

2022 Michigan Gaming Control Board

Tribal Gaming

Annual Report to the Citizens of Michigan



Tribal Gaming Section Annual Report to the Citizens of Michigan

Calendar Year 2022



Michigan Gaming Control Board
101 East Hillsdale Street
Lansing, MI 48933

Submitted April 14, 2023

This document is also available online at
www.michigan.gov/mgcb



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD
DETROIT

HENRY L. WILLIAMS, JR.
EXECUTIVE DIRECTOR

April 14, 2023

To the Citizens of the Great State of Michigan:

On behalf of the Michigan Gaming Control Board (MGCB), I am pleased to present to you the Tribal Gaming Annual Report for the period of January 1, 2022, through December 31, 2022. The following report includes a summary of significant activities and operations for this time period.

The Tribal Gaming Section of the Michigan Gaming Control Board continued its Tribal-State Class III Gaming Compact oversight efforts through the conduct of inspections. In fulfilling our duties and responsibilities, MGCB continued to receive invaluable assistance from the Michigan Attorney General's Office and the Governor's Legal Counsel.

As always, we strive to maintain positive communications with all tribes and encourage voluntary tribal compliance with the Compacts on a government-to-government basis.

Sincerely,

/S/

Henry L. Williams, Jr.
Executive Director



Michigan Gaming Control Board

Tribal Gaming Annual Report 2022

TABLE OF CONTENTS

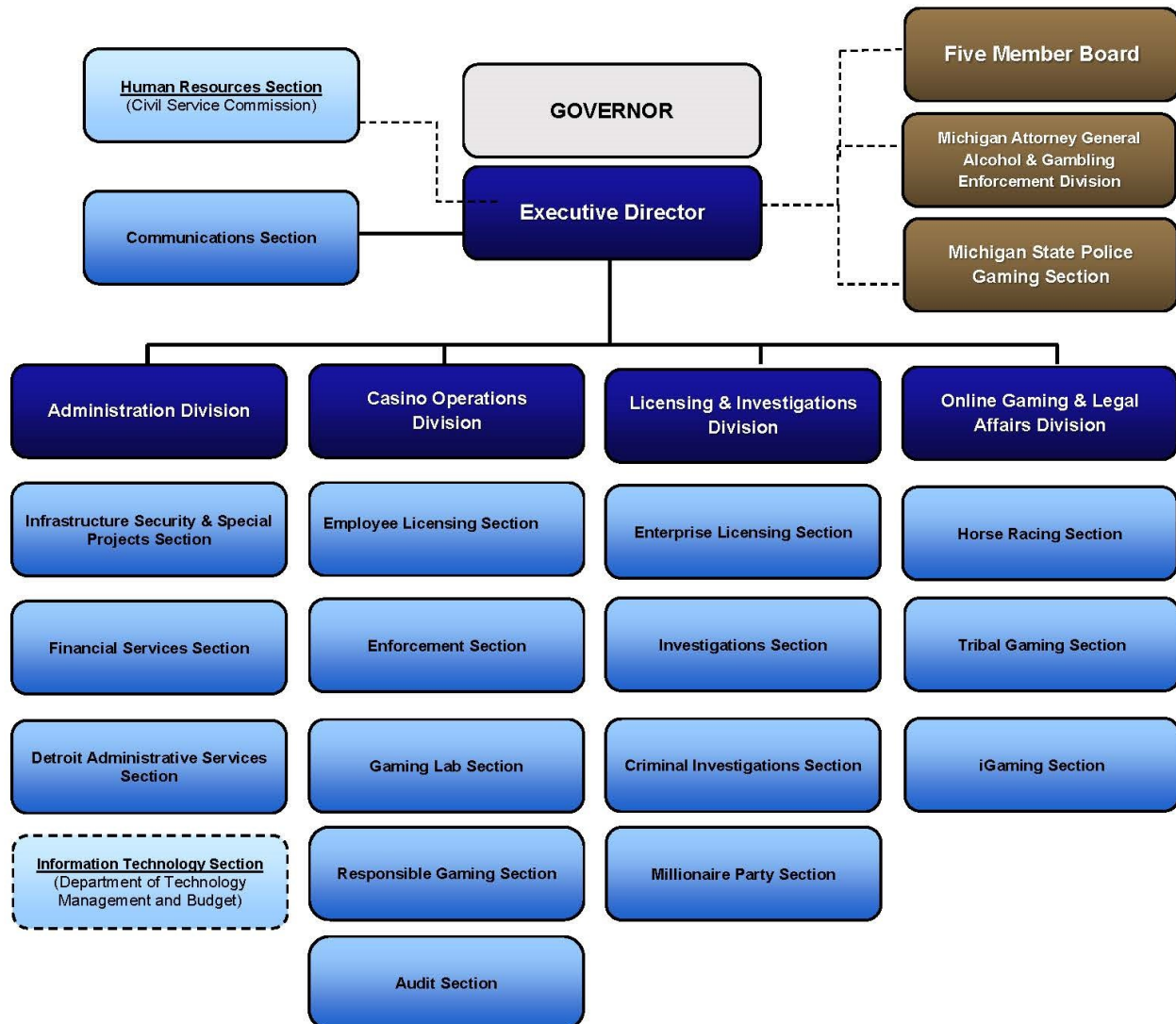
Section:	Page:
Michigan Gaming Control Board Organization Chart	1
Michigan Tribal Gaming Regulatory Framework	2
Tribal Gaming Section Mission, Personnel, Source of Funding, and Total Expenditures	3
Payments to Local and State Government	3
2022 Tribal Gaming Revenue Sharing Payments	4
Tribal Gaming Oversight Inspections	5
Map of Michigan's Tribal Class III Casinos	6
List of Michigan's Tribal Class III Casinos	7



