

June 10, 2016

Volume 22 Issue 19

For more information on Michigan's gaming industry, please visit www.michigangaming.com

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

Reporter and Associate Editor

Blaine R. DeGracia

Phone: 517.507.3857
degracia@rmclegal.com

Reporter

JJ Burchman

Phone: 517.999.5414
burchman@rmclegal.com

Subscription information:
info@michigangaming.com

A publication of
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



NEXT THURSDAY: TITLE 31 COMPLIANCE WEBINAR TO COVER INDUSTRY ACTIVISM IN ANTI-MONEY LAUNDERING COMPLIANCE

The *Michigan Gaming Newsletter* has partnered with the State Gaming Associations in Colorado, Indiana, Illinois, Iowa, Louisiana, Mississippi, Missouri and Nevada to sponsor a Title 31 Compliance Webinar assembled by experts in Anti-Money Laundering on June 16, 2016.

[Free Registration: Click Here](#)

The webinar seeks to enhance the casino industry's awareness of practical issues related to the Federal Anti-Money Laundering ("AML") regulations.

Content of the webinar will feature information on Know Your Customer Investigations/Customer Due Diligence, Common Regulatory and Internal Control Violations, Culpability of Executives and Management Teams, Data Mining for Suspicious Activities, Chip Walking, General Currency Transaction Report (CTR) and Suspicious Activity Report (SAR) Compliance Advice, as well as relevant regulatory changes in policies and regulations.

Whether involved with government affairs, the legal environment, or directly with compliance, this webinar will be advantageous to you in helping provide comprehensive solutions to common AML compliance issues along with the knowledge to keep your casino free of violations. Submit your questions to be included in the Q/A session of the webinar to Info@casinowebinar.com

To register, or for more information, please visit www.casinowebinar.com.

MICHIGAN LEGISLATIVE UPDATE

Horse Racing Bill Passes Senate, Goes to Governor Snyder for Approval

Yesterday, June 9, 2016, the Michigan Senate passed Senate Bill 504 (“SB 504”), which seeks to amend and revise the Horse Racing Law of 1995. The bill, which has gone through several iterations in both the House and Senate, now goes to Governor Rick Snyder to decide whether to approve it.

The bill, among other things, proposes the establishment of the ‘Horse Racing Advisory Commission’ within the Michigan Department of Agriculture and Rural Development, and provides for a drastic reduction in the amount of live racing that will likely be conducted in the future. Earlier versions of the bill included language authorizing the use of Advance Deposit Wagering (“ADW”) by the tracks. This language has since been removed. The Michigan Harness Horsemen’s Association has suggested that ADW will be sought through rule changes working with the Racing Commissioner.

The Executive Director of the Michigan Gaming Control Board (“MGCB”), who has overseen the operation of horse racing in Michigan since 2010, previously expressed neutrality on the bill, noting significant concerns with the imposition of a Horse Racing Advisory Commission as well as the possibility for simulcast-only operations at tracks.

[Click here to access the current version of SB504.](#)

Internet Wagering Bill Substitute Reported Favorably Out of Senate Committee

On Wednesday, June 8, 2016, the Michigan Senate Committee on Regulatory Reform adopted and reported favorably substitute bill S-1 of Senate Bill 889 (“SB 889”). SB 889 was introduced by Sen. Kowall on April 14, 2016. The “Lawful Internet Gaming Act” seeks to legalize, regulate and tax Internet gaming within Michigan.

S-1 to SB 504 changes include, but are not limited to, altering the licensing renewal schedule, and requiring licensees to engage in the prevention of fraud, and money laundering activities. As required in the previous version as well, the bill includes age verification restricted to 21 years of age and older.

If the current legislation is ultimately passed, should any portion of the bill be found invalid by a court, the entire bill will be rendered null and void.

Under the legislation, an Internet “casino” would be required to apply for licensure to a proposed division of Internet gaming within the Michigan Gaming Control Board. Each licensee would be required to pay a \$100,000 application fee and initial \$5,000,000 license fee with a 10% tax on gross gaming revenues. Eligible licensees include existing Michigan commercial casino licensees and federally recognized Michigan Indian Tribes, with gaming operations within the state. In addition, the bill requires that the tribe waive sovereign immunity and enter into a compact agreement to include internet wagering with concessions to the state.

The Committee Chairman read public testimony cards into the record as time constraints did not permit those wishing to speak to verbally testify before the Committee. A copy of the Committee Draft Minutes from the meeting, as well as those publicly taking a position on the legislation, can be [found here](#).

The Lawful Internet Gaming Act seeks to legalize Internet gaming while specifically prohibiting wagering on any professional or amateur sporting event unless otherwise legal pursuant to state and federal law. Supporters of the bill have estimated that the authorization of internet wagering could generate \$40 million in revenue.

[Click here to access the current version of SB 889.](#)

CONGRESSIONAL SPOTLIGHT: REP. BRENDA LAWRENCE

Yesterday, June 9, 2016, the American Gaming Association (“AGA”) released an Q & A interview with U.S. Representative Brenda Lawrence (D-MI). Congresswoman Lawrence represents Michigan’s 14th congressional district which stretches from eastern Detroit westward to Farmington Hills, then north to the suburbs of Auburn Hills. “Congressional Spotlight” is an AGA series highlighting members of Congress who comment on the benefits that casino gaming brings to their respective districts. Below is the interview.

AGA: *Casinos provide good jobs, vital tax revenues and a host of benefits to communities. What has casino gaming meant to your district, community and state?*

Brenda Lawrence: *I appreciate the gaming industry’s dedication to skilled workers in Michigan and across the country. I will continue to support the industry’s important efforts to direct resources and support towards responsible gaming and recovery initiatives and look forward to the positive impact such programs will have across the state and nation.*

AGA: *With casinos now operating in 40 states, many members of Congress have become more familiar with the industry. What have you learned about gaming?*

Brenda Lawrence: *I am impressed by the partnership and community outreach of the gaming industry. The significant role the industry has played in the economic recovery efforts of Detroit and Southeast Michigan have been tremendous. I plan to continue to work with the industry to support their development efforts and look forward to the industry’s sustained investment.*

AGA: *How can gaming continue to serve as a strong community partner?*

Brenda Lawrence: *I look forward to the continued investment of the gaming industry in cities such as*

Detroit. The best part of the gaming industry is its commitment to economic recovery initiatives and the continued collaboration of industry and community workforce development. These efforts are critical to the success of our country’s economy and future. I am committed to supporting this type of activity and the strengthening of communities across our nation.

Learn more about the AGA’s Get to Know Gaming campaign at GetToKnowGaming.org.