

August 23, 2007

Volume 13, Issue 19

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

Subscription information:

info@michigangaming.com

A publication of

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



“RACINO” PROPOSAL BACK BEFORE HOUSE REGULATORY REFORM COMMITTEE

On Tuesday, the Michigan House of Representatives' Committee on Regulatory Reform held a hearing on the topic of “racinos”. The hearing was called in anticipation that a bill would be introduced dealing with the topic. To date, however, no bill has been introduced. Although the Committee did not have legislation to consider, the hearing went forward and the committee took testimony from various representatives of Michigan's horse racing industry, who suggested to panel members that Michigan's horse tracks need the additional gaming options to stay competitive.

Under 2004's Ballot Proposal 1, which amended the state constitution, both a statewide and local vote would be required in order to allow the expansion of gaming machines at racetracks. To even get this issue before the general public, supporters would have to (1) succeed in a petition drive to have the measure placed on the ballot, or, (2) get 2/3 of the Legislature to vote to place the measure on the ballot.

Magna Entertainment Corporation's recent decision to relinquish its thoroughbred race track license for Michigan Downs (See *Michigan Gaming Newsletter*, Volume 13, Issue 18), and thus scrap its plans for a \$100 million racetrack development near Detroit Metropolitan Airport in Romulus, Michigan, may have prompted the most recent effort, with many of the people in the thoroughbred industry being desperate to try to find some means to attract a racetrack operator. August 31 is the deadline for race date applications for the coming year. Notably, a House Bill has been introduced (H.B. 5103) to extend this deadline with respect to thoroughbred racing until February 1st. Although the bill was referred to the Regulatory Reform Committee on August 8th, there has been no further legislative action on this bill.

Next: Pokagon Band Issues Notice of Proposed Gaming Regulations

POKAGON BAND ISSUES NOTICE OF PROPOSED GAMING REGULATIONS

On August 7, 2007, the Pokagon Band Gaming Commission published and posted proposed regulations for public comment. Comments on the proposed regulations are due prior to 5:00 p.m. on October 8, 2007. The Commission indicated that it will consider and address all comments recommending changes to the proposed regulations that are based on sound analysis or are supported by reliable data and information.

Copies of the proposed regulations or the Gaming Regulatory Act may be obtained at the web address (<http://www.pokagon.com/GC>) or by sending a written request to the Gaming Commission at Pokagon Band Gaming Commission, 10528 Maudlin Road, New Buffalo, Michigan 49117.

MICHIGAN GAMING CONTROL BOARD AUGUST, 2007 MEETING HIGHLIGHTS

On August 14, 2007, the Michigan Gaming Control Board ("MGCB") held its first public meeting since June, and the meeting served as the second meeting of newly-confirmed Executive Director, Richard Kalm. The meeting opened by the MGCB receiving a report from Mr. Kalm, which include the following developments:

July 2007 Revenues for MGM Grand Detroit, MotorCity, and Greektown casinos were up 2.19%, 4.94% and 1.12%, respectively, compared to the same month last year. (See *Michigan Gaming Newsletter* Volume 13 Issue 18 for a detailed story on Detroit casino revenues for the month of July, 2007);

As of July 31, 2007, total MGCB expenditures were \$13,046,995.00, which leaves an unexpected balance of \$6,170,705.00 in appropriated funding for fiscal year 2007, which includes funds for anticipated reimbursement to the Attorney General and State Police for requested assistance pursuant to the Michigan Gaming Control and Revenue Act.

As of July 2007, there were a total of 12 active temporary gaming-related supplier licenses; 72 active temporary nongaming-related supplier licenses; 118 full annual supplier licenses have been granted by the MGCB; 2,381 unlicensed vendor exemptions have been registered with the

MGCB; and 195 casino supplier companies have been granted exemptions from supplier licensing requirements pursuant to the MGCB Administrative Rules. (A complete list of these entities can be obtained at the MGCB's website at www.michigan.gov/mgcb.)

During the business portion of the meeting, the MGCB acted on the 185 Level 1 and Level 2 Occupational Licenses; approved three transfer of interest requests; voted on four supplier license applications; and acted on supplier license renewals involved five companies that have been working the Detroit casinos. Persons interested in getting a detailed overview of the MGCB meeting are welcomed to contact *The Michigan Gaming Newsletter* at 517-507-3860.

The MGCB is scheduled to meet next on Friday, September 21, 2007 at 10:00 am in its Detroit Office.