

SENATE BILL NO. 664

December 03, 2019, Introduced by Senator HERTEL and referred to the Committee on Regulatory Reform.

A bill to create the sports betting act; to impose requirements for persons to engage in sports betting; to provide for the powers and duties of state governmental officers and entities; to impose fees; to impose a tax on the conduct of licensed sports betting; to prohibit certain acts in relation to sports betting and to prescribe penalties for those violations; to require the promulgation of rules; and to provide remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "sports betting act".

3 Sec. 3. As used in this act:

1 (a) "Adjusted gross sports betting receipts" means a sports
2 betting licensee's total gross receipts from sports betting, less
3 all payments to bettors, excise tax payments remitted to the
4 federal government, and voided wagers. Payments to bettors include
5 all payments of cash premiums, merchandise, tokens, redeemable
6 sports betting credits, or any other thing of value.

7 (b) "Athletic event" means a sports activity that involves the
8 athletic skill of 1 or more players or participants. Athletic event
9 does not include any of the following:

10 (i) Horse racing.

11 (ii) A high school sport or high school athletic event.

12 (iii) Roulette, poker, blackjack, a card game, a dice game, or
13 any other game or contest typically offered in a casino other than
14 sports betting.

15 (iv) A fantasy contest.

16 (c) "Authorized participant" means an individual who has a
17 valid internet wagering account with a licensee and is at least 21
18 years of age.

19 (d) "Board" means the Michigan gaming control board created
20 under section 4 of the Michigan Gaming Control and Revenue Act,
21 1996 IL 1, MCL 432.204.

22 (e) "Casino" means a building or buildings in which gaming is
23 conducted under the Michigan Gaming Control and Revenue Act, 1996
24 IL 1, MCL 432.201 to 432.226, or in which class III gaming is
25 lawfully conducted by an Indian tribe under a facility license
26 issued in accordance with a tribal gaming ordinance approved by the
27 chair of the National Indian Gaming Commission.

28 (f) "Class III gaming" means that term as defined in 25 USC
29 2703.

1 (g) "Division" means the division of sports betting
2 established under section 5.

3 (h) "Fantasy contest" means a fantasy or simulation sports
4 game or a fantasy contest as that term is defined in section 2 of
5 the fantasy contests consumer protection act.

6 (i) "Fund" means the sports betting fund created under section
7 20.

8 (j) "Gaming equipment" or "sports betting equipment" means any
9 mechanical, electronic, or other device, mechanism, or equipment,
10 and related supplies used or consumed in the operation of sports
11 betting at a licensed gaming facility, including, but not limited
12 to, a kiosk installed to accept sports wagers on the gaming floor
13 within a casino. Gaming equipment does not include an individually
14 owned personal computer or individually owned mobile device.

15 (k) "High school sport or high school athletic event" means a
16 sport or athletic event offered or sponsored by or played in
17 connection with a public or private institution that offers
18 education services at the secondary level.

19 (l) "Internet" means the international computer network of
20 interoperable packet-switched data networks, inclusive of
21 additional technological platforms such as mobile, satellite, and
22 other electronic distribution channels approved by the division.

23 (m) "License" means a license, applied for or issued by the
24 division under this act, including, but not limited to, any of the
25 following:

26 (i) A license to operate sports betting at a licensed gaming
27 facility.

28 (ii) A license to supply a sports betting licensee with sports
29 betting equipment or services necessary for the operation of sports

1 betting.

2 (iii) A license to provide management services under a contract
3 to a sports betting licensee.

4 (n) "Licensee" means a person that is issued a license from
5 the division.

6 (o) "Minor" means an individual under the age of 21 years.

7 (p) "National criminal history background check system" means
8 the criminal history record system maintained by the Federal Bureau
9 of Investigation, based on fingerprint identification or any other
10 method of positive identification.

