

September 6, 2019

Volume 25, Issue 23

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A publication of
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The _____ MICHIGAN GAMING _____ Newsletter



MICHIGAN HOUSE INTRODUCES SPORTS WAGERING BILL

Michigan has joined the growing number of states that have authorized or are considering authorizing sports wagering. On September 4, 2019, Rep. Brandt Iden (R-District 61) introduced the Sports Betting Act, HB 4916, which was subsequently referred to the House Committee on Regulatory Reform. The Sports Betting Act joins several other gaming-related bills that Rep. Iden has introduced this legislative term, including bills proposing to authorize online wagering, modernize Michigan's Gaming Control & Revenue Act, and authorize and regulate fantasy sports. HB 4916 is in fact tie-barred to HB 4311, the internet gaming bill.

HB 4916 contemplates allowing the three commercial Detroit casinos as well as any federally recognized tribe that operates Calls II gaming to apply for a license with the Michigan Gaming Control Board to offer sports wagering. Tribal casinos would not have to apply for a license to offer retail sports wagering, but if they want to offer internet sports wagering, they would have to apply for a license as an internet gaming operator pursuant to Rep. Iden's HB 4311 that authorizes and regulates internet wagering. HB 4916 proposes annual license fees of \$100,000 for a sports betting license (\$200,000 for the initial annual fee), \$50,000 for a management services provider license, and \$5,000 for a supplier license. While HB 4916 does not initially mandate a payment of a sports integrity fee to professional sports leagues, it does indicate that the sports leagues may request that the MGCB determine that only official league data be used and to be compensated "on commercially reasonable terms". HB 4916 sets a tax rate for sports wagering receipts at 8%, with 30% of that tax being allocated to the locality in which the casino is located.

As with similar sports wagering laws, HB 4916 requires operators to utilize monitoring system software to detect any irregular betting activity as well as "geo-fencing" technology to determine that any mobile wagers are made

from within the State of Michigan or any other state that permits sports wagering and has entered into a multi-jurisdictional agreement with Michigan. The draft legislation also deems any internet sports wagers to be placed at the casino's physical location, regardless of where the bettor is located.

The House Regulatory Reform Committee is scheduled to take up HB 4916 at its Standing Committee Meeting on Tuesday, September 10, 2019 at 10:30 a.m.

SPORTS CREEK RACE TRACK AND MEET APPLICATIONS FILED

The Michigan Gaming Control Board confirmed that it is currently reviewing both a race track license application and a race meet license application filed by Am Race & Sports LLC for the Sports Creek facility to possibly allow for racing next year. Sports Creek, located in Schwartz Creek Michigan is off I-69 just west of Flint. The track was formerly a harness racing facility that operated from 1986 until January 1, 2015. Am Race & Sports had previously applied for a license for the 2019 season to reopen the facility as a thoroughbred track, but withdrew the application to give it more time to meet the necessary requirements.

Amwest Entertainment, LLC CEO Nelson Clemmens told the Michigan Gaming Newsletter:

“AmRace & Sports remains committed to bringing Thoroughbred racing back to Michigan along with the economic growth and jobs through the breeding, agricultural and variety of services that will support Thoroughbred racing in the state.”

The Michigan horse racing industry has been in decline in recent years. There is currently only one racetrack holding race meets in the state, Northville Downs. Northville Downs hosts harness racing. No track currently offers live thoroughbred racing, but AmRace & Sports intends to change that by converting the Sports

Creek track facility into a thoroughbred track.

Currently, HB 4310 is pending in the Michigan legislature that would authorize a form of advanced deposit wagering using third party facilitators for the horse racing industry. A similar bill was passed last year by both houses of the legislature, only to be vetoed by former Governor Snyder. On its website, the Horsemen's Benevolent Protective Association suggests that passage of such legislation might be key to the success of thoroughbred racing in the future.

“Michigan has a rich horse racing history and there are currently many horsemen and women across this state that own and care for thousands of horses. The industry has been unable to modernize due to constraints within the Horse Racing Act. Unfortunately, the law authorizing horse racing has been unable to keep pace with the advancement of technology. . . . ADW mirrors the current form of placing a wager on a horse race but simply would allow the wager to take place from a mobile device such as a phone.”

GRAND TRAVERSE BAND OF OTTAWA AND CHIPPEWA INDIANS NAME NEW CEO OF EDC

According to a report in the Traverse City Record Eagle, Michael Schrader is the new Chief Executive Officer of the Grand Traverse Band of Ottawa and Chippewa Indians Economic Development Corporation (“EDC”). The EDC oversees the tribe's two casino operations, the Leelanau Sands Casino in Suttons Bay, Michigan, and the Turtle Creek Casino and Hotel in Acme Michigan. Mr. Schrader also serves as the CEO of Grand Traverse Resorts & Casinos. Prior to joining the tribal operation, Mr. Schrader gained years of experience by working in gaming operations in Colorado, North Dakota, California, Oklahoma, and Michigan. From 1999 through 2005 he was a Compliance Manager at the Little River Casino in Manistee, Michigan. Schrader also served in the United States Navy for eight years.

MGCB PUBLIC MEETING SCHEDULED FOR TUESDAY, SEPTEMBER 10, 2019

The Michigan Gaming Control Board will hold a regular public meeting on Tuesday September 10, 2019. The meeting will begin at 9:30 a.m. with the staff briefing, followed immediately by the regular agenda items. [Click here to view the meeting agenda.](#)

The meeting is open to the public and questions, comments and suggestions from the public, regarding Board business and the licensing, regulation and conduct of casino gaming in Detroit under the Act, are welcomed and encouraged during the public comment portion of the meeting.

The meeting will be located at the MGCB Detroit office, Cadillac Place, 3062 West Grand Blvd., Suite L-700, Detroit. The Cadillac Place is in Detroit's New Center Area near the John Lodge Freeway (M-10), between Second Avenue and Cass Avenue. The Fisher Building and the Albert Kahn Building are nearby landmarks.

SAGANING EAGLE GRAND OPENING CELEBRATION TAKES PLACE TODAY

The Saginaw Chippewa Indian Tribe is celebrating the grand opening of its newly expanded Saganing Eagle Casino and Hotel in Standish Michigan today with a ribbon cutting ceremony at 1:00 p.m. according to [an article on MLive.com](#). With the addition of over 300 machines, the casino will now have 1,200 machines, a new hotel, a new restaurant (The Landing) and a new bar. The MLive article includes a video tour of the new hotel and improvements. More information on the expansion was provide in [Volume 25, Issue 20 of the Michigan Gaming Newsletter](#).