

GAMING LEGAL NEWS



June 14, 2012 • Volume 5, Number 14

GAMING LEGAL NEWS EDITORIAL BOARD

Robert W. Stocker II, Gaming Law
517.487.4715 • rstocker@dickinsonwright.com

Dennis J. Whittlesey, Gaming Law/Indian Law
202.659.6928 • dwhittlesey@dickinsonwright.com

Michael D. Lipton, Q.C., Gaming Law
416.866.2929 • mdliptonqc@dickinsonwright.com

Peter H. Ellsworth, Gaming Law/Indian Law
517.487.4710 • pellschw@dicinsonwright.com

Peter J. Kulick, Gaming Law/Taxation
517.487.4729 • pkulick@dickinsonwright.com

Kevin J. Weber, Gaming Law
416.367.0899 • kweber@dickinsonwright.com

GAMING WEB SITES OF INTEREST

www.indianz.com
www.pechanga.net
www.indiangaming.org
www.nigc.gov
www.michigan.gov/mgcb
www.gaminglawmasters.com
www.casinoenterprisemanagement.com
www.ggbmagazine.com

Disclaimer: Gaming Legal News is published by Dickinson Wright PLLC to inform our clients and friends of important developments in the fields of gaming law and federal Indian law. The content is informational only and does not constitute legal or professional advice. We encourage you to consult a Dickinson Wright attorney if you have specific questions or concerns relating to any of the topics covered in Gaming Legal News.

MICHIGAN GAMING CONTROL BOARD FORMALLY VESTED WITH OVERSIGHT OF CHARITABLE POKER

On April 11, 2012, Michigan Governor Rick Snyder signed Executive Order 2012-4, which transfers regulatory oversight of "millionaire parties" from the Michigan Bureau of Lottery to the Michigan Gaming Control Board (MGCB). The Michigan Legislature had 60 days from then to reject the Executive Order. At the MGCB meeting held on June 12, Executive Director Richard Kalm announced that the Executive Order became effective on June 11.

The Executive Order may lead to changes in the regulatory oversight of "millionaire parties." "Millionaire parties" are broadly defined in Michigan's Traxler-McCauley-Law-Bowman Bingo Act as charitable gaming activities that include "an event at which wagers are placed upon games of chance customarily associated with a gambling casino ..." The use of millionaire parties to conduct poker and blackjack tournaments hosted at bars and other establishments across the state of Michigan has rapidly expanded in recent years. The Executive Order now affectively gives the MGCB regulatory oversight over these "charitable" poker and blackjack events.

CASINO INDUSTRY GROWS IN CHILE

by Carlos A. Fonseca Sarmiento (Varela & Fonseca Abogados)

The new casino industry in Chile started with Law N° 19995 of 2005. Between 2005 and 2008, 18 gaming licenses (the maximum quantity allowed by the law) were granted.

In 2011, 15 of the 18 authorized casinos were operating. These casinos are located in the cities of Antofagasta, Calama, Copiapo, Rinconada, San Antonio, Santa Cruz, Mostazal, Talca, Pinto, Talcahuano, Los Angeles, Temuco, Valdivia, Osorno, and Punta Arenas. In April and May of 2012, casinos in the cities of Coyhaique and Castro initiated their operations. However, the other casino, which is authorized to operate in the city of Ovalle, is not being opened by the company that obtained the license. This means that there is a vacancy for a gaming license. The Casino Gaming Superintendence of Chile must initiate a new process to choose an operator for the gaming license in the first two months of 2013.

The Casino Gaming Superintendence recently issued an operating report for year 2011. The report indicated that the 15 casinos that

are operating have been operating a total of 8,705 slot machines. The main manufacturers are Bally (18.9%), WMS (18.6%), Spielo (18.4%), IGT (16.9%), and Aristocrat (10.6%). The biggest casino is the Monticello Grand Casino in the city of Mostazal with 1,607 slot machines and 83 gaming tables.

The gross income obtained by the casino industry in Chile in the 2011 calendar year was \$515,000,000 US, representing a significant increase over 2010 (\$317,000,000 US) and 2009 (\$220,000,000 US). It is anticipated that income from the operation of the casinos will continue to increase.

DETROIT CASINOS' MAY 2012 AGGREGATE REVENUES SLIGHTLY DECREASE COMPARED TO SAME MONTH LAST YEAR: MICHIGAN GAMING CONTROL BOARD RELEASES MAY 2012 REVENUE DATA

by Ryan M. Shannon

The Michigan Gaming Control Board ("MGCB") released the revenue and wagering tax data for May 2012 for the three Detroit, Michigan, commercial casinos. The three Detroit commercial casinos posted a collective 1.4% decrease in gaming revenues compared to the same month in 2011. Aggregate gross gaming revenue for the Detroit commercial casinos also decreased by approximately 4.0% in May compared to April 2012 revenue figures, continuing a trend of similar decline from April to May in prior years.

MGM Grand Detroit posted slightly increased gaming revenue results for May 2012 as compared to the same month in 2011, with gaming revenue increasing by just over 1%. MGM Grand Detroit continued to maintain the largest market share among the three Detroit commercial casinos and had total gaming revenue in May 2012 of over \$51.7 million. MotorCity Casino had monthly gaming revenue of nearly \$37 million and posted a greater than 4.7% decrease in revenues in May 2012 compared to May 2011. Greektown had gaming revenue exceeding \$29.7 million, with a slight decrease in May 2012 revenues of less than 1.1% compared to the same month in the prior year.

The revenue data released by the MGCB also included the total wagering tax payments made by the casinos to the State of Michigan. The gaming revenue and wagering tax payments for MGM Grand Detroit, MotorCity Casino, and Greektown Casino for May 2012 were:

Casino	Gaming Revenue	State Wagering Tax Payments
MGM Grand Detroit	\$51,719,743.97	\$4,189,299.26
MotorCity Casino	\$36,964,111.37	\$2,994,093.02
Greektown Casino	\$29,720,467.91	\$2,407,357.90
Totals	\$118,404,323.25	\$9,590,750.18

Ryan Shannon is an associate in Dickinson Wright's Lansing office. He can be reached at 517.487.4719 or rshannon@dickinsonwright.com.