotel’s restaurants, our food truck customers will enjoy savory street fare, with some unexpected culinary twists. We were thrilled to, once again, collaborate with Chip Foose on this project since he was instrumental in the overall design of MotorCity Casino Hotel.”

The food truck will make its official debut at MotorCity Street Beats, a free, open-to-the-public concert offered by MotorCity Casino Hotel during the Dream Cruise, tomorrow August 15. The event will take place at the Shell gas station at 31786 Woodward Avenue in Royal Oak (between 13 Mile and 14 Mile roads). The Dream Cruise menu will include lobster mac-n-cheese, Belgian fries, and blue corn-dusted shrimp tacos.

For updates on the truck's location, hours, menu items, or to rent the food truck for private events, diners can visit <http://www.motorcitycasino.com/foodtruck>.

## TRIBAL GAMING UPDATE

On November 20, 2013, several tribal-state gaming compacts, agreements between tribal entities and the State of Michigan that authorize and regulate tribal casino-style gaming operations, came to the end of their initial 20-year terms. Significantly, the compacts remain in effect under a clause that allows the continuation of the agreements during ongoing renewal negotiations. MIRS recently reported that the Governor's office is preparing a proposal to be offered to the affected tribes. The Governor's office has yet to release details of any proposed renewal options or terms.

The original compacts for seven tribes were entered in 1993, a time when Native American gaming was an expanding but relatively new opportunity for tribes across the country. Michigan had not yet authorized commercial gaming in Detroit, the Michigan Lottery did not conduct online sales, and neighboring jurisdictions had strong prohibitions or a greatly reduced scope of gaming activity when compared with today.

These factors, among the national and regional developments detailed below, have greatly changed the landscape of tribal gaming in Michigan and will likely be considered in the ongoing tribal-state compact negotiations.

### Tribal Land Acquisitions

Under federal law, much of tribal casino-style gaming is limited to lands that have been taken into trust by the Department of the Interior

("Department") on behalf of the tribe. The land-into-trust process is a thorough and comprehensive review of historical tribal claims to certain lands which requires voluminous filings and regulatory considerations. The process was greatly complicated after the Supreme Court's decision in *Carcieri v. Salazar* in 2009, due to the Court's holding that the Department's authority to take land into trust for tribes that received federal recognition after 1934 was significantly limited.

Federal legislators, however, are currently seeking to amend the law in order to address the *Carcieri* decision. On July 28, 2015, Senate Bill 1879 was introduced in the United States Senate in an effort to clarify and ease restrictions related to land acquisitions in Indian Country. The legislation, *The Interior Improvement Act*, aims to address legal and regulatory issues that have arisen since the *Carcieri* decision, as well as to remove duplicative filing requirements, increase tribal and public input into the decision making process, and generally make the review easier for tribes to manage.

### Continued Tribal Gaming Revenue Growth

In July, the National Indian Gaming Commission ("NIGC"), which oversees tribal gaming at the federal level, released revenue reports that show that tribal gross gaming revenues have steadily increased since 2005. Over the past ten years, revenues have grown from \$22.6 billion in fiscal year 2005 to \$28.5 billion in 2014, a 26% increase. Over this time, the only year-over-year decrease in revenues occurred between 2008 and 2009, during the global economic recession. The report also indicates that there are 459 tribal operations nationwide.

While the NIGC does not report state-specific tribal gaming revenues, the regional revenues for the St. Paul region, which includes Michigan, amounted to \$4.7 billion across 130 gaming operations in 2014. In addition to Michigan, the region includes Montana, Wyoming, Nebraska, the Dakotas, Minnesota, Iowa, and Wisconsin.

### Federal Labor Authority over Tribal Casinos

Recent federal court decisions have hesitantly confirmed past precedent that the National Labor

Relations Board (“NLRB”) has authority over labor activities at tribal casinos. On July 1, 2015, the US Appeals Court for the Sixth Circuit ruled in favor of the NLRB in a labor dispute involving the Saginaw Chippewa Indian Tribe of Michigan (“Chippewa”) and the tribe’s operation of the Soaring Eagle Casino and Resort. The case involved an employee who attempted to organize and promote union membership among her peers at the casino. The Chippewa, however, maintained a strict “no-solicitation” policy prohibiting such activities by its casino employees.

In its ruling, the court agreed that the National Labor Relations Act (“NLRA”), the federal law that governs the NLRB and requires employers to allow employees to organize under certain circumstances, should not apply to the Chippewa because the law would violate the tribe’s inherent sovereign rights. However, although the court heavily criticized its recent ruling in a similar case involving the Little River Band of Ottawa Indians, finding that the review standards used in the case “overly constrains tribal sovereignty, fails to respect the historic deference that the Supreme Court has given to considerations of tribal sovereignty in the absence of congressional intent to the contrary, and inconsistent with...Supreme Court directives,” the court ultimately held that it was “bound to conclude that the NLRA applies to the Soaring Eagle Casino and Resort, and that the [NLRB] has jurisdiction over the present dispute.” Thus, the court affirmed the previous finding that the Chippewa were bound to comply with the NLRA due to its past holdings despite its disagreement with those rulings.

The above are only a few of the many developments that have occurred in Indian Country since the 1993 Michigan tribal-state gaming compacts were entered. While details regarding the negotiations continue to remain private, the changes in the tribal gaming landscape will likely influence the final terms of any new agreement reached.

## **GLOBAL GAMING EXPO EARLY BIRD SPECIALS EXPIRE SEPTEMBER 5**

**E**arly Bird Discounts for the 2015 Global Gaming Expo (G2E), to be held at The Sands

Expo and Convention Center in Las Vegas, Nevada, from September 28 to October 1, expire on September 14.

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

This year’s show will also debut the “Integrated Resort Experience at G2E,” which will present innovated non-gaming technology, products and services as casino guests would experience them in a gaming-resort setting. Show presenters state that the new program will deliver a complete end-to-end solution to help casinos attract more guests, encourage them to stay and play longer, and increase revenue per visitor.

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 for more information about G2E, please visit [www.globalgamingexpo.com](http://www.globalgamingexpo.com).