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Editor in Chief

David D. Waddell, Esq.
Phone: 517.507.3859
waddell@rmclegal.com

Senior Gaming Analyst & Editor

Robert R. Russell, II
Phone: 517.507.3858
russell@rmclegal.com

Reporter and Associate Editor

Blaine R. DeGracia
Phone: 517.507.3857
degracia@rmclegal.com

Reporter

JJ Burchman
Phone: 517.999.5414
burchman@rmclegal.com

Subscription information:
info@michigangaming.com

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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

The MICHIGAN GAMING Newsletter



MICHIGAN LEGISLATIVE UPDATE

Horse Racing

Yesterday, June 2, 2016, the Michigan House adopted House Substitute (“H-4”) to SB 504, which seeks to amend and revise the Horse Racing Law of 1995. The bill, among other things, proposes the establishment of the ‘Horse Racing Advisory Commission’ within the Michigan Department of Agriculture and Rural Development, and provides for the possibility of racetracks to conduct simulcast-only operations under certain conditions.

This is the fourth House version of SB 504 since it passed the Senate on May 10, 2016. The Michigan Gaming Control Board (“MGCB”), which has overseen the operation of horse racing in Michigan since 2010, remained neutral on the previous version of SB 504 noting significant concerns with the imposition of a Horse Racing Advisory Commission as well as the possibility for simulcast-only operations at tracks.

Under the bill, the proposed Advisory Commission would be vested to do the following:

- Establish for the Commission procedures governing the operation and promotion of horse racing in Michigan;
- Make recommendations to the legislature on amendments to the Horse Racing Act that would improve the regulatory structure of horse racing in Michigan; and
- Submit an annual report to detailing its recommendations to both the MGCB and the legislature.

In addition, the revised bill provides that “the Racing Commissioner shall take under consideration the procedures established by the Advisory Commission...” The bill now goes back to the House floor for a third reading and vote, and should it pass, will be sent back to the Senate for consideration.

[Click here to access the current version of SB504.](#)

On May 3, Rep. Bumstead (R-Newaygo) introduced HB 5600, a competing bill that also seeks to revise the Horse Racing Law of 1995. This bill largely seeks to license and regulate Certified Horsemen’s Organizations within the state.

HB 5600 remains before the House Committee on Agriculture. Both bills also provide for the reduction of the total number of race days required for a track license, and also seek to modify the allocation of simulcast purses to be racetrack specific.

[Click here to access the current version of HB 5600](#)

Internet Gaming

Senate Bill 889 (“SB 889”), introduced by Sen. Kowall on April 14, 2016, seeks to legalize, regulate and tax Internet gaming within Michigan. It remains before the Senate Regulatory Reform Committee for consideration where it was initially discussed on May 4.

Notably, the bill’s sponsor, Senator Mike Kowall (R-White Lake), claims the passage of the bill could create 22,000 jobs for Michigan. The “Lawful Internet Gaming Act” seeks to legalize Internet gaming while specifically prohibiting wagering on any professional or amateur sporting event unless otherwise legal pursuant to state and federal law. Supporters of the bill also estimate that the bill could generate \$40 million in revenue and an increased tourism interest within the state.

Under the SB 889, an Internet “casino” would be required to apply for licensure to a proposed division of Internet gaming within the Michigan Gaming Control Board. If granted, a license would be granted for a period of five (5) years. Eligible

licensees include existing Michigan casino licensees and federally recognized Michigan Indian Tribes. The bill proposes a maximum of eight (8) licenses, each required to pay a \$5,000,000 license fee with a 10% tax on gross gaming revenues.

In addition, the bill includes age verification restricted to 21 years of age and older.

[Click here to access the current version of SB 889.](#)

MOTORCITY CASINO POKER ROOM AWARDS RECORD “BAD BEAT JACKPOT”

On Saturday, May 21, MotorCity Casino Hotel awarded a record “Bad Beat” jackpot of almost \$569,000 to ten players of their Texas Hold’em “Quads-over-Quads” poker game.

The jackpot was won in the early hours of May 21 when two players were dealt four-of-a-kind card hands during a game of Texas Hold’em. The resulting progressive jackpot of \$569,000 was split between the ten players, with the loser of the “Bad Beat” hand taking home 40 percent of the jackpot while the winner of the hand was awarded 20 percent. The other eight players shared the remaining 40 percent equally and were awarded around \$28,000 each.

The Bad Beat Jackpot is built with a \$1 rake from every cash-game hand that has a pot of at least \$20. In addition to the Quads over Quads jackpot, MotorCity Casino also provides three other variations of poker that offer separate progressive Bad Beat Jackpots.

At MotorCity, the previous record-prize was won five years ago and amounted to around \$386,000.

For more details on MotorCity Casino’s poker room as well as its Bad Beat Jackpots, please click [here](#).

MICHIGAN LOTTERY UPDATE

On June 2, 2016, the Michigan Lottery announced that, in an effort to enhance the security for Players Club members, it is requiring those individuals holding Players Club accounts to update certain identifying information. Notably, members have until August 3 to provide this information or they will be removed from the Players Club. This update will also allow members to play games via the internet using the iLottery's online platform, and thus joining the existing 322,000 online players.

The iLottery program offers more than thirty different games ranging in price from 5 cents to 20 dollars. Four draw games have also been added to the online offerings including Powerball, Mega Millions, Lotto 47, and Fantasy 5.

In 2015, the iLottery program saw sales of \$146.2 million, generating \$18.5 million for the state.

REGISTER TODAY: FREE TITLE 31 WEBINAR TO BE HELD JUNE 16, 2016

The *Michigan Gaming Newsletter* has partnered with the State Gaming Associations in Colorado, Indiana, Illinois, Iowa, Louisiana, Mississippi, Missouri and Nevada to sponsor a Title 31 Compliance Webinar assembled by experts in Anti-Money Laundering on June 16, 2016. The webinar seeks to enhance the casino industry's awareness of the Federal Anti-Money Laundering ("AML") regulations.

Content of the webinar will feature information on Know Your Customer Investigations/Customer Due Diligence, Common Regulatory and Internal Control Violations, Culpability of Executives and Management Teams, Data Mining for Suspicious Activities, Chip Walking, General Currency Transaction Report (CTR) and Suspicious Activity Report (SAR) Compliance Advice, as well as relevant regulatory changes in policies and regulations.

Whether involved with government affairs, the legal environment, or directly with compliance,

this webinar will be advantageous to you in helping provide comprehensive solutions to common AML compliance issues along with the knowledge to keep your casino free of violations. Submit your questions to be included in the Q/A session of the webinar to Info@casinowebinar.com

To register, or for more information, please visit www.casinowebinar.com.