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For more information on Michigan's gaming industry, please visit www.michigangaming.com

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The MICHIGAN GAMING Newsletter



POKAGON TRIBE AND STATE OF MICHIGAN ENTER AMENDED CLASS III COMPACT

Yesterday, Michigan Governor Jennifer M. Granholm announced that an agreement has been reached between the state of Michigan and the Pokagon Band of Potawatomi Indians (Pokagon Band) regarding the tribe's Class III Gaming Compact which will allow for an immediate \$15 million in revenue to be released to the state. The amended Compact was signed by both parties, which among other things, allows for the possibility of two new Native American satellite casinos in Michigan.

The agreement comes after more than a year of disputes that resulted in the Pokagon Band withholding state payments on electronic gaming revenue. The dispute between the Pokagon Band and the state resulted from the introduction of the Michigan Lottery's Club Keno game and the Pokagon Band's allegation that this violated the Tribe's exclusive rights to operate electronic games of chance under the Pokagon Band's 1998 Class III Compact.

The Pokagon Band owns and operates the Four Winds Casino Resort in New Buffalo, Michigan, which opened last August. Four Winds is located in Midwest Michigan near the Michigan / Indiana Border, 75 miles east of Chicago.

Initially, under the Pokagon Band's 1998 Class III Compact with the state, the Pokagon Band agreed to pay 8% and 2% of net revenue from electronic gaming devices to the state and local government, respectively.

"These changes to the compact are a victory for the state, the tribe and the communities of southwest Michigan," stated Governor Granholm. "The agreement provides a steady stream of revenue to further Michigan's

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economic development efforts. It also provides economic development opportunities for the tribe and local communities, while establishing a more stable and cooperative relationship between the state and the tribe.”

Other changes to the compact include:

- The removal of the exclusivity clause regarding the tribe’s operation of electronic gaming devices;
- The reduction of the tribe’s state revenue sharing payments to the state from 8% to 6%. Local revenue sharing payments remain at 2%;
- The term of the compact is extended an additional ten years to 2028, thus ensuring the tribe a full 20 years of operation;
- The possibility for two satellite casinos on the Pokagon Band’s tribal grounds in Hartford and Dowagiac, Michigan;
- Payments by the tribe to the State and Local Revenue Sharing Board will now be made annually instead of semi-annually;
- The possibility that the tribe will pay additional fees to the Michigan Gaming Control Board to cover oversight costs; either \$50,000 or .05% of net slot win, whichever is greater.

Please find the new compact language [here](#).

OHIO’S ISSUE 6 FACES OPPOSITION; FOUR OTHER STATES HAVE CASINO PROPOSALS BEFORE VOTERS

As the November national election draws near, the voters of Ohio will have the chance to amend the state constitution to allow for casino gaming in their state. If passed, Issue 6 would allow for a proposed \$600 million casino to be built in Clinton County, Ohio. The state of Ohio does not currently allow for casino gaming within its borders.

Proponents of the casino plan believe that the current proposal has some defining characteristics which set this initiative apart from unsuccessful prior attempts. These include the implementation of a “single-site casino,” as well as equal sharing of tax revenues across all of Ohio’s 88 counties.

Those in favor of the proposal feel the proposed southwest Ohio casino will allow Ohioans to spend their money within the state rather than traveling to such places as Indiana, Michigan or Windsor, Ontario, Canada.

The main driving force behind the proposal, the organization MyOhioNow, estimates that the approval of Issue 6 would create up to 5,000 new jobs and hundreds of temporary construction jobs. It would also generate an estimated \$200 million a year in taxes, with the money distributed evenly throughout Ohio.

Early last month, *SurveyUSA* conducted a news poll which asked 500 Ohio adults whether they would support or oppose a casino in Clinton County. According to the results, 62% support the casino, 31% oppose it and 7% were undecided. The results of the poll may be found by clicking [here](#).

Similarly, a three day poll which began September 24 and was conducted by *Columbus DispatchPolitics* revealed the proposed constitutional amendment allowing for the casino was ahead by 9 points, with 50% in favor, 41% against and 9% undecided. Details regarding the 2,262 person survey may be found [here](#).

Casino expansion in Ohio has been met with opposition from two main organizations. “Vote No Casinos” and “No on 6” have raised issues regarding the validity of revenue claims. In addition, opposition groups are concerned with the creation of a constitutionally protected casino monopoly within their state.

The Issue 6 petition and ballot language may be found by clicking [here](#).

Although the voter initiative will be included on the November, 2008 state-wide ballot, it is still unclear whether the proposal has enough support to pass. Prior attempts to amend Ohio’s constitution to permit state regulated, taxed and policed casino gaming have failed to obtain the necessary support during state-wide votes held in 1990, 1996 and more recently in 2006.

