

February 5, 2016

Volume 22 Issue 5

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



## **MGCB ANNOUNCES POSITIVE EFFECTS OF 2015 REGULATORY CHANGES**

On Wednesday, February 3, 2016, the Michigan Gaming Control Board (“MGCB”) released a statement regarding the net positive effects of regulatory changes that went into effect during 2015. According to the release, Detroit casino vendors received quicker license exemptions and benefitted from relaxed small-business disclosure requirements thanks to changes by the Michigan Gaming Control Board during 2015. Charities hosting millionaire parties also were aided as the MGCB processed event applications faster than in 2014.

An employee-led team clarified language and shortened the agency’s application form. Their recommendations helped the MGCB reduce turnaround time and refocus resources on additional agency improvements. Through process improvements, the MGCB cut casino licensing exemption turnaround time in half from 42 to 21 days, saving 16,800 processing days in 2015.

“The MGCB wants to help small Michigan businesses succeed because they are a significant supplier source for the Detroit casinos and important to the state’s economy,” said Richard Kalm, MGCB executive director.

In February, the agency changed disclosure requirements for non-gaming Detroit casino suppliers. The change resulted in a reduced need for vendor licensing exemption requests – a 25 percent decline – and 21 percent fewer license requests from non-gaming suppliers through Jan. 31. A non-gaming supplier provides goods or services not associated with casino gaming.

“A less-cumbersome regulatory process makes it easier for Michigan small

businesses to benefit from supplying goods and services to the Detroit casinos,” Mr. Kalm said. Since 2014, the MGCB decreased millionaire party license application turnaround time by 28 percent, saving 12 days in application processing time. On average, qualified nonprofit organizations receive a charity poker license within 31 days of application instead of the previous time of 43 days.

For more information regarding the MGCB’s functions, please visit: [www.michigan.gov/mgcb/](http://www.michigan.gov/mgcb/)

## **MICHIGAN CHARITY GAMING LEGISLATION TO GO BEFORE REGULATORY REFORM COMMITTEE**

Next Wednesday, February 10, 2016, the Michigan House Regulatory Reform Standing Committee will meet and discuss [House Bill 4293 \(“HB 4293”\)](#), introduced by Rep. Tom Barrett (R-Eaton County), and [Senate Bill 0187 \(“SB 0187”\)](#), introduced by Sen. Rick Jones (R-Grand Ledge). This legislation would amend the Traxler-McCauley-Law-Bowman Bingo Act (“Bingo Act”), which governs charity gaming activity in the state. SB 0187 passed in the Senate 34-4 on December 9, 2015.

The Bingo Act was enacted in 1972 and authorizes bingo, charity game tickets, numeral games, raffles, and millionaire party operations for qualified charitable organizations under the supervision of the Michigan Lottery.

## **BIA ISSUES SCOPING REPORT ON PROPOSED LITTLE RIVER CASINO PROJECT**

This week, the Little River Band of Ottawa Indians and Muskegon Jobs Now announced that the U.S. Department of Interior’s Bureau of Indian Affairs (“BIA”) has released a [Scoping Report](#) regarding the Little River Band of Ottawa Indians’ application for a proposed casino at the former Great Lakes Downs racetrack site in Fruitport Township, which is about five miles south of

Muskegon. The Scoping Report outlines the areas to be studied in the Environmental Impact Statement (“EIS”) to analyze the potential environmental consequences of the Little River Band’s application for a proposed 60-acre fee-to-trust transfer and casino project.

“This is another big step for the Little River Band and the Muskegon community to bring economic development to the region,” said Tribal Ogema Larry Romanelli. “The tribe was encouraged by the large turn out and positive feedback at the public scoping hearing last fall. The community feedback was important to the Bureau of Indian Affairs’ ability to evaluate the potential environmental impacts of the project.”

The Scoping Report describes the EIS process, explains the purpose and need for the Proposed Action, describes the Proposed Project and alternatives, and summarizes the issues identified during the scoping process. All comment letters received by the BIA and the public hearing transcript are included in the appendices to the Scoping Report, which is now available on the project website at <http://www.littlerivereis.com/>

The Draft EIS and a public comment period are anticipated in Fall 2016. The Little River Band filed an application in February 2015 requesting the BIA to place 60 acres in trust for a \$180 million casino and economic development project. The project is expected to create more than 1,200 jobs in Muskegon County.

“The Tribe has filed an application to place land in trust to develop a casino and economic development project to improve the economic status of our tribal government,” said Tribal Council Speaker Virg Johnson. “A Muskegon County casino will enable the Little River Band to better provide housing, health care, education and other services to our elders and youth, particularly those based in the Muskegon area.”

