

May 31, 2018

Volume 24, Issue 18

For more information on Michigan's gaming industry, please visit [www.michigangaming.com](http://www.michigangaming.com)

*Editor in Chief*

**David D. Waddell, Esq.**  
Phone: 517.507.3859  
[waddell@rmclegal.com](mailto:waddell@rmclegal.com)

*Senior Gaming Analyst  
& Editor*

**Robert R. Russell, II**  
Phone: 517.507.3858  
[russell@rmclegal.com](mailto:russell@rmclegal.com)

*Reporter and Associate Editor*

**J.J. Burchman, Esq.**  
Phone: 517.999.5414  
[burchman@rmclegal.com](mailto:burchman@rmclegal.com)

*Distribution Coordinator*

**Julie Williams**  
Phone: 517.507.3861  
[jwilliams@rmclegal.com](mailto:jwilliams@rmclegal.com)

*Subscription information:*  
[info@michigangaming.com](mailto:info@michigangaming.com)

A publication of  
**RMC Ventures, LLC**

Asher Court  
321 W. Lake Lansing Rd.  
East Lansing, MI 48823  
Phone: 517.507.3860  
Fax: 517.908.0235  
[www.rmclegal.com](http://www.rmclegal.com)

# The \_\_\_\_\_ MICHIGAN GAMING \_\_\_\_\_ Newsletter



## **NPR PROGRAM FOCUSES ON RESPONSIBLE GAMING**

Michael Burke, the executive director of the Michigan Association on Problem Gambling (MAPG) was recently featured on a National Public Radio (NPR) broadcast of the [Here & Now program](#) following the U.S. Supreme Court's ruling striking down the Professional and Amateur Sports Protection Act (PASPA). In addition to Mr. Burke, Lia Nower, the director of the Center for Gambling Studies at Rutgers University, was on the program.

Both Mr. Burke and Ms. Lower stressed the need for proactive steps to be taken with the possibility of legalization of sports betting throughout the United States. Mr. Burke stated:

"All the states that are going to legalize sports betting we hope will be responsible stewards and help to take care of the problems that are going to exist."

As a positive example of the gaming industry taking proactive measures Mr. Burke noted:

"I was in Las Vegas a couple weeks ago speaking at the state gambling conference, and one of the groups that also spoke was MGM Grand Casino and Hotel, they talked about their new Game Sense program. They come in, they help their clients set limits as far as the amount of time they gamble and the amount of money they spend. They're taking a really big step to help people get assistance before they get into the later stages of problem gambling."

Ms. Nower added:

"We don't have preventative mechanisms and accountability in places like race tracks. Casinos have a long history with self-exclusion programs, some work more than others. But if the states don't require evaluation

and accountability, like we have in New Jersey for online, there's no way to find out if these people really do have resources.”

In an interview with the Michigan Gaming Newsletter, Mr. Burke noted that people interested in learning more about this important topic can attend the upcoming 32<sup>nd</sup> National Conference on Problem Gambling, which is taking place in Cleveland July 20-21. Complete details on the conference program are available at <https://www.ncpgambling.org/training-certification/national-conference/2018-main-conference-program/>.

Mr. Burke further stated:

“The casino gaming industry has been very responsible in its approach to addressing problem gambling issues. Based on what I heard at a recent conference, MGM Grand is taking some very innovative steps to help its patrons to game in a responsible manner. Additionally, the financial contributions made by the three Detroit casinos is tremendous. One of the goals of the MAPG is to make sure that this money casinos have provided gets spent by state officials in a responsible way to address the need for treatment. We would welcome help from all of our gaming industry supporters as we advocate for this.”

Mr. Burke’s comments echo those of American Gaming Association President Geoff Freeman, who stated in an April 2018 press release:

“It’s time to comprehensively review existing responsible gaming policies and regulations. We must drive a new discussion around proven, effective programs and ensure that governments are appropriately allocating resources.”

The AGA has announced a national initiative, working with leading gaming industry organizations, academic professionals and advocacy groups to chart a new course on the complex issue of responsible gaming. The new Responsible Gaming Collaborative will identify the programs and policies that best address

responsible gaming and the prevention of problem gambling and hold government accountable for supporting proven, effective solutions.

