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The _____ MICHIGAN GAMING _____ Newsletter



TRIBAL CASINOS BEGIN TO OPEN

As Governor Whitmer has begun a phased lifting of her executive stay-at-home orders, tribal casinos have also begun to announce planned openings. Island Casino & Resort, owned and operated by the Hannahville Indian Community, reopened on Saturday, May 16. Several restrictions were in place, including a smoking ban, requiring guests to wear masks, and requiring guests and employees to undergo temperature checks before gaining entrance to the casino. The casino has not opened any tables games and there are plexiglass dividers in some areas. In an article published by Native News Online, Hannahville Indian Community Tribal Chairperson Kenneth Meshigaud noted: "The Tribal Council made their decision to open based on data from the Michigan Departments of Health, the rate of infection in the three-county area surrounding the Casino and the full range of precautions to be implemented for the safe operations of the gaming facility."

The Little Traverse Bay Bands of Odawa Indians ("Odawa") also recently announced plans to open two of its casinos. The Odawa Casino Mackinaw is scheduled to open Friday May 22, and the Odawa Casino Petoskey is scheduled to open Friday May 29. Both facilities will have restrictions, include limitations on slot machines, no valet parking, and limited table games. Like Island Casino, both Odawa Casinos will require temperature checks for guests and employees, masks for guests, and a ban on smoking. The Odawa Hotel at the Petoskey property plans to begin taking reservations starting June 11.

The Sault Ste. Marie Tribe of Chippewa Indians operate five casinos under the Kewadin brand across the Upper Peninsula. They have announced planned openings of the casinos for June 1.

The American Gaming Association has developed a tracker showing which casinos across the United States remain closed and which are open. The tracker

can be accessed at: <https://www.americangaming.org/research/covid-19-casino-tracker/>.

MICHIGAN GAMING CONTROL BOARD BEGINS ACCEPTING ONLINE GAMING SUPPLIER LICENSING FORMS

In a press release dated Friday, May 15, 2020, the MGCB announced that it had begun accepting online gaming supplier applications (both iGaming and Internet sports wagering suppliers). The application forms are available in the MGCB website and can be found [here](#). The MGCB may issue provisional licenses for all suppliers other than platform providers. Platform providers may submit their applications now, however, so as to be ready for licensure when the iGaming and Internet sports wagering rules have completed the rule-making process.

The MGCB expects to have vendor registration forms and operator licensing forms available soon, but is waiting until it receives additional feedback on the proposed rules before finalizing those forms.

“We’ve taken another step toward the launch of online gaming by beginning the licensing process,” said Richard S. Kalm, MGCB executive director. “The MGCB encourages suppliers to file applications soon so we can conduct investigations and issue provisional licenses, which are allowed under state law.” Mr. Kalm also noted: “We continue to make progress on rule promulgation for internet gaming and online sports betting,” Kalm said. “While we expect to launch these forms of betting by early 2021, we hope it can happen sooner.”

FIREKEEPERS ECONOMIC IMPACT ANALYSIS RELEASED

Examines 10-Year Social and Economic Impact

In a press release issued this week, Firekeepers Casino presented the results of a study that was commissioned to examine the social and

economic impact the casino has had on the local community. In December 2019, the FireKeepers Local Revenue Sharing Board received the Socioeconomic Indicators and Economic Impact Analysis of FireKeepers Casino and Hotel. The Board engaged the Upjohn Institute for Employment Research in Kalamazoo to complete this study in accordance with a long-standing commitment. The promise was to update the economic and social indicators within Calhoun County identified in an initial 2008 Upjohn Study as possibly being impacted by the development of the FireKeepers Casino and Hotel.

“NHBP is pleased to see that the results from the impact analysis reinforce what the Tribe always believed the impact of FireKeepers Casino Hotel would be on our community,” NHBP Tribal Council Chairperson Jamie Stuck said. “The report clearly shows both the economic and societal benefits that FireKeepers has had on the City of Battle Creek, Calhoun County and the surrounding region.”

The socioeconomic indicators examined by the Upjohn Institute include economic opportunity, crime offenses, financial impact, and family and children.