Michigan Gaming Control Board

Tribal Gaming Annual Report 2022

Michigan Gaming Control Board Organization Chart





Michigan Gaming Control Board

Tribal Gaming Annual Report 2022

Michigan Tribal Gaming Regulatory Framework

The federal government passed the Indian Gaming Regulatory Act of 1988 (IGRA), which authorizes federally recognized tribes to operate casino gaming on their tribal lands. Lawmakers believed IGRA would create economic development and self-sufficiency on tribal lands, meet tribal requests for authorized casino gaming, and ensure that state governments would be involved in the oversight of Class III gaming operations. Under IGRA, Class III gaming activities are lawful on tribal lands only if such activities are conducted in conformance with a Tribal-State Class III Gaming Compact (Compact). Before a Compact becomes effective, IGRA requires the United States Department of the Interior to approve the Compact and publish its approval in the Federal Register.

The State of Michigan has entered into Compacts with 12 Native American tribes. The 12 Compacts have produced 23 Class III tribal casinos located throughout the State. *Please see the map of Michigan's Tribal Class III Casinos and list of Michigan's Tribal Class III Casinos on pages 6 and 7 of this report.*

Federally recognized tribes are individual sovereign nations. Under the Compacts, the regulation of tribal casino gaming is the responsibility of the tribes. Therefore, Michigan has no regulatory authority over Class III gaming conducted on tribal lands. Although the State of Michigan does not regulate tribal casino gaming, the State does have oversight authority over compliance with the provisions of the Compacts and related Consent Judgments.

The MGCB Executive Director holds the duty and authority to conduct oversight of the tribal gaming Compacts. MGCB is responsible for performing inspections of Class III gaming facilities and records pursuant to and in accordance with the provisions of the Compacts. This oversight authority includes conducting inspections of tribal casino operations to determine the extent of their compliance with the Compacts and related Consent Judgments.

MGCB Board members have no oversight role or authority over the Tribal-State Compacts.

Most internet gaming and internet sports betting activities, including those conducted by tribes, are subject to state law and are not considered tribal gaming operated pursuant to the Compacts and related Consent Judgment. Therefore, financial data and MGCB operations related to these industries generally are excluded from this report. Additional information regarding internet gaming and internet sports betting can be found in the MGCB Annual Report available on the agency's website.



Michigan Gaming Control Board

Tribal Gaming Annual Report 2022

Tribal Gaming Section Mission, Personnel, Source of Funding, and Total Expenditures

Located at the MGCB Lansing office, the Tribal Gaming Section is comprised of one manager and up to five audit staff. The section conducts inspections of tribal casinos to verify compliance with the Tribal-State Class III Gaming Compacts and related Consent Judgments. The Tribal Gaming Section reports to the Deputy Director of the Online Gaming and Legal Affairs Division of MGCB. *Please see the Michigan Gaming Control Board Organization Chart on page 1.*

The Compacts provide that the tribes shall make annual payments to the State to be applied toward the costs incurred in carrying out functions authorized by their terms. Some tribes, subject to certain exclusivity and/or economic incentive provisions, are required by the Compacts and related Consent Judgments to remit a percentage of their annual net win, as derived from all Class III electronic games of chance, to the Michigan Strategic Fund (MSF). The Michigan Economic Development Corporation (MEDC) provides some additional funding to the Tribal Gaming Section for oversight related to these payments.