The Little River Band’s proposed gaming and economic development project would include:

- Approximately 69,000 square feet of gaming floor space
- 1,700 slot machines and 35 table games

- 220-room hotel
- Conference and meeting room space
- Dining and entertainment options

The proposed casino has received support from the community including support from Fruitport Township, Fruitport Public Schools, Muskegon County, West Michigan trade unions, The Muskegon Lakeshore Chamber of Commerce and local businesses. Both Fruitport Township and Muskegon County reaffirmed support for the Tribe's Muskegon casino project with resolutions of support in June 2014.

For more information, please visit [www.littlerivereis.com](http://www.littlerivereis.com).

## **INDIANA FANTASY SPORTS LEGISLATION ADVANCES, ADVANCED DEPOSIT WAGERING DROPPED**

On February 3, 2016, Indiana [Senate Bill 339](#), legislation seeking to authorize fantasy sports wagering, was passed in a 166-38 vote and has been referred to the State House for consideration. In addition, Indiana [House Bill 1168](#), which was originally a companion bill to Senate Bill 339 and included advanced deposit wagering language, failed to advance out of committee and is no longer valid for this session.

Senate Bill 339 was introduced on January 7, 2016 in connection with Indiana lawmakers publicly extending an invitation to FanDuel to relocate its headquarters from New York, where the company is facing legal challenges from the state, to Indiana. The legislation, if passed, would clarify that fantasy sports do not constitute "gambling" as defined under Indiana law. In addition, the bill would establish the Paid Fantasy Sports Division within the Indiana Horse Racing Commission to regulate the activity.

House Bill 1168, also introduced on January 7, 2016, was a companion bill with Senate Bill 339 which also included language regarding advanced deposit wagering at horse tracks. The fantasy sports language was subsequently removed in an amendment to the bill. The legislation thereafter

failed to advance out of the House Committee on Ways and Means and is no longer valid for this session.

As noted above, Senate Bill 339 has been passed to the Indiana House of Representatives for consideration. The bill, however, has yet to be assigned to a committee.

## **AGA RELEASES NATIONAL SUPERBOWL SURVEY ON SPORTS BETTING**

On Wednesday, February 3, 2016, and only days before the NFL Superbowl 50, the American Gaming Association ("AGA") released [survey results](#), based upon responses from 800 participants, which found 80 percent of Super Bowl viewers want to change current sports betting law, and two-thirds believe states should decide whether or not to legalize sports betting.

The research was conducted by The Mellman Group between January 25 and 28 and is made up of male and female adults (in approximate equal number), all 18 years of age and over.

"America's passion for football is rivaled only by its enthusiasm for sports betting," said Geoff Freeman, president and CEO of the AGA. "Fans believe regulated sports betting enhances the game experience, deepens their engagement with their favorite athletes and teams and protects the integrity of games."

The AGA states that it expects fans to wager \$4.2 billion on the Super Bowl this year, and the vast majority of these bets will be placed illegally, as federal law currently bans traditional, full-fledged sports betting outside of Nevada.

"This first-of-its-kind poll shows clear support among Super Bowl viewers for a state-by-state regulatory approach to sports betting," said pollster Mark Mellman. "If the public had its way, public policy would change."

Last November and following months of study and deliberation by the AGA and its members, the

casino gaming industry announced its intent to study the implications of current law and build a coalition to determine if rational, legal alternatives exist. AGA has launched a new website dedicated to this effort which will serve as the hub of its campaign to educate and inform stakeholders and allies. The site will include up-to-date news, research and information on this dynamic issue.

Last year, the AGA released its first-ever estimate of illegal Super Bowl wagers, which totaled \$3.8 billion and was, at that time, 38 times greater than the legal, regulated market. During the 2015-16 seasons alone, estimates show that sports fans wagered a total of \$95 billion on NFL and college football games this season, with the vast majority – \$93 billion – of wagers being placed illegally.

## **GUN LAKE TRIBAL CHAIRMAN RETIRES**

On February 4, 2016, the long-serving tribal chairman of the Match-E-Be-Nash-She-Wish Band of Pottawatomis Indians (“Tribe”), D.K. Sprague, announced his retirement as chairman. Sprague has led the Tribe through several major milestones since his first election to the Bradley Settlement Elder’s Council, a predecessor to the current Tribe, in 1992, including the Tribe’s federal re-acknowledgement and the establishment of the Gun Lake Casino. Vice Chairman Ed Pigeon will serve as acting chairman until the Tribe holds a special election to fill Sprague’s seat.

“It has been an honor and privilege to serve my community as chairman for the last twenty-four years,” stated Sprague. “I thank my family and the Tribe for supporting me, and God for allowing me to serve at a time when our dreams came to reality. I give recognition to our tribal leaders who came before me, as I merely finished what they started when the Bradley Indian Mission was established in the 1830’s.”

The Tribe plans to hold its special election to fill Sprague’s seat within the next 90-120 days. After the election, the Tribal Council will select a new chairperson.