

DEPARTMENT OF TREASURY

MICHIGAN GAMING CONTROL BOARD

CASINO GAMING

Filed with the Secretary of State on

These rules become effective immediately upon filing with the Secretary of State unless adopted under section 33, 44, or 45a(6) of the administrative procedures act of 1969 PA 306, MCL 24.233, MCL 24.244, or MCL 24.245a. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

(By authority conferred on the Michigan gaming control board by section 4 of Michigan gaming control and revenue act, 1996 IL 1, MCL 432.204)

R 432.1101, R 432.1102, R 432.1103, R 432.1104, R 432.1105, R 432.1106, R 432.1107 R 432.1108, R 432.1204, R 432.1210, R 432.1212, R 432.1214, R 432.1215, R 432.1216, R 432.1220, R 432.1221, R 432.1224, R 432.1302, R 432.1303, R 432.1304, R 432.1306, R 432.1307, R 432.1308, R 432.1312, R 432.1316, R 432.1321, R 432.1322, R 432.1323, R 432.1324, R 432.1325, R 432.1326, R 432.1327, R 432.1330, R 432.1331, R 432.1332, R 432.1333, R 432.1334, R 432.1337, R 432.1338, R 432.1339, R 432.1340, R 432.1341, R 432.1402, R 432.1405, R 432.1406, R 432.1501, R 432.1504, R 432.1508, R 432.1509, R 432.1511, R 432.1701, R 432.1702, R 432.1706, R 432.1707, R 432.1712, R 432.1715, R 432.1803, R 432.1804, R 432.1811, R 432.1812, R 432.1813, R 432.1816, R 432.1817, R 432.1819, R 432.1820, R 432.1821, R 432.1822, R 432.1823, R 432.1826, R 432.1828, R 432.1830, R 432.1831, R 432.1832, R 432.1833, R 432.1834, R 432.1835, R 432.1836, R 432.1838, R 432.1839, R 432.1840, R 432.1841, R 432.1842, R 432.1843, R 432.1903, R 432.1904, R 432.1905, R 432.11001, R 432.11002, R 432.11003, R 432.11004, R 432.11005, R 432.11006, R 432.11007, R 432.11008, R 432.11009, R 432.11011, R 432.11012, R 432.11013, R 432.11014, R 432.11015, R 432.11016, R 432.11018, R 432.11202, R 432.11203, R 432.11208, R 432.11304, R 432.11308, R 432.11309, R 432.11401, R 432.11402, R 432.11405, R 432.11501, R 432.11502, and R 432.11503 of the Michigan Administrative Code are amended, and R 432.11601 and R 432.11602 are added, and R 432.1336, R 432.1506, R 432.1704, R 432.1713, R 432.1824, R 432.1825, R 432.1829, R 432.11010, R 432.11017, and R 432.11404 are rescinded as follows:

PART 1. DEFINITIONS

R 432.1101 Definitions; A to C.

Rule 101. As used in these rules:

(a) "Act" means ~~Initiated Law of 1996, being § 432.201 et seq. of the Michigan Compiled Laws, and known as the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.~~

(b) "Application" means all materials and information comprising the applicant's request for a casino license, supplier's license, or occupational license submitted by the applicant to the

board, including, but not limited to, the instructions, forms, and other documents required by the board for purposes of application for a license under the act and these rules.

(c) "Associated equipment" means any of the following:

(i) Any equipment which is a mechanical, electromechanical, or electronic contrivance, component, or machine and which is used indirectly or directly in connection with gaming.

(ii) Any equipment that would not otherwise be classified as a gaming device, including, but not limited to, links, modems, and dedicated telecommunication lines, that connects to progressive electronic gaming devices.

(iii) Computerized systems that monitor electronic gaming devices, table games, and other gambling games approved by the board.

(iv) Equipment that affects the proper reporting of gross receipts.

(v) Devices for weighing and counting money.

(vi) Any other equipment that the board determines requires approval as associated equipment to protect the integrity of gaming and ensure compliance with the act and these rules.

(d) "Attributed interest" means any direct or indirect interest in a business entity deemed by the board to be held by an individual through holdings of the individual's immediate family or other persons and not through the individual's actual holdings.

(e) "~~Bill changer~~ **validator**" means an electromechanical device attached either on or into an electronic gaming device for the purpose of dispensing an amount of ~~tokens or credits~~ equal to the amount of cash or cash equivalency inserted into the ~~bill changer~~ **validator**. ~~The bill changer shall accept and analyze the legitimacy of United States or foreign currency accepted by the bill changer. If a credit is issued, then the player shall have the option of taking the entire amount of credits in tokens or utilizing any portion of the registered credits to activate the electronic gaming devices as a wager.~~

(f) "Board" means the Michigan gaming control board.

~~(g) "Board casino premises office" means dedicated office space in a casino which is for the exclusive use of the board for performing any of its functions and which is separate from, and does not include, the board surveillance room.~~

~~(hg) "Board surveillance room" means dedicated office space in each casino for the exclusive use of the board for the monitoring and recording of gaming or any other activities.~~

~~(ih) "Cash" means United States currency and coin or foreign currency and coin that has been exchanged for its equivalent United States currency and coin value.~~

~~(ji) "Cash equivalent" means an asset that is readily convertible to cash, including, but not limited to, any of the following:~~

~~(i) Travelers checks.~~

~~(ii) Certified checks, cashier's checks, and money orders.~~

~~(iii) Personal checks or drafts.~~

~~(iv) Credit extended by the casino licensee, a recognized credit card company, or banking institution.~~

~~(v) Any other instrument that the board deems a cash equivalent.~~

Other than recognized credit cards or credit extended by the casino licensee, all instruments that constitute a cash equivalent shall be made payable to the casino licensee, bearer, or cash. If an instrument is made payable to a third party, then the instrument ~~is~~ shall not be deemed a cash equivalent.

~~(kj)~~ "Casino ~~central computer system~~**critical computerized systems**" means 1 or more computer systems which are approved by the board and which meet all of the following requirements:

(i) Are connected to all electronic gaming devices in the casino to record and contemporaneously monitor the play and cash flow and security of each electronic gaming device.

(ii) Are capable of monitoring the activities of the live gaming devices, including, but not limited to, any of the following or their equivalents:

(A) Table fills.

(B) Table credits.

(C) Table gaming receipts, disbursements, and revenues.

(iii) Are capable of tracking the activities of the live gaming devices, including, but not limited to, **either of** the following or their equivalents:

(A) Table game inventories.

(B) Employee gratuity receipt and disbursement accounting.

(iv) Are capable of monitoring the activities of the main bank and all cages, including, but not limited to, **either of** the following or their equivalents:

(A) Manual payouts.

~~(B) Hopper credits and hopper fills.~~

~~(B)~~ Table credits and fills.

(v) Are capable of tracking the activities of the main bank and all cages, including, but not limited to, **any of** the following or their equivalents:

(A) Receipt and record of ~~hard and~~ soft count.

(B) Record of gaming receipts, disbursements, and revenues.

(C) Cashier checkout.

(D) Main bank and cage inventory.

(E) Deposits.

(F) Cash transaction reports.

(G) Patron credit.

(vi) Are capable of monitoring the casino licensee's casino accounting package.

(vii) Are linked by dedicated telecommunication lines to board-designated computer terminals located in board offices on and off the casino premises. The terminals shall be able to access, receive, and display the information required and prescribed by the board.

~~(k)~~ "Casino license" means a license issued by the board to a person to own or operate a casino in ~~Michigan~~**this state** under the act.

~~(m)~~ "Casino operations" means operations of a casino or a casino enterprise other than gambling operations, including, but not limited to, the purveying of food, beverages, retail goods and services, and transportation.

~~(n)~~ "Casino surveillance room" means a room or rooms at each casino for monitoring and recording casino operations and gambling operations by the casino licensee.

~~(o)~~ "Certificate of suitability" means a written document issued by the board certifying that an applicant has been chosen for licensure if the applicant meets all of the following:

(i) The conditions of a certified development agreement with a city.

(ii) The conditions set forth by the board in the certificate of suitability and the requirements of the act and these rules.

(~~p~~o) "Chip" means a representation of value redeemable for cash only at the issuing casino and issued by a casino licensee for use in gaming, other than in electronic gaming devices.

(q) ~~"Complaint form" means the form, prescribed by the board, that a patron shall complete and submit to file a patron complaint.~~

(~~r~~p) "Contest" means a gambling game which is offered and sponsored by a gambling operation in which patrons of the gambling operation are assessed an entry fee to play the game or games and in which winning patrons receive a portion of or all of the entry fees that may be increased with cash and noncash prizes from the gambling operation.

(~~s~~q) "Counterfeit chips ~~or tokens~~" means chip-like ~~or token-like~~ objects that have not been approved under these rules, including objects commonly referred to as slugs, but not including legal coins of the United States or any other nation.

(~~t~~r) "Count room" means the room or rooms designated for the counting, wrapping, and recording of a casino licensee's gaming receipts.

R 432.1102 Definitions; D to F.

Rule 102. As used in these rules:

(a) "Debt instrument" means any of the following:

- (i) Bond.
- (ii) Loan.
- (iii) Mortgage.
- (iv) Trust.
- (v) Deed, when committed in any form as collateral.
- (vi) Note.
- (vii) Debenture.
- (viii) Subordination.
- (ix) Guaranty.
- (x) Letter of credit.
- (xi) Security agreement.
- (xii) Pledge.
- (xiii) Chattel mortgage.
- (xiv) Other form of indebtedness.

(b) "Debt transaction" means a transaction in which a person that has applied for or holds a casino license or holding company or affiliate that has control of the applicant or holder of the casino license, acquires debt, including, but not limited to, bank financing, private debt offerings, or any other transaction that results in a change of encumbrance of more than 1% in capitalization or debt-to-equity ratio of the licensee, applicant, holding company, or affiliate of the applicant or holder of the casino license.

(c) "Dependent" means any individual who received over 1/2 of his or her support in a calendar year from any other individual.

(d) "Drop" means the total amount of **EGD drop and table droptokens removed from the drop bucket of an electronic gaming device, the currency removed from the bill changers, and the dollar amount of the currency, coins, chips, tokens, or credits removed from the live gaming devices.** ~~If a patron is utilizing an electronic card, then the drop includes the amount deducted from a patron's account as a result of electronic gaming device play.~~

(e) "Drop box" means the box attached to a live gaming device table **or electronic gaming device** that ~~is may be~~ used to collect, ~~but is not limited to,~~ any of the following items **including, but not limited to, any of the following:**

- (i) Currency.
- (ii) ~~Coin~~ **Tickets.**
- (iii) Chips.
- (iv) Cash equivalents.
- (v) Damaged chips.
- (vi) Documents verifying the extension of credit.
- (vii) Request for fill and credit forms.
- (viii) Fill and credit slips.
- (ix) Error notification slips.
- (x) Table inventory forms.
- (xi) All other forms used by the casino licensee and deposited in the drop box as part of the audit trail.

~~(f) "Drop bucket" means the container in the locked portion of an electronic gaming device or the cabinet of an electronic gaming device that is used to collect the tokens retained by the electronic gaming device which are not used to make automatic payments from the electronic gaming device and which are subject to authorized removal.~~

~~(gf) "Drop meter" means an electronic or mechanical device or devices, or both, that automatically and continuously count the number of tokens dropped into an electronic gaming device's drop bucket~~ **dropped electronic gaming device credits.**

(g) "EGD drop" means the total value of currency and tickets collected from the drop box. If a patron is utilizing an electronic card, then the drop includes the amount transferred to an EGD.

(h) "EGD win" means the EGD drop minus hand-paid jackpots, tickets issued, and electronic credits transferred from an EGD.

~~(hi) "Electronic card" means a card purchased from, or provided by, a casino licensee for use at the licensee's casino as a substitute for tokens~~ **currency** for the conduct of gaming ~~on an electronic gaming device.~~

~~(ij) "Electronic credit" means a value owed to a patron on an electronic gaming device.~~

(jk) "Electronic gaming device" or "EGD" means an electromechanical device, or electrical device or machine which, upon payment of consideration, is available to play or operate as a gambling game. The operation of the device or machine, whether by reason of the skill of the operator or application of the element of chance, or both, may deliver or entitle the person playing or operating the device to receive any of the following, whether the payoff is made automatically from the machines or in any other manner:

- (i) Premiums.
- (ii) Merchandise.
- (iii) ~~Tokens~~ **Tickets.**
- (iv) Redeemable game credits.
- (v) Anything of value other than unredeemable free games.

~~(k) "Electronic gaming device drop" means the total value of tokens contained in the drop bucket and the currency collected from bill changers. If a patron is utilizing an electronic card, then the drop includes the amount deducted from a patron's account as a result of electronic gaming device play.~~

~~(l) "Electronic gaming device win" means the electronic gaming device drop minus hand-paid jackpots, hopper fills, plus hopper credits.~~

~~(m) "Enhanced payout" means a gambling game offered and sponsored by a gambling operation in which gaming patrons participate in a gambling game or an approved variation of a gambling game and thereby qualify for receiving, upon a specified outcome in the gambling game or the occurrence of a specified event, a payment or thing of value approved by the board in excess of published payouts contained in the internal control system approved by the board or as displayed on the electronic gaming device.~~

~~(nl) "EPROM" means erasable, programmable, read only memory.~~

~~(om) "Excluded person" means a person whose name appears on an exclusion list of any jurisdiction, or a person whose name does not appear on an exclusion list, but who is excluded or ejected as a result of meeting 1 or more of the exclusion criteria specified in these rules.~~

~~(pn) "Exclusion list" means a list or lists that contain identities of persons who are to be excluded or ejected from any gambling operation in any jurisdiction.~~

~~(q) "FIN" means a federal identification number.~~

(fo) "Felony" means a violation of a penal law of this state for which the offender, upon conviction, may be punished by imprisonment for more than 1 year, or an offense expressly designated by law to be a felony. Convictions under federal law or the law of states other than this state are to be considered felony convictions if the offense was punishable by death or by more than 1 year of incarceration or, when the statutory penalty is not available, if the crime was designated as a felony in the convicting jurisdiction at the time of the prior conviction. ~~eriminal offense for which a sentence of imprisonment for more than 1 year may be imposed under the laws of any jurisdiction.~~

~~(sp) "Financial statement" means any of the following:~~

~~(i) Balance sheet.~~

~~(ii) Income statement.~~

~~(iii) Profit and loss statement.~~

~~(iv) Statement of cash flow.~~

~~(v) Sources and uses of funds statement.~~

~~(tq) "Front money" means a deposit of value made by a patron at the cage.~~

R 432.1103 Definitions; G to I.

Rule 103. As used in these rules:

(a) "Gaming area" means the room or rooms in a casino in which gaming is conducted.

(b) "Gaming equipment or supplies" means a machine, mechanism, device, **piece of equipment, item,** or implement that affects the result of a gambling game by determining a win or loss, including, without limitation, any of the following:

(i) ~~Electronic gaming device~~EGDs.

(ii) Software.

(iii) Cards.

(iv) Dice.

~~Lay-outs~~**Layouts** for live table games and any representatives of value, including, without limitation, chips, ~~tokens,~~ or electronic ~~debit~~ cards and related hardware and software do not affect the result of a game, but are gaming equipment and supplies.

(c) "Gaming operations manager" means a person who has the ultimate responsibility to manage, direct, or administer the conduct of the gambling operation in a casino licensed under the act and these rules.

~~(d) "Give-away" means a gambling game where patron entry to the game may be determined by attendance in a casino or by either accumulation of points or credits or the attainment of a certain outcome on an electronic gaming device.~~

(ed) "Hand" means either 1 game in a series, 1 deal in a card game, or the cards held by a player.

(fe) "Hearing officer" means the board member or the administrative hearing officer designated ~~by the chairperson to conduct or assist the board in the conduct of~~ a hearing on any matter within the jurisdiction of the board.

(gf) "Holding company" means any person, other than an individual, that meets **both of** the following criteria:

(i) Directly or indirectly owns, has the power or right to vote or control, or holds with the power to vote more than 5% of the stock, equity interest, or other voting security of a person that holds, or has applied for, a casino license or a supplier's license.

(ii) Directly or indirectly holds, or substantially owns, any power, right, or security through any interest in a subsidiary or successive subsidiaries, regardless of how many subsidiaries may intervene between the holding company and the holder or applicant for, or holder of, casino license or a supplier's license.

(hg) "Immediate family" means any of the following, whether by whole or half blood, marriage, adoption, or effect of law:

(i) Spouse, other than a spouse who is legally separated from the individual under a decree of divorce or separate maintenance.

(ii) Parent.

(iii) Child.

(iv) Dependent.

(v) Sibling.

(vi) Spouse of sibling.

(vii) Father-in-law.

(viii) Mother-in-law.

~~(i) "Inappropriate token in" means a token that has been accepted by an electronic gaming device after the electronic gaming device has already accepted the maximum number of tokens or when the electronic gaming device is in a state that normally rejects additional tokens.~~

(jh) "Indirect interest" means an interest, claim, right, legal share, or other financial stake in a person that is deemed by the board to exist by virtue of a financial or other interest in another person.

(ki) "Individual" means any natural person.

(lj) "Interim compliance period" means the period of time between the issuance of a certificate of suitability and the issuance of a casino license or the issuance of a notice of denial.

~~(mk)~~ "Intermediary company" means any corporation, firm, partnership, trust, limited liability company, or other form of business entity that meets **one of** the following criteria:

(i) Is a holding company of a person that has applied for or holds a casino license or a supplier license.