Upjohn Institute estimates that in 2018, 2,426 jobs were added to the labor market due to people from outside of the county patronizing and spending money on services at the casino. These are public and private sector jobs, including direct employment by FireKeepers and also jobs created from the need for others (for example, grocers, accountants, and dry cleaners) to supply goods and services to workers at FireKeepers. FireKeepers represents slightly more than 4% of all county employment.

The report found that gaming adds almost \$250M in additional sales in Calhoun County, along with \$21M in personal income. Combined, gaming and non-gaming activities, sales in Calhoun County were \$443M higher due to activities of patrons and the facility, and personal income rose by \$65M.

Within the social indicators, Upjohn concluded that both Emmett Township, where the Casino Hotel is located, and the County are doing just as well and in some cases better now, both when compared to the baseline year of 2008 and when measured against our comparison counties. These indicators included crime activity, bankruptcy filings, senior assistance requests and divorce rates and domestic violence reports, among others.

A full copy of the study is available at this link [here](#).

AGA URGES TRUMP ADMINISTRATION TO ADJUST SLOT REPORTING THRESHOLD AS PART OF REGULATORY REFORM EFFORT

In a Press Release issued this week, the American Gaming Association (AGA) welcomed the Trump administration's executive order to swiftly identify regulatory reform opportunities to help promote job creation and economic growth. America's gaming industry has been among the most impacted sectors of the economy as a result of the COVID-19 pandemic, which required the temporary closure of all 989 commercial and tribal casinos throughout the country.

"As the gaming industry safely reopens and seeks to return to financial health, one critical area of regulatory reform the administration should consider is modernizing the \$1,200 slot jackpot reporting threshold, which has been in place since 1977," said Bill Miller, president and CEO of the American Gaming Association. "The current threshold is outdated and imposes significant compliance burdens on both the Internal Revenue Service (IRS) and the gaming industry.

"Last year, the AGA again encouraged the Department of Treasury to update the slot jackpot reporting threshold to a realistic level, in-line with inflation, such as \$5,000. The increased threshold would not only enable the IRS to focus its limited enforcement resources on those taxpayers who are most likely to have net slot

winnings at the end of the taxable year, but would also significantly reduce close interactions required between gaming employees and patrons to issue tax forms.

"This policy change, supported by bipartisan members of Congress, was already long overdue prior to the pandemic, and now has additional importance as the gaming industry emerges from this crisis."

Background

- According to federal regulation, when a casino patron wins a slot machine jackpot of \$1,200 or more, the machine is temporarily taken out of production while the patron is required to complete a W-2G tax reporting form.
- While slot jackpots have steadily increased with inflation over the past several decades, the \$1,200 threshold that triggers the issuance of tax forms has remained static since it was established in 1977. A \$1,200 jackpot in 1977 would be equivalent to more than \$5,000 today if adjusted for inflation.
- Because the threshold hasn't tracked with inflation, there has been a significant increase in the number of reportable jackpots, causing more operational inefficiencies and adding to the sea of W-2G forms currently flooding an underbudgeted and understaffed IRS each year.

UP NEXT IN THE GAMING IN CRISIS WEBINAR SERIES: DESIGN CHANGES: WHAT WILL A CASINO RESORT LOOK LIKE IN THE WAKE OF COVID-19?

Up next in the "Gaming in Crisis" webinar series which is being co-sponsored by RMC, The Innovation Group, and Global Gaming Business Magazine, is a panel focused on design changes that are likely to occur in the casino industry as a result of the virus. The panel discussion will include leading experts who will analyze the likely

changes in design once casino resorts are re-opened. New guidelines will be set in place to adhere to health and safety guidelines and to adhere to federal, state, and local regulations. So far, the industry has seen plexiglass partitions, more space allocated between slot machines with some slots being deactivated to enforce the spacing and setting a limit to number of players allowed at table games. But, what's next?

The casino resort industry is also suffering devastating losses and uncertainty with restaurants, booking entertainment, showrooms, and convention spaces. With no clear path set, the upcoming webinar will speak with architects, designers, and casino operators to discuss what could work and how the customers may respond to such changes. The webinar series is scheduled for Thursday, May 28, 2020 at 2:00 pm ET.

To register or to check out past webinars in the series, click [here](#).