11 (q) "Official league data" means statistics, results,
12 outcomes, and other data relating to an athletic event obtained
13 under an agreement with the relevant sports governing body, or an
14 entity expressly authorized by the sports governing body to provide
15 the information described in this subdivision to sports betting
16 licensees, that authorizes the use of the data described in this
17 subdivision for determining the outcome of tier 2 sports bets.

18 (r) "Person" means an individual, partnership, corporation,
19 association, limited liability company, federally recognized Indian
20 tribe, or other legal entity. Person does not include this state or
21 any department or agency of this state.

22 (s) "Sports betting" means the business of accepting wagers on
23 athletic events or portions of athletic events, the individual
24 performance statistics of athletes in an athletic event or other
25 events, or a combination of any of the same by a system or method
26 of betting approved by the division, including, but not limited to,
27 mobile applications and other digital platforms that use
28 communications technology to accept wagers. Sports betting
29 includes, but is not limited to, single-game bets, teaser bets,

1 parlays, over-under, moneyline, pools, exchange betting, in-game
2 betting, in-play bets, proposition bets, and straight bets. Sports
3 betting does not include a fantasy contest as that term is defined
4 in section 2 of the fantasy contests consumer protection act.

5 (t) "Sports betting operator" means either of the following:

6 (i) A casino that is issued a sports betting license from the
7 division to operate sports betting.

8 (ii) A management services provider that operates sports
9 betting or a sports betting platform on behalf of a casino, or
10 both.

11 (u) "Sports betting platform" means an integrated system of
12 hardware, software, and servers through which a sports betting
13 operator operates, conducts, or offers sports betting. A casino may
14 contract with suppliers or management service providers, or both,
15 to offer not more than 1 individually branded sports betting
16 platform.

17 (v) "Sports betting supplier" means a person that provides to
18 a sports betting operator goods, software, or services that
19 directly affect betting, play, and the results of sports betting
20 offered under this act. Sports betting supplier does not include a
21 person that provides to a casino or sports betting operator only
22 the goods, software, or services that it also provides to others
23 for a purpose that does not involve sports betting, including, but
24 not limited to, a payment processor or a geolocation service
25 provider.

26 (w) "Sports governing body" means the organization that
27 prescribes final rules and enforces codes of conduct with respect
28 to a sporting event and the participants in the sporting event.

29 (x) "Sports wager" means cash or cash equivalent that is paid

1 by a bettor to a sports betting operator to participate in sports
2 betting.

3 (y) "Tier 1 sports bet" means a sports wager that is not a
4 tier 2 sports bet.

5 (z) "Tier 2 sports bet" means a sports wager that meets all of
6 the following conditions:

7 (i) Is placed after the athletic event has begun.

8 (ii) Is not determined solely by the final score or final
9 outcome of the athletic event.

10 (iii) Is not a sports wager made between quarters, halves, or
11 periods of a sporting event where the outcome of the sporting event
12 being wagered on is related only to the quarter, half, or period
13 that has yet to commence.

14 Sec. 4. (1) If the board authorizes by rule that a person that
15 holds a casino license under the Michigan Gaming Control and
16 Revenue Act, 1996 IL 1, MCL 432.201 to 432.226, may conduct sports
17 betting, sports betting may be conducted only to the extent that it
18 is conducted in accordance with this act. A law that is
19 inconsistent with this act does not apply to sports betting as
20 provided for by this act. This act does not apply to lottery games
21 offered by the bureau of state lottery either through the internet
22 or via its online terminal and network systems.

23 (2) This act does not apply to a fantasy contest.

24 Sec. 5. (1) The division of sports betting is established in
25 the board.

26 (2) The division has jurisdiction over every person licensed
27 by the division and may take enforcement action against a person
28 that is not licensed by the division that offers sports betting in
29 this state.

1 (3) The division may enter into agreements with other
2 jurisdictions, including Indian tribes, to facilitate, administer,
3 and regulate multijurisdictional sports betting by sports betting
4 operators to the extent that entering into the agreement is
5 consistent with state and federal laws and if the gaming under the
6 agreement is conducted only in the United States.