(ii) Is a subsidiary of any holding company of a person that has applied for or holds a casino license or supplier license.

(nl) "Internal control system" means the internal procedures, administration, and accounting controls designed by the casino licensee for the purpose of exercising control over the gambling operation and its assets.

(om) "Irrevocable letter of credit" means an engagement by a banking institution which is issued, held, and negotiated under the publication entitled "Uniform Customs and Practice for Documentary Credits," 19932007 revision, ~~international chamber of commerce~~ **International Chamber of Commerce** publication no. 5600, **as amended, or "International Standby Practices ISP 98," International Chamber of Commerce publication no. 590 (1999), as amended,** at the request of a casino licensee, and under which the banking institution will honor demands for payment upon compliance with the conditions specified until the expiration date on the letter of credit.

R 432.1104 Definitions; J to L.

Rule 104. As used in these rules:

(a) "Junket" means an arrangement to induce persons who are selected or approved for participation on the basis of their ability to satisfy a financial qualification obligation related to their ability or willingness to come to a licensed casino for the purpose of gambling and who receive as consideration all or part of the cost of transportation, food, lodging, or entertainment directly or indirectly paid by a casino licensee or agent.

(b) "Junket representative" means a person, other than a casino licensee or casino license applicant, who receives payment for the referral, procurement, or selection of persons who may participate in a junket to a licensed casino in ~~Michigan~~ **this state**, based upon the person's actual or calculated potential to wager or lose, regardless of whether the activities of the junket representative occur within ~~the state of Michigan~~ **this state**.

(c) "Key person" means any of the following entities:

(i) An officer, director, trustee, partner, or proprietor of a person that has applied for or holds a casino license or supplier license or an affiliate or holding company that has control of a person that has applied for or holds a casino license or supplier license.

(ii) A person that holds a combined direct, indirect, or attributed debt or equity interest of more than 5% in a person that has applied for or holds a casino license or supplier license.

(iii) A person that holds a combined direct, indirect, or attributed equity interest of more than 5% in a person that has a controlling interest in a person that has applied for or holds a casino license or supplier license.

(iv) A managerial employee of a person that has applied for or holds a casino license or supplier license in ~~Michigan~~ **this state**, or a managerial employee of an affiliate or holding company that has control of a person that has applied for or holds a casino license or supplier license in ~~Michigan~~ **this state**, who performs the function of principal executive officer, principal operating officer, principal accounting officer, or an equivalent officer.

(v) A managerial employee of a person that has applied for or holds a casino license or supplier license, or a managerial employee of an affiliate or holding company that has control of a person that has applied for or holds a casino license or supplier license, who will perform or performs the function of gaming operations manager, or will exercise or exercises management, supervisory, or policy-making authority over the proposed or existing gambling

operation, casino operation, or supplier business operations in ~~Michigan~~**this state** and who is not otherwise subject to occupational licensing in ~~Michigan~~**this state**.

An institutional investor ~~shall~~**is not be considered** a key person unless it has a controlling interest or fails to meet the standards of section 6c(1) of the ~~Act~~**act, MCL 432.206c**, for waiver of eligibility and suitability requirements for qualification and licensure under the act and these rules.

(d) "Licensee" means a person who holds a license under the act.

(e) "Live game" means a gambling game which does not involve an ~~electronic gaming device~~**EGD** and which is played with a live gaming device.

(f) "Live gaming device" means any nonelectrical or non-electromechanical apparatus used to gamble upon, including, but not limited to, any of the following:

(i) Roulette wheel and table.

(ii) Blackjack table.

(iii) Craps table.

(iv) Poker table. ~~Nothing in these rules prohibits the use of electronic progressive or bonus equipment in conduction with play on a live gaming devise. Nothing in these rules prohibits electronic equipment used to monitor or assist in the conduct of a live game.~~

(v) Table layout.

R 432.1105 Definitions; M to O.

Rule 105. As used in these rules:

(a) "Main bank" means the casino department that is responsible for at least all of the following:

(i) Cashing customer checks.

(ii) Establishing hold check privileges.

(iii) Redeeming chips or tokens, or both.

(iv) Providing working funds to all operational departments.

(v) Deposits of front money.

(vi) Maintaining custody of all inventory.

(vii) Processing markers.

(viii) Assuming responsibility for all of the following individuals and physical structures:

(A) Casino cashiers.

(B) Change attendants.

(C) Main bank vault or vaults.

(D) Any other structure that houses ~~tokens~~, chips, or other representatives of value that the main bank is accountable for.

(b) "Marker" means an electronic or written document that evidences an extension of credit to a patron by the casino licensee, including any writing taken in consolidation, redemption, or payment of a previous marker.

~~(e) "Michigan taxpayer identification number" means the number assigned to businesses registered with the department.~~

~~(dc)~~ "Multigames" means an ~~electronic gaming device~~**EGD** that offers a menu of more than 1 gambling game to the player.

~~(ed)~~ "Nominee" means a person that holds, as owner of record, the legal title to tangible or intangible personal or real property, including, without limitation, any of the following:

(i) A stock.

- (ii) A bond debenture.
- (iii) A note.
- (iv) An investment contract.
- (v) Real estate on behalf of another person. A nominee is designated and authorized to act on behalf of another person with respect to the property.
- (fe) "Nonvalue chip" means a chip which is clearly and permanently impressed, engraved, or imprinted with the name of the casino licensee, but which does not bear a value designation.
- ~~(g) "One on one continuous surveillance" means that a licensed surveillance employee is dedicated to continuously monitor a given area without interruption or distraction as prescribed by the board.~~

R 432.1106 Definitions; P to R.

Rule 106. As used in these rules:

- (a) "Par sheet" means a document which is provided by the ~~electronic gaming device~~ **EGD** manufacturer and which depicts all of the following:
 - (i) The possible outcomes from the play of an ~~electronic gaming device~~ **EGD**.
 - (ii) The probability of occurrence of the outcomes.
 - (iii) The contribution of each winning outcome to the payback percentage of the ~~electronic gaming device~~ **EGD**.
- (b) "Patron ~~complaint~~**dispute**" means a ~~complaint~~**dispute** a patron has regarding winnings ~~and~~ losses or the conduct of gambling at a casino.
- (c) "Payout" means the winnings that result from a wager.
- (d) "Petitioner" means ~~any of the following:~~ **a person who files a petition under part 7.**
 - ~~(i) A person whose license application has been denied by the board.~~
 - ~~(ii) A person whose license has not been renewed.~~
 - ~~(iii) A person whose request for transfer of ownership has been denied.~~
 - ~~(iv) A person who has been placed on the exclusion list.~~
 - ~~(v) A person whose request has been otherwise denied by the board and who has the right to appeal the denial under the act or these rules.~~
- (e) "Picture identification" means a **valid driver license, state identification card, student identification card, military identification card, passport, or any other bona fide picture identification that establishes the identity and age of the individual** ~~or other piece of identification which is issued by a governmental entity and which has a picture of the individual affixed to, or otherwise part of, the document.~~
- (f) "Pit" means the area enclosed or encircled by the arrangement of the gaming tables in which casino gambling personnel administer and supervise the live games played at the tables by patrons located outside the perimeter of the area.
- ~~(g) "Predecessor company" means an entity which no longer exists in its original form, but which has assets that have been acquired, in substantial part, by another person or which has undergone certain internal changes, such as a change in identity, form, or capital structure.~~
- ~~(hg) "Progressive controller" means the hardware and software that controls all communication among the electronic gaming device EGDs or live gaming devices within a progressive electronic gaming device EGD link or a progressive live gaming device link and its associated progressive meter.~~

(ih) "Progressive jackpot" means a value determined by application of an approved formula to the income of independent, local, or interlinked ~~electronic gaming device~~ EGDs or live gaming devices.

(ji) "Public offering" means a sale of securities that is subject to the registration requirements of section 5 of the securities act of 1933, 15 U.S.C. §USC 77e(c), or that is exempt from the registration requirements solely by reason of an exemption contained in either of the following provisions:

(i) Section 3(a)(10), 3(a)(11), or 3(c) of the securities act of 1933, 15 U.S.C. §USC 77c(a)(10), ~~15 U.S.C. § 77e(a)(11), or 15 U.S.C. § 77e(c), as amended.~~

(ii) Regulation A or ~~R~~regulation D adopted under section 3(b) of the securities act of 1933, 15 U.S.C. §USC 77c(b), **17 CFR 230.251 to 230.263, and 230.500 to 230.508, as amended.**

(k) "Public official" means a person to whom any of the following provisions apply:

~~-(i) The person is authorized to perform an official function on behalf of, and is paid by a state, local, or federal governmental entity in Michigan or any other jurisdiction.~~

~~-(ii) The person is elected or appointed to office to discharge a public duty for a state, local, or federal governmental entity in Michigan or any other jurisdiction.~~

~~-(iii) The person is appointed in writing by a public official to act in an advisory capacity, with or without compensation, to a state, local, or federal governmental entity in Michigan or any other jurisdiction concerning a contract or purchase to be made by the entity. "Public official" does not include a person who is appointed to an honorary advisory or honorary military position.~~

(hj) "Publicly held company" or "publicly traded corporation" means any of the following:

(i) A person, other than an individual, to which either of the following provisions applies:

(A) The person has 1 or more classes of voting securities registered under section 12 of the securities exchange act of 1934, 15 U.S.C. §USC 78l, **as amended.**

(B) The person issues securities and is subject to section 15(d) of the securities exchange act of 1934, 15 U.S.C. §USC 78o(d), **as amended.**

Either term also means another person, other than an individual, required to file under the securities ~~and~~ exchange act of 1934, 15 U.S.C. §USC 78a ~~et seq~~ **to 78qq.**

(ii) A person, other than an individual, created under the laws of a foreign country to which both of the following provisions apply:

(A) The person has 1 or more classes of voting securities registered on the foreign country's securities exchange or over-the-counter market.

(B) The board has determined that the person's activities are regulated in a manner that protects the investors and ~~Michigan~~**this state.**

Either term includes any person, other than an individual, that has securities registered or is an issuer under this definition solely because it guaranteed a security issued by an affiliate under a public offering and is considered by the ~~securities and exchange commission~~ **Securities and Exchange Commission** to be an ~~underwriter or issuer~~ of a public offering ~~of securities under rule 140~~ **section 2(a)(11)** of the securities ~~and exchange act of 1934,~~ **1933, 15 U.S.C. §USC 787b(a)(11), and 17 CFR 230.140, as amended.**

(iii) A person, other than an individual, that has shares which are traded on an established securities market or traded on a secondary market.

(mk) ~~"RAM" or "R~~random access memory" **or "RAM"** means the electronic component used for computer work space and storage of volatile information in an ~~electronic gaming device~~ **EGD.**

(~~n~~l) "Randomness" means the unpredictability and absence of pattern in the outcome of an event or sequence of events.

(~~o~~m) "Random number generator" or "RNG" means hardware, software, or a combination of hardware and software devices for generating number values that exhibit the characteristics of randomness.

(~~p~~n) "Registered agent" means an individual designated to accept service of legal process on behalf of another person.

(~~q~~o) "Related party" means 1 of the following:

(i) An individual or business entity that has a pecuniary interest in a casino licensee, a casino license applicant, or an affiliate thereof, if the casino licensee, casino license applicant, or affiliate is not a publicly held company.

(ii) A holder of more than 5% of the outstanding shares of a casino licensee, a casino license applicant, or an affiliate thereof, if the casino licensee, casino license applicant, or affiliate is a publicly held company.

(iii) A key person of a casino licensee, a casino license applicant, or an affiliate of a casino licensee or a casino license applicant.

(iv) An affiliate of a casino licensee or a casino license applicant.

(v) An immediate family member of a holder of more than 5% of the outstanding shares of a casino licensee, a casino license applicant, or an affiliate of a casino licensee or a casino license applicant.

(vi) A relative of a key person of a casino licensee, a casino license applicant, or an affiliate of a casino licensee or a casino license applicant.

(vii) A relative of an affiliate of a casino licensee or a casino license applicant.

(viii) A trust for the benefit of, or managed, by a casino licensee, a casino license applicant, or an affiliate or a key person of a casino licensee or a casino license applicant.

(ix) Any other person who is able to significantly influence the management or operating policies of a casino licensee, a casino license applicant, or an affiliate of a casino licensee or a casino license applicant.

(x) An institutional investor that has a controlling interest in a person that has applied for or holds a casino license or supplier license or that fails to meet the standards set forth in section 6c(1) of the act, **MCL 432.206c**, for waiver of the eligibility and suitability requirements for licensure under the act and these rules. An institutional investor ~~shall~~is not be considered to be a related party unless it fails to meet the standard set forth in section 6c(1) of the act, **MCL 432.206c**, for waiver of the eligibility and suitability requirements for licensure.

(~~r~~p) "Related party transactions" means transactions between a casino licensee or a casino license applicant and at least 1 of the following:

(i) A related party.

(ii) An immediate family member.

(iii) A dependent.

(~~s~~q) "Relative" means any of the following entities whether by whole or half blood, marriage, adoption, or natural relationship:

(i) Spouse, other than a spouse who is legally separated from the individual under a decree of divorce or separate maintenance.

(ii) Parent.

(iii) Grandparent.

(iv) Child.

- (v) Grandchild.
- (vi) Sibling.
- (vii) Uncle.
- (viii) Aunt.
- (ix) Nephew.
- (x) Niece.
- (xi) First cousin.
- (xii) Father-in-law.
- (xiii) Mother-in-law.
- (xiv) Son-in-law.
- (xv) Daughter-in-law.
- (xvi) Brother-in-law.
- (xvii) Sister-in-law.
- (xviii) Dependent.

(r) "Read only memory" or "ROM" means the electronic component used for storage of nonvolatile information in an EGD, including programmable ROM and erasable programmable ROM.

(ts) "Respondent" means a person against whom a seizure, forfeiture, or disciplinary action has been initiated.

~~(u) "ROM" or "read only memory" means the electronic component used for storage of nonvolatile information in an electronic gaming device, including programmable ROM and erasable programmable ROM.~~

~~(v) "Runs test" means a mathematical statistic that determines the existence of recurring patterns within a set of data.~~

R 432.1107 Definitions; S to U.

Rule 107. As used in these rules:

~~(a) "Sensitive keys" means keys that either casino management or the board considers sensitive to the casino licensee's operation and therefore require strict control over custody and issuance in accordance with the licensee's approved internal controls.~~

(ba) "Slot machine" means a type of ~~electronic gaming device~~EGD.

(eb) "Slug" means a disk or object which is not issued by the casino licensee and which does not have a cash value.

(dc) "Sole proprietor" means an individual who owns 100% of the assets and who is principally liable for the debts of a business, regardless of whether another person guarantees payment of such debts.

(ed) "Standard chi-squared analysis" means the sum of the squares of the difference between the expected result and the observed result.

(fe) "Subsidiary" means a person, other than an individual, including, without limitation, a firm, partnership, trust, limited liability company, or other form of business organization in which an equity interest is owned, subject to a power or right of control, or held with the power to vote directly, indirectly, or in conjunction with a holding company or intermediary company.

~~(g) "Substantial creditor" means the holder of a debt instrument against a person which is secured or unsecured, matured or unmatured, liquidated or unliquidated, absolute, fixed, or contingent, and which has an aggregate amount of \$100,000.00 or more.~~

~~(hf)~~ "Substantial owner" means the holder of any of the following:

- (i) More than 5% of the total combined voting power of a corporation or more than 5% of the total value of shares of all classes of stock of a corporation.
- (ii) More than a 5% interest in a partnership.
- (iii) More than 5% of the value of a trust computed actuarially.
- (iv) More than 5% of the legal or beneficial interest in any other person. For purposes of computing the percentages in this subdivision, a holder ~~shall~~**will** be deemed to own any stock or other interest in a person, whether owned directly, indirectly, or attributed. The term "substantial owner" ~~shall~~**does** not include an institutional investor, unless the institutional investor has more than a 5% interest in the applicant or licensee and fails to meet the standards set forth in section 6c(1) of the act, **MCL 432.206c**, for waiver of the eligibility and suitability requirements for licensure under the act and these rules.

~~(ig)~~ "Supplier" means a person who the board has identified under rules promulgated by the board as requiring a license to provide casino licensees or casino enterprises with goods or services regarding the realty, construction, maintenance, or business of a proposed or existing casino, casino enterprise, or related facility, including, but not limited to any of the following:

- (i) Junket enterprises.
- (ii) Security businesses.
- (iii) Manufacturers of gaming devices or equipment.
- (iv) Distributors.
- (v) Persons who service gaming devices or equipment.
- (vi) Garbage haulers.
- (vii) Maintenance companies.
- (viii) Food purveyors.
- (ix) Construction companies.

~~(jh)~~ "Surety bond" means a contractual arrangement between the surety, the principal, and the obligee that the surety agrees to protect the obligee if the principal defaults in performing the principal's contractual obligation. The bond is the instrument that binds the surety.

~~(k)~~ "~~Suspected problem area~~" ~~means an area where unusual occurrences have been observed or good reason exists to believe unusual occurrences will occur.~~

~~(hi)~~ "Table drop" means the total dollar amount of United States and foreign currency, chips, **tickets**, markers, or credits contained in the drop box of a live gaming device.

~~(mj)~~ "Table win" means the dollar amount which is won by the casino licensee through play at a live game and which is the total of the table drop, plus ending chip inventory, minus opening chip inventory, plus chip credits, minus fills.

~~(nk)~~ "Theoretical payout percentage" means the sum of the number of cash equivalents, or credits, ~~or tokens~~ expected to be paid as a result of the jackpots divided by the number of different possible outcomes.

