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The _____ MICHIGAN GAMING _____ Newsletter



SAGANING EAGLES LANDING BREAKS GROUND ON CASINO & HOTEL EXPANSION PROJECT

Today, June 30, 2017, the Saginaw Chippewa Indian Tribe ("Tribe") will be holding a ground breaking ceremony for the expansion of its Saganing Eagles Landing Casino in Standish, Michigan.

According to the Tribe, the planned expansion will include the addition of a five-story hotel with 148 guest rooms and a hospitality suite, a full-service restaurant, additional retail space and additional gaming space that will accommodate up to 400 additional slot machines.

The estimated completion for the expansion is approximately 18 months with a grand opening scheduled for early 2019.

Tribal Chief Frank Cloutier stated, "[t]his expansion further solidifies our presence in our aboriginal territory and shows our commitment to the community and economic growth for the region. I am very proud of our abilities and our staff for all that they do to make the Saganing Eagles Landing one of the most preferred places to visit. Chi Miigwetch (Thank You) to all of our patrons for your visits and soon to be your play and stay experience. There are so many possibilities for a brighter future and with continued collaboration we will look forward to enjoying them together".

The Saganing Eagles Landing Casino opened on December 31, 2007 and currently sits on over 350 acres of land in Arenac County, approximately 30 miles north of Bay City, Michigan. The Casino features a 32,000 square foot gaming floor with over 700 slot machines and 40 electronic table games.

Visit: saganing-eagleslanding.com for more information.

MGCB RELEASES NOTICE OF PUBLIC MEETING FOR TUESDAY, JULY 11, 2017

The Michigan Gaming Control Board (“MGCB”) announced that it will hold its regular public meeting on Tuesday, July 11, 2017 at the MGCB Detroit Office, Cadillac Place, 3062 West Grand Blvd., Suite L-700, in Detroit.

The meeting will begin at 9:30 a.m. with the staff briefing, followed immediately by the 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.

For more information regarding the MGCB, please visit its website at www.michigan.gov/mgcb.

WHITE PAPER ISSUED ON THE CORRELATION BETWEEN LAND-BASED AND ONLINE GAMING

On June 15th, Spectrum Gaming released a White Paper analyzing the relationship between land-based and online gaming. Persons interested in learning more about the findings of the White Paper can view the below presentation that Spectrum made available on its website.

The Report looks at the growth of online wagering in New Jersey which has grown from \$123 million in 2014 to \$213 million in 2017. Furthermore, the Report looks at findings presented to the state of Pennsylvania by Caesars which illustrate how online wagering has helped to identify new customers who had not historically been captured by the company’s marketing database Total Rewards.

The Report explains that developing online gaming and land-based gaming together can both create a new source of revenue and serve as a marketing tool to reach out to new players. As online gaming grows there will be increased visits to land-based casinos. Through online gaming,

the Report says, companies can boost customer loyalty and brand recognition even when players are off-property. Additionally, the Report states that Tropicana customers who were both online and land-based players had increased their land-based spending. Active Golden Nugget players increased their spending at Golden Nugget by 15% after signing up for online gaming.

The Report states that there are two options for US legislators: either adapt online gaming for the benefit of land-based operators, or create an open market and allow land-based operators to compete. Furthermore, the Report looks at several considerations for US legislators. One consideration being that online policies will probably vary from state to state. Some factors to consider when customizing these policies are: type, size, and location of the current land-based industries. Legislators must also consider tax rates as some states have greater online tax rates, while other states have higher land-based tax rates. The Report says that since online operations cannot function under high tax rates many states may be forced to tax online operations at a lower rate than land-based operations. Finally, online gaming should be viewed as part of a multi- channel gaming system.

<http://www.spectrumgaming.com/dl/SpectrumSIGHTWhitePaperJune2017x.pdf>

U.S. SUPREME COURT TO HEAR NJ CHALLENGE TO FEDERAL SPORTS BETTING BAN

On June 26, 2017, the United States Supreme Court announced its decision to hear New Jersey’s challenge to the Professional and Amateur Sports Protection Act (“PASPA”). The PASPA was enacted in 1992 and banned sports betting with the exception of state lotteries in Oregon, Delaware and Montana, as well as Nevada’s licensed sports betting. PASPA also exempted pari-mutuel horse racing, dog racing and jai alai from the ban. Finally, PASPA provided a one-year window in which any state could opt to pass legislation authorizing sports betting provided

that the state permitted licensed gaming within the time period of 1982-1992.

In 2014, New Jersey passed a law that authorized sports betting. The four major sports leagues (MLB, NBA, NHL and NFL), along with the NCAA, challenged the law in a federal lawsuit. Upon appeal, the 3rd U.S. Circuit Court of Appeals ruled, in 2016, that the law violated PASPA, a decision that the Supreme Court will now review in its next fall session.

New Jersey Governor Chris Christie indicated that he was “thrilled”:

“The fact that the Supreme Court granted cert. in this case is a very good sign for sports betting having a future in New Jersey,” he said. “I’m encouraged by it. We’re not declaring victory, but at least we’re in the game, and that’s what we want to be.”

The American Gaming Association issued a press release praising the Supreme Court’s decision. AGA’s president and CEO Geoff Freeman stated:

“The Professional and Amateur Sports Protection Act (PASPA) of 1992 has failed to protect sports and fans. PASPA, which is approaching its 25th anniversary, is fueling an unregulated \$150 billion illegal gambling market that continues to deprive states of vital public funding for services such as law enforcement and infrastructure.

We are pleased the Supreme Court appears to have responded favorably to our arguments as to why they should hear this important case. And we are hopeful their engagement will provide further encouragement for Congress to take the steps necessary to create a regulated sports betting marketplace in the United States.

The gaming industry, and the American Sports Betting Coalition, is committed to working with all relevant stakeholders to build a system that protects states’ rights, fans and the integrity of sports.”

When enacted, PAPSAs had broad support from all four major sports leagues, but that support has

wavered in recent years. NBA Commissioner Adam Silver has openly called for a regulated sports gambling marketplace and MLB Commissioner Robert Manfred and MLS Commissioner Don Garber have both requested a reexamination of the federal ban. While both the NFL and NHL remain publicly against the ban, the NFL recently approved a franchise relocation to Las Vegas and an expansion NHL franchise begins play this fall in Las Vegas.

MICHIGAN HOUSE FISCAL AGENCY PUBLISHES REPORT ON HORSE RACING IN MICHIGAN

The House Fiscal Agency recently released a June, 2017 “Fiscal Focus” publication entitled “Horse Racing in Michigan—A Primer.” The publication was prepared by Senior Fiscal Analyst William Hamilton and provides an in-depth overview of the legal history of horse race wagering in the state of Michigan including some background on the recent attempts to introduce Advanced Deposit Wagering in the state.

The publication offers a brief history of horse racing and legal gambling in Michigan; describes the statutory framework for horse racing in Michigan under the Horse Racing Act of 1995, including a description of how the act directs the distribution of money wagered on horse racing among horse racing participants; and describes state funding used in support of horse racing programs, including current wagering tax revenue and state appropriations.

[Click here to read “Horse Racing in Michigan—A Primer”.](#)