## **MICHIGAN HORSE RACING ADVISORY COMMITTEE UPDATE**

The Michigan Horse Racing Advisory Committee, a special seven member committee appointed by the Governor in 2016 to serve four year terms, has not held a single meeting this year. Under the law, all meetings of the committee are required to be public. Pursuant to MCL 431.306a(12) the advisory commission is charged with doing all of the following:

- a) Establish for the commissioner (i.e. the Executive Director of the Michigan Gaming Control Board) procedures governing the operation and promotion of horse racing in this state.
- b) Make recommendations to the legislature on amendments to this act that would improve the regulatory structure of horse racing in this state with a goal of maintaining the long-term viability of horse racing in this state.
- c) Annually submit a report to the legislature detailing its recommendations.

Section 13 of the statute provides that the racing commissioner (i.e. the Executive Director of the Michigan Gaming Control Board) “shall take under consideration” the procedures established by the advisory commission under subsection (12)(a) above in performing his or her duties under this act. Thus, the role of this committee is clearly advisory in nature.

Since the date of its last public meeting, Hazel Park Raceway announced that it is closing, virtually eliminating thoroughbred racing in the state of Michigan ([see April 6, 2018 Michigan Gaming News, Issue 12](#)). Additionally, Northville Downs announced that it has reached a deal to sell its real estate with an intent to relocate ([see April 20, 2018 Michigan Gaming News, Issue 14](#) ).

A contact with the Department of Agriculture

confirmed that no upcoming meetings are scheduled for the committee.

## **SPORTS BETTING: INDUSTRY REGULATORS WEIGH IN**

As the commercial and tribal casino industries continue to evaluate the business opportunities that may be present post the Supreme Court's decision striking down a federal prohibition on sports wagering, regulators that govern the industry operators have begun to evaluate how best to protect the integrity of the wagering activity.

The New York Times reported that on behalf of four state regulators, the International Center for Gaming Regulation at the University of Nevada, Las Vegas noted that "coordinated action among jurisdictions" both state and tribal, will provide the best oversight and be key to stopping illegal betting and possible corruption of the sporting events. Furthermore, the joint statement issued by Nevada, Massachusetts, Louisiana and Michigan noted that the integrity fee proposed by the NBA and other leagues "would increase the costs of legal sports betting, siphon much-needed tax revenues away from state coffers, and increase state regulatory burdens."

The Michigan Gaming Newsletter recently contacted Michigan Gaming Control Board Executive Director Rick Kalm for his insight on the practical implications of the recent Supreme Court decision. He stated:

"The MGCB has not received a request from a casino wishing to offer sports wagering. If and when a request is received, the agency will see whether the request is permitted under state law. The Michigan Gaming Act does not mention sports betting.

To offer Nevada-style sports wagering, Michigan law will require some changes. Sports wagering is a low-margin business, and Michigan's current casino tax rate is nearly triple Nevada's casino wagering tax rate. The casinos may argue Michigan's current tax rate

makes sports wagering unprofitable and uncompetitive with illegal sports betting and assert Michigan needs a tax rate similar to Nevada's rate for sports wagering.

In Nevada, mobile sports wagering is legal. Before mobile or internet wagering of any type can begin in Michigan, the Michigan Legislature will need to amend our state gaming law's current requirement that a person must be present within a casino to place a wager.

Our agency is prepared to regulate sports betting if and when it comes to Michigan."

As Mr. Kalm noted, Nevada has developed a robust system for regulation of sports wagering and many states, including Michigan, are now looking to these standards as they develop their own specific state regulations. In advance of state agencies establishing rules and licensing standards to govern the new form of wagering, state legislatures in many states may be required to pass a law that authorizes such activities, as Mr. Kalm noted is the case for Michigan.

Mississippi is one such state that removed the restriction on wagering on an athletic event in advance of the Supreme Court's decision. More recently, the Mississippi Gaming Control Board has released proposed rules, which are now being studied by the industry. Pennsylvania is another state that amended its law last year, and at a monthly public meeting held this week the Board authorized its staff to begin the process towards developing a proposed set of rules and standards.