(l) "Ticket" means a representation of value stated on a coded paper instrument that is redeemable for the equivalent value in cash only at the issuing casino and is issued by a casino licensee for use in gaming.

~~(om)~~ "Tilt condition" means a programmed error state for an ~~electronic gaming device~~**EGD** that occurs when the ~~electronic gaming device~~**EGD** detects an internal error malfunction or attempted cheating. The ~~electronic gaming device~~**EGD** ceases processing further input, output, or display information other than that indicating the tilt condition itself.

~~(p) "Token" means a representation of value which is redeemable for cash only at the issuing casino gambling operation and which is issued and sold by a casino licensee for use in the electronic gaming devices at its gambling operation.~~

R 432.1108 Definitions; V to Z.

Rule 108. As used in these rules:

(a) "Value chip" means a chip that is clearly and permanently impressed, engraved, or imprinted with the name of the casino and the specific value of the chip.

(b) "Voting security" means a security that the holder is entitled to vote generally for the election of a member or members of the board of directors or board of trustees of a corporation or a comparable person or persons in the case of a partnership, trust, or another form of business organization other than a corporation.

(c) "Wager" means an item that is representative of value risked on a gambling game authorized under the act and these rules.

(d) "Wide-area progressive system" means a system of ~~electronic gaming devices~~ **EGDs** ~~which that are~~ approved by the board and ~~which are~~ linked across telecommunication lines as part of a network connecting ~~separate casino locations~~ **one or more casinos licensed** by the board ~~with~~ **and that has** an aggregate prize or prizes.

PART 2. GENERAL PROVISIONS

R 432.1204 Forms, fees, documents, papers, and other materials; manner and form of submittal.

Rule 204. Unless otherwise permitted or required, a person shall submit all forms, fees, documents, papers, and other materials to the board's principal office ~~in Ingham County, Michigan,~~ in the manner and form prescribed by the board.

R 432.1210 Participation in games by owners, directors, officers, key persons, or gaming employees prohibited.

Rule 210. An officer, director, key person, managerial employee, or occupational licensee of a casino licensee or a licensed managerial employee of a related casino enterprise shall not play or be permitted to play any gambling game at the casino at which the person is employed or licensed or which is related to the casino operation at which the person is employed and licensed. A person specified in this rule shall not be permitted to redeem chips or ~~tokens~~ **instruments of monetary value** for any other person, except that a person may redeem chips or ~~tokens~~ **instruments of monetary value** in the course of his or her employment with a casino licensee.

R 432.1212 Weapons in casino.

Rule 212. (1) An individual may not carry a firearm or other weapon in a casino, except for **any of** the following ~~entities~~:

(a) State, county, city, township, or village law enforcement officers, as **that term is** defined in **section 2(f) of the Michigan commission on law enforcement standards act,**

~~1965 PA 203, MCL 28.602~~ section 2(e) of Act No. 203 of the Public Acts of 1965, as amended, being § 28.601 et seq. of the Michigan Compiled Laws.

(b) Federal law enforcement officers, as **that term is** defined in 5 U.S.C. § USC 8331.

(c) Armored car personnel picking up or delivering currency at secured areas.

(d) Retired police officers, law enforcement officers, or federal law enforcement officers who hold a license to carry a concealed pistol under 1927 PA 372, MCL 28.421 to 28.435, as referenced in section 5o(5)(a) of 1927 PA 372, MCL 28.425o.

(e) Retired law enforcement officers who are certified to carry a concealed firearm under the Michigan retired law enforcement officer's firearm carry act, 2008 PA 537, MCL 28.511 to 28.527.

(f) Casino security personnel licensed to carry a concealed pistol under 1927 PA 372, MCL 28.421 to 28.435, while on duty and only as permitted by the casino licensee.

(2) Law enforcement officers conducting official duties within a casino shall, to the extent practicable, advise the Michigan state police gaming section of their presence.

(3) Private casino security personnel may carry handcuffs while on duty in a casino.

R 432.1214 Authority of executive director; authority.

Rule 214. The board delegates to its executive director all power and authority to act in the name of the board with respect to all reasonable, necessary, and appropriate actions to administer and carry out the administrative and executive functions of the board, including, but not limited to, the power to do any of the following:

(a) Execute and enter into contracts on behalf of the board.

(b) Incur reasonable and necessary expenses in the name of the board in the manner provided by law.

(c) Take and hold property on behalf of the board.

(d) Hire and fire employees of the board.

(e) Issue subpoenas for the attendance of witnesses.

(f) Administer oaths.

(g) Issue and renew temporary occupational and supplier licenses ~~under these rules.~~

(h) Request and accept documents, plans, procedures, amendments to procedures, and other information necessary for the board to carry out its duties under the act and these rules.

(i) Conduct investigations, inspections, audits, share information with law enforcement agencies and the city; , and engage in other functions necessary to the proper administration and enforcement of the act and these rules.

(j) Grant requests and waivers, answer inquiries, issue interpretations, and otherwise take any action that is reasonably requested by applicants, licensees, and holders of certificates of suitability in furtherance of, and consistent with, the efficient administration and enforcement of the provisions of the act and these rules, as determined to be necessary or appropriate by the executive director.

R 432.1215 Contracts; purchasing system.

Rule 215. The casino licensee or casino license applicant shall maintain ~~a central repository of all of its contracts at its casino~~ that relate to its Michigan casino or gambling operations. The board, executive director, employees of the board, the state police, or attorney general shall be allowed unrestricted access to ~~the repository and~~ any contract or transaction entered into by a casino licensee or casino license applicant upon demand. The licensee or applicant

may be required by the board to promptly submit copies of any contract upon written request of the board, the executive director, an employee of the board, the Michigan state police, or attorney general.

R 432.1216 Contract requirements.

Rule 216. (1) A contract or transaction entered into by a casino licensee or a casino license applicant that is more than \$50,000.00 shall be a written contract.

(2) The board may direct a casino licensee or casino license applicant to cancel any contract or transaction that the board determines does not comply with the act and this part.

(3) A contract entered into by a casino licensee or casino license applicant shall contain a provision permitting the casino licensee or casino license applicant to terminate the contract if the board determines that the contract does not comply with the act or these rules.

R 432.1220 Board reports.

Rule 220. (1) The casino licensee or casino license applicant shall, on a quarterly basis, file a summary of all contracts and nonwagering transactions which involve an amount of more than \$250,000.00 or which are reasonably anticipated to be more than \$250,000.00 in a 12-month period. The quarterly reports shall be due on the fifteenth day of April, July, October, and January. The reports shall be compiled in the manner, and on the form, prescribed by the board and shall include all of the following information:

(a) The name, business address, and business telephone number of the party with whom the casino licensee or casino license applicant entered a contract and whether or not the party is or was a related party.

(b) The amount of the transaction or payments under the contract.

(c) The date of execution.

(d) The nature of the contract or transaction, including the type of goods or services to be provided.

(e) A determination of how the commercial reasonableness of the contract, transaction, and consideration for related goods or services was ascertained.

(f) A statement certifying that all contracts and transactions summarized in the quarterly report are in compliance with this rule. The certification statement shall be signed by the general manager, or equivalent, of the casino licensee or casino license applicant.

(g) Any other information the board deems necessary to ensure compliance with the act or these rules.

(2) The quarterly report shall contain the information set forth in subrule (1) of this rule with respect to any oral contracts or transactions that involve an amount more than \$25,000.00 in a 12-month period.

R 432.1221 Mandatory contract notification.

Rule 221. (1) A casino licensee or **casino license applicant**~~person making application for a casino license~~ shall notify the board, in writing, as soon as practicable, after entering into a contract, transaction, or series of transactions in an amount which is more than \$500,000.00 or which is reasonably anticipated to be more than \$500,000.00 in any 12-month period. The

written notice of a contract shall be on forms prescribed by the board and shall contain, at a minimum, the information in R 432.1220.

~~(2) The board may direct a licensee or applicant to cancel any contract or transaction that the board determines does not comply with the act and this part.~~

~~A contract entered into by a casino licensee or casino license applicant shall contain a provision permitting the casino licensee or casino license applicant to terminate the contract if the board determines that the contract does not comply with the act or these rules.~~

(32) A casino licensee or casino license applicant shall include a contract described in this rule in the quarterly and annual reports submitted under R 432.1220.

R 432.1224 General reporting requirements; obligation to report certain events.

Rule 224. ~~(1) A person who holds or applies for a casino license or supplier license shall~~ **A casino licensee or casino license applicant must provide to the board and to the Michigan state police personnel assigned to assist the board** an immediate oral report, followed by a written report, of suspected criminal activity **occurring in or** related to the **casino or casino enterprise** ~~person's proposed or existing gambling operation or casino operation or supplier operations in Michigan. The person shall provide the reports to the Michigan state police, gaming section, as soon as practicable after~~ **at the time the casino licensee or casino license applicant** ~~person~~ becomes aware of the activity. ~~Additionally,~~

(2) A casino licensee or casino license applicant must notify the board and Michigan state police personnel assigned to assist the board immediately after management of its security or surveillance department receives a request for assistance from law enforcement officers conducting business in a casino enterprise.

(3) A supplier licensee must provide to the board a written report of suspected criminal activity related to the supplier licensee's operations at the time the supplier licensee becomes aware of the activity.

~~(4) a~~ **A person who applies for or holds a casino license or supplier license shall provide written notice to the board at the time the person becomes aware of any of the following:**

(a) A violation or apparent violation of the act or these rules by any of the following entities:

(i) A person who applies for or holds a casino license or supplier license.

(ii) A key person, an employee of a person applying for or holding a casino license or supplier license, or a key person of a holding company or affiliate ~~that is in control of a key person, an employee of a person applying for or holding a~~ casino licensee or supplier licensee.

(iii) A person who acts, or is authorized to act, on behalf of or in furtherance of the interests of the casino license or supplier license applicant or licensee, or a holding company or affiliate that is in control of the applicant or licensee.

(b) The initiation of any investigation that could, or any action that does, result in the imposition of any civil, criminal, or administrative sanction or penalty upon a person who applies for or holds a casino license or supplier license.

(c) To the extent known, the initiation of any investigation that could, or any action that does, result in the imposition of any civil, criminal, or administrative sanction or penalty upon a person who applies for or holds an occupational license.

(d) The filing of any criminal, civil, or administrative complaint against a holding company or affiliate that has control of the applicant or holder of a casino license or supplier license

that relates to the eligibility and suitability of the applicant or licensee to hold a casino license or supplier license in ~~Michigan~~**this state** under the act and these rules.

(e) The receipt of a subpoena that requires testimony by the person applying for or holding the casino license or supplier license, or by a key person, holding company or affiliate in control of the person applying for or holding the casino license or supplier license, that relates to the gambling or casino operations or business practices of the applicant or licensee in ~~Michigan~~**this state** or any other jurisdiction.

(f) When a person who applies for or holds a casino license or supplier license has filed, or has been served with, a complaint or other notice filed with a public body regarding a delinquency in the payment of, or a dispute over the filings concerning the payment of, a tax required under federal, state, or local law, including all of the following information:

- (i) The tax amount.
- (ii) Type of tax.
- (iii) The taxing agency.
- (iv) The time periods involved.

(g) A bankruptcy, receivership, or debt adjustment initiated by or against the person applying for or holding a casino license or supplier license or an officer, director, holding company, or an affiliate that is in control of the person applying for or holding a casino license or supplier license.

(h) A compliance review conducted by the ~~internal revenue service~~**Internal Revenue Service** in accordance with ~~title 31 of the United States Code, 31 U.S.C. §USC 5311 et seq., to 9705~~, relating to the person applying for or holding the casino license or supplier license, an officer, a director, a holding company, or an affiliate that is in control of the person applying for or holding the casino license or supplier license. The person applying for or holding the casino license or supplier license ~~shall~~ **must** provide **the board and Michigan state police personnel assigned to assist the board** the board with a copy of the compliance review report or its equivalent within 10 days of the receipt of the report.

~~(i) A suspicious activity report or a casino suspicious activity report, or both. Copies of the reports shall also be filed with the Michigan state police gaming section and the board at the time the reports are filed with the federal government.~~

~~(j) A material violation of board approved internal control procedures related to security or to the transfer, collection, distribution, or accounting of monies and a statement of the corrective action taken by the casino licensee with respect to the violations.~~

~~(ik) A material violation of applicable city ordinances or of an agreement with a governmental authority in Michigan~~**this state**.

~~(jl) Another action, occurrence, or nonoccurrence for which the board has instructed the person applying for or holding a casino license or supplier license to provide notice.~~

(5) A suspicious activity report or a currency transaction report, or both, must be filed with the board and Michigan state police personnel assigned to assist the board at the time the reports are filed with the federal government.

PART 3. LICENSES

R 432.1302 Classification of licenses.

Rule 302. The board may classify an activity to be licensed in addition to, different from, or at a different level than, the following license classifications:

(a) Casino license. An owner or operator of a casino gambling operation is required to hold a casino license.

(b) Supplier license. The following persons are required to hold a supplier license:

(i) Persons who supply equipment, goods, or services to a casino licensee or ~~casino license applicant~~ **a holder of a certificate of suitability** that are directly related to or affect gambling operations authorized and regulated under the act and these rules.

(ii) All other suppliers or purveyors of nongaming-related goods or services to a casino gambling operation or casino enterprise regarding the realty, construction, maintenance, or business of a proposed or existing casino or casino enterprise on a regular or continuing basis, including, but not limited to, all of the following entities:

(A) Garbage haulers.

(B) Maintenance companies.

(C) Food and beverage purveyors.

(D) Laundry and linen suppliers.

(E) Construction companies.

(F) Other suppliers described in these rules.

(c) Occupational license. An individual who is employed by a casino licensee, casino enterprise, ~~or a supplier licensee~~, **or a person with an exemption from the supplier-licensing requirements** whose work duties are directly related to, or involved in, the gambling operation or performed in a restricted area of a casino or in the gaming area of the casino, or who is a gaming operations manager, general manager, department manager, or an equivalent, shall hold a valid occupational license that is the level required for his or her position before the individual may perform any of the duties of his or her position. There are 3 different classes of occupational license, as follows:

(i) Occupational license, level 1.

(ii) Occupational license, level 2.

(iii) Occupational license, level 3.

R 432.1303 Fees, fines, charges, and assessments.

Rule 303. (1) All fees, fines, charges, and assessments provided for under these rules shall be **timely** submitted ~~in a timely manner~~ to the board **by a payment method acceptable to the board, such as in the form of a certified check, cashier's check, or money order made payable to: "State of Michigan," or in the form of an electronic wire transfer, or by another method of payment that is acceptable to the board.**

(2) The following nonrefundable license application fees shall be submitted to the board, together with the required application form or forms, for the corresponding license classification to which the fees relate:

(a) Casino license: \$50,000.00.

(b) Supplier license, ~~as follows:~~ **\$2,500.00**

~~(i) If the total dollar amount of a supplier's business transactions with all casino licensees or casino enterprises is or will be equal to or greater than \$500,000.00 within any 12-month period, then the application fee will be \$2,500.00.~~

~~(ii) If the total dollar amount of a supplier's business transactions with all casino licensees or casino enterprises is or will be equal to or greater than \$100,000.00, but less than \$500,000.00, within any 12-month period, then the application fee will be \$1,000.00.~~

~~-(iii) If the total dollar amount of a supplier's business transactions with all casino licensees or casino enterprises is or will be less than \$100,000.00 within any 12-month period, then the application fee will be \$500.00.~~

~~-(iv) If the supplier does not know the total dollar amount of a supplier's business transactions with all casino licensees or casino enterprises within any 12-month period, then the supplier shall make a good faith estimate of the total dollar amount of the supplier's business transactions with all casino licensees, or casino enterprises, including a statement of the basis for the estimate, and submit the estimate to the board. The estimate shall be the basis for determining the application fee. However, if the actual total dollar amount of a supplier's business transactions with all casino licensees or casino enterprises within the 12-month period is higher or lower than the estimate, then the fee will be adjusted accordingly.~~

(c) Occupational license, level 1: \$500.00.

(d) Occupational license, level 2: \$100.00.

(e) Occupational license, level 3: \$50.00.

The license application fee shall be used by the board to conduct an appropriate background investigation of the applicant as prescribed by the board, the act, and these rules. ~~Except as otherwise provided,~~ No portion of a remitted license application fee shall be refunded.

(3) An additional background investigation charge may be assessed to the extent that the board's direct investigative cost exceeds the applicant's application fee ~~provided in subrule (2) of this rule~~. Unless otherwise determined by the board, a license or certificate of suitability ~~shall~~ **may** not be issued until payment of the additional assessed charge for completion of the background investigation is received by the board. ~~If there is cause for any additional background investigation relating to renewal of a license, then the licensee may be assessed the board's direct investigative cost as provided in this subrule and, unless otherwise determined by the board, a license shall not be renewed until payment of the assessed background investigation charge is received by the board. In the event an additional background investigation assessment under this subrule exceeds the actual final cost of the investigation, then the remaining balance of the background investigation assessment shall be refunded to the applicant licensee.~~

(4) A licensee may also be assessed the board's direct investigative costs arising from a background investigation for renewal of a license to the extent such costs exceed the application fees. The board may deny a renewal application if the licensee does not pay the assessed costs by a date set by the board.

(54) The following license fees shall be submitted to the board by the applicant or licensee upon initial issuance of the license and for each subsequent renewal of the license under the act and these rules:

(a) Casino license: \$25,000.00.