7 Sec. 7. A federally recognized Michigan Indian tribe that
8 operates a casino in this state in which class III gaming is
9 conducted may conduct sports betting at that casino under this act.

10 Sec. 9. (1) Except for sports betting conducted by an Indian
11 tribe under a compact or an amendment to a compact under section 7,
12 the division has jurisdiction over and shall supervise all sports
13 betting operations governed by this act. The division may do
14 anything necessary or desirable to effectuate this act, including,
15 but not limited to, all of the following:

16 (a) Conduct all hearings pertaining to violations of this act
17 or rules promulgated under this act.

18 (b) Provide for the establishment and collection of all
19 license fees and taxes imposed by this act and the rules
20 promulgated under this act and the deposit of the fees and taxes
21 into the fund.

22 (c) Develop and enforce testing and auditing requirements for
23 sports betting and sports betting accounts.

24 (d) Develop and enforce requirements for responsible gaming
25 and player protection, including privacy and confidentiality
26 standards and duties.

27 (e) Develop and enforce requirements for accepting internet
28 sports betting.

29 (f) Develop and administer civil fines for licensees that

1 violate this act or the rules promulgated under this act. A fine
2 imposed under this subdivision must not exceed \$5,000.00 per
3 violation.

4 (g) Audit and inspect, on reasonable notice, books and records
5 relevant to sports betting operations, sports wagers, sports
6 betting accounts, sports betting games, or internet sports betting
7 platforms, including, but not limited to, the books and records
8 regarding financing and accounting materials held by or in the
9 custody of a licensee.

10 (2) The division may investigate, issue cease and desist
11 orders, and obtain injunctive relief against a person that offers
12 sports betting in this state and is not a licensee.

13 (3) The division shall keep all information, records,
14 interviews, reports, statements, memoranda, and other data supplied
15 to or used by the division in the course of any investigation of a
16 licensee confidential and shall use that material only for
17 investigative purposes. The materials described in this subsection
18 are exempt from disclosure under section 13 of the freedom of
19 information act, 1976 PA 442, MCL 15.243.

20 Sec. 10. (1) The division shall promulgate rules governing the
21 administration and conduct of sports betting necessary to carry out
22 this act within 1 year after the effective date of this act. The
23 promulgation of emergency rules does not satisfy the requirement
24 for the promulgation of rules to allow a person to conduct sports
25 betting under this act. The division shall promulgate the rules
26 pursuant to the administrative procedures act of 1969, 1969 PA 306,
27 MCL 24.201 to 24.328. Rules promulgated by the division may
28 include, but are not limited to, the following:

29 (a) The acceptance of wagers on a sports event, other event,

1 or a series of sports events or other events.

2 (b) The development and posting of house rules regarding
3 sports betting.

4 (c) Types of betting tickets that may be used.

5 (d) Method of issuing tickets.

6 (e) Method of accounting to be used by sports betting
7 licensees.

8 (f) Types of records that must be kept.

9 (g) Type of system for betting.

10 (h) The ways in which a patron may fund his or her account,
11 that must include, at a minimum, the use of cash, cash equivalents,
12 automated clearing house, debit cards, credit cards, and any other
13 form of payment authorized by the division. As used in this
14 subdivision, "automated clearing house" means a national and
15 governmental organization that has authority to process electronic
16 payments, including, but not limited to, the National Automated
17 Clearing House Association and the federal reserve system.

18 (i) Protections for patrons placing wagers.

19 (j) Requirements to ensure responsible gaming.

20 (k) Procedures for conducting contested case hearings under
21 this act.

22 (2) The division shall determine the eligibility of a person
23 to hold or continue to hold a license, shall issue all licenses,
24 and shall maintain a record of all licenses issued under this act.
25 The division may accept applications, require the payment of
26 application fees for licenses, evaluate qualifications of
27 applicants, and undertake initial review of licenses before
28 promulgation of emergency rules, if applicable, on the effective
29 date of this act.