All funds are placed into MGCB's Native American Casino Fund, which recorded expenditures and transfers of \$525,289 and \$8,017, respectively, during calendar year 2022.

Payments to Local and State Government

Under provisions of the Compacts and related Consent Judgments, all tribes are required to remit 2 percent of their respective net win to local units of state government or local revenue sharing boards. For reporting period 2022, tribes collectively remitted \$30.8 million to local units of state government and local revenue sharing boards in 2 percent payments. *Please see the table on page 4 for 2 percent payments by tribe for 2022.*

In addition, the Compacts and Consent Judgments require some tribes, based on exclusivity and/or economic incentive provisions, to remit payments to the MSF/MEDC. The percentage of net win paid to the MSF/MEDC ranges from 1 percent to 12 percent, depending on the Compact or related Consent Judgment. For reporting period 2022, tribes remitted \$52.8 million in payments to the MSF/MEDC. *Please see the table on page 4 for MSF/MEDC payments by tribe for 2022.*



Michigan Gaming Control Board

Tribal Gaming Annual Report 2022

2022 Tribal Gaming Revenue Sharing Payments

Tribe	Compact Year	Percentage of Net Win to Local Gov't	2022 Amount	Percentage of Net Win to MSF/MEDC	2022 Amount
Bay Mills Indian Community	1993	2%	\$ 329,502	0%	\$ -
Grand Traverse Band of Ottawa and Chippewa Indians	1993	2%	\$ 1,344,666	0%	\$ -
Hannahville Indian Community	1993	2%	\$ 1,192,758	1%	\$ 596,379
Keweenaw Bay Indian Community	1993	2%	\$ 725,721	0%	\$ -
Lac Vieux Desert Band of Lake Superior Chippewa Indians	1993	2%	\$ 273,875	0%	\$ -
Saginaw Chippewa Indian Tribe	1993	2%	\$ 6,916,589	0%	\$ -
Sault Ste. Marie Tribe of Chippewa Indians	1993	2%	\$ 1,364,104	0%	\$ -
Little River Band of Ottawa Indians	1998	2%	\$ 1,498,279	6%	\$ 4,322,858
Little Traverse Bay Bands of Odawa Indians	1998	2%	\$ 1,112,296	6-10%	\$ - ⁽¹⁾
Nottawaseppi Huron Band of the Potawatomi	1998	2%	\$ 6,196,103	4-8%	\$ 20,284,412 ⁽²⁾
Pokagon Band of Potawatomi Indians	1998	2%	\$ 5,578,183	6-8%	\$ 18,402,546
Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians	2007	2%	\$ 4,272,440	8-12%	\$ 9,181,100 ⁽³⁾
Total ⁽⁴⁾			\$ 30,804,516		\$ 52,787,295

- (1) The Little Traverse Bay Bands of Odawa Indians began withholding payments owed to the MSF/MEDC starting in the 2018 payment period.
- (2) The payment total includes amounts allocated to replenish the Michigan Native American Heritage Fund, as required by the 2016 amendment to the Tribal-State Compact between the Nottawaseppi Huron Band of the Potawatomi and the State of Michigan.
- (3) Pursuant to a partial settlement agreement between the Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians and the State of Michigan, amounts due to the MSF/MEDC are to be disbursed as follows: (1) 50% to the MSF; (2) 15% to GLIMI, LLC ; and (3) 35% retained by the Tribe. The figure presented above includes only those amounts remitted to the MSF.
- (4) Totals are based on the tribes' payment periods. In addition, the totals may differ from those presented on the MGCB's website due to rounding.



Michigan Gaming Control Board

Tribal Gaming Annual Report 2022

Tribal Gaming Oversight Inspections

Net Win Inspections

MGCB's oversight authority includes performing financial inspections to ensure tribal net win totals are stated accurately and the related payments are remitted properly to local units of state government or local revenue sharing boards and the Michigan Strategic Fund or Michigan Economic Development Corporation in accordance with the relevant Compacts and Consent Judgments.