(b) Supplier license: \$5,000.00.

(c) Occupational license, level 1: \$250.00.

(d) Occupational license, level 2: \$100.00.

(e) Occupational license, level 3: \$50.00.

R 432.1304 Persons required to be qualified for issuance and renewal of casino and supplier licenses.

Rule 304. (1) **The board shall not issue or renew a** ~~A~~ casino license or supplier license ~~shall not be issued or renewed by the board unless the individual qualifications of every~~

person required by the act and these rules to qualify, as part of the application or request for the issuance or renewal of the license, ~~has shall have~~ first been determined by the board eligible, qualified, and suitable in accordance with the relevant licensing standards set forth in the act and these rules.

(2) The following persons shall be required to qualify as part of the application for the issuance, or request for renewal, of a casino license or supplier license:

(a) If the person who makes application for a casino license or supplier license is a person whose stock, equity interest, or ownership interest is publicly traded and regulated by the ~~securities and exchange commission~~ **Securities and Exchange Commission**, each of the applicant's key persons.

(b) If the person who makes application for a casino license or supplier license is not a person whose stock is publicly traded and regulated by the ~~securities and exchange commission~~ **Securities and Exchange Commission**, each of the applicant's key persons and each person, other than a publicly traded corporation and its 5% or less shareholders, that has a combined direct, indirect, or attributed interest of ~~greater than 1% or more~~ **greater than 1%** in the applicant.

(c) A person who is required to apply for a casino license or supplier license under the act and these rules.

(d) A person who is included in the term "applicant" as defined by the act, except for a managerial employee who is not a key person.

(3) The board may at any time require a person that applies for or holds a casino license or supplier license to establish the qualifications of any other affiliate, investor, creditor, employee, agent, or representative of the applicant or licensee or any other person that is connected, related, or associated with the applicant whom the board determines must be qualified under the act and these rules.

(4) A person required to qualify as part of the application or request for issuance or renewal of a casino license or supplier license shall complete and file, with the board, an application or annual renewal report and required disclosure forms in the manner and form prescribed by the board.

(5) A person that applies for or holds a casino or supplier license shall ensure that all persons who are required by the act and these rules to establish their qualifications as part of the applicant's application for the issuance, or the licensee's maintenance or renewal, of the casino license or supplier license have filed, with the board, all required applications, reports, and disclosure forms in the manner and form prescribed by the board.

R 432.1306 Casino license application.

Rule 306. (1) A person applying for a casino license and a person required to be qualified as part of the application shall complete and submit an application and disclosure form or forms in the manner and form prescribed by the board. ~~An applicant shall make the application and disclosure form or forms under oath on forms provided by the board. The application and disclosure form or forms shall contain all information required by the board.~~

(2) The casino license application procedures are as follows:

(a) Upon application, an applicant shall assume and accept, in writing, under oath, all risk of adverse publicity, notoriety, embarrassment, criticism, financial loss, or other unfavorable or harmful consequences that may occur in connection with the application process or the public disclosure of information submitted with the application and disclosure form or forms.

(b) Upon application, an applicant shall also expressly waive and give up, in writing, under oath, all claims for damages that may result from the application and licensing process.

(c) Upon application, an applicant shall also consent, in writing, under oath, to being subject to the inspections, investigations, audits, searches, and seizures under section 4a(1)(c)(i) to (v) of the act, **MCL 432.204a**, for the duration of the casino license for which application is made.

(d) Upon applying for, or while holding, a casino license under the act and these rules, an applicant or licensee shall also authorize and consent, in writing, under oath, to release and disclose, to the board and its authorized representatives and agents, all otherwise confidential records that the board requests that are in the possession or control of the applicant or a third party, including, without limitation, tax records, financial records, business records or other records pertaining to the applicant or licensee held by a federal, state, or local governmental agency or by a credit bureau or financial institution. The applicant and licensee shall also authorize and consent, in writing, under oath, to board disclosure in accordance with section 4(c)(5) of the act, **MCL 432.204c**.

(e) The board shall conduct a background investigation on an applicant. The board shall also use the information provided in the application and disclosure form or forms as a basis for a background investigation, ~~which the board shall conduct on each applicant,~~ and to evaluate and determine the eligibility, qualifications, and suitability of the applicant to receive the casino license under the licensing standards and criteria provided in the act and these rules. A misrepresentation or omission in the application is cause for the denial, suspension, restriction, or revocation of a casino license by the board.

(f) An applicant shall provide the name, address, and telephone number of a representative to act as a liaison to the board ~~and to Michigan state police background investigators.~~ The applicant shall facilitate, assist, and cooperate with the board and the state police in their conduct of background investigations of the applicant under the act and these rules.

(g) The board shall not issue or renew a casino license unless the applicant and each person required to be qualified as part of the application for issuance or request for renewal of the license has completed and filed, with the board, all required applications, license renewal forms, and disclosure forms in the manner and form prescribed by the board and **has** provided all information, documentation, assurances, waivers, and releases required by the act and these rules.

(h) An applicant shall file required application forms before the expiration of deadlines established ~~and published~~ by the board.

(i) An applicant is under a continuing duty to disclose any material or substantive changes in the information or documentation provided in or with the application, renewal, and disclosure forms submitted to the board.

(j) A person applying for a casino license shall request an amendment to its application if it knows or should have known that there has been a change in any of the following:

(i) The applicant's key persons or the key persons of its holding companies or affiliates that have control of the applicant.

(ii) Type of business organization or entity.

(iii) An adverse change of more than 2 percentage points in capitalization or debt to equity ratio.

(iv) Investors or debt holders, or both.

(v) The source of funds.

A publicly traded corporation ~~shall be~~ considered to have complied with this subdivision if it has complied with the reporting requirements in R 432.1406.

(k) A casino license application may be withdrawn upon written notice to the board before board action on the application if all background investigation costs of the board have been paid in full by the applicant.

(l) If a casino license application is withdrawn, then the person who made the application for the license may not reapply for a casino license within 1 year from the date ~~the of~~ withdrawal ~~was granted~~ unless the board grants leave to reapply at an earlier date.

(m) The board may allow information, documents, or other materials submitted by an applicant in a withdrawn application to be incorporated by reference into a subsequent application.

~~(3) The casino license application shall require the person applying for the license, and each person required to be qualified as part of the application, to submit all of the following information and documentation on forms prescribed by the board:~~

~~-(a) The information and documentation specified in section 5(1) to (5) of the act for the applicant and for each person required to be qualified as part of the applicant's application under the act and these rules.~~

~~-(b) Disclosure forms, in the manner and form prescribed by the board, for the applicant and each person required to be qualified as part of the applicant's application under the act and these rules. The forms shall contain the information, documentation, assurances, waivers and releases prescribed in the act and these rules.~~

~~-(c) The name, address, and telephone number of the applicant's primary contact person and registered agent authorized to accept notices, subpoenas, summons, and other legal documents from the board on behalf of the applicant.~~

~~-(d) The names, addresses, phone numbers, dates of birth, social security numbers, fingerprints, photographs, and other personal, business, and financial background information relating to the identification, character, reputation, integrity, business probity, ability and experience, financial means, experience, responsibility, and record of law abidance of all of the following persons to the extent known and identifiable by the person applying for the casino license:~~

~~-(i) The person that applies for the casino license.~~

~~-(ii) The key persons of the person applying for the license.~~

~~-(iii) The key persons of any holding company or affiliate that has control of the person applying for the license.~~

~~-(iv) Other persons who are required to be qualified as part of the application.~~

~~-(e) Civil litigation and criminal history of all of the following entities to the extent known and identifiable by the person applying for the casino license:~~

~~-(i) The person applying for the casino license.~~

~~-(ii) The key persons of the applicant.~~

~~-(iii) The key persons of any holding company or affiliate that has control of the person applying for the license.~~

~~-(iv) Other persons who are required to be qualified as part of application.~~

~~-(f) Other information and documentation as may be required by the board to establish and determine the identity, eligibility, suitability, and qualification of the applicant or any other person required to be qualified, as part of the application, as a financial source under the act or these rules.~~

~~-(g) Other information and documentation as may be required by the board to establish and determine the financial stability, integrity, and responsibility of the person applying for a casino license and a holding company, affiliate, or intermediary company that is required to be qualified as part of the application under the act and these rules and to establish and determine the integrity of the applicant's financial sources and adequacy of the applicant's financial resources to develop, construct, maintain, and operate the proposed casino and related casino enterprises in accordance with the requirements of its certified development agreement and the act and these rules. The information shall include, without limitation, a detailed description of the capitalization for the proposed casino and related casino enterprises and the amount and source of all debt and equity involved in the capitalization for the proposed casino and related casino enterprises.~~

~~-(h) Other information and documentation as may be required by the board to establish and determine sufficient business ability on the part of the person applying for the casino license and the applicant's key persons to properly manage and operate the proposed casino gambling operation and related casino enterprises in a successful and efficient manner and in accordance with the requirements of its certified development agreement and the act and these rules.~~

~~-(i) Other information and documentation as may be required by the board concerning the proposed site of the applicant's proposed casino and related casino enterprises, including, without limitation, all of the following information and documentation:~~

~~-(i) Site plans.~~

~~-(ii) Total acreage.~~

~~-(iii) Total square footage.~~

~~-(iv) Frontage.~~

~~-(v) Elevations.~~

~~-(vi) Parking facilities.~~

~~-(vii) Walkways and service drives for pedestrian and vehicular traffic flow.~~

~~-(viii) Other infrastructure and support facilities.~~

~~-(j) Other information and documentation as may be required by the board concerning the proposed gaming room, including, without limitation, the square footage and floor plans.~~

~~-(k) Other information and documentation as may be required by the board concerning the applicant's construction program for the applicant's proposed casino and related casino enterprises, infrastructure, and support facilities, including, without limitation, all of the following information and documentation:~~

~~-(i) The estimated construction time and anticipated date of opening.~~

~~-(ii) The status of all required governmental and regulatory permits and approvals and any conditions of all required governmental and regulatory permits and approvals.~~

~~-(iii) The project budget.~~

~~-(iv) The architect, general contractor, construction manager, and primary subcontractors, environmental and traffic consultants, and interior designer.~~

~~-(l) Other information and documentation as may be required by the board concerning the organizational and operational plans for the proposed gambling operation and related casino enterprises, including, without limitation, the recruitment, employment, supervision, and training of employees, management contracts, and leases.~~

~~-(m) Other information and documentation as may be required by the board concerning the applicant's plans for providing food and beverage and other concessions, the status of all~~

~~relevant required governmental and regulatory permits and approvals, and any conditions of all relevant required governmental and regulatory permits and approvals.~~

~~–(n) The names, business addresses, telephone numbers, and principal contact persons of the applicant's identified suppliers of gaming related and nongaming related equipment, goods, and services.~~

~~–(o) Other information and documentation as may be required by the board concerning the applicant's plans and procedures for extending credit for gambling and the collection of gambling related debts.~~

~~–(p) Other information and documentation as may be required by the board concerning all of the following:~~

~~–(i) The applicant's internal controls.~~

~~–(ii) Accounting policies and procedures.~~

~~–(iii) Security and surveillance.~~

~~–(iv) Other policies and procedures related to the integrity and protection of its assets and proposed gambling operation and the safety of its patrons and the public.~~

~~–(q) Other information and documentation as may be required by the board concerning any agreements, covenants, or options by the person applying for the casino license or the key persons of the applicant or any holding company or affiliate that has control of the applicant to lease or purchase the actual or proposed site of the applicant's proposed casino and related casino enterprises.~~

~~–(r) Other information and documentation as may be required by the board concerning any existing or pending applications by the person applying for a casino license, key persons of the applicant, any holding company or affiliate that has control of the applicant, or other persons required to be qualified as part of the applicant's application for grants, tax abatements or relief, or low interest loans given or guaranteed by any governmental entity.~~

~~–(s) Other information and documentation as may be required by the board regarding the types of insurance the applicant has or will obtain, including, without limitation, the following types of insurance:~~

~~–(i) Liability.~~

~~–(ii) Casualty.~~

~~–(iii) Fire.~~

~~–(iv) Theft.~~

~~–(v) Worker's compensation.~~

~~–(t) Other confidential information and documentation as may be required by the board from the applicant and other persons required to be qualified as part of the application, including, without limitation, the following:~~

~~–(i) Confidential business and financial information.~~

~~–(ii) Confidential taxpayer information.~~

~~–(iii) Confidential trade secrets related to the conduct of the proposed gambling operation and related casino enterprises, including, without limitation, all of the following with respect to the applicant:~~

~~–(A) Security and surveillance plans.~~

~~–(B) Internal control procedures.~~

~~–(C) Salary structure and payroll.~~

~~–(D) Market research and feasibility studies.~~

~~–(E) Advertising, marketing, and promotional plans.~~

~~-(iv) Confidential personal information.~~

~~An applicant shall submit information or documentation required by the board which is exempt from public disclosure under the act or which the applicant or filer wishes to be treated as confidential as a separate part of the application under a cover clearly labeled "Confidential Information." An applicant shall submit the information or documentation in the manner and form prescribed by the board.~~

~~-(u) All required written waivers, assurances, releases and affidavits, which an applicant shall submit in the manner and form prescribed by the board.~~

~~-(v) A copy of the applicant's certified development agreement.~~

~~-(w) A statement listing the name, position or title, and business address and telephone number of each individual who completed or prepared any part of the application for the applicant.~~

~~-(x) The application fee required by the act and these rules.~~

~~-(y) Other information or documentation that the board may deem material and necessary to establish the identification, eligibility, suitability, and qualification of the applicant or any other person required to be qualified or licensed as part of the application under the licensing standards and requirements of the act and these rules.~~

R 432.1307 Public investigative hearing; action on casino license application.

Rule 307. The requirements for the public investigative hearing and action by the board on a casino license application are as follows:

(a) After the board receives notice from the executive director that the background investigation of the applicant and application has been completed, the board shall schedule and conduct a public investigative hearing regarding the applicant and application, without undue delay, under section 6(7) of the act, **MCL 432.206**.

(b) If the board or the executive director, in reviewing the application or as a result of the background investigation, identifies an apparent deficiency that may require denial of the application, then the board shall promptly notify the applicant and the city, in writing, of the apparent deficiency in the application and shall provide the applicant with a reasonable period of time, as determined by the board, to correct the apparent deficiency before scheduling and conducting a public investigative hearing on the application.

(c) The board shall conduct a public investigative hearing in accordance with the procedural requirements for a contested case under **the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328** Act No. 306 of the Public Acts of 1969, as amended, being § 24.201 et seq. of the Michigan Compiled Laws, except as follows:

(i) The person applying for the license shall at all times have the burden of establishing and demonstrating, by clear and convincing evidence, its eligibility and suitability for licensure under the act and these rules.

(ii) The board shall base its decision to grant or deny a casino license upon the whole record before the board and is not limited to testimony and evidence submitted at the public investigative hearing.

(iii) Only the board and the person applying for the **casino** license at issue may be parties at the public investigative hearing, except that the attorney general may intervene and represent the interests of the people of ~~the~~**this** state of Michigan in accordance with state law.

(d) The board shall provide the person applying for the license with not less than 2 weeks written notice of the public investigative hearing. The notice shall include all of the following information:

(i) A statement of the date, hour, place, and nature of the hearing.

(ii) A statement of the legal authority and jurisdiction under which the hearing is to be held.

(iii) A short and plain statement of the issues involved, and reference to the pertinent sections of the act and rules involved.

(iv) A short description of the order and manner of presentation for the hearing.

(e) Not less than 2 weeks before the hearing, the board shall also post notice of the public investigative hearing at its business offices in a prominent place that is open and visible to the public.

(f) The board shall also publish reasonable notice of the public investigative hearing in the 2 newspapers that have the largest circulation in the state and in other appropriate newspapers in the state that are selected by the executive director.

(g) The board, 1 or more of its members, the executive director, or 1 or more hearing officers designated and authorized by the board may conduct and preside over the public investigative hearing regarding a casino license application and may do all of the following:

(i) Administer oaths and affirmations.

(ii) Sign and issue subpoenas in the name of the board that require the attendance of witnesses, the giving of testimony by witnesses, and the production of books, papers, notes, records, and other documentary evidence.

(iii) Provide for the taking of testimony for the hearing by deposition.

(iv) Establish and regulate the order of presentation and course of the hearing;, set the time and place for continued hearings;, and fix the time for filing written arguments, legal briefs, and other legal documents.

(v) Accept and consider relevant written and oral stipulations of fact and law that are made part of the hearing record.

(h) The chair may designate the executive director or 1 or more hearing officers to conduct, or assist the board in the conduct of, the hearing, which may include preparation of a proposal for the board's decision after all testimony and evidence has been presented at the hearing.

(i) The person applying for the license shall be given a full opportunity during the hearing to question and cross-examine witnesses presented by the board, to present all relevant information to the board regarding its application and eligibility and suitability for licensure, and to call witnesses to testify and provide information at the hearing for and on the applicant's behalf. Upon request of the applicant, the board, the executive director, or the board's designated hearing officer or officers shall issue subpoenas requiring the appearance of witnesses whom the applicant intends to call to testify on its behalf at the hearing and requiring the production of relevant notes, papers, memoranda, records, documents, and other materials at the hearing for consideration by the board. The applicant ~~shall be~~ is responsible for serving the subpoenas.

(j) The members of the board, the board's designated hearing officer or officers, the executive director, and the assistant attorney general assigned to assist the board in the conduct of the hearing may do all of the following:

(i) Question, through direct examination or cross-examination, or both, the applicant and any witnesses called by the applicant regarding their testimony and any aspect of the applicant's application and relevant background.

