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The MICHIGAN GAMING Newsletter



MICHIGAN TRIBES SHARED \$29.2 MILLION IN 2016

Per a Press Release dated November 2, 2017 issued by the Michigan Gaming Control Board, Native American tribes paid \$29.2 million in gaming-related payments to local governments and revenue sharing boards in Michigan. This revenue sharing occurred during fiscal year 2016, according to a report published by the Michigan Gaming Control Board.

The report, <u>Receipts and Distribution of Indian Casino Revenue by Local Revenue Sharing Boards</u>, includes revenue sharing distributions for each tribe to the local communities. As required by Public Act 268 of 2016, the MGCB prepares the report annually.

The Pokagon Band of Potawatomi distributed \$6 million in payments, which was the largest amount paid by any of the Michigan tribes. Overall, revenue sharing was up 2 percent from fiscal year 2015.

Tribal gaming compacts with the state of Michigan and associated federal court consent judgments require payments to local governments or revenue sharing boards. The revenue sharing amount equals 2 percent of the tribal casinos' net win from slot machines.

Some of the largest revenue-sharing payments of \$1 million or more went to public school districts in Harper Creek, Wayland and New Buffalo.

The participating tribes are:

- Bay Mills Indian Community
- Grand Traverse Band of Ottawa and Chippewa Indians

- Match-E-Be-Nash-She-Wish band of Pottawatomi (Gun Lake Tribe)
- Hannahville Indian Community
- Keweenaw Bay Indian Community
- Lac Vieux Desert Band of Lake Superior Chippewa Indians
- Little River Band of Ottawa Indians
- Little Traverse Bay Band of Odawa Indians
- Nottawaseppi Huron Band of the Potawatomi
- Pokagon Band of Potawatomi
- Saginaw Chippewa Indian Tribe
- Sault Ste. Marie Tribe of Chippewa Indians

Since 1994, Native American tribes operating casinos in Michigan have paid more than \$437 million in revenue sharing payments to local units of government and revenue sharing boards.

SAGINAW CHIPPEWA TRIBE ANNOUNCES CASINO RENOVATION

The Soaring Eagle Casino & Resort, the Saginaw Chippewa Tribe's flagship casino, will undergo a \$26.5 million renovation beginning on January 15, 2018. The project is divided into multiple phases.

The first phase commences on January 15, 2018 and is expected to be completed by April 22, 2018. It will involve relocating the high limit gaming area and developing a new VIP lounge. The current poker room will be temporarily relocated during this first phase of construction. The second phase also commences on January 15 and is expected to be completed by March 11, 2018. It will involve a remodel of the existing Kid's Quest/Cyber Quest area.

Phases two, three and four are planned to commence April 23, 2018. They will involve remodeling the west end of the gaming floor and include adding an enclosed poker room, an enclosed non-smoking gaming area, and a new sports bar and night club. The existing non-smoking area will be transformed into the new "Ascend" sports bar.

Phase six involves updating the current Entertainment Hall and will begin on June 18,

2018. It will upgrade the programmable light elements, acoustics, and adding multiple media panels. The final phase involves the rebranding of the existing sub shop. It will commence July 30 and last for five weeks. More detailed information can be found at Saginaw Chippewa Tribe's press release.

PENNSYLVANIA LEGISLATORS APPROVE MAJOR EXPANSION OF LEGAL GAMBLING

On October 25, 2017, an expansive new gaming bill passed in both the House and Senate in the State of Pennsylvania and was signed into law by the Governor. The new law allows for development of up to 10 "satellite casinos" in the state, legalization of online gaming, adding gaming areas in airports and video gaming terminals at truck stops.

The highlights of the bill include:

Satellite casinos can be created by the larger 12 existing casinos in the state. These smaller casinos will be limited to 750 slots and 30 table games. Bidding for these casinos will start at \$7.5 million for slots only, with an extra \$2.5 million to include table games.

Online gambling will now include both slot and table style games on web platforms operated by existing commercial casinos. The state lottery can now also be played online. This will be permissible on any online device within the state of Pennsylvania once the player passes online age verification.

Airport gaming will be allowed to take place at 8 Pennsylvania airports to include interactive gaming parlors provided by the states existing casinos.

Truck Stop video gaming terminals will be allowed at stops that have 20 or more commercial vehicle spaces, occupy at least 3 acres and have sold 50,000 gallons of diesel fuel in the past year.

Qualifying truck stops will be allowed up to 5 video gaming terminals.

Pennsylvania lawmakers expect the new gambling legislation to produce \$200 million or more annually from casino license fees and taxes on higher gambling losses. This bill was passed as part of a broader package created to assist in diminishing a projected \$2.2 billion state deficit. Pennsylvania is the second largest casino state and will be the fourth state to legalize online gambling.