

Legislature can't gamble on issue

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Now that the House Regulatory Reform Committee has unanimously approved a compact between Gov. Jennifer Granholm and the Gun Lake Tribe that outlines how the tribe will share with the state its gaming profits from its proposed new casino, it's up to the Michigan Legislature to grant its final approval.

There may be some local legislators who feel compelled to stand in the way of the compact's approval because of their personal opposition to expanded gaming. Such a position ignores, however, some key facts. It appears that Congress will approve the tribe's request to have its land set aside in trust. When that status is granted, any income generated on that land is exempt from taxation. A compact is the only way the state and local government can ensure a slice of the money the tribe's casino will likely generate. Under the compact, the state would get a minimum 8 percent of the proposed casino's take from slot machines, and local government would get 2 percent.

How much money are we talking about? Right now, the Match-e-be-nash-she-wish Band of Pottawatomi Indians pays \$30,000 a year in property taxes. That will be nothing compared to the 2 percent of the casino's take that could be flowing into Allegan County's coffers with an approved compact, money that county needs.

To get an idea of how much money we could be talking about, let's take a look at what the Saginaw Chippewa Tribe in Mount Pleasant pays to local government in its semi-annual 2 percent distributions from the profits it

generates at the Soaring Eagle Casino.

Last month, the Saginaw Chippewa Tribe paid \$3.6 million to local government. At twice a year, that's \$7.2 million going to local coffers beyond what is already collected in taxes from Isabella County residents. If \$7.2 million is just 2 percent of the tribe's net from slot machines, that means the slots alone at the Soaring Eagle Casino are netting \$360 million a year. Given the table games available at the casino, and the four-diamond hotel it operates, the Saginaw Chippewa Tribe's casino enterprise is generating probably \$700 million a year for the tribe and its members.

The Gun Lake Band's casino will likely generate much less than the Soaring Eagle, which is the largest Indian-run casino in the country. And estimates of what it might distribute coming from the Gun Lake Band initially appear to be overly optimistic. But if local government in Allegan County gets even just \$1 million per year, that's a lot of money the county could use for a new jail, roads, law enforcement and infrastructure -- all of which will be directly impacted by a casino's presence at Gun Lake.

To be sure, it won't be all roses for Allegan County when a casino opens at Gun Lake. Increased crime and substance abuse are obvious outcomes, but there will also be increased traffic on the county's roads and increased demand on the county's services. Wise use of the 2 percent money going to local government can address these issues if local officials can resist spending the cash flow on items that do nothing to help the county meet the increased demands it will face.

The tribe, also, can help head off some of the anticipated problems. By reinvesting the casino's profit into the tribe's operations and services, rather than paying it out in per capita payments to individual tribe members, the Gun Lake Band can avoid creating an unmotivated class of residents who will look at per capita payments as an income source allowing them to avoid having to get a job or even an education.

It is clear the Gun Lake Band is moving forward with its plans for a casino in Allegan County. It is now time for the Legislature to ensure that both the state and local government will be able to share some of the windfall.

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