(ii) Recall the applicant and other witnesses called by the applicant during the hearing for further questioning.

(iii) Subpoena other witnesses not called by the applicant to testify and present evidence and information regarding the applicant's application and relevant background.

(k) The board, the executive director, or hearing officer presiding at the hearing may, in the exercise of his or her discretion, grant the applicant an opportunity for rebuttal of allegations raised during the hearing.

(l) After the person applying for the license has made its presentation in support of its application and licensure, representatives of government entities and agencies, and the public at large shall have a reasonable opportunity during the hearing to give testimony and comments relevant to the applicant and application and the issue of licensure. The hearing notice shall state and give notice that opportunity for testimony and comment will be provided during the hearing. The chair or other presiding officer shall announce at the start of the hearing when and how testimony and comments may be presented during the hearing.

(m) A person who testifies at the hearing shall be sworn and testify under oath.

(n) The board may continue the hearing for as long as it deems necessary and may recess and reconvene the hearing at its discretion.

(o) The board shall record the public hearing ~~at its direction~~, stenographically or by other means to adequately ensure preservation of an accurate record of the hearing. A transcript prepared by a certified reporter or stenographer hired by the board is the official record of the public hearing.

(p) After all testimony and evidence has been presented, the board shall ~~temporarily~~ recess the hearing. While the hearing is in recess, all of the following shall occur:

(i) The hearing record shall be transcribed and provided to the board, the executive director, and the designated hearing officer or officers for review.

(ii) The chair shall prepare, or direct 1 or more members of the board, the executive director, or the designated hearing officer or officers who conducted or assisted the board in the conduct of the hearing, to prepare a written proposal for the board's decision after reviewing the hearing record.

(iii) The proposal for decision shall contain a statement of the reasons for the proposed decision and each finding of fact and conclusion of law necessary to the proposed decision.

(iv) The written proposal for the board's decision shall be submitted to the board for review and consideration, and copies shall be served on the applicant and the city before the board reconvenes the hearing to render its decision.

(v) If the proposal for the board's decision identifies an apparent deficiency that may require denial of the application, then the board shall provide the applicant with a reasonable period of time, as determined by the board, to correct the apparent deficiency before reconvening the hearing to deliberate and render its decision.

(vi) If the proposal for the board's decision is adverse to the applicant, then the board shall give the applicant a reasonable opportunity to file exceptions and written argument with the board objecting to the proposal for decision.

(q) The board shall reconvene the hearing, without undue delay, after the requirements specified in subdivision (p) of this rule have been completed, to deliberate and render its final

decision on the application. If the proposal for the board's decision is adverse to the applicant, then the board may, ~~upon request,~~ permit oral argument in support of, and in opposition to, the proposal for decision when the hearing is reconvened. Four members shall be present when the hearing is reconvened to constitute a quorum, and 3 votes are required to support the board's final decision. The board may accept, modify, or reject the written proposal for the board's decision in deciding and rendering its final decision on the application.

(r) In deciding whether to grant or deny an applicant's casino license application, the board shall consider and determine whether the application complies with the requirements of the act and these rules and whether the applicant and other persons affiliated with, or otherwise associated with, the applicant as an investor, owner, key person, or managerial employee are eligible, qualified, and suitable for licensure under the licensing standards and criteria set forth in the act and these rules relating to all of the following:

(i) Character.

(ii) Reputation.

(iii) Integrity.

(iv) Business probity, experience, and ability.

(v) Financial ability and responsibility.

(vi) Other relevant licensing requirements, standards, and criteria provided in the act and these rules.

(s) The decision of the board shall be reduced to writing and signed by the board members who voted in support of the decision.

(t) If the board finds that the casino license applicant is eligible, qualified, and suitable for licensure under the act and these rules, then it shall direct the executive director to serve the applicant and the city with a copy of its decision and to issue a certificate of suitability to the applicant. The certificate entitles the applicant to be granted a casino license by the board when it determines, to its satisfaction, that the applicant is prepared and able to open its proposed casino to the public and conduct its casino gambling operation in compliance with specified conditions and requirements set forth in the certificate of suitability and the requirements of the act and these rules. The public investigative hearing shall be reconvened at a later time for the purpose of determining whether the applicant is prepared and able to open its proposed casino to the public and conduct its casino gambling operation in compliance with specified conditions and requirements set forth in the certificate of suitability and the requirements of the act and these rules.

(u) If the board finds that the applicant is not eligible, qualified, and suitable for licensure under the act and these rules, then it shall direct the executive director to issue and serve a notice of denial and a copy of the board's written decision on the applicant and the city by certified mail or personal delivery.

(v) An applicant may appeal the denial of a casino license to the court of appeals as provided in the act.

R 432.1308 Certificate of suitability.

Rule 308. (1) The certificate of suitability is valid while the holder is making satisfactory progress toward meeting the conditions of the certificate of suitability.

(2) If the board receives a written report from the executive director that the holder of a certificate of suitability is not making reasonable progress toward meeting the conditions of

its certificate of suitability, then the board shall reconvene the public investigative hearing for the purpose of considering the applicant's compliance with the conditions of its certificate of suitability.

(3) If, upon reconvening the public investigative hearing, the board finds that the holder of a certificate of suitability is not making, or has not made, reasonable progress toward meeting the conditions of its certificate of suitability, then the board may take whatever action is necessary to assure compliance or may cancel and withdraw the certificate of suitability and make a final decision on the application.

(4) The board shall not issue a casino license to the holder of a certificate of suitability until the board finds that the holder is prepared and able to open to the public and conduct its casino gambling operation in compliance with the conditions and requirements of the certificate of suitability, the act, and these rules.

(5) In deciding whether a casino license shall be issued to the holder of a certificate of suitability, the board shall assess the proposed gambling operation to determine its compliance with the conditions and requirements of its certificate, the act, and these rules.

All of the following matters shall be assessed by the board:

(a) The managerial structure for gambling operations and casino operations and the managerial experience, ability, skills, and qualifications of key persons and other managerial employees of the gambling and casino operations.

(b) The casino floor plan and related plans and activity regarding equipment installation, operation, and maintenance.

(c) Handicap access.

(d) Support facilities.

(e) The applicant's internal control system and casino accounting policies and procedures.

(f) The applicant's security operations and required casino ~~central computer system~~ **critical computerized systems**.

(g) The applicant's staff training, qualifications, ability, and supervision.

(h) The applicant's liability insurance and other required insurances.

(i) Casino enterprises and related casino operations.

(j) The applicant's construction progress and compliance with its proposed construction schedule.

(k) Other matters pertaining to the operations and procedures of the gambling and casino operations as the board may require at the time the certificate of suitability is issued, if the casino licensee is given notice and an opportunity to address any board concerns regarding the matters.

(6) The board may establish a schedule setting a timetable for satisfactory compliance concerning all operations and facilities to be assessed and all other conditions and requirements of the certificate of suitability, the act, and these rules.

(7) During the interim compliance period, while the certificate of suitability is in effect, the holder shall do all of the following:

(a) Apply for and receive the appropriate liquor license from the Michigan liquor control commission if the holder plans to serve alcoholic beverages or liquor in connection with its gambling operation or related casino enterprises.

(b) Apply for and receive all permits, certificates, and approvals for the casino and related casino enterprises and support facilities necessary to develop, construct, open to the public,

and conduct casino and gambling operations in accordance with the act, these rules, and conditions of the certificate of suitability, including, but not limited to, all of the following:

- (i) Fire marshal permits.
- (ii) Public health permits.
- (iii) Building permits.
- (iv) Zoning permits.
- (c) Obtain ownership or use of necessary land for the site of the casino and related casino enterprises.
- (d) Obtain the financing necessary to complete development and construction of the casino and related casino enterprises and conduct casino and gambling operations.
- (e) Complete, in a timely manner, construction of the proposed casino and related casino enterprises, infrastructure, and other support facilities, including parking areas, roadways, and walkways, in accordance with the applicant's development agreement with the city and the proposed construction schedule and timetables established by the board.
- (f) Post the required bond in compliance with section ~~8(a)~~**8a** of the act, **MCL 432.208a**, and these rules.
- (g) Obtain all insurance deemed necessary and required by the board.
- (h) Obtain and install all necessary ~~electronic gaming device~~**EGDs** and gaming equipment to conduct the casino gambling operation.
- (i) Hire and train qualified staff to conduct all aspects of the casino and gambling operations and related support operations.
- (j) Take other action the board deems necessary to ensure that the holder of the certificate of suitability will be prepared and able to open to the public and conduct its casino and gambling operations in compliance with the conditions and requirements of its certificate of suitability, its development agreement, the act, and these rules.

R 432.1312 Casino license renewal.

Rule 312. (1) ~~The board shall issue a~~**A casino license may be issued for a 1-year period and may be renewed annually.**

~~(2) After expiration of the initial casino license, the license may be renewed annually.~~

~~(3) The casino license will be renewed by the board if all of the following requirements are met:~~**A casino licensee intending to renew its license must, at least 30 days before expiration of its license, submit the \$25,000.00 annual license renewal fee and annual report in the manner and form required by the board.**

~~-(a) Not less than 30 days before expiration of the license, the licensee has submitted the \$25,000.00 annual license renewal fee in the manner and form required by the board.~~

~~-(b) Not less than 30 days before expiration of the license, the licensee has submitted an annual renewal report to the board. The report shall include, without limitation, a statement requesting renewal of the license and all of the following information regarding the licensee:~~

~~-(i) If the licensee is a publicly traded corporation regulated by the securities and exchange commission, a current list of all of the following persons to the extent known by the licensee at the time of submitting the report:~~

~~-(A) Key persons of the licensee.~~

~~-(B) Affiliates and affiliated companies of the licensee.~~

~~-(C) The key persons of any person that has control of the licensee.~~

~~-(D) Other persons required to be qualified as part of the licensee's request for renewal of the license under the act and these rules.~~

~~-(ii) If the licensee is not a publicly traded corporation regulated by the securities and exchange commission, a current list of all of the following persons to the extent known by the licensee at the time of submitting the report:~~

~~-(A) Key persons of the licensee.~~

~~-(B) Affiliates and affiliated companies of the licensee.~~

~~-(C) The key persons of any persons that has control of the licensee.~~

~~-(D) Other persons, other than publicly traded corporations and their 5% or less shareholders, that have more than a 1% direct, indirect, or attributed pecuniary or equity interest in the licensee.~~

~~-(iii) To the extent that information has changed or not been previously reported to the board, updated personal, business, and financial information, as the board may require, related to the eligibility, suitability, and general fitness of the licensee to continue to hold the license for which renewal is requested under the act and these rules, including, without limitation, information regarding the identification, integrity, moral character, reputation, and relevant business experience, ability, and probity, and financial experience, ability, and responsibility of the licensee and each person required to be qualified for renewal of the license under the act and these rules.~~

~~-(iv) A statement under oath by the licensee's chief executive officer that the information provided in the licensee's annual renewal report is current, complete, true, and accurate, and that the licensee has fulfilled its obligation under the act and these rules to notify the board of any change in information provided in its original license application and subsequent annual license renewal reports previously filed with the board.~~

~~-(v) Financial statements and reports regarding the current capital structure and financial condition of the licensee indicating the licensee's current financial ability to conduct and maintain its gambling and casino operations in a financially responsible manner in accordance with the requirements of the act and these rules and to satisfy its financial obligations in accordance with the licensee's financing agreements and other contractual obligations. The statements and reports shall be prepared by the licensee in the manner and form prescribed by the board.~~

~~-(vi) Other relevant information and documentation that the board may require to determine the licensee's eligibility, suitability, and qualification to have its license renewed under the licensing standards of the act and this part.~~

~~-(c) The executive director, after reviewing the licensee's annual renewal report, reports in writing to the board that the licensee's annual renewal report provides all information and documentation prescribed and required by the board to establish and determine that the licensee is eligible, qualified, and suitable to have its casino license renewed and is prepared, ready, and able to continue conducting its casino gambling operation in compliance with the act and these rules throughout the new 1-year time period for which the license is to be renewed.~~

~~-(d) The licensee pays the board for any additional background investigation charge assessed by the board, under these rules.~~

(3) After the background investigation is completed, the executive director must provide the board with a written report concerning the investigation. After receiving the executive director's report, the board shall take action on the renewal application.

~~(4) The board may refuse to renew a casino license and issue a notice of nonrenewal if the licensee fails to file its annual renewal report in a timely manner. In addition, the board may refuse to renew a casino license and issue a notice of nonrenewal if the executive director reports, in writing, to the board, after reviewing the licensee's annual renewal report, that the license should not be renewed because the licensee's annual renewal report does not provide the information and documentation prescribed and required by the board to establish and determine that the licensee is eligible, qualified, and suitable to continue to be licensed and to establish that the licensee is prepared, ready, and able to continue conducting its casino gambling operation in compliance with the act and these rules~~ **If the board denies the application for renewal, it will direct the executive director to issue the licensee a notice of nonrenewal.**

~~(5) The board shall serve a copy of the executive director's report to the board and notice of renewal or notice of nonrenewal issued by the board on the licensee and the city.~~

~~(56)~~ A casino licensee who is served with a notice of nonrenewal under this rule may request a hearing under **part 7** of these rules.

~~(67)~~ Unless specifically stated to the contrary, the notice of nonrenewal ~~shall~~**does** not constitute a finding by the board that the casino licensee is ineligible, unqualified, or unsuitable for licensure or otherwise in violation of the licensing requirements of the act or these rules, unless the licensee fails to request a hearing under these rules in a timely manner.

~~(78)~~ If the licensee does not request a hearing in a timely manner, the notice of nonrenewal becomes the final order of the board.

~~(89)~~ If the licensee files an annual renewal report **and pays the annual license renewal fee** in a timely manner and in the manner and form prescribed by the board, then the licensee's previous existing casino license ~~shall~~**does** not expire until the board issues its final decision and order on the request for renewal. ~~If the request is denied or the new license restricted or limited, then the previous existing casino license shall not expire until the last day for applying for judicial review of the board's decision or a later date fixed by order of the reviewing court. This subrule, however, shall not affect a valid action by the board summarily suspending the licensee's previously existing casino license.~~

R 432.1316 Notification by publicly traded applicants, licensees, or holding companies required.

Rule 316. (1) A publicly traded company that applies for or holds a casino license or a publicly traded holding company or affiliate that has control of a casino license applicant or licensee shall notify the board, as soon as practicable after it becomes aware that, with regard to any such publicly traded company, any person or individual has beneficially acquired any of the following:

(a) ~~More~~ **Greater** than 1% of any class of the company's equity securities.

(b) The ability to control the publicly traded applicant or licensee or the publicly traded holding company or affiliate that has control of a casino license applicant or licensee.

(c) The ability to elect 1 or more directors of the publicly traded applicant or licensee or of the publicly traded holding company or affiliate that has control of a casino license applicant or licensee. To the extent known by the applicant or licensee, the required notification shall include, without limitation, the name, business address, phone number, and other personal identification information for each person or individual.

(2) If a publicly traded casino license applicant or licensee, publicly traded holding company, or a casino license applicant or licensee either files or is served with any schedule 13D, or 13G, or **form 13F filing** under the securities exchange act of 1934, 15 U.S.C. §~~USC~~ ~~78a et seq.~~ **78qq, 17 CFR 240.13d-101 to -102, and 240.13f-1, as amended, it must submit a copy of the filing ~~shall be submitted~~ to the board ~~by the publicly traded casino license applicant, licensee, or holding company~~ within 104 business days after receipt or filing.**

(3) A publicly traded corporation ~~shall be~~ considered to have complied with this rule if it has complied with the reporting requirements in R 432.1406.

R 432.1321 Supplier license required to provide gaming-related goods and services.

Rule 321. (1) A person shall not supply or provide goods or services to a casino licensee, casino license applicant, or holder of a certificate of suitability ~~which that~~ are directly related to gambling, ~~which that~~ are directly related to the conduct of gambling activity, or ~~which that~~ otherwise directly affect the play and results of gambling games authorized, conducted, and played under the act and these rules, unless the person holds a supplier's license. In determining whether a person is required to be licensed as a supplier under this rule, the board shall consider, without limitation, whether the person meets ~~one~~ 1 or more of the following criteria:

(a) The person manufactures, supplies, or distributes devices, machines, equipment, items, or articles that meet any of the following provisions:

(i) Are specifically designed for use in the conduct of gaming.

(ii) Are needed to conduct gaming.

(iii) Have the capacity to affect the outcome of the play of a gambling game.

(iv) Have the capacity to affect the calculation, storage, collection, or control of gross receipts.

(b) The person services or repairs electronic or live gambling devices, machines, equipment, items, or articles used in gaming.

(c) The person provides services directly related to the operation, security, surveillance, regulation, or management of gaming in a casino.

(d) The person provides other goods or services determined by the board to be so utilized in, or incident to, the operation of a casino or gaming that the person must be licensed as a supplier to protect the public and enhance the credibility and integrity of gaming in ~~Michigan~~ **this state**.

(2) The following persons shall be licensed under the criteria specified in subrule (1) of this rule:

(a) Manufacturer, supplier, distributor, servicer, or repairer of any of the following:

~~(i) Slot machines.~~

(ii) ~~Electronic gaming device~~ **EGDs** ~~and machines.~~

(iii) Cards.

~~(iii)~~ Dice.

(iv) Gaming chips.

(v) Gaming plaques.

~~(vii) Slot tokens.~~

~~(viii) Prize tokens.~~

(vi) Dealing shoes.