1 (3) The division shall levy and collect all fees, surcharges,
2 civil penalties, and tax on adjusted gross sports betting receipts
3 imposed by this act and shall provide for the deposit of all fees,
4 surcharges, civil penalties, and tax on adjusted gross sports
5 betting receipts imposed by this act into the fund, except as
6 otherwise provided under this act.

7 (4) The division shall adopt by rule a code of conduct
8 governing division employees that ensures, to the maximum extent
9 possible, that a person subject to this act avoids situations,
10 relationships, or associations that may represent or lead to an
11 actual or perceived conflict of interest.

12 (5) The division may audit and inspect, on reasonable notice,
13 books and records relating to sports betting operations, sports
14 wagers, sports betting accounts, sports betting games, or internet
15 sports betting platforms, including, but not limited to, the books
16 and records regarding financing and accounting materials held by,
17 or in the custody of, a licensee.

18 (6) The division shall keep all information, records,
19 interviews, reports, statements, memoranda, and other data supplied
20 to or used by the division in the course of any investigation of a
21 licensee confidential and shall use that material only for
22 investigative purposes. The materials described in this subsection
23 are exempt from disclosure under section 13 of the freedom of
24 information act, 1976 PA 442, MCL 15.243.

25 (7) The division shall charge the following annual license
26 fees:

- 27 (a) For a sports betting license, \$100,000.00.
28 (b) For a management services provider license, \$50,000.00.
29 (c) For a supplier license, \$5,000.00.

1 (8) The division may use information received from a sports
2 governing body to determine whether to allow either of the
3 following:

4 (a) Betting on a particular event.

5 (b) Patrons to make wagers of a particular type.

6 (9) If a sports governing body requests betting information or
7 requests the division to prohibit betting on a particular event or
8 making wagers of a particular type, the division shall grant the
9 request on a demonstration of good cause from the sports governing
10 body. For the purpose of this subsection, "good cause" means the
11 operator has identified suspicious betting activity or the division
12 has begun an investigation regarding suspicious betting activity
13 that, if confirmed, would directly impact the integrity of the
14 sporting event on which the bets are being placed.

15 (10) The division shall respond to a request from a sports
16 governing body concerning a particular event before the start of
17 the event or, if it is not feasible to respond before the start of
18 the event, as expeditiously as possible.

19 (11) The division and sports betting licensees shall cooperate
20 with investigations conducted by sports governing bodies or law
21 enforcement agencies, including, but not limited to, providing or
22 facilitating the provision of account-level betting information and
23 audio or video files relating to persons placing bets.

24 (12) Except as provided in subsection (13), sports betting
25 licensees may use any data source to determine the results of
26 sports bets if the data is not obtained directly or indirectly from
27 live event attendees who collect the data in violation of the terms
28 of admittance to an event or through automated computer programs
29 that compile data from the internet in violation of the terms of

1 service of the relevant website or other internet platform.

2 (13) A sports governing body may notify the division that it
3 desires to supply official league data to sports betting licensees
4 for determining the results of tier 2 sports bets. A notification
5 under this subsection must be made in the form and manner that is
6 required by the division. Within 30 days after a notification under
7 this subsection by a sports governing body, the division shall
8 determine if official league data is necessary and appropriate to
9 determine the results of tier 2 sports bets. If the division
10 determines that official league data is necessary and appropriate
11 to determine the results of tier 2 sports bets, a licensee shall
12 use only official league data to determine the results of tier 2
13 sports bets unless the licensee can demonstrate to the division
14 that the sports governing body or an entity that is contracted with
15 the sports governing body cannot provide a feed of official league
16 data to the licensee on commercially reasonable terms.

17 Sec. 12. The division may develop responsible gaming measures.

18 Sec. 13. (1) A person shall not do any of the following:

19 (a) Offer sports betting for play in this state if the person
20 is not a licensee or a federally recognized Michigan Indian tribe
21 described in section 7.

22 (b) Knowingly provide false testimony to the board or an
23 authorized representative of the board while under oath.

