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For more information on Michigan's gaming industry, please visit [www.michigangaming.com](http://www.michigangaming.com)

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



## CONGRESS PASSES \$2.2 TRILLION STIMULUS BILL

An omnibus stimulus bill was approved by both the Senate and House that will allow a variety of loans, tax incentives, and individual payments to businesses and taxpayers struggling to deal with the restrictions necessary to combat Covid-19. While the CARES Act, as it is commonly known, covers a variety of economic stimulus programs for individuals, health care organizations, and severely distressed industries, this article will focus on those provisions that would likely be available to restaurants, hotels, and casinos. There are two main buckets of relief covered by the CARES act — loans and tax incentive provisions. While regulations have not been promulgated implementing the relief, below is a broad overview of the program buckets.

The first bucket available is loans for businesses with 500 or less employees. Loans would be available up to 2.5 times the total amount spent on payroll, mortgage interest, rent, and utilities for the period from March 1 through June 30. The business could apply for loan forgiveness of the amounts incurred for the 8 weeks following the origination of the loan. The amount forgiven will be proportionally reduced by comparing the number of employees and the salaries they earn from last year to the present year. The loans would be processed through the Small Business Administration and local SBA lender banks would collect applications and determine eligibility for the loans.

The second bucket available involves a number of changes to tax incentives/exemptions. It provides for delaying the payment of the employer share of social security taxes over the next 2 years, increasing the percentage of net operating losses allowable and permitting it to be carried back 5 years, providing immediate depreciation of certain qualified improvement capital investments, increasing the percentage of business interest expense deduction and providing a tax credit of 50% of an employees' wages against the employer's employment taxes.

The CARES act is the third stimulus bill passed by the U.S. legislature and House Leader Nancy Pelosi has indicated that they will begin working on a fourth bill to further address areas of the economy, businesses and individuals who may not have been provided sufficient relief from the previous stimulus bills.

## **MICHIGAN GAMING CONTROL BOARD CONTINUING TO OPERATE**

With Governor Whitmer's executive order requiring Michigan residents to shelter in place, the MGCB, as other governmental agencies, adjusted its work practices. As a result of the assemblage order, casinos, racetracks and Millionaire Parties have been suspended. Even so, the MGCB's work is not suspended.

Most MGCB staff members are teleworking. The agency continues to process license applications and review documents received by mail. The MGCB also continues to send and receive vendor and supplier documents. Agency staff have regular conversations with casino management and charities looking to reschedule Millionaire Party events. Agency staff also engage in regular communication with Northville Downs, reviewing contracts submitted for approval to begin offering advance deposit wagering.

The MGCB recognizes the impact on the casino and horse racing industry employees. In an interview with the Michigan Gaming Newsletter, Rick Kalm, executive director of the MGCB, noted that the Governor's executive order regarding unemployment insurance will expedite payments to laid-off workers. He noted: "The MGCB stands ready to assist our casinos and racetracks with whatever we can do to lessen any impact closures bring."

## **GLI RELEASES WHITE PAPER ON ILLEGAL AND UNREGULATED GAMBLING, UNVEILS GOVERNANCE, RISK, AND COMPLIANCE PRACTICE**

Based in New Jersey, Gaming Laboratories International (GLI) is a private lab known for its testing, certification, and professional services for gaming regulators, suppliers, and operators around the globe. GLI tests gaming machines, software, systems, and equipment to ensure compliance for slot machines, bingo, iGaming, and lottery, among other technologies.

The report highlights the extent of the illegal and unregulated gambling problem in the U.S., the technology that is driving it, the cause of its rapid expansion and the implications for consumers, states and tribes. GLI's Vice-President of Government Relations & General Counsel, Kevin Mullally, provides the analysis along with a proposed regulatory framework for policymakers to consider to turn back the negative impacts of unregulated and illegal gambling.

The report argues that sophisticated technology allows developers to circumvent vague or obsolete criminal gambling statutes, resulting in lost revenue for states and tribes. Moreover, it markedly increases risks for consumers, especially underage and problem gamblers. The best way to effectively protect states, tribes, and consumers from the harms of unregulated and illegal gambling is through a modernized regulatory framework appropriate for this modern era.

A copy of the report can be obtained by filling out the form located at: <https://content.gaminglabs.com/illegalgambling>

In addition, GLI announced its new practice in Governance, Risk, & Compliance earlier this week. The new Governance, Risk, & Compliance practice is one of GLI's professional services designed to "empower audit, risk and compliance professionals, business leaders, and the boards they serve to reliably achieve business objectives, address uncertainty, and act with integrity."

The Governance, Risk, & Compliance practice offers services in the following areas:

- IT Process Improvement
- IT Security Audit and Consulting

- Internal Audit & Enterprise Risk Assessment
- Payment Card Industry PCI:DSS
- Source Code Security Audit
- ISO Consulting
- ISO 27001:2013 Information Security Management Systems Certification

For more information on the Governance, Risk, & Compliance practice, visit GLI's [website](#).

## **RSM HOSTING WEEKLY WEBCAST SERIES ON CORONAVIRUS IMPACTS**

International accounting firm RSM is hosting a weekly webcast series to provide information and resources for businesses on issues related to the coronavirus pandemic.

The goal of the webcast series is to help business leaders to understand:

- The economic impact from coronavirus;
- How organizations can prepare for the future;
- How to mitigate risk, including using cybersecurity; and
- Information technology's role in the crisis.

The intended audience of the series is C-suite executives and other professionals concerned about how to handle the impacts of the coronavirus pandemic.

Each webcast will last approximately one hour, and will be available every Wednesday at 1:00 PM EDT. The first of the series will be April 1, 2020. Specific topics for each webcast will be announced the day before the webcast.

There is no fee for the webcast series, however interested persons should register for attendance [here](#).