

Thank you Representative LaFave and members of the Committee for the opportunity to address this Hearing.

Before I begin let me introduce myself: My Name is Tim Poxson from the American Legion Department of Michigan, and I am its Legislative Chair for the American Legion members across the great State of Michigan. I want to further state that the statement I am about to make is not meant to blindside any member of this committee or Representative Lafave the author of this bill or its supporters. And to clarify the attachments to the handouts I have given to the clerk and each member of the committee are from documents provided by the Michigan Gaming Commission. I will not be going over each one, but we hope they will educate the members as to what the Veteran groups net is from the pull tab program.

However, we are opposed to HB 4908 and its substitute bill for the following reasons.

1. It will cut the net profit to our Veteran groups. 30% as opposed to the 60% they should now get. We already get about 15% because the 60% the State talks about is Gross and not net, we must pay all the expenses out of the gross.
2. It will have the 50% (that number is really 30%) the National Guard Association of Michigan.
3. The Department of Treasury will set up a Veterans Fund to be administered by the Department of Treasury.
4. Any amount more than \$3,000,000.00 in a fiscal year will be allocated as follows.
5. to reimburse the local taxing units that bear the loss of revenue by the disabled veteran tax exemption.
6. 6. any remaining funds to be distributed to the county veterans' affairs offices. And this bill does so without any outside input from any veteran service groups or the MVAA, the Department of Treasury will have full and final authority over the funds.

Let me go into more detail, for example the Veteran groups now do not net 60% this is only Gross. Say for example the gross on a game is \$2,400.00, the Veteran

group pays out \$1,800.00 in prizes, the Veteran group pays for the tickets \$240.00 and the net to the Veteran Group will be \$360.00.

Under the new bill Veterans groups will get only 30% because that is the remaining percent after gaming gets 40% and the State treasury will get 30%. So, if Gross cost remains the same at a total of \$1,800.00 in prizes and cost of tickets remain at about \$240.00 then the Veteran group will only have a net gain under this bill get \$180.00. The Veteran groups now must hand count the tickets and the payouts and put it in a written form as required by the Bureau, even though this information is available from the ticket dispensing machine generated report. This process alone takes a person assigned to come into the Post Home at least once a day to stay on top of this report as at any time the Bureau can audit the pull tab program.

Furthermore, the funds from the pull tabs may or may not exceed \$3,000,000.00 in any one fiscal year so the benefit to the other listed groups may be nothing or very little.

Furthermore, our Veteran Groups that have these pull tabs use a large percent of the money to give back to the community they are located in, such as local schools, disabled nonveteran groups, veterans in a time of need, and others as the need arises. All added up across the state this would be millions of dollars that are put back into the local communities by our veteran groups not just from this fund but from other funds they raise though out the year. So, I must ask, is this bill trying to take the place of the good work done by all the Veteran Service Organizations across the State? And the good and hard work of the DMVA and the MVAA?

I am here today also to make it clear that the Veteran Service Organizations throughout the State will work with anyone that wants to further veteran causes. We would ask that the chair and members of this committee and any member of the House or Senate contact us to get our input on bills that will directly or indirectly affect our veteran community. We may not always agree in the end, but at least you can get our input. We have earned that right by our military service to our country.

Respectfully Tim Poxson Legislative Chair American Legion Department of Michigan

With the Chairs approval I would be happy to take any questions?

**MICHIGAN**

# **BUCK SHOT™**

**Each deal contains**

**2,400 tickets at \$1.00 per ticket**

<b>3 winners @ \$250.00.....</b>	<b>\$750.00</b>
<b>2 winners @ \$100.00.....</b>	<b>\$200.00</b>
<b>3 winners @ \$ 50.00.....</b>	<b>\$150.00</b>
<b>5 winners @ \$ 15.00.....</b>	<b>\$75.00</b>
<b>15 winners @ \$ 5.00.....</b>	<b>\$75.00</b>
<b>100 winners @ \$ 2.00.....</b>	<b>\$200.00</b>
<b>350 winners @ \$ 1.00.....</b>	<b>\$350.00</b>

**Winning ticket ratio:**

**1 out of 5.04 tickets**

**For every box you sell...**

<b>You take in.....</b>	<b>\$2,400.00</b>
<b>You pay out in prizes .....</b>	<b>\$1,800.00</b>
<b>You pay for tickets.....</b>	<b>\$240.00</b>
<b>Your net profit.....</b>	<b>\$360.00</b>

**Game Security:**

**Winning prize amount in yellow on black box is printed to the left in window on winning tickets.**

**For your convenience, the tickets in this box have been pre-counted into bundles of 50.**



**Each deal contains**

**2,400 tickets at \$.50 per ticket**

<b>3 winners @ \$100.00.....</b>	<b>\$300.00</b>
<b>2 winners @ \$ 40.00.....</b>	<b>\$80.00</b>
<b>2 winners @ \$ 15.00.....</b>	<b>\$30.00</b>
<b>8 winners @ \$ 5.00.....</b>	<b>\$40.00</b>
<b>30 winners @ \$ 2.00.....</b>	<b>\$60.00</b>
<b>390 winners @ \$ 1.00.....</b>	<b>\$390.00</b>

