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GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

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**DATE:** May 13, 2009  
**TO:** Assessors and Equalization Directors  
**FROM:** State Tax Commission  
**SUBJECT:** Assessment of Indian Gaming Facilities

The purpose of this memorandum is to provide guidance to assessors to assist in valuation of Indian Gaming Facilities. Specific provisions in the Tribal/State Class III Gaming Compacts and the related Stipulation for Entry of Consent Judgment (1993 Compacts) require the Tribes to disburse 2% of net win at each casino derived from all class III electronic games of chance, to local units of state government or local revenue sharing boards. The Class III Gaming Compacts and related Stipulation for Entry of Consent Judgment require that each local unit of government shall receive no less than the amount equivalent to its share of ad valorem property taxes that would otherwise be attributed to the Class III Gaming facility if that site were subject to such taxation. It is important that each of these properties have an appropriate assessment.

The Commission offers the following guidance to assessors in the valuation of these facilities:

1. Assessors with Indian Gaming Facilities in their local unit should contact Mr. David Hicks with the Michigan Gaming Control Board at 517-241-1659 so that arrangements can be made to gain access to the facility.
2. Assessments of these facilities can be done by the local assessor, the County or by contract with a properly certified assessor.
3. Assessors are reminded that these facilities are to be valued in the same manner as other facilities and assessors must use the State Tax Commission manual in their valuation.
4. In order to ensure that the local units of government are receiving the proper amount, assessors should account for these properties on a current true cash value basis to maintain an accurate property value.
5. The Compacts and Stipulation for Entry of Consent Judgment require an ad valorem assessment of the real property that comprises the "class III gaming facility", including the building and the land on which the building is situated. Class III Gaming Facilities are minimally defined for assessment purposes as the "integrated class III gaming facility" e.g. the various components that exist as a single structure ("under one roof"). This definition is not necessarily binding on a Tribe or Local Revenue Sharing Board, but is intended only as guidance to assist assessors in the proper assessment of a Class III Gaming Facility under the terms of a Compact or Stipulation.