

CASINO DEVELOPMENT PROHIBITION ON DETROIT'S EAST RIVERFRONT



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FISCAL ANALYSIS

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HOUSE BILL 4271 AS INTRODUCED

Sponsor: Rep. Hansen Clarke

House Committee: Gaming and Casino Oversight

COMMITTEE ANALYSIS - 4/23/02

Analyst(s): Steve Stauff

SUMMARY

House bill 4271 would amend the Michigan Gaming Control and Revenue Act to prohibit the issuance or renewal of a license for a casino or casino enterprise in the area of the City of Detroit bounded by the Renaissance Center, East Jefferson Avenue, East Grand Boulevard, the Douglas MacArthur Bridge, and the Detroit River. This bill would not take effect unless approved by the voters of the City of Detroit at the next regular election to be held at least 60 days after the effective date of this bill or at a special election called by the Detroit City Council.

The bill would provide further limitations as to where a casino or casino enterprise may locate. To not issue or renew a casino license may affect wagering tax revenue due the City of Detroit and the State of Michigan. In calendar year 2001 the three Detroit casinos had combined adjusted gross revenues of just over \$1.0 billion. The City of Detroit receives 9.9%, or approximately \$99.0 million of the 2001 adjusted gross revenues and the State of Michigan receives 8.1%, or approximately \$81.6 million. These casino wagering tax revenues fund K-12 public education in Michigan, and capital improvement, youth programs, and tax relief in the City of Detroit.

This bill may cause an indeterminate loss of revenue to both the state and the City of Detroit government.