**Winning ticket ratio:**

**1 out of 5.5 tickets**

**For every box you sell...**

<b>You take in.....</b>	<b>\$1,200.00</b>
<b>You pay out in prizes .....</b>	<b>\$900.00</b>
<b>You pay for tickets.....</b>	<b>\$120.00</b>
<b>Your net profit.....</b>	<b>\$180.00</b>

**Game Security:**

**Winning prize amount in yellow on black box is printed to the left in window on winning tickets.**

**For your convenience, the tickets in this box have been pre-counted into bundles of 50.**



Takes In: \$2,400.00 per deal (2,400 tickets @ \$1.00 each)  
Pays Out: \$1,800.00 per deal  
Gross Profit: \$600.00 per deal  
% Payout: 75.00% per deal  
% Profit (Net): 15.00% per deal  
Winning Ticket Ratio: 1 in 5.01 per deal

**Each deal contains:**

3	winner	@	\$ 300.00	=	\$ 900.00
3	winners	@	\$ 75.00	=	\$ 225.00
3	winner	@	\$ 20.00	=	\$ 60.00
5	winner	@	\$ 10.00	=	\$ 50.00
100	winner	@	\$ 2.00	=	\$ 200.00
365	winner	@	\$ 1.00	=	\$ 365.00

**Game Security:**

1. Checkered bars through symbols indicate winning combinations.
2. Winning prize amount in yellow box is printed to the left in random window on winning tickets.

**For your convenience, the tickets in this box have been precounted into bundles of 50.**



Takes In: \$4,368.00 per deal (2,184 tickets @ \$2.00 each)  
 Pays Out: \$3,260.00 per deal  
 Gross Profit: \$1,108.00 per deal  
 % Payout: 74.63% per deal  
 % Profit (Net): 15.22% per deal  
 Winning Ticket Ratio: 1 in 4.25 per deal

<u>Number Of Tickets</u>	<u>Prize Amount</u>	<u>Winning Combination</u>
3	\$200.00	(2) Slot Machine + Bar
2	\$150.00	(2) Slot Machine + Bell
1	\$110.00	(2) Slot Machine + Orange (2) Slot Machine + Plum
1	\$100.00	(2) Slot Machine + Orange
7	\$20.00	(2) Slot Machine + Plum (2) Slot Machine + Plum
5	\$14.00	(2) Slot Machine + Plum (2) Slot Machine + Cherry
100	\$10.00	(2) Slot Machine + Plum
30	\$6.00	(2) Slot Machine + Cherry (2) Slot Machine + Cherry
15	\$4.00	(2) Slot Machine + Cherry (2) Slot Machine + Cherry
350	\$2.00	(2) Slot Machine + Cherry

456 tickets with 1 winner each = 456 winners  
 23 tickets with 2 winner each = 46 winners  
 35 tickets with 3 winners each = 105 winners  
 514 winning tickets = 607 winners

**Game Security:**

1. Red bars through symbols indicate winning combinations.
2. Black captions indicating the total prize amount won are printed to the left in random windows on all winning tickets.

**For your convenience, the tickets in this box have been precounted into bundles of 50, with one partial bundle of 34 tickets.**



Takes In: \$6,000.00 per deal (1,200 tickets @ \$5.00 each)  
Pays Out: \$4,625.00 per deal  
Gross Profit: \$1,375.00 per deal  
% Payout: 77.08% per deal  
% Profit (Net): 13.75% per deal  
Winning Ticket Ratio: 1 in 3.52 per deal

<u>Number Of Tickets</u>	<u>Prize Amount</u>	<u>Winning Combination</u>
3	\$500.00	(2) Eagles
3	\$100.00	(2) Elk
10	\$40.00	(2) Bears
35	\$15.00	(2) Turkeys
90	\$10.00	(2) Porcupines
200	\$5.00	Any Other 2 Same Animals

**Game Security:**

Black captions in yellow box indicating the total prize amount won are printed in either top or bottom window on all winning tickets.

**For your convenience, the tickets in this box have been precounted into bundles of 50.**



Takes In: \$2,400.00 per deal (2,400 tickets @ \$1.00 each)  
Pays Out: \$1800.00 per deal  
Gross Profit: \$600.00 per deal  
% Payout: 75.00% per deal  
% Profit (Net): 15.00% per deal  
Winning Ticket Ratio: 1 in 5.32 per deal

**Each deal contains:**

4 winners	@	\$ 200.00	=	\$ 800.00
3 winners	@	\$ 100.00	=	\$ 300.00
2 winners	@	\$ 50.00	=	\$ 100.00
2 winners	@	\$ 10.00	=	\$ 20.00
10 winners	@	\$ 5.00	=	\$ 50.00
100 winners	@	\$ 2.00	=	\$ 200.00
330 winners	@	\$ 1.00	=	\$ 330.00

**Game Security:**

1. Winning prize amount in yellow box is printed to the bottom in random windows on winning tickets.

**For your convenience, the tickets in this box have been precounted into bundles of 50.**