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Editor in Chief

David D. Waddell, Esq.
Phone: 517.507.3859
waddell@rmclegal.com

*Senior Gaming Analyst
& Editor*

Robert R. Russell, II
Phone: 517.507.3858
russell@rmclegal.com

Associate Editor

J.J. Burchman, Esq.
Phone: 517.999.5414
burchman@rmclegal.com

Production Coordinator

Christina Morris
cmorris@rmclegal.com

Subscription information:
info@michigangaming.com

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RMC Ventures, LLC

Asher Court
321 W. Lake Lansing Rd.
East Lansing, MI 48823
Phone: 517.507.3860
Fax: 517.908.0235
www.rmclegal.com

The _____ MICHIGAN GAMING _____ Newsletter



iGamingBusiness Hosts Webinar on the Evolving Role of eSports Betting

On May 25, iGamingBusiness hosted a webinar discussing “The role of eSports in the evolving land-based sector.” The webinar offered insight from Seth Schorr, Chairman of the Downtown Grand Hotel in Las Vegas, and Jennifer Roberts, the General Counsel at WynnBET, on the growing importance of eSports in existing land-based casino establishments.

As the only major competitive sporting event during the COVID-19 pandemic, eSports witnessed significant growth in 2020. Most of this growth, however, occurred online, leading land-based casinos to search for new ways to integrate these activities into their operations. The unique ability to simultaneously bet on eSports competitions in-person and online has encouraged casinos to find the best way to appeal to customers on both fronts.

On the digital front, Ms. Roberts emphasized the ability of brick-and-mortar casinos to attract players through their brands’ existing reputations. In this way, casinos can extend their existing luxury and hospitality experiences into the digital realm to attract players.

Brick and mortar casinos face a different challenge in their efforts to draw eSports fans into their establishments. Mr. Schorr and Ms. Roberts both urge casinos to focus on developing amenities and accommodations that cater to the new, often younger generation of gamer-guests. Whether offering low-cost food options or streaming eSports competitions in casino restaurants and bars, according to Ms. Roberts, operators “must understand the audience.”

The cycle from gaming demand to integrated betting community adds another dimension to the challenge of attracting eSports fans into casinos. Ms. Roberts

commented on the “vicious cycle” that relies on strong consumer demand. Without high levels of demand, operators will lack the drive to seek approval for eSports betting events. And without regulatory approval, eSports betting will remain an elusive opportunity for brick-and-mortar casinos.

To generate the requisite demand for eSports betting, Mr. Schorr expressed the importance of investing in media that showcases the excitement of eSports betting in a manner that appeals to eSports fans. Effective media, according to Mr. Schorr, must highlight the ways in which casinos have adapted to the habits of eSports fans, for example, by enabling interactive in-game betting, rather than single pre-game bets.

The legalization and regulation of eSports betting remains another essential step in attracting gamers into casinos. By promoting customer safety and ensuring game integrity, a regulated eSports betting industry will play a key role in turning an eSports fan into an eSports betting fan, according to Mr. Schorr.

Ultimately, the transition from eSports as an online-only betting experience to a brick-and-mortar casino attraction will depend on responsive marketing and regulatory efforts. And, as Ms. Roberts affirmed, it is “more than just games, but amenities that [will] appeal to the customer.”

Ohio Senate Working on Sports Betting Legislation

On May 6, Ohio Senators Kirk Schuring, Niraj Antani, and Nathan Manning introduced SB 176 to legalize and regulate sports gaming in the State. The proposed bill is the culmination of the Senate Select Committee on Gaming’s series of hearings regarding the expansion of gaming in Ohio and represents the diverse views of professional sports teams, local businesses, state lottery officials, and large casino operators.

SB 176 includes 40 sportsbook licenses. Twenty licenses are considered Type A online licenses

that can be issued to Ohio’s eleven existing casinos or racinos. Type A licensees are required to contract with online sportsbook operators, and there is no limit to the number of operators a licensee can partner with. The remaining twenty licenses are considered Type B retail licenses for brick-and-mortar sportsbooks, such as those in bars, restaurants, bowling allies, or other small businesses.

During the Committee’s May 12 hearing on the bill, SB 176 was amended to allow any entity, including Ohio casinos and racinos, to apply for Type B licenses. However, these retail licenses were likely meant to appease concerned small business stakeholders that consider sports betting a new source of revenue. According to an Action Network article, the Committee clarified that non-gaming entities can qualify for Type A online licenses as long as they have or can create a “substantial presence” in Ohio.

The bill would allow the Ohio Casino Control Commission to administer all 40 licenses, each at a cost of \$1 million, renewable every three years. SB 176 also proposes to tax net sports betting revenues at 10%. Most tax revenue would be directed towards education, while 2% would be reserved for addiction and problem gambling services.

In addition to the legalization of sports betting, SB 176 would authorize the Ohio Lottery Commission to offer \$20 betting pools that allow participants to wager on the outcome of games. Winnings would be equally divided among the winners less the Commission’s 10% take.

SB 176 would also permit electronic bingo at veteran’s and fraternal organizations. And, the [bill](#) proposes the creation of a Select Committee on iLottery that will study the “potential effect of online lottery ticket sales on retail lottery ticket sales” in Ohio.

Ultimately, SB 176 represents comprehensive gaming expansion in Ohio. Senator Schuring hopes that the bill ushers in “broad-based economic development.” An [Action Network](#)

[article](#) reported that, according to the Senator, SB 176 is “free market driven, and comes with oversight from existing Ohio agencies with gaming experience to make sure Ohioans are not being taken advantage of by illegal gaming.”

MGCB Public Meeting Scheduled for Tuesday, June 8

The Michigan Gaming Control Board ("MGCB") will hold a virtual regular public meeting on Tuesday, June 8, 2021. The meeting will begin at 9:30 AM and will be accessible via Microsoft Teams.

June's meeting will consider recommendations for approval of licenses for ten online gaming operators. Additionally the MGCB will consider recommendations on occupational license applications, suitability of key persons, and acknowledgements of violations. The meeting will also consider Executive Director Henry Williams' recommendations regarding pending supplier license and supplier license renewal requests. The full agenda for the March meeting may be found [here](#).

The meeting is virtually open to the public, and comments from the public are welcomed and encouraged during the public comment portion of the meeting.

The meeting will be accessible to the public via Zoom at this [link](#).

Michigan House Passes Bill Lifting Cap on Internet Gaming Revenue Directed to Equine Fund

Two recent House Bills (HB 4823 and HB 4824) which would remove a \$3 Million cap on money the Agriculture Equine Industry Development Fund receives from Internet gaming revenue in and Internet Sports Betting in Michigan passed the Michigan House on Wednesday. Both bills have now been transmitted to the Senate for

consideration and have been assigned to the Senate Agriculture Committee chaired by Senator Kevin Daley. Opponents of the bills have noted that such an increase in Equine Funding will divert money away from other state purposes such as the School Aid Fund.

FireKeepers Casino Hotel to Host Job Fair on June 12

According to a [press release](#) on June 3, 2021 – FireKeepers Casino Hotel in Battle Creek MI, will conduct open interviews during a job fair on Saturday, June 12, in the FireKeepers Event Center.

Interviews will be available from 9 a.m. - 2 p.m. Applicants will be able to learn about, apply and interview for positions in several departments throughout the property including Finance, Food & Beverage, Hotel, Marketing, and Security. Human Resources will be on site to make offers on the spot.

Interviews will be socially distanced, and will follow all of FireKeepers COVID-19 safety protocols, including requiring masks for non-vaccinated guests.