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The _____ MICHIGAN GAMING _____ Newsletter



CHRIS CHRISTIE GIVES ADVICE TO STATES LEGALIZING SPORTS WAGERING

Former New Jersey Governor Chris Christie delivered a keynote address at the Global Gaming Expo in Las Vegas this week, and gave advice to states looking to authorize sports betting. The former Governor played a key role in the legalization of sports betting by successfully litigating the unconstitutionality of the federal law (the Professional and Amateur Sports Protection Act of 1992) that had prohibited such wagering in states other than Nevada. Since sports betting has become legal in New Jersey, the state has had tremendous success surpassing the state of Nevada with regard to gross revenue derived from the activity. This success has led to increased capital spending on “new state of the art sportsbooks” and an increase in jobs in the state’s casino industry, according to Christie.

During his presentation, former Governor Christie advised states looking to implement sports wagering to model themselves after New Jersey’s approach, rather than the approach taken in Pennsylvania (with a high rate of taxation and a high license fee). Christie stated that every Saturday and Sunday during football season, he has seen people from Pennsylvania and New York driving to New Jersey, stopping at rest stops and placing bets on their mobile phones before heading back. He noted that this demonstrates that New Jersey got it right in their approach. “We’ve shown the rest of the county how to do this,” he said. “Pennsylvania is a state that screwed it up, I mean a rolling dumpster fire. . . .”

The former Governor suggested that states should avoid high tax rates on such a low margin betting offering, and suggested that large up front licensing fees as a barrier to entry are also a key mistake that states can make. He suggested that allowing mobile wagering without the need for patrons to be physically present in the casino is also important. Although he expressed strong opposition to sports leagues being paid any type of integrity fee, Governor Christie noted how critically important it will be for states to have rigorous regulatory systems in place to avoid any problems, and to make sure

that federal lawmakers do not seek to get involved. He noted that the entire topic is truly a “states’ rights” issue, and noted that regulation is best handled on a state by state basis.

HOUSE BILL SEEKS TO MODERNIZE DISASSOCIATED PERSONS LIST

A bill to amend the Michigan Gaming Control and Revenue Act (“Act”) to modernize the “disassociated persons list” for problem gamblers was introduced and is currently sitting before the House Committee on Regulatory Reform. H.B. 4686 would amend the disassociated person provisions to allow someone on the list to seek to have their name removed after the expiration of a five-year period. Any bill to amend the Act requires a $\frac{3}{4}$ supermajority vote.

Current law creates a “lifetime ban” on people visiting a casino after signing up for the list and makes it a crime (criminal trespass) for someone to do so. The strict nature of the current lifetime ban is perceived by supporters of the bill as actually discouraging problem gamblers from signing up for the service. Accordingly, the bill seeks to update Michigan law to a version of such a ban that is more consistent with the approach taken in jurisdictions who have more recently studied the topic of how to best approach the issue.

The [Michigan Gaming Newsletter](#) reached out to Michael Burke, Executive Director of the Michigan Association on Problem Gambling to see if the organization has a position on the bill. Mr. Burke responded:

The Michigan Association on Problem Gambling is neutral on all forms of legal gambling. Having said that, however, a majority of the Board feels that the lifetime ban in the Michigan Disassociated Persons Program may act as a deterrent to gamblers who may be more likely to sign up if they had other self exclusion options available; such as a two or a five year ban.

GUN LAKE CASINO EMBARKS ON \$100 MILLION EXPANSION

On October 16, 2019, the Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians (Gun Lake Tribe) announced details of a \$100 million expansion project for Gun Lake Casino in Wayland, Michigan. Construction is currently underway, and the expansion is projected to open Summer 2021.

The expansion will enlarge the gaming floor and high limit gaming areas, adding 450 slot machines, 12 new table games, and a larger non-smoking area. Stage 131 will double in size, offering more seating, an outdoor patio, and a new dining service. There will be two upscale restaurants added during the expansion as well. The Gun Lake Tribe has invested a total of \$415 million in the Gun Lake Casino property.

“We have undergone a careful and detailed process to understand how to best serve the needs of our current guests – and enhanced dining, entertainment, and gaming amenities are a high priority,” said Sal Semola, President and COO of Gun Lake Casino, in an interview with the Gun Lake Tribe. “These great new amenities will provide new experiences for our guests as part of our continued effort to make Gun Lake Casino the premier entertainment destination in western Michigan,” Semola continued.