Compliance Inspections

The Compacts contain several provisions that require compliance oversight. The Tribal Gaming Section performs inspections to ensure compliance with Compact provisions pertaining to authorized Class III games, regulation of Class III gaming, employee benefits, Bank Secrecy Act, providers of Class III gaming equipment and supplies, notice to patrons, and the sale of alcoholic beverages.

2022 Tribal Gaming Oversight Accomplishments

Tribal gaming oversight inspections were limited substantially in 2020 and 2021 due to the COVID-19 pandemic, staff turnover and a reallocation of resources to other State and agency priorities. In calendar year 2022, the Tribal Gaming Section made significant progress toward the reintroduction of oversight inspections despite an ongoing staffing shortage. The Tribal Gaming Section is pleased to report the following accomplishments for 2022:

- Commenced one new net win inspection and one new compliance inspection.
- Conducted onsite fieldwork for the first time since January 2020.
- Made progress on two previous net win inspections and one previous compliance inspection.
- Worked with the Department of Technology, Management and Budget to establish a file transfer service site to facilitate the secure and efficient receipt of electronic records. The Tribal Gaming Section will seek to increase remote document collection in future engagements and will continue exploring methods to improve inspection efficiency.

In addition, the Tribal Gaming Section made substantial contributions to other critical projects impacting tribes in Michigan, including rulemaking and regulatory efforts related to internet gaming, internet sports betting and fantasy contests. MGCB maintained contact with tribes on these and other matters throughout the year.

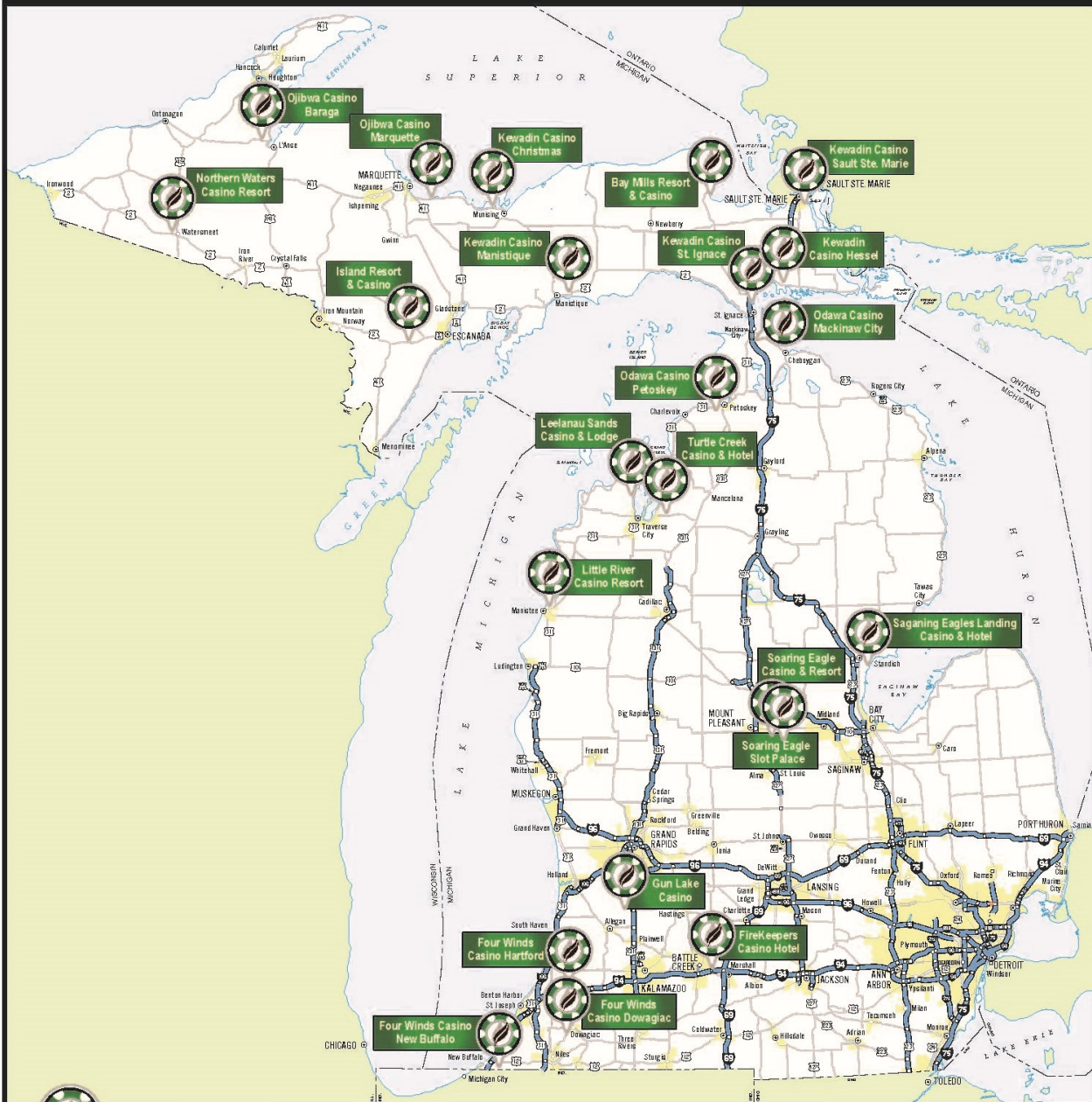
In 2022, the Tribal Gaming Section also contributed significant resources to MGCB's biennial internal control evaluation, which is mandated by State law.