- ~~(viii)~~ Drop boxes.
- ~~(viii)~~ Computerized gaming monitoring systems.
- ~~(ix)~~ ~~Bill exchangers~~ **Cashless wagering systems.**
- ~~(xii)~~ Credit voucher machines.
- ~~(xi)~~ Other **gaming equipment or supplies** ~~devices, machines, equipment, items, or articles utilized in gaming.~~
- (b) A provider of ~~casino credit reporting services and~~ casino surveillance and security systems and services.

R 432.1322 Supplier license requirements for providers of nongaming-related goods and services.

Rule 322. (1) ~~Unless exempted from this requirement, A~~ **person shall** ~~not, on a regular and continuing basis, supply or provide goods or services to a casino licensee, casino license applicant, or holder of a certificate of suitability regarding the realty, construction, maintenance, operation or business of a casino or casino enterprise if the goods or services are not directly related to, used in connection with, or affect,~~ **must not**, on a regular and continuing basis, supply or provide goods or services to a casino licensee, casino license applicant, or holder of a certificate of suitability regarding the realty, construction, maintenance, operation or business of a casino or casino enterprise if the goods or services are not directly related to, used in connection with, or affect, gaming, unless the person holds a supplier's license.

(2) A person required to be licensed under this rule ~~shall~~ **includes**, without limitation, a person who provides any of the following goods ~~and~~ **or** services to ~~a~~ **casino licensees**, casino license applicants, or holders of ~~a~~ **certificates** of suitability on a regular and continuing basis:

- (a) Alcoholic beverages, food, ~~or~~ **and** nonalcoholic beverages, gaming table layouts, and nonvalue gaming chip sorters.
- (b) Garbage handling and pickup, vending machines, linen supplies, laundry services, landscaping, janitorial, ~~or~~ **and** building maintenance services.
- (c) ~~The~~ **Management** and operation of casino enterprises, ~~or~~ **and** junket enterprises.
- (d) Limousine services.
- (e) Real estate, ~~and~~ **building, or** ~~and~~ construction services.
- (f) Junket representatives.

(3) A person ~~shall be~~ **is** deemed to be transacting business with, and providing the nongaming-related goods ~~and~~ **or** services ~~specified in subsections (1) and (2) of this rule,~~ to a casino licensee or holder of a certificate of suitability on a regular and continuing basis; if the total dollar amount of the **person's** nongaming-related business transactions with **any 1 casino** licensee or holder of a certificate of suitability will be equal to or greater than ~~\$2400,000.00,~~ **or an amount to be set by the board not to exceed \$2,000,000.00,** ~~or equal to or greater than \$400,000.00 with 2 or more licensees or holders of certificates of suitability, within any rolling 12-month period.~~ ~~If the contractual relationship between the supplier and the casino licensee or licensees or holder or holders of a certificate or certificates of suitability, or both, does not permit the supplier to determine, in the reasonable exercise of commercial business judgment, whether the supplier will meet the monetary threshold provided in this subsection, then~~ ~~the supplier~~ **person must** ~~shall~~ have the affirmative duty to monitor its total dollar amount of business with a casino licensee ~~of licensee or holder or~~ **and** holders of a certificate ~~or certificates of suitability, or both.~~ ~~If it reaches the monetary threshold is met, then the supplier~~ **person must immediately** ~~shall~~ either apply for a supplier's license ~~within 30 days of meeting the monetary threshold or~~ cease doing business with the casino licensee ~~or licensees or~~ **and** holders of a certificate ~~or certificates of suitability.~~ If a ~~supplier~~ **person** does not comply with ~~this~~ **subrule's**

~~provisions of this subrule, then the board shall notify the casino licensee or licensees or holder or and holders of a certificate or certificates of suitability, must or both, of the supplier's noncompliance and they casino licensees, or licensees, or holder or holders of a certificate or certificates of suitability, or both, shall immediately terminate their contractual service/supply business relationships with the supplier person.~~

(4) The board may exempt any person or field of commerce from the supplier-licensing requirements of these rules if the board determines that any of the following provisions apply to the person or field of commerce:

(a) The person or field is an agency of state, local, or federal government.

(b) The person or field is regulated by another regulatory agency in ~~Michigan~~**this state**.

(c) The person or field will provide goods or services of insubstantial or insignificant amounts or quantities.

(d) Licensing of the person or field is not deemed necessary to protect the public interest or accomplish the policies and purposes of the act.

R 432.1323 Prohibited transactions with unlicensed suppliers.

Rule 323. A casino licensee, casino license applicant, or holder of a certificate of suitability shall only purchase, lease, or otherwise acquire goods or services covered by these rules from a person who holds a supplier's license **or a person exempted from the supplier-licensing requirements**.

R 432.1324 Supplier's license application.

Rule 324. (1) A person applying for a supplier's license and a person required to be qualified as part of the application shall complete and submit application and disclosure forms in the manner and form prescribed by the board. ~~The application and disclosure forms shall be made under oath on prescribed forms provided by the board and shall contain all information prescribed and required by the board.~~

(2) Application procedures for a supplier's license are as follows:

(a) Upon application, an applicant shall assume and accept, in writing, under oath, all risk of adverse publicity, notoriety, embarrassment, criticism, financial loss, or other unfavorable or harmful consequences that may occur in connection with the application process or the public disclosure of information submitted with the application.

(b) Upon application, an applicant shall also expressly waive and give up, in writing, under oath, all claims for damages that may result from the application and licensing process.

(c) Upon application, an applicant shall also consent, in writing, under oath, to being subject to the inspections, investigations, audits, searches, and seizures in section 4a(1)(c)(i) to (v) of the act, **MCL 432.204a**, for the duration of the supplier's license for which application is made, if the license is issued.

(d) Upon application, an applicant shall also authorize and consent, in writing, under oath, to release and disclose to the board and its authorized representatives and agents all otherwise confidential records of the applicant that the board requests from the applicant or from third parties, including, without limitation, tax records and financial records held by a federal, state, or local governmental agency, a credit bureau, or a financial institution while applying for, or while holding, a supplier's license under the act and these rules. The applicant and licensee shall also authorize and consent, in writing, under oath, to board disclosure in accordance with section 4(c)(5) of the act, **MCL 432.204c**.

(e) The board shall **conduct an appropriate background investigation on each applicant** and use the information provided in the prescribed application and disclosure form as a basis ~~for an appropriate background~~ **its** investigation, ~~which the board shall conduct on each applicant,~~ and for evaluating and determining the eligibility, qualifications, and suitability of the applicant to receive the license for which application is made. The board shall make the evaluation and determination under the licensing standards and criteria provided in the act and rules of the board. A misrepresentation or omission in the application is cause for denial, suspension, restriction, or revocation of a license by the board.

(f) A person applying for a supplier license shall provide the name, address, and telephone number of a representative to act as a liaison to the board ~~and to Michigan state police background investigators,~~ and shall facilitate, assist, and cooperate with, the board and the state police in their conduct of background investigations under the act and these rules.

(g) The board shall not issue a supplier's license or renewal unless the person applying for the license, and each person required to be qualified as part of the application for issuance or renewal of the license, has completed and filed, with the board, all required applications, license renewal reports, and disclosure forms, in the manner and form prescribed by the board, and has provided all information, documentation, assurances, waivers, and releases required by the act and these rules.

(h) An applicant shall file all required application forms before the expiration of deadlines established ~~and published~~ by the board.

(i) An applicant is under a continuing duty to disclose any material changes in the information or documentation provided in or with the application, renewal, and disclosure forms submitted to the board.

(j) A person applying for a supplier license shall request amendment of its application when it knows, or should have known, that there has been a change in any of the following:

(i) The applicant's key persons or the key persons of any holding company or affiliate that has control of the applicant.

(ii) The type of business organization or entity.

(iii) A holding company or affiliate.

(iv) ~~More~~ **Greater** than a 5% change in the capitalization or a 1% change in the debt-to-equity ratio.

(v) Investors or debt holders, or both.

(vi) Source of funds.

A publicly traded corporation ~~shall be~~ considered to have complied with this rule if it has complied with the reporting requirements provided in R 432.1406.

(k) A supplier's license application may be withdrawn upon written notice to the board before board action on the application if all background investigation costs of the board have been paid in full by the person applying for a supplier license.

(l) If a supplier's license application is withdrawn, then the person who made the application for the license may not reapply for a license within 1 year from the date ~~of withdrawal~~ ~~was granted without~~ **unless the board grants** leave ~~of the board to reapply on an earlier date.~~

(m) The board may allow information, documents, or other materials submitted by an applicant in a withdrawn application to be incorporated by reference into a subsequent application.

(n) The board shall not process an application for a supplier's license unless the person making the application has a written agreement with, or written statement of intent from, a

casino licensee, casino license applicant, or holder of a certificate of suitability providing or stating that the applicant will be supplying certain types of goods and services to the a casino licensee, casino license applicant, or holder of the a certificate of suitability upon receiving a supplier's license.

~~(3) A supplier's license application shall require that the person applying for the license and a person required to be qualified as part of the application submit all of the following information and documentation on forms prescribed by the board:~~

~~-(a) The name of the person applying for a supplier license and any holding company or affiliate that has control of the applicant and the person's, company's, or affiliate's respective business address, phone number, federal identification number, and Michigan taxpayer identification number.~~

~~-(b) To the extent known and identified by the applicant, the identity and home and business addresses and phone numbers of the key persons of the person applying for a supplier license, of a holding company or affiliate that has control of the applicant, and of any other person required to be qualified as part of the applicant's application under the act and these rules.~~

~~-(c) Applications and disclosure forms completed by the person applying for a supplier license and by the key persons of the applicant, a holding company or affiliate that has control of the applicant, and any other identified person required to be qualified as part of that applicant's application. The applications and disclosure forms shall contain all information and documentation that the board requires to determine the eligibility, qualifications, and suitability of each person under section 7a(4) and (5) of the act, including, without limitation, all of the following information and documentation for each person:~~

~~-(i) Copies of all filings which are required by the securities and exchange commission and which are issued and filed by the applicant, a holding company, or an affiliate that has control of the applicant during the 2 preceding fiscal years.~~

~~-(ii) All of the following properly executed documents in the manner and form prescribed by the board:~~

~~-(A) Consents to inspections.~~

~~-(B) Searches and seizures.~~

~~-(C) Waivers of liability for disclosures of information.~~

~~-(D) Consents to examination of confidential accounts and records.~~

~~-(iii) Photographs and fingerprints of each individual person required to be qualified as part of the application. The photographs and fingerprints shall be taken at a time and place designated by the executive director. Photos that have been taken within 90 days of submitting an application may be sent with the applicable disclosure form to fulfill the photo requirement.~~

~~-(iv) All of the following information for each individual person required to be qualified as part of the application:~~

~~-(A) Name.~~

~~-(B) Aliases and nicknames.~~

~~-(C) Date of birth.~~

~~-(D) Physical description.~~

~~-(E) Citizenship.~~

~~-(F) Marital history and family data.~~

~~-(G) Home and business addresses and phone numbers.~~

- ~~–(H) Federal tax identification number.~~
- ~~–(I) Michigan tax identification number.~~
- ~~–(J) Social security number.~~
- ~~–(v) Personal, business, and financial information relevant to the moral character, reputation, integrity, business probity, experience and ability, and financial experience, stability, and responsibility of the person applying for a supplier license and each person required to be qualified as part of the application.~~
- ~~–(vi) A listing of the jurisdictions in which the person applying for a supplier license and each person required to be qualified as part of that application holds or has held a supplier license or other gaming related license.~~
- ~~–(vii) Information regarding any previous civil litigation that involves the business practices of, or criminal arrests, charges, or dispositions involving, the person applying for a supplier license and each person required to be qualified as part of the application.~~
- ~~–(viii) Information regarding the incorporation, partnership, or other business structure and organization of the person applying for the supplier license and the applicant's key persons and any holding company or affiliate that has control of the applicant.~~
- ~~–(ix) Information regarding the equipment, goods, and services that the person applying for a supplier license will provide or supply to casino licensees or casino license applicants, including, without limitation, information regarding inventory, prices, and the knowledge, skill, education, training, and experience of the applicant and the managerial employees and sales and service representatives who will represent the applicant and conduct its business in Michigan.~~
- ~~–(x) Information regarding any previous bankruptcy proceedings filed by or against the person applying for a supplier license or any other person required to be qualified as part of the application.~~
- ~~–(xi) Information regarding any previous formal legal proceedings to adjust, deter, suspend, or otherwise work out payment of any debt owed by the person applying for a supplier license or any other person required to be qualified as part of the application.~~
- ~~–(xii) Information regarding any present or previous tax delinquency or complaints, notices, or liens filed against the person applying for a supplier license, or any other person required to be qualified as part of the application, for nonpayment of local, state, or federal taxes and fees.~~
- ~~–(xiii) Information regarding any previous violation of, or noncompliance with, supplier-licensing or regulatory requirements in Michigan or any other jurisdiction by the person applying for a supplier license or any other person required to be qualified as part of the application.~~
- ~~–(xiv) Information regarding any previous violation of, or noncompliance with, any other licensing and regulatory requirements involving other regulated gaming or nongaming-related activity in Michigan or any other jurisdiction by the person applying for a supplier license or any other person required to be qualified as part of the application.~~
- ~~–(xv) Information regarding whether the person applying for a supplier license or any other person required to be qualified as part of the application has ever held a supplier license or other gaming related license that was restricted, suspended, or revoked in Michigan or any other jurisdiction.~~
- ~~–(xvi) To the extent known by the person applying for the supplier license, information regarding any political contributions, loans, donations, or payments made by the applicant,~~

~~any other person required to be qualified as part of the application, or the applicant's or other person's respective spouses, parents, children, or spouses of children to a candidate within 1 year before submitting the application.~~

~~–(xvii) Other information which is required by the board regarding the person applying for a supplier license and any other person required to be qualified as part of the application and which is deemed necessary by the board to protect the public and enhance the credibility and integrity of gaming in Michigan and to properly evaluate the applicant's eligibility, qualifications, and suitability to be licensed as a supplier under the act and these rules.~~

R 432.1325 Supplier temporary license.

Rule 325. (1) Upon written request of a person applying for a supplier license, the executive director may issue a temporary license to the applicant and permit the applicant to conduct business transactions with, and provide goods and services to, casino licensees, casino license applicants, and holders of certificates of suitability, if all of the following provisions are complied with:

(a) A completed application, an application fee, and all required disclosure forms and other required written documentation and materials have been submitted by the applicant.

(b) Preliminary review of the application and a criminal history check ~~by the executive director and the Michigan state police~~ does not reveal that the applicant or the applicant's affiliates, key persons, local and regional managerial employees or sales and service representatives, or substantial owners have been convicted of a felony or misdemeanor that would require denial of the application or may otherwise be ineligible, unqualified, or unsuitable to permit licensure under the act or these rules.

(c) There is no other apparent deficiency in the application that may require denial of the application.

(d) The applicant has an agreement to begin providing goods and services to a casino licensee, casino license applicant, or holder of a certificate of suitability upon receipt of the supplier temporary license or the applicant shows good cause for being granted a temporary license.

(2) A temporary license issued under this rule is valid for not more than 90 days, but may be renewed upon expiration by the executive director if the provisions of subrule (1)(a) to (d) of this rule are satisfied.

(3) An applicant who receives a supplier temporary license under this rule may supply casino licensees, casino license applicants, and holders of a certificates of suitability with goods and services subject to **compliance with these the act and these rules** until a supplier license is issued by the board pursuant to the applicant's application, ~~or until the supplier-license application is withdrawn, or the temporary license expires, or is suspended, or is revoked.~~ **During the period of the temporary license, the supplier applicant shall supply goods and services in compliance with the act and these rules.**

(4) If the **supplier** temporary license expires, ~~is not renewed,~~ or is suspended or revoked, then the executive director shall ~~immediately~~ forward the applicant's application for a supplier license to the board **at the conclusion of the background investigation** for action on the application ~~after first providing a reasonable time period for the applicant to correct any apparent deficiency in its application that may require denial of the application.~~

R 432.1326 Supplier license issuance; standards and criteria.

Rule 326. A person that is required to be licensed as a supplier under the act and these rules shall, before issuance of a supplier's license, produce such information, documentation, and assurances in its application to establish all of the following by clear and convincing evidence:

(a) The applicant and all other persons required to be qualified as part of the application are eligible, qualified, and suitable for licensure under the licensing standards, criteria, and requirements set forth in section 7(a) of the act, **MCL 432.207a**, and these rules.

(b) The financial stability and responsibility of the applicant.

(c) The applicant, if an individual, and all other individuals required to be qualified as part of the application are not less than 21 years of age.

(d) The applicant and all other persons required to be qualified as part of the application demonstrate a level of skill, experience, knowledge, and ability necessary to supply the equipment, goods, or services that the applicant seeks permission to provide to casino licensees, ~~casino license applicants~~ and holders of certificates of suitability in compliance with the act and these rules.

(e) The applicant and all other persons required to be qualified as part of the application have not been convicted of any criminal offense involving gaming, theft, dishonesty, or fraud in any jurisdiction.

(f) The applicant and all other persons required to be qualified as part of the application do not appear on the exclusion list of any jurisdiction.

(g) The applicant and all other persons required to be qualified as part of the application are in substantial compliance with all local, state, and federal tax laws.

(h) The applicant has adequate liability and casualty insurance.

R 432.1327 Supplier-license application; board action.

