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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



NEW OHIO CASINO BALLOT PROPOSAL SUBMITTED

Last Wednesday, sponsors of a proposed plan for four casinos in Cleveland, Columbus, Cincinnati and Toledo, Ohio officially announced a ballot initiative to be included on the November 3, 2009 state-wide ballot. The proposal would seek to amend Ohio's Constitution, which currently prohibits casino gaming.

The plan is backed by the newly-formed "Ohio Jobs and Growth Committee", lead by such figures as Quicken Loans CEO and Cleveland Cavaliers owner Dan Gilbert, former U.S. Congressman and former Mayor of Cincinnati Charlie Luken and Penn National Gaming. Other investors and supporters include the group MyOhioNow, which supported the 2008 casino initiative. That would have allowed for a single casino site in southwest Ohio. The 2008 initiative failed in the November 2008 election, gaining just 37.6% of the vote.

The ballot proposal was submitted to the Ohio Attorney General and is currently awaiting approval before the signatures may begin to be collected from across the state. Petitions containing valid signatures of 402,275 registered Ohio voters must be filed with the Secretary of State by July 1, 2009 in order for the proposal to qualify for the November 2009 election ballot.

"We are confident that Ohio voters will recognize that this is far and away the best and fairest proposal for casino gaming they have been asked to approve," stated Charlie Luken. "We have worked hard to create a proposal that benefits all Ohioans through their local governments and schools, and creates jobs and significant economic development at a time when Ohio's economy is most in need of a boost."

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The proposal includes:

- Authorizes casinos at a designated location in each of the cities of Cleveland, Cincinnati, Columbus and Toledo.
- Mandates that casino developers and operators make a minimum investment of \$250 million in each of the four casino destinations for a total required investment of \$1 billion.
- Requires each casino operator to pay an initial \$50 million licensing fee (in addition to the \$250 million investment) to the state for each of the four casinos.
- Creates an estimated 20,000 new Ohio jobs, including construction and permanent casino position once the facilities are fully operational.

Under the proposal the tax on gross casino revenue would be 33%, which would be distributed based on the following formula:

- 51 percent (an estimated \$306 million each year) to the state's 88 counties, based on population. In counties where the largest city has more than 80,000 in population, half of the county's share would go to those cities – a provision that benefits Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo and Youngstown.
- 34 percent (an estimated \$204 million per year) to public school districts, with the funds distributed by each county to all public school districts based on student population.
- 5 percent (an estimated \$30 million each year) to the casino host cities.
- 3 percent (an estimated \$18 million each year) to an Ohio State Racing Commission fund to help revitalize the state's horse racing industry.
- 3 percent (an estimated \$18 million each year) to fund the operations of the Ohio Casino Control Commission, a bipartisan seven-member commission appointed by the Governor with the advice and consent of the Ohio Senate to regulate casinos and their key employees and to ensure the integrity of casino gaming in Ohio.
- 2 percent (an estimated \$12 million each year) for training opportunities for Ohio's law enforcement community.
- 2 percent (an estimated \$12 million each year) for treatment of problem gambling and substance abuse, as well as related research.

Historically, previous attempts to amend Ohio's Constitution and legalize casino gaming in the state of Ohio have failed in 1990, 1996, 2006 and most recently in 2008.

Currently, Ohio's gaming industry includes a state lottery and horse wagering. The state does not have any Native American owned casinos or state authorized electronic gaming.

For more information regarding the Ohio Jobs and Growth Committee, please visit: www.ohiojobsandgrowth.org.

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MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES FOR FEBRUARY 2009

Last Tuesday, the Michigan Gaming Control Board (MGCB) released the February, 2009 total adjusted revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino. Overall, revenue was up 4.11 percent from the same reporting period last year and up 9.4 percent from January 2009. Specifically, revenue for MGM Grand, MotorCity Casino and Greektown casinos were up by 5.17%, 4.37% and 1.88% respectively, in comparison to the same month last year.

Month in 2009	Total Adjusted Revenue 2009					
	MGM Grand Detroit	MotorCity Casino	Greektown Casino	All Detroit Casinos		
	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Revenue	Total Adjusted Gross Receipts	Total State Wagering Tax	Total Detroit Wagering Tax
January	\$45,760,680.80	\$36,824,138.17	\$24,331,489.11	\$106,916,307.76	\$9,633,480.49	\$11,897,192.47
February	\$49,452,574.79	\$40,001,069.14	\$27,507,991.91	\$116,961,635.84	\$10,574,212.18	\$9,099,898.23
Total	\$95,213,255.27	\$76,825,207.31	\$51,839,481.02	\$223,877,943.60	\$20,207,692.67	\$20,997,090.70

The figures do not include: 1) the City of Detroit portion of the wagering tax; 2) wages and benefits paid to casino employees; and 3) payments to suppliers, service providers or vendors.

For Greektown Casino, the State of Michigan's share of the wagering tax is 12.1% and the City of Detroit's share is 11.9%, for a total tax of 24%. This 24% tax historically applied to all three Detroit casinos.

MGM Grand Detroit and MotorCity Casino have received a tax base reduction certification as a result of their facilities being declared "fully operational" by the MGCB. These properties are now subject to a wagering tax of 19%, with a 10.9% of this levy to go to the City of Detroit and 8.1% to be paid to the State of Michigan.