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



## **MGCB ISSUES UPDATED IGAMING AND ISPORTS FAQs FOR BUSINESSES**

The Michigan Gaming Control Board (MGCB) issued an updated "[Internet Gaming and Sports Betting FAQs For Businesses](#)" highlighting key issues with which operators, platform providers, suppliers, vendors, and employees should be familiar. The document updates and expands upon the FAQs that the MGCB had previously released in October. The topics covered in the FAQs include:

- Licensing
- Equipment
- Branding Requirements
- Operator Branding
- Platform Provider Branding
- Separate Branding
- Authorized Participant Accounts
- Advertising and Promotions
- Geofencing
- Internet Gaming and Internet Sports Betting Conducted Exclusively on Indian Lands
- Responsible Gaming Databases

With respect to the new areas covered and expanded upon in the FAQs, the additions include:

- Testing setup and integrations in the production environment
- Authorized Participant Accounts section
- Advertising and Promotions section
- Geofencing section
- Internet Gaming and Internet Sports Betting Conducted Exclusively on Indian Lands section
- Responsible Gaming Database section

To read the FAQs in full, please click [here](#).

## **MICHIGAN LEGISLATIVE UPDATE**

There have been several gaming-related developments and legislative updates this week to be aware of. On Tuesday, December 1 the Joint Committee on Administrative Rules (JCAR) waived the 15-session day requirement for Internet Gaming and Internet Sports Betting Rules, putting launch one step closer. Additionally, four new bills were introduced, including HB 6456, HB 6462, HB 6463, and HB 6464. The House Regulatory Reform Committee took up SB 991 allowing for multijurisdictional poker, while the House Ways and Means Committee reported with recommendation SB 661, SB 991, HB 6456, HB 5862, HB 6462, HB 6463, and HB 6464.

Big picture on the legislative front, it appears that the legislators may be planning to: (1) authorize multi-jurisdictional poker (when permitted by federal law); (2) move forward on authorizing historic racing at racetracks in the state of Michigan after local approval is also given (there is only one operating track currently, with plans for a second); and (3) allow for a form of online raffle that charities can conduct that will be regulated by the MGCB.

The Rules Finalization and the various legislative developments are discussed in detail below.

### **Rules Are Effective/ JCAR Waiver**

The Michigan Gaming Control Board drafted rules for both Internet Gaming and Internet Sports Betting, which were submitted by the Treasury to JCAR in October. The rules were required to be before JCAR for 15 session days before they may go into effect unless JCAR waives the remaining days. JCAR waived the remaining session days at its committee meeting on Tuesday, December 1. The rules were filed with the Secretary of State on December 2, and took immediate effect allowing for the MGCB to finalize the licensing process. The MGCB has several procedural processes it is working diligently on with the casino operators

and platform providers.

### **Multijurisdictional Poker**

SB 991 would amend the Lawful Internet Gaming Act to allow for multijurisdictional poker. Senator Hertel, the sponsor of the bill, testified at the House Regulatory Reform Committee meeting on Tuesday that the bill would resolve certain oversights that were made during drafting of the iGaming and iSports bills. He explained that in light of current federal law interruption only slots were supposed to not cross state lines as to not compete with the Lottery. The bill passed and was referred to the House Ways and Means Committee, where it was taken up on Wednesday. In the Ways and Means Committee meeting, SB 991 was reported with recommendation with a vote of 9 yeas, 1 nay, and 0 passes. The bill now moves to the floor, where action could be taken by the end of the year.

### **Historical Horse Racing (HHR)**

The Michigan Horse racing industry has long been seeking to be allowed to have Historical Horse Racing (HHR) machines at authorized tracks. SB 661 would amend the Horse Racing Law to allow for HHR at licensed racetracks. The bill was taken up during the House Ways and Means Committee meeting on Wednesday. Testimony was taken on behalf of the State Bar of Michigan Animal Law Section and Attorneys for Animals. The testimony emphasized the effect of HHR on horses, citing animal cruelty and bad public policy to prop up a dying industry. Support for the bill includes Northville Downs, and AmWest Entertainment. Substitute H-5 was adopted and reported with recommendation with a vote of 10 yeas, 0 nays, and 0 passes. It now also moves to the floor for a vote.

The Michigan Harness Horseman's Association issued a statement following the adoption of a substitute bill indicating that changes to the bill were unacceptable and would be seeking additional modifications as the bill moved to the House Floor.

## **Below Is a Set of Newly Introduced Michigan Gaming Legislation**

The following new bills were taken up in the House Ways and Means Committee Meeting on Wednesday, December 2nd:

### **HB 6456**

This bill would amend the Traxler-McCauley-Law-Bowman Bingo Act by moving oversight of raffle games from the Lottery to the MGCB. HB 6456 is tie-barred with HB 5862, which would allow charities to operate internet raffles. HB 6456 and HB 5862 with substitute H-1 were both reported with recommendation with a vote of 10 yeas, 0 nays, and 0 passes in the House Ways and Means Committee meeting on Wednesday.

### **HB 6462**

This bill would amend the allocation of taxes in the Lawful Sports Betting Act, reallocating 5% from the Agriculture Equine Industry Development Fund to the Michigan Economic Development Corporation. HB 6462 was reported with recommendation with a vote of 9 yeas, 1 nay, and 0 passes in the House Ways and Means Committee meeting.

### **HB 6463**

This bill clarifies a terminology reference in the Lawful Internet Gaming Act. HB 6463 was reported with recommendation with a vote of 9 yeas, 1 nay, and 0 passes in the House Ways and Means Committee meeting.

## **CAESARS WINDSOR TEMPORARILY CLOSES**

Caesars Windsor temporarily closed on Monday November 30<sup>th</sup> as a result of the current spike in COVID-19 cases. In connection with the closing, the casino stated: "The safety of our guests, team members, and community is our top priority and as such we will continue to follow the recommendations of provincial and local public health units."

## **OHIO SPORTS BETTING UPDATE**

Legislation that would authorize sports betting continues to progress through the legislative process in Ohio. SB 111 was introduced in March of 2019, but has not gained much traction to date. A competing bill, HB 194, was introduced in April of 2019, passed the Ohio house in May of 2020, but to date has not progressed in the Senate. One of the major differences between the bills is that the Senate version proposes to have the Ohio Casino Control regulate sports betting, whereas HB 194 proposes to have the Ohio Lottery regulate sports betting.

At a recent Senate Government Agency Review Committee meeting, SB 111's sponsor, Senator John Eklund, provided an update at the request of Committee Chairman Senator Kirk Schuring. Senator Eklund noted that he is working on a substitute bill that has resulted from input from a number of constituencies, including colleges, pro sports leagues, Ohio regulators and industry players, including discussions with the sponsor of HB 194, Representative Dave Greenspan.

Any legislation must be passed in the lame duck session as the Ohio legislative session ends at the end of the year. Both the Ohio House and Senate are scheduled to meet at least two more times, with three additional sessions if necessary.