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The MICHIGAN GAMING Newsletter



AGREEMENT REACHED BETWEEN STATE AND HANNAHVILLE POTAWATOMI INDIAN COMMUNITY

On March 15, 2017, an agreement regarding the Hannahville Potawatomi Indian Community ("Tribe") gaming compact was signed by Judge Gordon Quist in the Western District Court of Michigan. The agreement allows the Tribe to continue gaming operations at its Island Resort & Casino in the Upper Peninsula of Michigan under its original gaming compact, adopted in 1993. However, according to the agreement signed on March 15, there will be an increase in payments made from the Tribe's Annual Net Win, which is the total amount wagered on electronic games minus the total amount paid to players for winning wagers. Those payments include:

- 1 percent of its Annual Net Win, which is the total amount wagered on electronic games minus the total amount paid to players for winning wagers from such gaming, to Travel Michigan for regional travel marketing, up to \$50 million,
- 1 percent of its Annual Net Win, up to \$50 million, paid to an escrow account to make bond payments for the construction of new public schools in the Bark River-Harris School District,
- Payments to the Michigan Strategic Fund following the structure of 1 percent of its Annual Net Win up to \$50 million, 5 percent of its net win between \$50 million and \$75 million, and 7 percent of its net win over \$75 million,
- Another 2 percent of the Annual Net Win will go to any state government units located "in the immediate vicinity" of the tribe's casino, and;
- If state law is changed to allow Class III games or electronic gaming over the internet or a similar format and a compact amendment with the Tribe is made to allow it, the Hannahville tribe would pay 8 percent of its annual net win from those games

to the Michigan Strategic Fund.

The new agreement and payments reflect an additional 3 percent of net win that will be paid to the state of Michigan by the Tribe.

Since 2012, the state of Michigan and the Hannahville Potawatomi Indian Community have been in talks regarding the original compact which expired in November of 2013. However, despite good faith effort from both sides, the two parties were unable to renegotiate the compact. Then on March 13, 2017, Attorney General Bill Schuette filed a complaint against the Tribe for its continuation of gaming operations beyond the date which was stated in the 1993 compact. The situation was resolved on March 14, as both parties entered a stipulation and agreement for entry of a consent judgement, resulting in the signed agreement on March 15.

Under the new agreement, the state of Michigan shall not exercise its unilateral right to renegotiate or terminate the Compact prior to November 30, 2042.

AGA ESTIMATES MARCH MADNESS BETTING TO TOP \$10 BILLION

On March 13, 2017, the American Gaming Association (“AGA”) released an estimate that Americans will wager \$10.4 Billion on the NCAA Men’s Basketball Tournament. Compared to last year’s estimated \$9.2 billion, this number reflects a 13 percent increase. However, according to the AGA, only about \$295 million of the \$10.4 billion, or 3 percent, will be wagered legally through Nevada sports books. The AGA states that the remaining \$10.1 billion will funnel through offshore websites or through bookies.

“The federal ban on sports betting is an utter failure – depriving states of vital tax revenues and preventing millions of fans from wagering legally on games,” said Geoff Freeman, AGA President and CEO. “It’s time for Washington to get out of the way and enable states to reap the rewards of a regulated sports betting marketplace.”

Since the passage of the Professional and Amateur Sports Protection Act (“PASPA”) in 1992, the AGA states that Americans have bet at least \$150 billion annually on illegal sports betting but believes that regulation can create a transparent marketplace wherein data is instantly analyzed and scrutinized in order to detect any potential wrongdoing. Though due to the adoption of PASPA, the \$10.1 billion that will be wagered illegally will be done so without data analysis.

According to the AGA, each year ahead of the tournament:

- 40 million people fill out roughly 70 million brackets;
- Average person completes nearly two brackets;
- Average bet per bracket totals \$29;
- Half of all March Madness viewers have filled out a bracket at least once in their lifetime; and
- Research shows those who fill out brackets online or through mobile applications are more likely to watch March Madness games.

Fans interested in helping to lift the federal ban on sports betting can learn more at SportsBettingInAmerica.com.

MGM GRAND DETROIT WELCOMES FIRST NATIONAL CONEY ISLAND TO DOWNTOWN DETROIT

On March 13, 2017, downtown Detroit’s first National Coney Island opened for business in MGM Grand Detroit’s Breeze Dining Court. According to MGM, the menu will feature great-tasting classics including National Coney Island’s famous coney dogs, popular Hani™ sandwiches and award-winning chili that will be available 24 hours inside the restaurant. Additionally, the menu will be featured at MGM’s TAP and will be made available as a catering option for banquet events.

“Bringing National Coney Island to our guests is a continuation of MGM Grand Detroit’s mission to work with Michigan companies and support local businesses,” said Mike Neubecker, President and COO at MGM Grand Detroit. “After last year’s successful opening of The Roasted Bean Detroit, which features local products and fresh baked goods, we look forward to adding another experience that is distinctly Detroit for our guests with National Coney Island and its menu of local favorites.”

MICHIGAN LOTTERY OFFERS PLAYERS CHANCE TO DOUBLE THE VALUE OF ONLINE GAME CARD PURCHASE

On March 17, 2017, the Michigan Lottery announced that it is giving its players a chance to double the value of their Online Game Cards that are purchased this month, beginning on Monday, March 20. Throughout the rest of March, the value of certain random Online Game Cards purchased via Lottery terminals will be doubled. Right now, Online Game Cards are available for purchase at \$10, \$20, \$50, and \$100 with the potential value of \$20, \$40, \$100, and \$200. If a player’s Game Card is doubled, they will keep the original amount for which they paid, and receive a bonus alert through the Lottery Terminal that indicates an additional ticket for the bonus amount.

Players may redeem up to \$500, not including bonus play, in Online Game Cards per week in their online accounts.