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The _____ MICHIGAN GAMING _____ Newsletter



MESSAGE FROM PUBLISHERS

The publishers of The Michigan Gaming Newsletter, RMC Ventures, would like to thank Julie Williams for her dedication to the Newsletter production and distribution. Next week is Julie's final week with RMC and she will be greatly missed as she has been a key part of the publication's success. Julie not only coordinates the weekly distribution of the Newsletter but she also assists with RMC's Daily News Feed. Both publications reach thousands of interested professionals working in the gaming industry and her assistance has been key in making sure all subscribers have the most current information about the industry.

Fortunately, continuing on with RMC is Marty Overton who plays a key role in the daily aggregation of news reports from across the industry. Marty diligently reviews numerous publications daily in order to assemble the daily report with the latest developments that are included in RMC's Daily Feed.

RMC is also proud to introduce Gabrielle Davis to the team as the publication's new Features Editor and Reporter. Gabrielle also is a legal intern for RMC Legal. She is currently in her final year at Michigan State University Law School. RMC Ventures welcomes any feedback and suggestions from our readers.

MGCB OUTLINES THAT NEW LEGISLATION WILL BRING NEW REGULATORY RESPONSIBILITIES

At Tuesday's meeting of the Michigan Gaming Control Board, Executive Director Rick Kalm and Board Chair Robert Anthony both noted that the potential passage of several gaming related bills would have a significant impact on the regulatory responsibilities of the MGCB.

Mr. Kalm stated if the package is ultimately enacted, it would lead to

increased activity by the five-member Board. He said that the Board would have to license entities to operate under both the sports betting act and the Internet betting act, and would also have to license the suppliers and third party vendors who operate Internet wagering. He further mentioned additional occupational licensing would be required. He said that they would anticipate a busier schedule for the five-person Board, noting that they had gone to a bi-monthly schedule, but suggesting the Board may need to meet more often, perhaps monthly. He observed that the pressure is always to get licenses issued as quickly as possible.

He further discussed the horse racing Advanced Deposit Wagering bill, suggesting that it would have a modest impact on the work the MGCB staff needs to do (with no impact on the Board itself given that the full Board does not get involved in horse racing matters). He suggested that the MGCB still hopes to have input before finalization of the Charitable Gaming bill.

Mr. Kalm stated that the Fantasy Sports bill does require regulation by the MGCB and the use of personnel by the MGCB, and they “are not certain where that funding will come from” as the current version is silent on the funding.

Chairman Robert Anthony said he thinks that there is a “substantial increase in the regulatory environment” that needs to be paid for. He said this should come out of “new monies”, not out of current funding from the casinos. He said these added responsibilities will have an impact on the ability to attract board members to an unpaid board if the amount of work is substantially leveraged up. He said that he would not mind going to a schedule of nine or ten meetings per year, as the Board used to do. But he said he also suspects that there will be a dramatically increased workload on the board members, with more licensing, rulemaking, and increased oversight responsibilities. He said that he believes that in order to attract quality people, some modest amount of compensation needs to be looked at to make it a “fair proposition” to the board members.

MICHIGAN GAMING CONTROL BOARD RELEASES DETROIT CASINO REVENUES & WAGERING TAXES FOR OCTOBER, 2019

In a [press release](#) dated November 5, 2019, the Michigan Gaming Control Board (“MGCB” or “Board”) released the October 2019 revenue figures for the three Detroit casinos – MGM Grand Detroit Casino, MotorCity Casino and Greektown Casino.

The three Detroit casinos reported \$115.7 million in aggregate revenue for October 2019, which was an increase of 3 percent from September. Revenues were 0.3 percent below the monthly revenue in October 2018. The year-to-date aggregate revenue totaled 1,202,235,385.

Please see the linked [State of Michigan official financial report](#).

MotorCity saw a 1.9 percent increase in revenue to \$39.3 million compared with October 2018. Both MGM and Greektown experienced year-over-year declines for the month. MGM revenue at \$48.9 million was down 1.8 percent, and Greektown revenue at \$27.5 million was off 0.4 percent compared with October 2018 results.

