



Michigan regulators compromise on charity gaming rules, poker rooms not happy

poker.jpg

Tripper's sports bar in Lansing has a charity poker room that hosts games of Texas Hold 'em. (MLive File Photo)

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on January 10, 2014 at 7:05 AM, updated January 10, 2014 at 3:50 PM

Update: This article has been updated with comment from Rep. Jeff Farrington.

LANSING — State regulators say they've reached a compromise on charity poker rules, but not everyone is happy with the restrictions.

The Michigan Gaming Control Board on Thursday announced a proposal to limit poker rooms or other locations to hosting charity poker games up to four nights a week. While that's less restrictive than a previous proposal, some say it could put poker rooms out of business that had been operating seven days a week.

The board has for months weighed different options for dealing with so-called "millionaire parties" that allow nonprofit groups to raise funds by hosting casino-style games such as Texas Hold 'em and blackjack. It wanted stricter rules to address problems with gaming violations and violence at some permanent poker rooms. State officials contend the law was never designed for what has become a multi-million dollar industry.

But charities, poker room operators, dealers and players all fought the proposed rules, arguing they would essentially shut down the industry, hurt nonprofit fundraising and result in lost jobs for poker room employees. State Rep. Jeff Farrington, a Republican from Utica, also opposed the state's proposed solutions and introduced a bill to allow for and regulate charity poker rooms.

The gaming control board held multiple meetings with stakeholders and made several changes to its proposed rules before announcing on Thursday that it had reached a compromise with Farrington, who will drop his bill.

"We really wanted to make sure we could still allow charities to do the fundraising, but we found quite a bit of fraud and charities that were taken advantage of, and charities that didn't want to take ownership of it," said Rick Kalm, executive director of the gaming control board.

Farrington said some permanent poker rooms will likely close because of the four-day restriction as well as a rule limiting the rental fee they can charge charities to \$250 per day.

"I understand the large poker rooms did not come away with what they needed to continue on, but the end goal for me was ... to make sure the charities had a revenue source going forward," Farrington said.

At one point the board wanted to limit poker rooms or other locations to hosting no more than 30 days of millionaire party events each year. The board later revised its proposal to 120 days per year, and now the new rules would allow up to four nights a week, or 208 days per year. Currently there is no limit.

Kalm said he's still working on the rules, but said poker rooms may be limited to hosting one charity per day, instead of several like they had in the past.

Mike Schuchaskie, a licensed supplier who hosts events at Tripper's in Lansing and at Northville Downs in Northville, said he's disappointed that the state would restrict the number of days the poker rooms could operate.

"What's next? Is the state going to cut days that a party store could operate, or a gas station? I just don't understand why they would want to cut the number of days that any business could operate," he said.

New rules would require at least three people from each charity to be on hand to manage the game. The board also said it would lift a moratorium on new charity poker locations that's been in place since 2011, allowing the games to expand to other areas of the state.

The board expects to complete the rules package this month and submit it to a joint legislative committee with members from each chamber. The committee will have up to 15 session days to act on the rules.

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