24 (2) A person that violates subsection (1) is guilty of a
25 felony punishable by imprisonment for not more than 10 years or a
26 fine of not more than \$100,000.00, or both.

27 (3) The attorney general or a county prosecuting attorney may
28 bring an action to prosecute a violation of subsection (1) in the
29 county in which the violation occurred.

1 Sec. 14. (1) A person shall not engage in a sports betting
2 operation or activity without first obtaining the appropriate
3 license in accordance with this act and rules of the division.

4 (2) The division shall not grant a license until it determines
5 that each person who has control of the applicant meets all
6 qualifications for licensure. All of the following persons are
7 considered to have control of an applicant:

8 (a) Each corporate holding company, parent company, or
9 subsidiary company of the applicant and each person who owns 10% or
10 more of the corporate applicant and who has the ability to control
11 the activities of the corporate applicant or elect a majority of
12 the board of directors of that corporation. A bank or other
13 licensed lending institution that holds a mortgage of or other lien
14 on the property of an applicant acquired in the ordinary course of
15 business is not considered to have control of the applicant.

16 (b) Each person associated with a noncorporate applicant who
17 directly or indirectly holds a beneficial or proprietary interest
18 of 10% or more in the applicant's business operation.

19 (c) Each person associated with a noncorporate applicant who
20 the division otherwise determines has the ability to control the
21 applicant.

22 (d) Key personnel of an applicant, including any executive,
23 employee, or agent, that has the power to exercise significant
24 influence over decisions concerning any part of the applicant's
25 sports betting business operation.

26 (3) An applicant for a license issued under this act shall
27 submit an application to the division in the form the division
28 requires and submit fingerprints for a national criminal records
29 check. The fingerprints must be furnished by key personnel and must

1 be accompanied by a signed authorization for the release of
2 information by the department of state police and the Federal
3 Bureau of Investigation. However, an individual who has submitted
4 to a criminal background check in this or any other state within
5 the previous 12 months is not required to submit to another
6 criminal background check if the individual submits the results of
7 the previous criminal background check. An applicant licensed to
8 offer sports betting by another jurisdiction may submit an
9 abbreviated application in the form the division requires.

10 (4) A sports betting licensee, licensed management services
11 provider, or licensed supplier shall display the license
12 conspicuously in its place of business or have the license
13 available for inspection by an agent of the division or any law
14 enforcement agency.

15 (5) A person licensed under this act shall give the division
16 written notice within 30 days after any change to any material
17 information provided in the licensee's application for a license or
18 renewal.

19 (6) An applicant for a sports betting license or management
20 service provider license that is authorized and in good standing to
21 operate sports betting by another jurisdiction may submit, on a
22 form prescribed by the division, a request to the division for a
23 temporary license allowing for the immediate commencement of sports
24 betting operations. On receiving a request for a temporary license,
25 the division shall review the request. If the division determines
26 that the applicant requesting the temporary license is authorized
27 and in good standing by another jurisdiction to operate sports
28 betting, and has paid any required license fee, the division may
29 authorize the operator to conduct sports betting until a final

1 determination on the sports betting license or management service
2 provider license application is made.

3 (7) The division shall not issue a license to an employee of
4 the board or the division.

5 Sec. 15. (1) The division shall grant a sports betting license
6 to a gaming facility that meets the requirements for licensure
7 under this act and the rules of the division including payment of a
8 \$200,000.00 initial license fee. This license is valid for 1 year,
9 and may be renewed annually on payment of a \$100,000.00 renewal
10 fee, as long as a gaming facility continues to meet all
11 qualification requirements.

12 (2) A holder of a sports betting license may operate or may
13 contract with a management service provider to operate sports
14 betting at casinos and not more than 1 individually branded digital
15 sports betting platform approved by the division. An authorized
16 participant may create a sports betting account on a sports betting
17 platform without being present on the premises of the casino.

18 (3) A sports betting licensee shall submit to the division the
19 documentation or information as the division may require
20 demonstrating that the sports betting licensee continues to meet
21 the requirements of this act and the rules promulgated under this
22 act.