The October 2019 market shares for MGM Grand Detroit, MotorCity Casino and Greektown Casino were 42%, 34% and 24% respectively.

During October, gaming taxes for the three Detroit casinos paid \$9.37 million in state gaming taxes compared to \$9.39 million for the same period last year. The three Detroit casinos reported submitting \$14.3 million in wagering taxes and development agreement payments to the City of Detroit during October.

The figures released by the Board are the gross receipts less winnings paid to wagerers. The figures do not include: 1) any fees or other relevant city, state or federal taxes; 2) wages and benefits paid to casino employees; 3) payments to suppliers, services providers or vendors; nor 4) other normal business expenses.

AGA ANNOUNCES NEW CHAIR TREVOR CROKER, CEO OF ARISTOCRAT LEISURE, LTD.

This week, Bill Miller, President and CEO, announced that the American Gaming Association (AGA) Board of Directors has elected Trevor Croker, CEO and Managing Director of Aristocrat Leisure Ltd, as the AGA's new chairman, effective January 2020. Trevor will succeed Tim Wilmott, President and CEO of Penn National Gaming, who will finish out his two-year term this December.

Mr. Miller stated that Mr. Croker "has been an active participant on the AGA board and executive committees, and we're incredibly fortunate to have him take the reins as our next chairman. He has held an array of roles across Aristocrat's regulated and social games businesses and has the depth of expertise necessary to lead the board of directors during such a pivotal time for our industry. Trevor's perspective as one of AGA's supplier members will also prove invaluable."

Mr. Miller also had praise for the outgoing President and CEO, Tim Wilmott. "As Tim's time as AGA chairman comes to an end, the entire AGA would like to thank him for his wise, steady guidance during a critical time for the AGA and industry. Personally, I would like to thank him for the counsel he has so reliably provided me since I began my tenure as the AGA's CEO and president 10 months ago."

GUN LAKE TRIBE AND CASINO PRESENT POLICE AND FIRE WITH DONATIONS TO SUPPORT PUBLIC SAFETY SERVICES

On Wednesday of this week, the Gun Lake Tribe (Tribe) and Gun Lake Casino (Casino) presented two Allegan County public safety agencies with monetary donations to better provide public safety services to the local community. The Allegan County Sheriff's Department received \$15,500 to purchase a new K9, while the Wayland Fire Department received \$16,350 to purchase a LUCAS 3 Chest Compression System.

"We are proud to continue our longstanding support for public safety services in Allegan County," said Tribal Chairman Bob Peters. "The Tribe has a strong commitment to work closely with our local partners to provide a safe and secure community for the families we call our neighbors and friends."

RMC AUTHORS GLOBAL GAMING BUSINESS ARTICLE ON SPORTS BETTING REGULATION

In 2018, the United States Supreme Court found that the Professional and Amateur Sports Protection Act (PASPA) was unconstitutional. Since then, numerous states have started the process of authorizing the activity on an intrastate basis. Currently, Michigan has a bill pending (HB 4916) that would authorize existing casinos in the state of Michigan to offer sports betting. Many other states have either passed legislation or are going down the path of authorizing this activity. Several key regulatory policy questions will arise for regulators in states where the activity becomes lawful.

Dave Waddell, Robert Russell and JJ Burchman of RMC Legal wrote a feature article entitled "Sports Betting Oversight" that has been published in the October 2019 issue of *Global Gaming Business Magazine*. The article explores the question of how jurisdictions can best regulate and oversee sports wagering as it becomes more prevalent across the United States.

The article identifies several policy issues that need to be addressed in sports betting regulation, including: integrity issues; who will operate sportsbooks; licensing of service providers; mobile and online wagering; cash reserve requirements; and collegiate sports wagering. In addition, the article discusses the four different approaches states have taken for internal controls and the practices surrounding the development of house rules. Finally, the article gives an overview of tribal sports wagering in the United States. The full article can be found [here](#).