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BILL SEEKS TO REDUCE CERTAIN CASINO EMPLOYEE BACKGROUND CHECK REQUIREMENTS

On September 15, Representative Steve Tobocman (D-Detroit) introduced House Bill (“H.B.”) 5212 in the Michigan House of Representatives. H.B. 5212 seeks to reduce the pool of Detroit casino employees that are required to undergo background checks before being allowed to work in one of the three Detroit casinos. The proposed legislation seeks to amend the Michigan Gaming Control and Revenue Act to only require criminal background checks of “Gaming Employees”. MCL 432.208b currently requires all prospective employees to undergo these criminal background checks.

Rep. Tobocman’s bill seeks to define a “Gaming Employee” as: (i) an individual who performs auditing or accounting services with regard to gaming revenue; (ii) a boxman; (iii) a cashier; (iv) a change worker; (v) a count room worker; (vi) a dealer; (vii) a floorman; (viii) a casino host or other individual empowered to extend credit or complimentary services; (ix) a keno runner; (x) a keno writer; (xi) a machine mechanic; (xii) an odds maker; (xiii) a security worker; (xiv) a shift or pit boss; (xv) a shill; (xvi) a supervisor or manager; or (xvii) a ticket writer. Thus, under Rep. Tobocman’s plan, certain non-gaming positions, such as cocktail waitresses and custodians would not have to undergo a criminal background check.

H.B. 5212 has been referred to the House Committee on Regulatory Reform for consideration. The Michigan Gaming Control and Revenue Act (the “Act”) was adopted by a voter referendum and, consequently, under Michigan’s Constitution, will require a 3/4 vote of both houses of the Legislature in order for the Act to be successfully amended.

POSSIBLE STATE GOVERNMENT SHUTDOWN MAY CLOSE DETROIT CASINOS

During much of 2007, Michigan's governmental officials have debated how best to address the State's FY 2008 budget deficit, which is projected to be approximately \$1.75 Billion if no cuts or revenue increases are approved.

Michigan Governor Jennifer Granholm has stated that she will veto any attempts to pass a "continuation budget" which would continue state spending at current levels for a period of 30 days to give the Legislature more time to reach a budget agreement. She is insisting on the passage of a tax increase to avoid a shutdown on October 1, the date upon which the new fiscal year begins.

The Mayor of the City of Detroit, however, has stated that he has no intention of shutting down the Detroit casinos, which employ nearly 7,000 people and distribute approximately \$440,000 per day to the City of Detroit in tax revenue. Speaking in today's *Detroit Free Press*, Mayoral press secretary Matt Allen was quoted as saying, "[i]ts thousands of jobs and revenue...[i]f we have to go into violated status or be cited on this that's fine. But we're not shutting the casinos."

Last July, the state of New Jersey closed its commercial casinos due to a governmental shutdown, costing the state approximately \$1.3 million per day in tax revenue.

MICHIGAN OFFICE OF RACING COMMISSIONER TO HOLD HEARING ON RACE DATE APPLICATIONS

On October 8, 2007, the Michigan Office of Racing Commissioner ("ORC") will hold a hearing at 1:00 p.m. at Constitution Hall, 525 W. Allegan, Lansing, Michigan in conference room ConCon A & B regarding the applications filed for the 2008 horse race meeting licenses.

The hearing will give applicants and other interested persons an opportunity to provide information to the ORC regarding the pending race meeting license applications, and the eligibility and fitness of the respective applicants for licensure under the licensing conditions and requirements of the Horse Racing Law of 1995, MCL 431.301 *et seq.*, and the ORC's Administrative Rules.

Following this hearing on October 8, the ORC is expected to announce the final approved race dates on or about October 31, 2007.

SAGINAW CHIPPEWA INDIAN TRIBE ANNOUNCES NAME FOR ITS ARENAC COUNTY CASINO

The Saginaw Chippewa Indian Tribe has announced that its new Class III casino in Arenac County, near the City of Standish, will be named Eagle's Landing Casino. In addition to the new casino, which is currently being built, the Saginaw Chippewa Indian Tribe has also purchased a 50-slip marina on Saginaw Bay, which it has named Eagle's Bay Marina. The marina, which is two miles from the casino, may also be served by a shuttle service to and from the casino.

Tribal spokesmen have indicated that the construction of the Eagle's Landing Casino is on-track, and that the Tribe is expecting to open its new facility by the end of 2007.