

Settlement Reached In Emergency Charitable Gaming Rules

The Michigan Gaming Control Board (MGCB) and charitable gaming interests on Monday reached a settlement in the Court of Claims over emergency rules that will govern the industry until July 1, 2015, at the latest.

Court of Claims Judge Pat **DONOFRIO** told *MIRS* that after multiple-hour negotiations on Monday, the two sides have reached a compromise on the six state rules the charitable gaming industry was concerned about.

Issues regarding the amount suppliers can recover from events and the number of events able to be held were among those issues resolved.

The emergency rules were put in place until a permanent set of rules goes through the administrative rule-making process and the Joint Committee of Administrative Rules (JCAR), which has been more sympathetic to the charities in recent months.

Donofrio ruled last month that the permanent rules the MGCB previously put in place needed to go back through the approval process because last-minute changes hadn't gone through a public hearing (See "[Charitable Gaming Operators Win A Round In Court](#)," 8/8/14).

The coalition of Michigan charities, gaming suppliers and room operators had previously asked the Court of Claims to reverse a set of emergency rules that they say are blocking their income stream.

The 25-member group of organizations joined together to file a complaint for declaratory judgment and injunctive relief against the MGCB, claiming the MGCB's emergency rules are substantively defective and invalid (See "[Bits And Tidbits](#)," 8/29/14).

Attorney Charles **BARBIERI**, who represented the charities, referred comments to officials within the Michigan Charitable Gaming Association, who were not in a position to comment other than to say the judge "was encouraging."

MGCB Executive Director Richard **KALM** saw Monday's action as a win for the state in the sense the Judge did not issue the preliminary injunction the charitable gaming operators wanted and kept the emergency rules in effect. Donofrio also dismissed all other claims of irreparable harm and did not agree that the emergency rules were not anchored in state law.

"We were pleased in his decision and allows us to concentrate on continuing to license events," Kalm said.

Kalm said that since the emergency rules went into effect July 2, the state has licensed 46 suppliers -- more than double the amount it saw a year ago -- and 1,200 event days. More charities are participating in the gaming, as well, he said.

"The games go on albeit with a regulatory framework to protect the charities and ensure integrity," he said.