Phase one of the proposed \$600 million Ohio

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casino resort project calls for a 2,000,000 square foot development, including 180,000-220,000 square feet of gaming space. Plans also call for a 1,500 room suite-style luxury hotel and additional conference facilities. The proposed gaming facility would contain 4,000 to 5,000 slot machines, a poker room with an estimated 20 poker tables, and 100 table games including craps and roulette.

Ohio is not the only state with a proposal to legalize policed, regulated and taxed gaming this November. The states of Colorado, Maine, Maryland, and Missouri also currently have ballot language to legalize or expand casino gaming. Below is a summary of the proposals.

Colorado	Missouri	Ohio	Maryland	Maine
Amendment 50 if passed, would allow voters of Central City, Black Hawk, and Cripple Creek to extend the casino hours of operation to 24 hours, and approve games to include craps and roulette or both, and increase maximum single bets to \$100 a wager.	Proposition A if passed, would amend Missouri law to eliminate the state's 16-year-old loss limit, where gamblers can spend no more than \$500 on wagers during a two-hour period at a riverboat casino, restrict the number of casinos to those already built or being built, increase the gaming tax to 21 percent.	Issue 6 if passed, would allow for a \$600 million casino in Clinton County, in southwestern Ohio. Supporters of the proposal say the casino will create 5,000 permanent new jobs and generate \$200 million in tax dollars annually and would be divided up among Ohio's 88 counties.	Question 2 if passed, would allow for the possibility of 15,000 slot machines in 5 jurisdictions of the state for the primary purpose of providing funds for public education. The referendum calls for a minimum of 48.5 percent tax to the Education Trust fund. Supporters believe the slot machines could generate more than \$600 million in education funding by 2012.	Question 2 if passed, would allow Las Vegas-based Olympia Gaming to build a \$100 million casino and resort in Oxford County, located in Western Maine. Proponents of the issue say it will create over 800 new well paying jobs. Approval of the Question #2 would also impose a 10-year moratorium on building casinos elsewhere in the state.
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NEW MICHIGAN LICENSE TO CREATE EASE AT BORDER

Last Monday, October 13, Michigan Secretary of State Terri Lynn Land announced that an agreement had been reached between The Homeland Security Department and the state of Michigan which gives motorists the option of applying for an enhanced drivers license that meets federal document requirements at U.S. borders as soon as next year. Advocates of the Land's new proposal feel it will make cross-border traveling more convenient and thus enhance the flow of commerce between the U.S. and Canada.

Michigan's new agreement is similar to those passed in the states of Washington, Vermont, New York and Arizona.

"This is a victory for Michigan families and job providers. "It offers motorists an affordable single-document option that meets their driving and border crossing needs," stated Land. "I applaud the U.S. Department of Homeland Security for being an outstanding partner and the Detroit Regional Chamber for its leadership. With their support and the efforts of all others involved, we're balancing customer and economic needs with our shared goal of a safer America."

According to Richard E. Blouse Jr., president and CEO of the Detroit Regional Chamber, as a balance between national security and economic security, the new initiative will help protect the estimated \$100 million in economic activity within the region.

Notably, as of June 1, 2009, those entering into the U.S. will be required by the Western Hemisphere Travel Initiative, which sets forth requirements for entry into the United States by land and sea, to present a passport or other acceptable form of enhanced identification.

As the cost of passports currently exceeds \$100 and in some cases take an extended period of time to receive, the new license will enable travelers to bypass the passport application process at far less a cost. Current state law limits the price of the new id's not to exceed \$50.

The primary sponsors of the state legislation are Senator Cameron Brown (R-Sturgis), Representative Steve Tobocman (D-Detroit) and Representative Ed Clemente (D-Lincoln Park).

In 2005, Congress passed the "Real ID" law which required all states to implement new state identification standards by May 2008, in efforts to counter terrorism and prevent identity tampering. Many deadlines have been extended to states as non-compliance has been an issue due to the costs. Those states which have made efforts to increase the security of state identification have also had deadlines extended. Michigan's new enhanced driver's license complies with the Federal standards.

G2E EARLY BIRD DISCOUNTS EXPIRE OCTOBER 31

Early Bird Discounts for the 2008 Global Gaming Expo (G2E), to be held at the Las Vegas Convention Center in Las Vegas, Nevada, from November 17 through 20, expire on October 31.

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

website.

New this year at G2E is the opportunity for attendees to apply for Express Badges. Expo organizers say the new badges will expedite registration and check in time, thus creating more ease and convenience.

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 if you have any questions about G2E, please visit www.globalgamingexpo.com.