Rule 327. ~~The board shall take the following action on an application for a supplier license:~~ (a1) After the ~~completion of the background investigation is completed~~, the executive director **must provide** ~~shall report to the board with a written report, in writing, concerning~~ regarding the staff's background investigation of the applicant. Upon receipt **After receiving** of the executive director's report, the board ~~shall will take action on grant or deny~~ the application.

(b2) If the board grants the application, it shall direct the executive director to issue a supplier license upon the payment of the annual licensing fee. If the applicant's annual licensing fee is not received by the board within 14 days after the date of the mailing of the notification of the applicant's suitability for licensure to the applicant, then the board shall direct the executive director to issue the applicant a notice of denial ~~by personal delivery or certified mail~~.

(c3) If the board denies the application, then it shall direct the executive director to issue the applicant a notice of denial ~~by personal delivery or certified mail~~. **When the board denies an application for a supplier license, the temporary supplier license expires and the applicant is prohibited from conducting business transactions with and providing goods or services to casino licensees, casino license applicants, and holders of certificates of suitability.**

(d4) A notice of denial ~~does not constitute~~ is a finding that the applicant is ineligible, unqualified, or unsuitable to be licensed. ~~unless the applicant fails to request a hearing in a~~

timely manner under part 7 of these rules to contest the denial. If a request is not made in a timely manner, then the notice of denial becomes the final order of the board.

R 432.1330 ~~Renewal of s~~Supplier license **renewal**.

Rule 330. (1) A supplier license ~~shall~~ **may** be issued for a 1-year period **and may be renewed annually**.

~~(2) After expiration of the initial supplier license, the license may be renewed annually.~~

~~(32) A supplier license will be renewed by the board if all of the following requirements are met:~~ **licensee intending to renew its license must, at least 30 days before expiration of its license, submit the \$5,000.00 annual license renewal fee and annual report in the manner and form required by the board.**

~~(a) The licensee submits the \$5,000.00 annual license renewal fee, in the manner and form required by the board, not less than 30 days before expiration of the license.~~

~~(b) The licensee has submitted an annual renewal report to the board, in the manner and form prescribed by the board, not less than 30 days before expiration of the license. The report shall include, without limitation, a statement requesting renewal of the license and all of the following information regarding the licensee:~~

~~(i) If the licensee is a publicly traded corporation regulated by the securities and exchange commission, a current list, to the extent known by the licensee at the time of submitting the report, of all key persons, affiliates and affiliated companies, the key persons of any person that has control of the licensee, and the identity of all other persons required to be qualified as part of the licensee's request for renewal of the license under the act and these rules.~~

~~(ii) If the licensee is not a publicly traded corporation regulated by the securities and exchange commission, a current list, to the extent known by the licensee at the time of submitting the report, of all key persons, affiliates and affiliated companies of the licensee, the key persons of any persons that have control of the licensee, and all other persons, other than publicly traded corporations and their 5% or less shareholders, that have more than a 1% direct, indirect, or attributed pecuniary or equity interest in the licensee.~~

~~(iii) To the extent that information has changed or has not been previously reported to the board, updated personal, business, and financial information, as the board may require, related to the eligibility, suitability, and general fitness of the licensee under the act and these rules to continue to hold the license for which renewal is requested. The information shall include, without limitation, changes regarding the identification, integrity, moral character, reputation, and relevant business experience, ability and probity, and financial experience, ability, and responsibility of the licensee and each of the persons required to be qualified for renewal of the license under the act and these rules.~~

~~(iv) A statement under oath by the licensee's managing officer or director that the information provided in the licensee's annual renewal report is current, complete, true, and accurate, and that the licensee has fulfilled its obligation under the act and these rules to notify the board of any change in information provided in its original license application and subsequent annual license renewal reports previously filed with the board.~~

~~(v) Financial statements and reports regarding the current capital structure and financial condition of the licensee, prepared by the licensee in the manner and form prescribed by the board, indicating the licensee's current financial ability to conduct and maintain its supplier business in a financially responsible manner, in accordance with the requirements of the act~~

and these rules, and satisfy its financial obligations in accordance with financing agreements and other contractual obligations.

~~–(vi) Other information and documentation that the board may require to determine the licensee's eligibility, suitability, and qualification to have its license renewed under the licensing standards of the act and this part.~~

~~(e) The licensee pays the board for any additional background investigation charge assessed by the board under these rules.~~

~~(43) The executive director, after reviewing the licensee's annual renewal report, reports, in writing, to the board, that the licensee's annual renewal report provides all information and documentation prescribed and required by the board to establish and determine that the licensee is eligible, qualified, and suitable to have its supplier license renewed and that the licensee is prepared, ready, and able to continue providing goods and services to casino licensees, casino license applicants, or holders of certificates of suitability in compliance with the act and these rules throughout the new 1 year time period for which the license is to be renewed. After the background investigation is completed, the executive director must provide the board with a written report concerning the investigation. After receiving the executive director's report, the board must take action on the renewal application.~~

~~(54) If the board denies the application for renewal, it must direct the executive director to issue the licensee a notice of nonrenewal. The board may refuse to renew a supplier license and issue a notice of nonrenewal if the licensee fails to file its annual renewal report in a timely manner or if the executive director reports, in writing, to the board, after reviewing the licensee's annual renewal report, that the license should not be renewed because the licensee's annual renewal report does not provide the information and documentation prescribed and required by the board to establish and determine that the licensee is eligible, qualified, or suitable to continue to be licensed and that the licensee is prepared, ready, and able to continue providing goods and services to casino license applicants, holders of certificates of suitability, and casino licensees in compliance with the act and these rules.~~

~~(65) A supplier licensee who is served with a notice of nonrenewal under this rule may request a hearing under these rules.~~

~~(76) Unless specifically stated to the contrary, the notice of nonrenewal shall not constitute a finding by the board that the supplier licensee is ineligible, unqualified, or unsuitable for licensure or is otherwise in violation of the licensing requirements of the act or rules of the board, unless the licensee fails to request a hearing under these rules in a timely manner.~~

~~(8) If the licensee does not request a hearing in a timely manner, then the notice of nonrenewal becomes the final order of the board.~~

~~(97) If the licensee files an annual renewal report and pays the annual license renewal fee in a timely manner and in the manner and form prescribed by the board, then the licensee's previous existing supplier license does not expire until the board issues its final decision and order on the renewal. If renewal is denied or the new license is restricted or limited, then the previous existing supplier license does not expire until the last day for applying for judicial review of the board's decision or a later date fixed by order of the reviewing court. This subrule, however, shall not affect a valid action by the board summarily suspending the licensee's previous existing supplier license.~~

(108) ~~A copy of the executive director's report to the board and notice of renewal or notice of nonrenewal issued by the board shall~~**must** be served on the licensee ~~and the city.~~

R 432.1331 Occupational license requirement; license classes; application; exemptions.

Rule 331. (1) ~~An individual employed by Each a Michigan casino licensee, or a Michigan supplier licensee,~~ **and person with an exemption from the supplier-licensing requirements must ensure that an individual it employs** whose work duties are related to, or involved in, the gambling operation or are performed in a restricted area of a casino or in the gaming area of a casino ~~in Michigan licensed under the act shall~~ holds an occupational license of the level required for the individual's position before the individual ~~may~~ performs any of the duties of his or her position. **To the same extent required for its own employees, each casino licensee must also ensure that employees of supplier licensees and persons with an exemption from the supplier-licensing requirements comply with the occupational-licensing requirements.**

(2) This rule applies to both full-time and part-time employees.

(3) The 3 different classes of occupational licenses that an employee may hold are as follows:

(a) Occupational license, level 1, the highest level of occupational license.

(b) Occupational license, level 2.

(c) Occupational license, level 3.

(4) An occupational licensee may perform any work duties or activities ~~included within~~ **permitted** for the level of occupational license ~~held by the licensee~~ **the licensee holds** and **any work duties or activities permitted for** ~~included in~~ any lower level of occupational license.

(5) The board ~~shall~~**may** not process an application for an occupational license unless the application includes a written statement from an applicant for or holder of a casino or supplier license **or a person with an exemption from the supplier-licensing requirements** that the applicant has been or will be hired upon receiving the appropriate occupational license for which application is made.

(6) The board may exempt ~~any~~ person from the occupational-licensing requirements of these rules if the board determines that the person is regulated by another governmental agency or that licensing is not deemed necessary to protect the public interest or accomplish the policies and purposes of the act.

(7) Despite job title designation, the board may determine occupational licensing level based on the employee's authority to develop or administer policy or long-range plans or to make discretionary decisions regulating gambling operations or management of a casino enterprise. This determination will be based in part on the employer's organizational chart and job descriptions throughout its chain of command.

R 432.1332 Occupational license, level 1.

Rule 332. An individual who will be employed by a casino licensee, ~~or~~ supplier licensee, **or person with an exemption from the supplier-licensing requirements** in a position that includes any of the following responsibilities or authority, regardless of job title, ~~shall~~ **must** hold, before employment, a current and valid level 1 occupational license or a valid temporary level 1 occupational license issued under these rules:

(a) The supervision of specific areas or departments related to, or involved in, the gambling operation, including, without limitation, a person who does any of the following:

- (i) Functions as a casino shift manager.
- (ii) Functions as a pit boss.
- (iii) Functions as a poker shift supervisor.
- (iv) Functions as a slot shift manager.
- (v) Supervises the repair and maintenance of slot machines and bill changers and validators.
- (vi) Supervises surveillance investigations or the operation of the surveillance department during a shift.
- (vii) Supervises security investigations or the operation of the security department during a shift.
- (viii) Functions as a cage manager.
- (ix) Supervises the operation of the cashiers' cage, table games cage, or slot machine cage during a shift.

(x) Supervises the hard count room or a soft count room.

(xi) Supervises the patron check collection unit.

(xii) Functions as a keno manager or keno supervisor.

(b) The authority to develop or administer policy or long-range plans or to make discretionary decisions regulating gambling operations, including, without limitation, a person who does any of the following:

(i) Functions as a director, officer, or comparable noncorporate employee of the casino licensee or supplier licensee.

(ii) Functions as a casino manager.

(iii) Functions as a slot department manager.

(iv) Functions as a director of surveillance.

(v) Functions as a director of security.

(vi) Functions as a controller.

(vii) Functions as a credit manager.

(viii) Functions as an audit department executive.

(ix) Functions as a management information system department manager.

(x) Manages a marketing department.

(xi) Functions as an assistant manager of a casino department.

(xii) Manages casino administrative operations.

(xiii) Has authority to authorize the issuance of patron credit or cash compliments in the amount of \$10,000.00 or more.

(xiv) Functions as an audit manager.

(xv) Supervises a person required to hold an occupational license, level 1.

(c) The authority to develop or administer policy or long-range plans or to make discretionary decisions regulating the management of a casino enterprise and other casino operations including, without limitation, a person who does any of the following:

(i) Manages the operation of a hotel.

(ii) Manages the nongaming entertainment activities of the casino licensee.

(iii) Manages the food and beverage operations of the casino licensee.

(iv) Manages the personnel and human resource activities of the casino licensee.

Rule 333. An individual who will be employed by a casino licensee, ~~or~~ supplier licensee, **or person with an exemption from the supplier-licensing requirements** and whose employment duties ~~predominantly~~ involve the maintenance, servicing, repair, or operation of gambling games, gaming, gaming machines, devices, or equipment, or assets associated with the casino licensee or supplier licensee, or regularly requires work in a restricted casino area ~~shall~~ **must** hold, before employment, a current and valid **level 2** occupational license, ~~level 2,~~ unless required to hold an **level 1** occupational license, ~~level 1,~~ including, without limitation, a person who is or does any of the following:

- (a) Functions as a dealer.
- (b) Functions as a boxperson.
- (c) Functions as a floorperson.
- (d) Performs under the supervision of an audit department manager, the duties and responsibilities of the internal audit department, including, without limitation, all of the following:
 - (i) The supervision of internal audit department personnel.
 - (ii) The monitoring of compliance with regulations and internal controls.
 - (iii) The evaluation of the adequacy of accounting and administrative control.
- (e) Performs under the supervision of a controller, the duties and responsibilities of the casino accounting department, including, without limitation, all of the following:
 - (i) The supervision of personnel in the casino accounting department.
 - (ii) Overseeing the review, verification, and recordation of casino revenue journal entries.
 - (iii) The processing or control of active accounting documents related to casino gaming activity.
- (f) Has access to active accounting documents related to casino gaming activity.
- (g) Conducts surveillance investigations and operations.
- (h) Repairs and maintains slot machines and bill ~~changer~~**validators**.
- (i) Assists in the operation of slot machines and bill ~~changer~~**validators**, including, without limitation, a person who participates in manual jackpot payouts and fills payout reserve containers, or who supervises such persons.
- (j) Participates in the operation of keno wagering.
- (k) Identifies persons or groups of patrons to receive complimentary based on actual patron play, authorizes complimentary, or determines the amount of the complimentary.
- (l) Analyzes casino operations data and makes recommendations to managerial employees relating to, without limitation, all of the following:
 - (i) Casino marketing.
 - (ii) Complimentary.
 - (iii) Junkets.
 - (iv) Gaming.
 - (v) Keno wagering.
 - (vi) Special events.
 - (vii) Promotions.
 - (viii) Player ratings.
- (m) Enters data in gaming-related computer systems or develops, maintains, installs, or operates gaming-related computer software systems.
- (n) Collects and records patron checks and personal checks that are dishonored and returned by a bank.

- (o) Develops marketing programs to promote casino gaming including, without limitation, coupon redemption and other complimentary distribution programs.
- (p) Distributes, redeems, accounts for, or inventories coupons that are considered in the calculation of gross revenue.
- (q) Processes or maintains information on credit applications or the redemption of counter checks.
- (r) Processes coins, currency, gaming chips, gaming plaques, ~~slot tokens,~~ or cash equivalents.
- (s) Repairs or maintains the closed circuit television system equipment that is required by these rules.
- (t) Is being trained to become a surveillance employee.
- (u) Provides physical security in a casino, casino simulcasting facility, or restricted casino area.
- (v) Controls and maintains the slot machine inventory, including replacement parts, equipment, and tools used to maintain slot machines.
- (w) Performs as the secretary to the supervisor of the surveillance department, internal audit department, casino accounting department, or credit department.
- (x) Repairs gaming equipment other than slot machines.
- (y) Performs responsibilities associated with the installation, maintenance, or operation of computer hardware for casino computer systems.
- (z) Supervises a person required to ~~be licensed as a casino employee~~ **hold an occupational license.**
- (aa) An employee of a casino gambling operation whom the board deems necessary to be licensed to ensure compliance with the act and these rules and to protect the public and ensure the credibility and integrity of gaming in the state.

R 432.1334 Occupational license, level 3.

Rule 334. An individual who will be employed by a casino licensee, ~~or~~ supplier licensee, **or person with an exemption from the supplier-licensing requirements**, and whose employment duties do not require a level 1 or level 2 occupational license, but are performed in the casino gaming area or affect gambling operations, ~~shall~~ **must** hold, before employment, a current and valid **level 3** occupational license, ~~level 3~~, including, without limitation, a person who is or does **either of** the following:

- (a) Serves food or beverages in the casino gaming area to gaming patrons.
- (b) An employee of a casino licensee, ~~or~~ supplier licensee, **or a person with an exemption from the supplier-licensing requirements**, whom the board requires to be licensed to ensure compliance with the act and these rules and to protect the public and ensure the integrity and credibility of gaming in the state.

