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The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN LEGISLATIVE UPDATE

Bills Introduced to Create System to Intercept Winnings of Patrons Who Owe Child Support

On Thursday, May 1, 2014, House Bills (“HB”) 5508 and 5509, measures that seek to create and administer an electronic system to intercept casino winnings of those individuals that owe past due child support, were introduced in the Michigan House of Representative by Rep. Dale Zorn (R-Ida) and Rep. Peter MacGregor (R-Rockford), respectively. HB 5508 is tie-barred to HB 5509.

HB 5508 would require the Michigan Office of Child Support to “coordinate with the State Department of Treasury in the development of notices and administration of a secure, electronically accessible registry containing information regarding individuals who are obligated to support a child and who owe past due support to intercept winnings...”

HB 5509 would amend the Michigan Gaming Control and Revenue Act to add a new Section 9E, which would, in turn, require a casino licensee to intercept patron winnings to pay past-due child support and further cooperate with the Department of Human Services (“DHS”) to implement such a system. Under this system, a casino licensee would be required to run patron information through the aforementioned registry before paying winnings in an amount equal or greater than the amount for which the licensee is required to file a Form W-2G or substantially equivalent form with the IRS. If the winning patron is listed in the registry, the DHS has a claim on the subject winnings in the amount of the past due child support, and the casino licensee is required to pay this amount to DHS. After receiving notice, an affected patron has a right to DHS review of the intercepted amounts.

HB 5509 also provides that the chairperson of the Michigan Gaming Control Board “shall attempt to enter into an agreement with each Indian Tribe that conducts gambling games in this state for the Tribe to voluntarily intercept winnings to pay past due [child] support.”

Both of these bills have been referred to the House Committee on Families, Children and Seniors. HB 5508 and HB 5509 can be reviewed at the following links to the Michigan Legislature website: [HB 5508](#); [HB 5509](#)

FOUR CHARGED WITH FELONY VIOLATIONS OF MICHIGAN GAMING CONTROL AND REVENUE ACT

On Tuesday, April 29, 2014, the Michigan Gaming Control Board (“MGCB”) issued a press release stating that the Michigan State Police (“MSP”) Gaming Unit, working together with the Michigan Attorney General’s Office and the MGCB, has charged four persons with multiple felony violations of the Michigan Gaming Control and Revenue Act (the “Gaming Act”) in connection with an ongoing investigation of gambling activities alleged to have occurred at the Shamrock Internet Café in Genesee Township.

According to the release, on November 18, 2013, the MSP executed a search warrant at the location—which also serves as the home of Lucky’s Poker Room, Lucky’s Bingo Hall, and Shamrock’s Tavern. That search allegedly resulted in the seizure of computer-based, slot machine games. Also, according to the press release, the subsequent MSP investigation of the establishment revealed that Lucky’s Poker Room’s owners and/or agents were allegedly engaged in illegal gambling and fraudulent activities.

On November 26, 2013, the MGCB suspended all charitable poker and gaming at the location. And, as a further result of the investigation, four individuals were arraigned during the month of April 2014 on multiple felony violations of the Gaming Act.

MGCB Executive Director Rick Kalm stated that “[t]his is one more example of illegal gambling

being conducted in and amongst what is purported to be charitable gaming.” Accordingly, Attorney General Bill Schuette vowed to prosecute “anyone who is involved in illegal gambling.”

UPCOMING EVENTS

SOUTHERN GAMING SUMMIT SCHEDULED FOR MAY 6-8, 2014 IN BILOXI

The Southern Gaming Summit will be held in Biloxi, Mississippi on May 6-8, 2014. The event will be held jointly with BingoWorld, the world’s largest bingo conference and trade show, at the Mississippi Coast Coliseum and Convention Center.

The summit will consist of conferences, networking, and exhibit space featuring information and products related to all facets of the gaming industry. The event will begin with the Southern Gaming Summit/BingoWorld Golf Tournament on May 6, 2014 for exhibitors. Conference events begin on Wednesday and include discussions, presentations, and workshops on current issues facing the gaming industry. Featured speakers include Tilman Fertitta, CEO and Owner of Landry’s, Inc. and Geoff Freeman, President and CEO of the American Gaming Association. Other events include the Global Gaming Women Luncheon, an Executive Roundtable, and numerous networking opportunities for attendees.

Gaming and hospitality industry executives, regulators, legislators, and consultants are likely to express interest in the event. For more information on the event, as well as registration information, please visit: <http://www.sgsummit.com/>.

SIGN UP FOR RMC’S DAILY GAMING NEWS FEED

Regulatory Management Counselors, P.C. (RMC Legal), authors of *The Michigan Gaming Newsletter*, would like to extend an

invitation to sign up for the complimentary *RMC Daily Gaming News Feed*. The Daily News Feed delivers Michigan and gaming-industry specific news links directly to you each morning.

To sign up to receive the RMC Daily Gaming News Feed, simply visit: <http://rmclegal.com/media-publications> and complete the form.

Should you have any questions , feel free to contact Blaine DeGracia at 517-507-3857 or degracia@rmclegal.com.

The Michigan Gaming Newsletter would like to thank Jack Weyers for his contributions to this week's issue.