

Michigan Charity Groups Satisfied with 50% Profits

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The gaming regulators in Michigan are trying to convince charity groups to accept larger shares of charity poker profits. One might think that charity groups would be eager to grab a share of these profits, but surprisingly, they are showing reluctance to do so.

Church groups and clubs have expressed satisfaction with the 50% share in profit they are currently receiving. Grand Ledge Lions Club President Kim Spalsbury said: “The service provided by the (host) location and the supplier is very valuable to us. The 50 percent split was something we were content with.”

However, the Bingo Act says that charitable groups have the right to receive all the profits generated from charity poker events, excluding “reasonable and necessary” costs of organizing these games.

Rich Kalm, the executive director of the Michigan Gaming Control Board, threatened to stop issuing licenses to charity poker tournaments that fail to comply with the charity gaming rules. He reminded critics of these restrictive laws that the state had closed down charity poker events at 23 locations for failure to comply with them.

According to Kalm, charity organizations have been deferring to host locations and suppliers for such a long time that they do not have any more control over their games. Charity groups argue that charity poker events thrive because of suppliers who take care of details such as chips, dealers, host locations, tables, and so on. Suppliers check the backgrounds of dealers, deal with event licensing, and keep their clients updated on law changes. Spalsbury says: “Most of us, no matter the size of the charity, do not have the resources or the wherewithal or members with sufficient time to do all the logistical things and set up and obtain the materials necessary for us to host our own event. These are the things suppliers do for us. We don’t have to worry about any of that.”

While Kalm claims that the Michigan Gaming Control Board has listened to the Michigan Charitable Gaming Association (MCGA) and has introduced new laws, Doug Cruce, former state senator, begs to differ and says that the “state has rebuffed charities at every juncture.” He even accused the state of attempting to stop charity poker.

But Kalm claims that this is not his goal. “I’m not here to run anybody out of business. In fact, I’m here trying to expand the opportunities for other businesses, bars, locations, bowling alleys ...”