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



## **MGCB NOTICE OF PUBLIC MEETING**

The Michigan Gaming Control Board (“MGCB”) will hold its regular public meeting on Tuesday, March 12, 2013 at the MGCB Detroit office, Cadillac Place, 3062 West Grand Blvd., Suite L-700, Detroit. The meeting will begin at 9:30 a.m. with the staff briefing, followed immediately by the regular agenda items. The Cadillac Place is in Detroit's New Center Area near the John Lodge Freeway (M-10), between Second Avenue and Cass Avenue. The Fisher Building and the Albert Kahn Building are nearby landmarks.

The purpose of the Board meeting is to conduct Board business regarding the implementation, administration and enforcement of the provisions of the *Michigan Gaming Control & Revenue Act*, as amended, Public Act 69 of 1997, MCL 432.201, et seq ("the Act"), related to the licensing, regulation and conduct of casino gaming in the City of Detroit.

The meeting is open to the public and questions, comments and suggestions from the public regarding Board business and the licensing, regulation and conduct of casino gaming in Detroit under the Act are welcomed and encouraged during the public comment portion of the meeting.

For more information regarding the MGCB, please visit their website at: [www.michigan.gov/mgcb](http://www.michigan.gov/mgcb)

## **STATE LOTTERY BEGINS REVIEW PROCESS FOR ONLINE SALES DEVELOPMENT CONTRACTOR**

In an effort to transition into the online market, the Michigan Bureau of State Lottery (“Lottery”) has issued an RFP seeking a partner to develop an online lottery sales program. Submissions for the RFP, which were due

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on February 19, 2013, are in the process of being reviewed and the lottery is seeking to award the contract by the end of April.

According to the RFP, the Lottery is seeking contractors “for the development, implementation, operational support, and maintenance of a Michigan Lottery iSystem...and the development and integration of digital versions of existing lottery games.”

The description also notes that “[t]he Lottery envisions iLottery to be rolled out broadly into various distribution channels (e.g. web, mobile app, mobile web, tablet, social, etc.) in order to maximize consumer participation, convenience and satisfaction.”

Submissions to the RFP are currently being reviewed, with a scheduled award date for the winning bid on April 30, 2013. The project will include configuring the iLottery system, establishing primary and backup data centers, developing testing mechanisms, and network development. Phase 1 of the project is expected to occur in December of 2013. Once operational, patrons must establish an account that will verify their age and residency prior to allowing purchases of Lottery games or products.

On September 20, 2011, in response to inquiries from the Illinois and New York lotteries, the US Department of Justice issued a memorandum that concluded that federal law does not prohibit online lottery sales to in-state adults. Since the opinion, state lotteries have begun exploring the possibility of offering online lottery games and, in March of 2012, Illinois became the first state to offer online lottery sales.

## **MIKE DUGGAN ANNOUNCES CANDIDACY FOR DETROIT MAYOR**

On Tuesday, February 26, 2013, Mike Duggan announced his candidacy for the office of Mayor of Detroit. Mr. Duggan is the former CEO of the Detroit Medical Center and recently transitioned away from his position as a board member of Greektown Superholdings, Inc., the ultimate parent company of Greektown Casino.

Mr. Duggan joins a list of individuals who have declared their candidacy for the position. Those seeking the office include former State Representative Lisa Howze, State Representative Frank Durhal, and former Detroit City attorney Krystal Crittendon, among others.

The mayoral election is scheduled to occur on November 5, 2013, following a primary election on August 6, 2013.

## **U.S. DISTRICT COURT ISSUES RULING IN NEW JERSEY SPORTS WAGERING CASE**

Last night, Judge Michael Shipp of the United States District Court for the District of New Jersey issued an Opinion and Order granting the Motion for Summary Judgment and Request for Permanent Injunction filed by the National Collegiate Athletic Association (“NCAA”) and the other major professional sports leagues (including the NFL, NHL, NBA and Major League Baseball) in the lawsuit challenging the sports wagering law enacted by the New Jersey legislature in January, 2012. In rendering this decision, the Court also denied the cross Motion for Summary Judgment filed by the Defendants in this matter, including New Jersey Governor Chris Christie and the Director of the N.J. Division of Gaming Enforcement, which challenged the constitutionality of the Professional and Amateur Sports Protection Act (“PASPA”), the federal law which prohibits the expansion of sports wagering outside of the licensed Nevada sports books and certain limited lottery games and non-banking sports pools previously authorized in Oregon, Delaware, and Montana.

In challenging PASPA, the Defendants argued that the statute, which prohibits sports wagering in 46 states, yet “grandfathered” certain sports wagering schemes in four other states, violates: 1) the Commerce Clause, 2) the Tenth Amendment, 3) The Due Process Clause and Equal Protection Principles and 4) the Equal Footing Doctrine. In a 45-page opinion, the Court disagreed with New Jersey’s position, finding PASPA to be constitutional, and further “permanently enjoining [the Defendants] from sponsoring, operating,

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advertising, promoting, licensing, or authorizing a lottery, sweepstakes, or other betting, gambling, or wagering scheme based, directly or indirectly (through the use of geographical references or otherwise), on one or more competitive games in which amateur or professional athletes participate, or are intended to participate, or on one or more performances of such athletes in such games.” Judge Shipp further noted:

“[a]lthough some of the questions raised in this case are novel, judicial intervention is generally unwarranted no matter how unwise a court considers a policy decision of the legislative branch. As such, to the extent the people of New Jersey disagree with PASPA, their remedy is not through passage of a state law or through the judiciary, but through the repeal or amendment of PASPA in Congress.”

The Defendants will now have to decide if they will appeal this decision to the United States Court of Appeals for the Third Circuit. Many observers have predicted that this may be an issue which ultimately reaches the U.S. Supreme Court.

A copy of Judge Shipp’s Opinion in this matter can be [viewed here](#).