Michigan Gaming Control Board

Tribal Gaming Annual Report 2022

MICHIGAN'S TRIBAL CLASS III CASINOS



TRIBAL CASINOS

Bay Mills Resort & Casino
FireKeepers Casino Hotel
Four Winds Casino Dowagiac
Four Winds Casino Hartford
Four Winds Casino New Buffalo
Gun Lake Casino

Island Resort & Casino
Kewadin Casino Christmas
Kewadin Casino Hessel
Kewadin Casino Manistique
Kewadin Casino Sault Ste. Marie
Kewadin Casino St. Ignace

Leelanau Sands Casino & Lodge
Little River Casino Resort
Northern Waters Casino Resort
Odawa Casino Mackinaw City
Odawa Casino Petoskey
Ojibwa Casino Baraga

Ojibwa Casino Marquette
Saginaw Eagle Casino & Hotel
Soaring Eagle Casino & Resort
Soaring Eagle Slot Palace
Turtle Creek Casino & Hotel



Michigan Gaming Control Board

Tribal Gaming Annual Report 2022

Michigan's Tribal Class III Casinos

Locations	Tribal Casino
1	Bay Mills Indian Community
	Bay Mills Resort & Casino - Brimley, MI
2	Grand Traverse Band of Ottawa and Chippewa Indians
	Leelanau Sands Casino & Lodge - Peshawbestown, MI
	Turtle Creek Casino & Hotel - Williamsburg, MI
1	Hannahville Indian Community
	Island Resort & Casino - Harris, MI
2	Keweenaw Bay Indian Community
	Ojibwa Casino Baraga - Baraga, MI
	Ojibwa Casino Marquette - Marquette, MI
1	Lac Vieux Desert Band of Lake Superior Chippewa Indians
	Northern Waters Casino Resort - Watersmeet, MI
1	Little River Band of Ottawa Indians
	Little River Casino Resort - Manistee, MI
2	Little Traverse Bay Bands of Odawa Indians
	Odawa Casino Mackinaw City - Mackinaw City, MI
	Odawa Casino Petoskey - Petoskey, MI
1	Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians (Gun Lake Tribe)
	Gun Lake Casino - Wayland, MI
1	Nottawaseppi Huron Band of the Potawatomi
	FireKeepers Casino Hotel - Battle Creek, MI
3	Pokagon Band of Potawatomi Indians
	Four Winds Casino Dowagiac - Dowagiac, MI
	Four Winds Casino Hartford - Hartford, MI
	Four Winds Casino New Buffalo - New Buffalo, MI
3	Saginaw Chippewa Indian Tribe
	Saganing Eagles Landing Casino & Hotel - Standish, MI
	Soaring Eagle Casino & Resort - Mount Pleasant, MI
	Soaring Eagle Slot Palace - Mount Pleasant, MI
5	Sault Ste. Marie Tribe of Chippewa Indians
	Kewadin Casino Christmas - Christmas, MI
	Kewadin Casino Hessel - Hessel, MI
	Kewadin Casino Manistique - Manistique, MI
	Kewadin Casino Sault Ste. Marie - Sault Ste. Marie, MI
	Kewadin Casino St. Ignace - St. Ignace, MI
23	Total