23 (4) On application for a license and annually thereafter, a
24 sports betting licensee shall submit to the division an annual
25 audit of the financial transactions and condition of the licensee's
26 total operations prepared by a certified public accountant in
27 accordance with generally accepted accounting principles and
28 applicable federal and state laws.

29 Sec. 16. (1) The division shall not issue a license to an

1 applicant under this act if any of the following apply:

2 (a) The applicant has knowingly made a false statement of a
3 material fact to the division.

4 (b) The applicant has not paid the appropriate licensing fee.

5 (c) The applicant has been suspended from operating a gambling
6 game, gaming device, or gaming operation, or had a license revoked
7 by any governmental authority responsible for regulation of gaming
8 activities.

9 (d) The applicant has been convicted of a gambling-related
10 offense or a fraud offense.

11 (2) The division may deny a license to an applicant, reprimand
12 a licensee, or suspend or revoke a license if either of the
13 following applies:

14 (a) The applicant or licensee has not demonstrated to the
15 satisfaction of the division financial responsibility sufficient to
16 adequately meet the requirements of the proposed enterprise.

17 (b) The applicant or licensee is not the true owner of the
18 business or is not the sole owner and has not disclosed the
19 existence or identity of other persons who are considered to have
20 control of the applicant or licensee under section 14.

21 (3) For an applicant for a sports betting license, the
22 division may deny a license to an applicant, reprimand a licensee,
23 or suspend or revoke a license if an applicant has not met the
24 requirements of this act.

25 Sec. 17. A sports betting licensee and management service
26 provider shall do all of the following:

27 (a) Employ a monitoring system using software to identify non-
28 normal irregularities in volume or odds swings that could signal
29 suspicious activities which should require further investigation

1 that must be immediately reported and investigated by the division.
2 A monitoring system required under this subdivision must be
3 developed according to sports betting industry standards.

4 (b) Promptly report to the division any facts or circumstances
5 related to the operation of a sports betting licensee or licensed
6 management service provider that constitute a violation of state or
7 federal law and immediately report to the appropriate state or
8 federal authorities any suspicious betting over a threshold that is
9 set by the licensee and approved by the division.

10 (c) Conduct all sports betting activities and functions in a
11 manner that does not pose a threat to the public health, safety, or
12 welfare of the citizens of this state.

13 (d) Keep current in all payments and obligations to the
14 division.

15 (e) Prevent a person from tampering with or interfering with
16 the operation of any sports betting.

17 (f) Ensure that sports betting conducted at a building in
18 which gaming is conducted under the Michigan Gaming Control and
19 Revenue Act, 1996 IL 1, MCL 432.201 to 432.226, is within the sight
20 and control of designated employees of the licensee and the betting
21 at the building or otherwise available by the licensee is conducted
22 under continuous observation by security equipment in conformity
23 with specifications and requirements of the division.

24 (g) Ensure that sports betting occurs only in the specific
25 locations within designated gaming areas approved by the division
26 or using a division-approved mobile application or other digital
27 platform that uses communications technology to accept wagers
28 originating within this state, or originating in a state or
29 jurisdiction with which the division has entered into a sports

1 betting agreement.

2 (h) Maintain sufficient cash and other supplies to conduct
3 sports betting at all times.

4 (i) Maintain daily records showing the gross sports betting
5 receipts and adjusted gross sports betting receipts of the licensee
6 and shall timely file with the division any additional reports
7 required by rule or by other provisions of this act.

8 Sec. 18. (1) A sports betting licensee who also holds a
9 license to conduct internet gaming may offer sports betting via the
10 internet. A sports betting licensee that does not hold a license to
11 conduct internet gaming must apply for and be granted a license as
12 an internet gaming operator, under the lawful internet gaming act,
13 before offering sports betting via the internet.

