

# The Indiana Casino Gaming News

A regular update of issues regarding Indiana casinos

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## Casino Quick News

- Plans for a new casino to be located approximately 10 miles from the existing Blue Chip Casino in Michigan City are back on track. A judge's ruling gave the Pokagon Band of the Potawatomi Indians a green light to continue with plans to study the impact of a casino on the New Buffalo, Michigan area. As a land-based casino, the competition with Northwest Indiana casinos is expected to be great. As well, the casino would not be subject to the same U.S. Coast Guard regulations faced by Indiana casinos.

## Star Employees Shine at Horseshoe Awards

Denise Voss could probably tell you just about anything you'd like to know about the Hammond Casino. She's been an employee since the casino opened its doors to the public nearly nine years ago.

But the first thing the Cage Supervisor will tell you, without hesitation, when asked why she enjoys working at Horseshoe is this: "I just love my job."

The Hammond resident was recently named Horseshoe's 2004 Leader of the Year. "This is the best day of my life, and I will remember it always," Voss told attendees during a lavish dinner banquet held at The Center for Visual & Performing Arts in Munster. "Being recognized for something that you love to do is a great honor."

"Nothing Oprah could give to me could compare to this," added



Pictured above (from left to right) are Anthony Sanfilippo, Central Division President; Denise Voss, Leader of the Year; David Carroll, Division Vice President of Human Resources; and Rick Mazer, Senior Vice President & General Manager.

Voss, who received an exquisite glass trophy and a monetary bonus.

Other Leader of the Year finalists

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## Harrah's East Chicago Changes Hands

In April, the Indiana Gaming Commission gave final approval to the sale of Harrah's East Chicago Casino. The sale of the property was spurred by the acquisition of Caesars-owned properties by Harrah's, resulting in Harrah's owning 3 properties within the state of Indiana. According to state law, companies may only own two properties, so Harrah's made the difficult decision to retain Caesars Indiana on the Ohio River and Horseshoe Casino in Hammond (a previously owned Harrah's property) and sell the Harrah's facility located in East Chicago.

To facilitate the transfer of the

East Chicago license, a temporary shutdown was scheduled for early in the morning on April 26th. After that short hiatus, Colony Capital Properties reopened the casino as a Resorts International property, under the new name—Resorts East Chicago.

For now, the facility will retain its image and much of the day-to-day operations will be as before. There are several behind-the-scene changes that will take place, however. Joe DeRosa will be the new General Manager of the facility. He left Resort's Las Vegas Hilton to join the East Chicago group.

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## Harrah's East Chicago Changes Hands

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Michael St. Pierre, outgoing General Manager of Harrah's East Chicago, will remain with Harrah's as a regional president responsible for the company's Horseshoe branded properties in Mississippi and Louisiana.



## Three States Considering Move to Legalized On-Line Gambling

In a move that many people consider rather surprising, three states are actually considering legislation to legalize gaming through on-line computerized means. Currently, federal legislation (The Wire Act of 1961) prohibits gambling through the use of telephones to place sports bets. Federal legislators have worked for decades to update the law to reflect current technological advances, but the legislation has not ever become law.

Legal experts have advised states interested in legalizing on-line gaming that the existing law does not specifically ban casino

style games, so the legislation they are hoping to advance is legal. Based on this, lawmakers are confident in their legislation and are willing to defend it in court proceedings.

The three states, North Dakota, Illinois and Georgia, all see large potential revenue growth from the legalization of on-line gambling. In an article printed in USA Today, North Dakota state Representative Jim Kasper (R-Fargo) stated that "No one wants tax increases. This is a legitimate revenue maker." He also indicated that legalized Internet poker could net millions of dollars through taxes and fees. The

fight could be rather difficult however, as North Dakota's Constitution would need to be amended to allow legalized gaming through the Internet.

Officials in Illinois are considering legislation to allow the sale of lottery tickets through the computer. Georgia lawmakers have also considered similar legislation.

On a related note, Great Britain is slowly moving to allow their land-based casinos to take on-line bets from American citizens. Current rulings do not allow such activity and any move on their part would be closely watched by the World Trade Organization.

## Kentucky Can Expand Gaming Without Amending Constitution

In a recent decision from Kentucky's Attorney General, he reversed previous opinions from four predecessors to find that legislators can expand gambling without amending the state's constitution. Such action would make the addition of casino-style gambling in Kentucky much easier for supporters.

Several years ago, when Kentucky implemented its state lottery system, the constitution was amended to allow the existence of the lottery. Until this recent ruling, previous Attorneys General have

determined that the constitutional amendment only allowed lotteries and pari-mutual wagering, not other forms of gambling.

Legislators have attempted for a few years now to implement slot machines at race tracks within the state, but the legislation has not made it to the final stages of approval. It is expected, however, that the issue will surface again in the 2006 legislative session of the Kentucky General Assembly. Supporters also acknowledge that while a constitutional amendment may not be required, it may be the

most palatable way to change the law. The constitutional change would require approval of Kentucky voters and would tend to garner support over other proposals.

Key lawmakers who support additional gaming within the state see it as a large revenue maker. It is estimated that they are losing \$400 million a year in tax revenue.

Kentucky's Governor, Ernie Fletcher, has maintained a neutral position on the issue but wants to ensure that any expansion be fairly implemented and regulated by the state.





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### MESSAGE FROM THE DIRECTOR:



The 2005 session of the Indiana General Assembly took some giant steps in creating jobs and economic development in Indiana.

One of the more important decisions they made was to do nothing to a very small group of the largest taxpayers in Indiana, the casinos. For the first time anyone can remember, the casinos didn't face increased taxation. This act in itself will encourage gaming companies that have the ability to deploy capital around the world to look at Indiana. Even though Indiana is the second highest taxing commercial gaming state, by not raising taxes on the casinos state government has sent a message that the environment for business is getting better. We thank them.

*Mike Smith*, Executive Director

## Commercial Casino Tax Revenue By State

Commercial casinos paid states and municipalities \$4.32 billion in direct gaming taxes in 2003. Tax collections were up in most states, ranging from 8% increases in Illinois and Nevada to a 29% increase in Indiana. Three states experienced drops in tax revenue.

