Local Gaming Industry

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Robert Stocker (left) and David Waddell are well-versed leaders in the area of gaming law, which is known to be extremely complex.
The Local Gaming Experts

When one Googles "gaming law," the first article opens with, "Gaming law is enormously complex." Encompassing constitutional, criminal, administrative, company, contract, financial and regulatory law, the practice of gaming law requires a keen understanding of county, state, federal and tribal restrictions and regulations. And, since that law varies from county to county, state to state and tribe to tribe, it is indeed enormously complex. Attorneys Robert Stocker and David Waddell serve their clients by guiding them through the labyrinth that is gaming law and seeing them safely through all the twists and turns.

Gaming has a long history with indications of games of skill and chance discovered as early as 2300 BC. According to Stocker, "Gaming covers a whole broad area of activity. Traditional organized legal gaming was parimutuel and included horse racing and dog racing. [Parimutuel gaming is when all wagers are placed in a pool which, after a portion is removed for expense, is shared among all winning bets.] That goes back to the 1930s. At that time, most states prohibited gaming; although some states considered these activities sports and allowed betting on these activities. The big change that came was in Nevada when commercial gaming was legalized."

He continues, "In the '60s, New Hampshire established a state lottery and other states followed suit. Now only Hawaii and Utah don't have state lotteries. At the same time as the rise of the state lottery, New Jersey legalized commercial gaming. Over time, other states began legalizing commercial gaming and regulating charitable gaming."

In the mid '80s, Native American tribes began running high stakes games on tribal lands. Challenged by California and Florida, courts ruled that if a state permitted some form of gaming, the tribes, as sovereign nations, could conduct gaming on their own reservations by entering into a compact with the state in which they are located. In an attempt to regulate this activity, Congress adopted the Indian Gaming Regulatory Act (IGRA).

"This law established three types of gaming on Indian lands: traditional tribal games which were unregulated, non-electronic games like bingo and cards, and electronic games like slot machines," Stocker explains.

A portion of the monies generated by Indian casinos is given back to the State and local community governments, but most remains with the individual tribes where it may be used for programs benefiting the tribe. In some instances, the money itself is shared among tribe members. The IGRA has established rules concerning the dispersal of profits. About half of the tribes in the United States now own casinos.

Once tribal casinos proved successful, some states began amending their constitutions to allow commercial casinos. In Michigan, commercial casinos must be approved by statewide vote plus a vote in the community where the project will be located.

Currently, there are 456 tribal casinos throughout the country—Michigan has 21. There are 438 commercial casinos throughout the United States, including three in Michigan, all in Detroit. Nevada has 256 commercial casinos.

State lotteries, parimutuel gaming, tribal casinos, commercial casinos and charitable gaming all come under the purview of gaming law. Waddell says,
“What complicates things is that regulations differ jurisdiction by jurisdiction. We have multiple regulatory bodies, each with its own idiosyncratic rules and regulations.”

Stocker says, “Gaming law covers all the traditional areas of law as in any big business, plus the complication of dealing with Indian land and Indian law, where the rules are different.”

Waddell adds, “Trends seem to be toward easing some of that regulatory burden. But as new jurisdictions come on board, regulatory bodies tend to be skeptical of gaming and there tends to be toughness toward these new jurisdictions. We are working on creating greater uniformity.”

Stocker points out that gaming law also covers all suppliers of equipment and supplies used in the functioning of the casino—everything from Pepsi® to paper to slot machines. Casino employees and owners have to be vetted, approved and licensed. Investors must be approved. Again, these regulations vary. Regulatory Management Counselors, PC has developed a website, casinovendors.com, to assist vendors.

“We’re focused on helping our clients navigate their way through this multi-jurisdictional system,” Waddell says. Since RMC specializes in gaming, they offer other relevant services which are detailed on their website.

Then we come to the issue of Internet gaming. While it is currently technically illegal in the United States, no players have been prosecuted. Both Stocker and Waddell predict that, following Europe’s example, Internet gaming will become legalized and simultaneously regulated by governmental entities, thus creating yet another layer of complexity. Waddell suggests that existing casinos may eventually add this component to their operations.

Law schools are beginning to catch up to the industry, and some are offering courses in gaming law. The University of Nevada in Las Vegas is establishing a master’s degree in gaming law. Thomas M. Cooley Law School, one of the first law schools to offer courses in gaming law, has been teaching it for about 11 years.

Waddell says, “Bob and I were involved in planning the first American Gaming Summit in 1993, and there continue to be regular conferences to keep us up to date on gaming law. Information is also shared through publications. I’m on the board of both the weekly Michigan newsletter, Global Gaming, and Global Gaming Business Magazine, a national publication.”
The International Masters of Gaming Law, or IMGL, (of which both are members and contributors) also sponsor conferences and publish four bi-annual magazines.

Stocker and Waddell were both employed at Frasier Trebilcock in Lansing when they began working in the area of gaming law. Stocker now is an attorney with Dickinson Wright PLLC while Waddell has formed his own practice, Regulatory Management Counselors PC. Over the years, they have both achieved a high level of expertise in this often complicated facet of the law and are recognized as trusted and knowledgeable authorities.

Stocker estimates that over 50 percent of his time is spent in the area of gaming law. He also works in regulatory law, corporate law and alternative insurance programs law. He is a member of the State Bar, chair of the gaming law committee of the American Bar Association, founding member and past president of the IMGL, and is an adjunct professor at Cooley Law School—and this list represents only a small percentage of his many accomplishments and honors.

In September of 2011, a special supplement to The New York Times named Stocker to the list of the state’s “Super Lawyers,” the only one in the state so designated in the area of gaming law.

Waddell specializes in gaming law and is a member of the State Bar and a recipient of the Casino Management Association Visionary Award. He has published extensively in the area of gaming law in books and magazines, including textbooks and other educational materials. Space limits a full listing of his achievements.

Enormously complex, indeed! Fortunately, it’s a sure bet that attorneys right here in Lansing can make sense of it all.

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