14 (2) For purposes of this act, the intermediate routing of a
15 sports wager conducted via the internet, including routing across
16 state lines, does not determine the location or locations in which
17 the wager is initiated, received, or otherwise made.

18 (3) A sports wager conducted via the internet received by a
19 sports betting operator is considered to be gambling or gaming that
20 is conducted in the sports betting operator's casino located in
21 this state, regardless of the authorized participant's location,
22 within this state, at the time the authorized participant initiates
23 or otherwise places the sports wager.

24 Sec. 19. (1) A sports betting operator that conducts sports
25 betting at a location other than a casino operated by an Indian
26 tribe is subject to a tax at a rate equal to 8% on the adjusted
27 gross sports betting receipts received by the sports betting
28 operator from sports betting conducted under this act. If adjusted
29 gross receipts for a month is a negative number because the

1 winnings paid to patrons exceeds the licensee's total gross
2 receipts from sports wagering by patrons, the licensee may carry
3 over the negative amount to returns filed for subsequent months.

4 (2) A sports betting operator that is subject to subsection
5 (1) shall pay the tax under subsection (1) on a monthly basis. The
6 payment for a month is due on the tenth day of the following month.

7 (3) The tax imposed under subsection (1) must be allocated as
8 follows:

9 (a) Thirty percent to the city in which the sports betting
10 licensee's casino is located, for use in connection with all of the
11 following:

12 (i) The hiring, training, and deployment of street patrol
13 officers in that city.

14 (ii) Neighborhood development programs designed to create jobs
15 in that city with a focus on blighted neighborhoods.

16 (iii) Public safety programs such as emergency medical services,
17 fire department programs, and street lighting in that city.

18 (iv) Anti-gang and youth development programs in that city.

19 (v) Other programs that are designed to contribute to the
20 improvement of the quality of life in that city.

21 (vi) Relief to the taxpayers of that city from 1 or more taxes
22 or fees imposed by the city.

23 (vii) The costs of capital improvements in that city.

24 (viii) Road repairs and improvements in that city.

25 (b) Fifty-five percent to this state to be deposited in the
26 fund.

27 (c) Five percent to be deposited in the state school aid fund
28 established under section 11 of article IX of the state
29 constitution of 1963.

1 (d) Five percent to be deposited in the Michigan
2 transportation fund created under section 10 of 1951 PA 51, MCL
3 247.660, to be disbursed as provided in section 10(1) (l) of 1951 PA
4 51, MCL 247.660.

5 (e) Five percent to the Michigan agriculture equine industry
6 development fund created under section 20 of the horse racing law
7 of 1995, 1995 PA 279, MCL 431.320. However, if the 5% allocated
8 under this subdivision to the Michigan agriculture equine industry
9 development fund created under section 20 of the horse racing law
10 of 1995, 1995 PA 279, MCL 431.320, exceeds \$3,000,000.00 in a
11 fiscal year, the amount in excess of \$3,000,000.00 must be
12 allocated and deposited in the sports betting fund created under
13 section 20.

14 Sec. 20. (1) The sports betting fund is created in the state
15 treasury.

16 (2) The state treasurer may receive money or other assets
17 required to be paid into the fund under this act or from any other
18 source for deposit into the fund. The state treasurer shall direct
19 the investment of the fund. The state treasurer shall credit to the
20 fund interest and earnings from fund investments.

21 (3) The board is the administrator of the fund for auditing
22 purposes.

23 (4) The board shall expend money from the fund, on
24 appropriation, for all of the following:

25 (a) Each year, \$1,000,000.00 to the compulsive gaming
26 prevention fund created in section 3 of the compulsive gaming
27 prevention act, 1997 PA 70, MCL 432.253.

28 (b) The board's costs of regulating and enforcing sports
29 betting under this act.

1 Enacting section 1. This act takes effect 90 days after the
2 date it is enacted into law.

3 Enacting section 2. This act does not take effect unless all
4 of the following bills of the 100th Legislature are enacted into
5 law:

6 (a) House Bill No. 4308.

7 (b) House Bill No. 4311.