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The _____ MICHIGAN GAMING _____ Newsletter



SIXTH CIRCUIT DISMISSES STATE'S CASINO SUIT OVER LANSING LAND IN TRUST

On Thursday, September 16, 2015, the Sixth Circuit Court of Appeals dismissed the State of Michigan's litigation challenging the Sault Ste. Marie Tribe of Chippewa Indians' ("Tribe") application to have lands taken into trust in downtown Lansing. The Tribe has indicated that it would use this land in the future to build a casino.

The litigation centered upon whether the Tribe can apply to have certain parcels of property in Lansing taken into trust by the U.S. Secretary of the Interior before it obtains written revenue sharing agreements with the other federally recognized Indian Tribes in Michigan pursuant to Section 9 of the Tribe's Tribal-State Gaming Compact with the State of Michigan. The State initially sued the Tribe in federal court in September 2012. In its ruling on the initial suit, the Sixth Circuit held that the State's original claims were not ripe because the claims depended upon future events that are uncertain and that federal law did not abrogate the Tribe's sovereign immunity. The Tribe and the State jointly agreed to dismiss the case in December of 2014 and to allow the State to bring new claims against the Tribe's individual officers in an amended pleading.

In its amended complaint, the State dropped the Tribe as a party to the suit, instead listing the individual tribal officers as defendants and maintained its arguments that the conduct of each tribal officer related to the Tribe's land-into-trust efforts would result in a breach of the Tribal-State Gaming Compact. The State argued that sovereign immunity should not apply to individual tribal leaders under a common law exception for sovereign officials that take actions that are in violation of federal or constitutional law.

In its ruling on Thursday, the Sixth Circuit held that the State's legal theory only applies to federal or constitutional concerns and did not extend to sovereign officials who were in breach of a bilateral contract (the Tribal-State Compact). As such, the tribal leaders still maintain sovereign immunity and the court dismissed the case due to a lack of jurisdiction.

In a statement released by the Tribe, Tribal Chairperson Aaron Payment stated that "[t]his is yet another federal court ruling affirming the right of the Sault Tribe to move forward seeking federal approval for our proposed Lansing casino." The ruling was also supported by Lansing Mayor Virg Benero, who has been a vocal proponent of the proposed development.

MEDC PLANS SCHEDULED LAYOFFS DUE TO FUNDING CUTS

On Tuesday, September 15, 2015, the Michigan Economic Development Corporation ("MEDC") announced that it plans to lay off 65 of its staff as it faces budget cuts during the new fiscal year, which begins October 1.

"This new budget addresses fiscal realities that if left unaddressed, would have caused an inevitable interruption to economic development efforts across the state," stated Steve Arwood, Chief Executive Officer of the MEDC. "The FY 16 budget takes immediate action to keep the organization on solid financial footing and bring strict focus to our core mission of business growth and attraction; community vitality; and, marketing our great State to a national and global audience."

In August, the MEDC issued a statement partially attributing the cuts to the cessation of semi-annual revenue payments from the Match-E-Be-Nash-She-Wish Band of Pottawatomis Indians ("Gun Lake").

Under its State-Tribal Gaming Compact, Gun Lake in the past provided semi-annual revenue payments to the state based upon a sliding scale of between 8-12 percent of net win from electronic games of chance. Gun Lake separately provides payments to local units of government to mitigate costs associated with the operation of the Gun Lake Casino, calculated as 2 percent of net win

from electronic games of chance.

As of June 1, 2015, Gun Lake ceased providing its state payments based upon the tribe's interpretation of its State-Tribal Gaming Compact.

The compact has provisions providing for a reduction and/or cessation of revenue payments if the state introduces competing forms of gaming in the Tribe's exclusive territory. Under the Indian Gaming Regulatory Act, states are prohibited from taxing tribes, and past precedent has only allowed states to share in revenue if the tribe receives something of value in return in the compact (such as an exclusive territory).

Several media reports have indicated that Gun Lake believes that the state's authorization of online lottery sales and certain new gaming machines violates the exclusivity provision in the tribe's market area.

AGA ANNOUNCES GAMING HALL OF FAME INDUCTEES

On Monday, September 14, 2015, the American Gaming Association ("AGA") announced the induction of three honorees into the Gaming Hall of Fame's Class of 2015: Victor Salerno of William Hill US, Lynn Valbuena of the San Manuel Band of Mission Indians and Navegante Group founder Larry J. Woolf.

"Victor, Lynn and Larry are pioneers in the gaming industry and worthy of induction into a very special fraternity," said AGA CEO Geoff Freeman. "Victor has been on the cutting edge of the sports gaming industry for decades, Lynn has been a staunch advocate for tribal rights and Larry's business acumen has been the driving force for the success of several renowned properties."

The inductees will be honored at an invitation-only ceremony Wednesday, September 30 at MGM Grand as part of the annual Global Gaming Expo.

For more information on the 2015 hall of fame inductees, please [click here](#).

GLOBAL GAMING EXPO EARLY BIRD SPECIALS EXPIRE TODAY

Early Bird Discounts for the 2015 Global Gaming Expo (G2E), to be held at The Sands Expo and Convention Center in Las Vegas, Nevada, from September 28 to October 1, have been extended to expire today, September 18.

Early Bird Discounts include group discounts, Native American Casino Registration packages and special hotel and travel deals which registrants may take advantage of on the G2E website.

This year's show will also debut the "Integrated Resort Experience at G2E," which will present innovative non-gaming technology, products and services as casino guests would experience them in a gaming-resort setting. Show presenters state that the new program will deliver a complete end-to-end solution to help casinos attract more guests, encourage them to stay and play longer, and increase revenue per visitor.

Over 30,000 gaming professionals from around the world are scheduled to attend this year's G2E from all gaming industry trades and sectors. To register, or for more information about G2E, please visit www.globalgamingexpo.com.

IAGA HONORS LUNCHEON— SEPTEMBER 29 AT G2E

On Tuesday, September 29, 2015, the International Association of Gaming Advisors ("IAGA") will be holding its annual IAGA Honors Luncheon at 12:45 p.m. at the Sands Convention Center during the 2015 Global Gaming Expo.

The annual event seeks to recognize significant contributions of a global gaming industry executive. This year's Luncheon will honor the impact Nevada attorney and former regulator Frank Schreck has had on gaming law and regulation.

Mr. Schreck has nearly 40 years of experience representing many public and private gaming companies and is the current chair of Brownstein Hyatt Farber Schreck's Gaming Law Practice. He

has also served as IAGA President in 1990 and is also a former member of the Nevada Gaming Commission.

The luncheon will also announce the 2015 recipients of the Shannon Bybee Scholarship, an annual award established to honor the memory of Shannon Bybee, one of IAGA's founders, by awarding prizes for the best scholarly research papers written by accredited law school students during the school year.

Space is limited, and registration is required. Through September 15, IAGA members in good standing can attend for \$25 per person, a 50% discount off the full luncheon price. To RSVP, click [here](#).