Gun Lake Casino currently has 1,100 employees, and will hire 125 additional employees in food service, table games, slot technicians, and guest services, with the expansion. Interested persons should apply at www.GunLakeCasino.com.

AGA REPORT INDICATES CASINO INDUSTRY VIEWED MORE FAVORABLY

In a press release dated October 15, 2019, that can be found [here](#), the AGA released the results of a new report conducted by the Mellman Group that shows that a record 49% of American adults view the casino industry favorably, an increase

from a 45% favorability rating in 2018. Combined with the increased favorability, Americans are visiting casinos in record numbers as well—44% of adults visited a casino in 2019, up from 35% in 2018. The study reported that 49% of adults indicated they planned to visit a casino to gamble in the next year, also up from the 41% reported in the 2018 study. Two-thirds of Americans (67%) believe the gaming industry provides high-quality entertainment. With the expansion of legalized sports betting, 43 states plus the District of Columbia have some form of casino gambling or sports betting.

“The favorability of our industry has never been higher,” said Bill Miller, president and CEO of the American Gaming Association. “As gaming expands across the U.S. and more Americans engage with our industry’s offerings, they see firsthand gaming’s positive impact on local economies and its value as a community partner. I’m committed to continuing the association’s work to translate gaming’s vast popularity into political capital, one of my top priorities for AGA.”

ASSOCIATION OF GAMING EQUIPMENT MANUFACTURERS NAMES RECIPIENTS OF 2019 MEMORIAL AWARDS HONORING JENS HALLE AND PETER MEAD

Per a press release dated October 14, 2019, The Association of Gaming Equipment Manufacturers (AGEM) announced that Tom Nieman has been selected as the recipient of the 2019 Jens Halle Memorial Award Honoring Excellence in Commercial Gaming Professionalism, and the late Dave Palermo has been selected as the recipient of the 2019 Peter Mead Memorial Award Honoring Excellence in Gaming Media & Communications.

Recently retired after a 47-year career in the gaming industry, **Tom Nieman**, 70, has a long history of innovation, creativity and respect in the global gaming industry. While working at Bally from 1972-84, he conceived of property licensing

for Bally’s amusement games, securing dozens of licenses from film studios, the music industry and A-list celebrities that laid the foundation for the same focus on lucrative branded titles in the slot machine business. Starting in 1984, Nieman helped further the growth of the U.S. lottery industry while at Scientific Games. Nieman also served as AGEM President 2017-19, and for the past 15 years was the driving force behind the annual AGEM-AGA Golf Classic that has raised more than \$2 million for the National Center for Responsible Gaming (NCRG).

“It’s hard to fathom a career in gaming that began in 1972 and yet Tom Nieman helped shape our industry not simply through a half century of working, but more importantly by being innovative, creative, humble and generous,” said Luke Orchard, President of AGEM

Born in Kankakee, Illinois, in 1947, **Dave Palermo** was 71 when he died by suicide in Las Vegas in July of this year. He worked for 13 newspapers in 33 years during a distinguished career that culminated with his status as the preeminent reporter on Native American gaming issues. Mr. Palermo was honored with more than 30 career awards for his work. He embraced the Indian Country beat and was passionate about Native American sovereignty, history and social problems and programs, with an emphasis on assisting tribal communities progress in a positive direction.

“Dave was certainly one of a kind and his gruff exterior could clash with his soft side, but the dedication to both his craft and Native American issues overall was evident to all who followed his work,” said Marcus Prater, Executive Director of AGEM. “We let the nominating criteria guide the selection of these AGEM Memorial Awards, and when you see the Peter Mead trait of ‘taking risks and questioning the status quo,’ that’s exactly what Dave did when it came to advocacy for tribal issues and where gaming intersected with those issues. It’s very sad Dave chose to leave us early and we will miss him and his unique insight, but

his legacy lives on through his stories and the impact they made and now through this award as well.”

AGEM previously announced the creation of this unique annual awards program to acknowledge the lasting impacts on gaming by Halle and Mead, two distinctive industry veterans who died unexpectedly in 2015. For more information, please visit www.AGEM.org.