



# The Saginaw Chippewa Indian Tribe of Michigan

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December 7, 2021

Roger Hauck  
Regulatory Affairs Committee  
Michigan House of Representatives  
372 Capitol Building  
Lansing, MI 48933

**RE: SB396 & 397**

Dear Chair Hauck:

I am writing on behalf of the Saginaw Chippewa Indian Tribe of Michigan in opposition to SB396 and SB 397.<sup>1</sup> Both proposed laws are unconstitutional and would add additional casino games to an already saturated gaming market resulting in the loss of jobs and revenues to the State of Michigan.

The United States' Indian removal and reservation policies of the eighteenth and nineteenth centuries resulted in vast land cessions by the Saginaw Chippewa Indian Tribe of lands comprised of nearly the entire eastern half of the lower peninsula. As a result, the Tribe currently resides on an Indian Reservation a fraction of the size of its original territory and relies on revenues from its gaming operations to fund its government and services. In 1993 the Tribe entered a compact with the State of Michigan for the operation of its gambling enterprises on its Reservation. The Tribe employs approximately 3,000 people in Isabella County and 400 in Arenac County. The revenues from the Tribe's casinos are used exclusively to fund the Tribe's governmental services and programs including: Tribal police, Tribal fire, social services, behavioral health and treatment services, a school and elder's facility and much more. In addition, the Tribe has paid approximately \$270 million of its gaming revenues to local units of government since the Tribe began gaming operations under its 1993 Compact. Those funds are used by subdivisions of state government to support fire departments, schools, community health and other essential services. Given the already saturated gaming market, if passed this legislation will cannibalize the gaming market and reduce our gaming revenues by millions of dollars. This reduction will cause a corresponding negative impact in programs and services to our members and surrounding community. It will also cause a reduction in our payments to local governments to the detriment of services provided to their citizens and communities.

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<sup>1</sup> While not the subject of this letter, the Tribe also opposes SB 398 and SB 399 as they are ancillary to the legislation discussed in this letter.

Finally, both bills would violate Article IV, Section 41 of the Michigan Constitution. The games authorized in the legislation are new forms of gambling subject to a vote of in the state and community in which the game is located.

Article 4, Section 41 of the Michigan Constitution provides:

The legislature may authorize lotteries and permit the sale of lottery tickets in the manner provided by law. No law enacted after January 1, 2004, that authorizes any form of gambling shall be effective, nor after January 1, 2004, shall any new state lottery games utilizing table games or player operated mechanical or electronic devices be established, without the approval of a majority of electors voting in a statewide general election and a majority of electors voting in the township or city where the gambling will take place. This section shall not apply to gaming in up to three casinos in the City of Detroit or to Indian Tribal Gaming.

This Constitutional amendment was passed by voter referendum in 2004 in response to proposals made, at that time, by gaming interests and horse tracks to legalize similar gaming machines at their facilities. The type of machines proposed by this legislation are slot machines similar to the type of machines that precipitated the Constitutional referendum provision.

Simply put, the proposed legislation would essentially create "racinos" in Michigan by allowing the operators to install machines that do not pass the slot machine smell test. The only difference between a slot machine and the machines proposed is what happens when you push the bet button. For a slot machine, the machine operates on a random number generator, and the bettor wins or loses based on which number comes up at the time. For a racetrack machine, the machine operates on past results of horse races, assigns the bettor a horse in a race, and whether you win depends on how the horse assigned to the bettor fared in the race. A video lottery terminal is an electronic game of chance which is based on random selection in substantially the same manner as a slot machine. In all instances, the bettor is playing against the house, not against other players, there is no element of skill and the machines essentially operate in the same way. For all intents and purposes, the machines appear one and the same to patrons. The bills currently under consideration are a cynical attempt to bypass the clear unmistakable intent of the citizens to control the very type of new gaming expansion in the state allowed under this proposed legislation. I urge your Committee to reject these bills and leave these decisions to the voters.

Sincerely,



Tim J. Davis, Tribal Chief  
Saginaw Chippewa Indian Tribe of Michigan

**HISTORIC HORSE RACING MACHINE (HHR)**



# VIDEO LOTTERY TERMINAL





# CASINO SLOT MACHINE

