February 10, 2017

Volume 23, Issue 5

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

J.J. Burchman

Phone: 517.999.5414 burchman@rmclegal.com

Reporter

Matt Thornburg

Phone: 517.507.3860 mthornburg@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

MICHIGAN GAMING Newsletter



MICHIGAN LEGISLATIVE UPDATE: CHARITABLE GAMING BILL PASSES SENATE

On February 9, 2017, <u>Senate Bill No. 0035</u> (SB 0035) passed the Michigan Senate. The legislation seeks to amend the "Traxler-McCauley-Law-Bowman Bingo Act" and to overhaul the Bingo Act's provisions regulating charitable millionaire parties held within the state. Notably, a similar bill previously passed the Senate on December 9, 2015 but expired at the end of the legislative session.

After being favorably reported out of the Senate Regulatory Reform Committee, SB 0035 with Substitute 1 passed the Senate with 34 yeas and 3 nays. Substitute 1, among other minor changes, inserts a provision saying that a millionaire party licensee may include charity games or numeral games, but that those games will remain supervised by the Michigan Lottery. Millionaire party licenses are granted by the Michigan Gaming Control Board.

SB 0035, introduced by Senator Rick Jones (R-Grand Ledge), has been referred to the House Committee on Regulatory Reform. Similar to SB 0035, <u>House Bill No. 4081</u> (HB 4081), sponsored by Representative Tom Barrett (R-Potterville), was introduced on January 24, 2017, and has also been referred to the House Committee on Regulatory Reform.

"We need to put people over profits. This is about helping local charities raise the necessary funds to do tremendous good work in our communities – not protecting huge profits for casinos," said Senator Jones. "Senate passage of this measure is the first step to finally standing up for our charitable organizations and community groups such as area schools; police, firefighters and veterans groups; and Rotary, Kiwanis and Lions clubs."

IN LIGHT OF SUPER BOWL LI, AGA RELEASES ILLEGAL SPORTS BETTING STATEMENT

On February 7, 2017, the American Gaming Association ("AGA") stated that despite a record \$138.48 million being bet at Nevada sports books on Super Bowl LI, a prominent illegal sports betting market remains. According to the <u>AGA estimate</u>, the illegal market makes up 97 percent, or \$4.5 out of \$4.7 billion, of Super Bowl LI betting.

"Even as Nevada sports books break records, the amount wagered legally pales in comparison to the thriving illegal market, in which fans just bet \$4.5 billion on the big game," said AGA Senior Vice President of Public Affairs, Sara Rayme. "After 25 years of a failing federal ban, it's time for Congress to take a common sense approach to sports betting that generates revenue, protects consumers and helps fans engage with the games they enjoy."

Enacted in 1992, the Professional and Amateur Sports Protection Act ("PASPA") specifies Nevada as the only state that may offer traditional sports betting to consumers. However, according to the AGA, the sports betting market has grown more prevalent regardless of the 49-state ban and in 2016 alone, Americans wagered an estimate \$154 billion on all sports via bookies and offshore websites.

"It's clear that sports betting has never been more popular," said AGA President and CEO Geoff Freeman. "Nevada's legal, regulated sports books are breaking records. TV and sports radio coverage feature talk of betting lines as much as of starting lineups."

While PASPA is the only law adopted by Congress that restricts the states in legalizing a specific type of gambling, the Supreme Court may rule on its constitutionality in the near future. In 2014, New Jersey Governor Chris Christie signed a law that was expected to legalize sports betting in the state but it has stalled due to several years of

litigation. In January of this year the Supreme Court invited the U.S. Solicitor General to submit a brief regarding the New Jersey sports betting petition. Although the Supreme Court hears a miniscule percentage of cases it receives, New Jersey could soon have its case heard before the nation's highest court.

"[I]llegal betting continues to grow, making clear the ban isn't working," said Freeman. "Instead, it's pushing betting into the shadows, where at least \$150 billion is wagered annually without any consumer or game protections. It's also depriving the state and local governments of tax revenue that could be paying for vital public services, such as infrastructure, education and law enforcement. And the ability to protect the integrity of games through rigorous data analysis and complex, real-time algorithms — something not fathomable in 1992 — is only possible in markets where sports wagering is effectively regulated."

2017 FOUR WINDS INVITATIONAL TO BE HELD JUNE 9 - 11

On February 8, 2017, the Pokagon Band of Potawatomi Indians and its Four Winds Casinos announced that the sixth annual Four Winds Invitational will be held from Friday, June 9 through Sunday, June 11 at Blackthorn Golf Club in South Bend, Indiana. This stop of the Symetra Tour – Road to the LPGA will feature a field of 144 professional women golfers from around the globe vying for a chance to compete within the Ladies Professional Golf Association ("LPGA") and a \$150,000 purse.

"We are proud to bring back the Four Winds Invitational to South Bend for a sixth straight year. The Pokagon Band of Potawatomi Indians has lived in this region for hundreds of years and this is just one of many ways in which we continually reinvest in the community that has always been our home," said John P. Warren, Chairman of the Pokagon Band of Potawatomi Indians. "We have a great partnership with the Symetra Tour and thank all the volunteers in the community who

have made the tournament such a success."

Over the first five years of the Four Winds Invitational, the tour has awarded over \$750,000 in prize money to athletes and generated \$349,000 that has been donated to Memorial Children's Hospital in South Bend. Additionally, 50 golfers who've competed in South Bend have moved on from the Symetra Tour to the LPGA Tour including 2015 tournament winner and Major Champion Brooke Henderson and 2016 winner Jackie Stoelting, who carded a 5-under 67 to win her second consecutive Symetra Tour event.

"I want to thank the Pokagon Band and its Four Winds Casinos along with all of our sponsors and volunteers who have worked tirelessly over the past five years to ensure that the Four Winds Invitational continues to be among the best tournaments on the Symetra Tour," said Tim Firestone, Owner and General Manager of Blackthorn Golf Club. "We'll be releasing additional details on the 2017 tournament in the coming months."

Additionally, the Four Winds Invitational is one of four Symetra Tour events that is part of the fourth annual Potawatomi Cup, which has a total prize pool of \$40,000. The Potawatomi Cup awards athletes on the Symetra Tour bonuses based on performance at events sponsored by four Potawatomi nations' casinos.

More information can be found at www.fourwindsinvitational.com.