R 432.1336 ~~Applications for occupational licenses~~ **Rescinded.**

~~Rule 336. (1) An applicant for an occupational license, level 1 or level 2, shall complete and submit an application and personal disclosure form to the board. The applicant shall submit the application and disclosure form in the manner and form prescribed by the board at the board's principal office in Ingham County, Michigan, or other location specified by the board. The application and personal disclosure forms prescribed by~~

the board may require the applicant to provide any of the following information and documents with respect to the applicant:

- ~~–(a) Name, including any aliases or nicknames.~~
- ~~–(b) Date of birth and copy of his or her birth certificate.~~
- ~~–(c) Physical description.~~
- ~~–(d) Current address and residence history.~~
- ~~–(e) Social security number.~~
- ~~–(f) Citizenship and, if applicable, information regarding resident alien status.~~
- ~~–(g) Marital history, dependents, and other family data.~~
- ~~–(h) The casino licensee, supplier licensee, or applicant with whom the applicant is associated or employed, and the nature of the applicant's position with or interest in the licensee or applicant.~~
- ~~–(i) Current home and business or work telephone numbers.~~
- ~~–(j) Employment history of the applicant and the applicant's immediate family or any other person the board determines is, or was in the past 4 years, able to significantly influence or control the applicant by reason of business, financial, personal, or social association or relationship.~~
- ~~–(k) Education and training.~~
- ~~–(l) Record of military service.~~
- ~~–(m) Government positions and offices presently and previously held, and offices, trusteeships, directorships, or fiduciary positions presently or previously held with any business entity.~~
- ~~–(n) Other trusteeships or fiduciary positions presently or previously held by the applicant or the applicant's spouse or immediate family, or any other person the board determines is, or was in the past 4 years, able to significantly influence or control the applicant by reason of business, financial, personal, or social association or relationship, and any denial, suspension, or removal from a trusteeship or fiduciary position.~~
- ~~–(o) Current or recent memberships in any social, labor, or fraternal union, club, or organization.~~
- ~~–(p) Licenses and other government permits or approvals presently and previously held by the applicant or the applicant's spouse or other members of the applicant's immediate family or any other person the board determines is, or was in the past 4 years, able to significantly influence or control the applicant by reason of business, financial, personal, or social association or relationship in this state and any other jurisdiction and any related history of compliance and disciplinary action regarding the licenses.~~
- ~~–(q) A denial, suspension, or revocation by a government agency of any license, permit, or certification held by, or applied for by, the applicant or the applicant's spouse or immediate family or any other person the board determines is, or was in the past 4 years, able to significantly influence or control the applicant by reason of business, financial, personal, or social association or relationship, or by any entity in which the applicant or the applicant's spouse or other member of the applicant's immediate family was a director, officer, partner, or owner of a 5% or greater interest.~~
- ~~–(r) An applicant's, applicant's spouse's, or an applicant's immediate family member's, present or previous interest in, or employment with, an entity that has applied for a license, permit, certificate, or finding of qualification or suitability in connection with a gambling or alcoholic beverage operation in this state or any other state.~~

- ~~–(s) Criminal history of the applicant and the applicant's immediate family or any other person the board determines is, or was in the past four years, able to significantly influence or control the applicant by reason of business, financial, personal, or social association or relationship.~~
- ~~–(t) History of civil litigation and any other civil or administrative proceedings in which the applicant, the applicant's immediate family, or any other person the board determines is, or was in the past 4 years, able to significantly influence or control the applicant by reason of business, financial, personal, or social association or relationship were parties.~~
- ~~–(u) Political contributions by the applicant, the applicant's immediate family or any other person the board determines is, or was in the past 4 years, able to significantly influence or control the applicant by reason of business, financial, personal, or social association or relationship to state and local candidates within 1 year of the application.~~
- ~~–(v) All of the following financial information for the applicant and for the applicant's spouse and dependents:~~
 - ~~–(i) Statement of assets and liabilities and net worth.~~
 - ~~–(ii) Bank accounts.~~
 - ~~–(iii) Loans.~~
 - ~~–(iv) Notes.~~
 - ~~–(v) Real estate interests.~~
 - ~~–(vi) Mortgages and liens.~~
 - ~~–(vii) Life insurance.~~
 - ~~–(viii) Pension funds.~~
 - ~~–(ix) Real estate and income tax payables.~~
 - ~~–(x) Vehicles.~~
 - ~~–(xi) Other assets.~~
- ~~–(w) Copies of local, state, and federal tax returns of the applicant.~~
- ~~–(x) Judgments and petitions for bankruptcy or insolvency concerning the applicant or any business entity in which the applicant held a 5% or more interest, other than a publicly traded company, or in which the applicant served as an officer or director.~~
- ~~–(y) A garnishment or attachment of wages, charging order or voluntary wage execution, or other formal proceedings to adjust, defer, suspend, or otherwise work out the payment of a debt of the applicant.~~
- ~~–(z) Information as to whether the applicant has failed to pay, in a timely manner, any present or previous local, state, or federal taxes that are or were delinquent for any time period.~~
- ~~–(aa) Life insurance policies on the applicant's life naming someone other than the applicant's family as beneficiary.~~
- ~~–(bb) Whether the applicant has ever been bonded for any purpose or has been denied any type of bond and the reasons for the denial.~~
- ~~–(cc) Other confidential financial and business information.~~
- ~~–(dd) The information specified and required by the act, including a photograph and 2 sets of fingerprints of the applicant taken at a time or place, or both, specified by the board.~~
- ~~–(ee) All required waivers and affidavits prescribed by the board.~~
- ~~–(ff) Other information or documents that the board deems necessary and relevant to determine the applicant's identity, eligibility, qualifications, and suitability for licensure under the act or these rules.~~

~~-(2) An applicant for an occupational license, level 3, shall complete and submit 1 copy of an application to the board. The applicant shall submit the application in the manner and form prescribed by the board. The board may require the applicant to provide any of the following information and documents:~~

~~-(a) The applicant's name, including any aliases or nicknames.~~

~~-(b) Date of birth.~~

~~-(c) Physical description.~~

~~-(d) Current address and residence history.~~

~~-(e) Social security number.~~

~~-(f) Employment history.~~

~~-(g) Education and training.~~

~~-(h) Criminal history.~~

~~-(i) Previous bankruptcies of the applicant and garnishments, attachments, charging orders, or other formal proceedings to adjust, defer, suspend, or otherwise work out the payment of a debt of the applicant.~~

~~-(j) Whether the applicant has ever been bonded or been denied any type of bond.~~

~~-(k) The information specified and required by the act, including a photograph and 2 sets of fingerprints of the applicant taken at the time of submission of the application.~~

~~-(l) All required waivers and affidavits prescribed by the board.~~

~~-(m) Copies of local, state, and federal tax returns of the individual.~~

~~-(n) Other information that the board deems necessary and relevant to determine the applicant's eligibility, qualifications, and suitability for licensure under the act and these rules.~~

R 432.1337 Occupational-licensing procedures.

Rule 337. (1) An applicant for an occupational license shall **must complete submit an application in the manner and form prescribed by the board, and submit it** together with the required application fee, ~~a completed application that has been endorsed by an authorized representative of the licensee or license applicant for whom the applicant will be employed~~ **and a written statement from an applicant for or holder of a casino or supplier license or person with an exemption from the supplier-licensing requirements indicating that it has employed or will employ the applicant** if the applicant is licensed.

(2) After the board has received the completed occupational-license application, appropriate application fee, ~~photograph, and fingerprints~~ **written statement**, ~~the executive director and members of the Michigan state police assigned to assist the board~~ shall review the applicant's application and conduct a criminal history check on the applicant.

(3) If a preliminary review of the application and the criminal history check does not uncover or indicate any apparent deficiencies in the application or other circumstances that may require denial of the application under the licensing standards of the act and these rules, then the executive director may issue a temporary occupational license to the applicant. The temporary occupational license authorizes the applicant to perform the employment duties for which the license is sought, pending board action on the applicant's license application. A temporary license issued under this rule is valid ~~for not more than 90 days, but may be renewed upon expiration by the executive director if the criteria in this subrule are satisfied~~ **until the occupational-license application is withdrawn or denied or the temporary license is suspended or revoked or the license is issued by the board.**

(4) A temporary occupational licensee shall receive a temporary ~~identification badge~~ **license**. The color of the temporary ~~identification badge~~ **license** shall be different from the occupational license ~~identification badge~~ that is given to an occupational licensee upon issuance of a full occupational license. The temporary ~~identification badge~~ **license** shall contain and display information as prescribed by the board.

(5) Temporary occupational licensees shall wear and clearly display their temporary ~~identification badge~~ **license** at all times during work hours at the casino.

(6) A person ~~shall~~ **must** pay a fee of \$10.00 to the board for any ~~necessary~~ replacement of a temporary ~~identification badge~~ **license**.

(7) A temporary ~~identification badge~~ **license** shall not be transferred and shall be immediately returned to the board if the temporary licensee resigns or if his or her employment at the casino is terminated.

~~(8) If, upon further investigation and review of the temporary licensee's application, the executive director determines that the applicant is not eligible or suitable for licensure under the act and these rules, then the executive director may, upon written notice to the licensee and the licensee's employer, suspend or revoke the temporary license and order the immediate return of the temporary identification badge to the board.~~

(98) If a temporary occupational license ~~expires, is suspended, or is revoked~~, then the ~~applicant~~ **licensee** shall not continue **performing duties requiring that license** ~~his or her employment and shall not perform the work duties for which the licensee is licensed~~.

~~(109) If an applicant's temporary level 1 or level 2 license expires, is suspended, or is revoked, then the executive director shall, at the conclusion of the background investigation, immediately forward the applicant's temporary licensee's application and written report to the board for action, together with a written report to the board recommending granting or denying the application. The executive director's report shall must state the reasons for his or her the recommendation for board action on the application.~~

~~(110) An occupational license applicant shall, before issuance of an occupational license, have the burden of producing the information, documentation, and assurances in his or her application to establish, by clear and convincing evidence, that the applicant is eligible, qualified, and suitable to receive the occupational license for which application is made, under the licensing standards in the act and these rules.~~

~~(1211) The applicant shall demonstrate, to the board, a level of skill, knowledge, or experience reasonably necessary to perform the job duties required for the occupational license for which application is made. However, an applicant may still be employed by a casino licensee or casino license applicant to perform the duties if the casino licensee or casino license applicant agrees to provide necessary training to the applicant.~~

~~(1312) Unless waived by the board, an applicant whose name appears on the exclusion list of any jurisdiction, or who has had a gaming-related license suspended or revoked in any jurisdiction by reason of theft, dishonesty, or fraud, is not eligible, qualified, or suitable to be issued an occupational license.~~

~~(1413) An applicant shall also be in substantial compliance with all local, state, and federal tax laws, have good moral character, reputation, and integrity, and comply with any other licensing standards that the board deems necessary to ensure compliance with the act and these rules and protect the public and the credibility and integrity of gaming in the state.~~

R 432.1338 Board **or executive director** action on occupational-license applications.

Rule 338. (1) After the completion of the background investigation of a **level 1 or 2 occupational-license application**, the executive director ~~shall~~ **must** report to the board, in writing, regarding the staff's background investigation of the **level 1 or 2** occupational license applicant. ~~After receiving~~ ~~Upon receipt of~~ the executive director's report, the board ~~shall~~ **may take action on** ~~grant or deny~~ the **level 1 or 2** application.

(2) **After completion of the background investigation of a level 3 occupational-license application, the executive director may take action on the level 3 application.**

(23) ~~If the board grants the an occupational-license application is granted, it shall direct the executive director to~~ ~~will~~ issue an occupational ~~the~~ license upon the payment of the biennial licensing fee. ~~If the applicant's biennial licensing fee is not received by the board within 14 days after the date of the mailing of the notification of the applicant's suitability for licensure to the applicant, then the board shall direct the executive director to issue the applicant a notice of denial by personal delivery or certified mail.~~

(4) **If the applicant's licensing fee is not received within 30 days after notification of his or her suitability for licensure, then the executive director will serve the applicant a notice of denial.**

(35) ~~If the board denies the a level 1 or 2 occupational license application, then it shall~~ **will** direct the executive director to issue the applicant a notice of denial ~~by personal delivery or certified mail.~~

(6) **If the executive director denies a level 3 occupational license application, the executive director must issue the applicant a notice of denial.**

(47) A notice of denial ~~does not constitute~~ **is** a finding that the applicant is ineligible, unqualified, or unsuitable to be licensed ~~unless the applicant fails to request a hearing in a timely manner under part 7 of these rules to contest the denial. If the applicant fails to a hearing in a timely manner, then the notice of denial becomes the final order of the board.~~

(8) **If an application for an occupational license is denied, a temporary occupational license previously issued to the applicant expires, and the applicant is prohibited from performing duties requiring that license.**

R 432.1339 Requirements for occupational license ~~and identification badge.~~

Rule 339. (1) Upon **granting the application for an occupational license** ~~a finding of suitability for licensure and payment of the appropriate biennial licensing fee, the~~ **executive director** ~~board shall~~ **will** issue an occupational license ~~and license identification badge~~ for the applicant. ~~The license and badge shall be in the form prescribed by the board.~~

(2) ~~The occupational license shall contain all of the following information:~~

~~(a) The occupational licensee's first name, last name, and job title.~~

~~(b) The occupational license number assigned by the board.~~

~~(c) The level of the occupational license.~~

~~(d) The signature of the executive director.~~

~~(e) The date that the occupational license was issued and the date that the occupational license will expire.~~

~~(f) Other information prescribed by the board.~~

(32) ~~The casino licensee, or supplier licensee, or person with an exemption from the supplier-licensing requirements shall~~ **will initially** ~~actually~~ receive ~~and possess~~ the occupational licenses for the respective occupational licensees it employs. **Each**

occupational licensee must obtain his or her occupational license from his or her employer.

~~(4) If the occupational licensee voluntarily terminates employment with a casino licensee or supplier licensee, then the casino licensee or supplier licensee shall return the occupational license to the occupational licensee. If the occupational licensee's employment is involuntarily terminated for misconduct that may reflect on the occupational licensee's suitability for licensure, or if the occupational licensee retires without intent to seek employment with a different licensee, the employer shall return the occupational license to the board.~~

~~(5) The occupational license shall remain the property of the board at all times. The occupational license may be revoked, suspended, canceled, or restricted by the board. The board may refuse to renew the license when it is reviewed under these rules.~~

~~(6) Neither the occupational license nor the licensee identification badge shall be transferable to another person. If the occupational licensee resigns or the occupational licensee's employment is terminated and the occupational licensee does not intend to seek employment with a different licensee, then the occupational licensee shall return the permanent identification badge to the board.~~

~~(7) The licensee identification badge shall be a card of a color designated by the board and meet the specifications of these rules. The color of the licensee identification badge shall be different from the color of the temporary identification badge.~~

~~(8) An occupational licensee shall **must** wear and clearly display the license identification badge during work hours.~~

~~(9) A licensee shall **must** pay a fee of \$10.00 paid to the board for any necessary replacement of an licensee identification badge or the occupational license. The board shall assess the fee each time an occupational licensee obtains a replacement identification badge or occupational license.~~

~~(10) If an occupational licensee becomes employed by a different casino licensee, then the occupational licensee shall **must** request a replacement identification badge license from the board.~~

~~(11) The licensee identification badge shall be a card of the appropriate color that meets all of the following requirements:~~

~~(a) The front side of the identification badge shall be in compliance with all of the following provisions:~~

~~(i) Be a card bearing the name and logo of the casino gambling operation.~~

~~(ii) Display the applicant's photograph.~~

~~(iii) Display the applicant's first name and job title.~~

~~(iv) Display the occupational license number assigned by the board.~~

~~(v) Display the level of the occupational license.~~

~~(vi) Display the signature of the executive director.~~

~~(vii) Display the date the identification badge and occupational license were issued and the date that the identification badge and occupational license will expire.~~

~~(b) The back side of the identification badge shall be in compliance with all of the following provisions:~~

~~(i) Display the applicant's signature and the applicant's first and last name.~~

~~(ii) Display the applicant's date of birth.~~

~~–(iii) List the applicant’s security clearance levels and tracking the applicant’s entry into and exit from secured areas of the casino.~~

~~–(iv) Display other information deemed necessary by the board to identify the occupational licensee, the casino of employment, the appropriate level of occupational license, and any conditions or restrictions that have been placed on the occupational license.~~

~~–(e) The board shall ensure that identification badges are constructed so that the badges can be easily affixed to, and displayed clearly on, an occupational licensee's clothing.~~

~~(d) The licenses identification badges shall remain the property of the board at all times.~~

R 432.1340 Reapplication for denied license.

Rule 340. (1) A person whose application for an occupational license has been denied may not, without leave of the board, reapply for an occupational license of the same or higher level for a period of 1 year from the date ~~on which the board voted to deny~~ the application **was denied**.

(2) A person whose application for an occupational license was denied may seek leave of the board to reapply within the 1 year period by addressing the request to the board through the executive director. The board may require the applicant to present oral or written argument to the board outlining why an exception should be made.

R 432.1341 Biennial renewal of occupational licenses.

Rule 341. (1) An occupational license may be renewed biennially.

(2) An occupational licensee **intending to renew his or her license may pay the licensing fee and** ~~shall request renewal of the license, in the manner and~~ on a form prescribed by the board, not less than 30 days before the expiration of the occupational license. ~~The occupational licensee shall complete the form and provide the board with any information or documents that the board deems necessary to confirm the licensee's identity and determine the licensee's continued eligibility, suitability, and qualification to have his or her occupational license renewed under licensing standards set forth in the act and this part. The license renewal request form shall include information related to all of the following about the licensee:~~

~~–(a) Integrity.~~

~~–(b) Reputation.~~

~~–(c) Moral character.~~

~~–(d) Employment history.~~

~~–(e) Criminal record.~~

~~–(f) Past history of licensure.~~

~~–(g) Administrative law abidance.~~

~~–(h) Civil litigation.~~

~~–(i) Financial responsibility.~~

A licensee shall submit the form requesting renewal of an occupational license with the biennial license fee. The board may perform a background investigation on any occupational licensee seeking renewal of any license. The board may require that the investigation cost be charged to the occupational licensee.

(3) **After the background investigation is completed, the executive director must either decide the renewal application or submit the results of the background investigation to**

the board for decision. ~~The board may refuse to renew an occupational license if the occupational licensee no longer meets the requirements set forth in the act and these rules.~~

~~(4) The executive director shall investigate and review the licensee's renewal application and shall report, in writing, to the board whether the licensee is eligible, qualified, and suitable to have its occupational license renewed.~~

~~(5) The licensee shall pay the board for any additional background investigation charge assessed by the board under these rules.~~

~~(6) Upon receipt and review of the executive director's report, the board shall decide whether to renew.~~

~~(74) If the board decides to renew the licensee~~ **renewal application is granted**, then it shall direct the executive director to **will** issue a new license to the applicant.

~~(85) If the board decides not to renew a licensee~~ **renewal application is denied**, then it shall direct the executive director to **will** issue a notice of denial to the applicant by certified mail.

~~(9) A copy of the executive director's report to the board and notice of renewal or notice of denial issued by the board shall be served on the licensee and the city.~~

~~(10) An occupational licensee who is served with a notice of denial under this rule may request a hearing under part 7 of these rules.~~

~~(116) The A notice of denial shall not constitute is a finding by the board that the occupational licensee is ineligible, unqualified, or unsuitable for licensure or is otherwise in violation of the licensing requirements of the act or rules of the board, unless the licensee fails to request a hearing in a timely manner under part 7 of these rules.~~

~~(12) If the licensee does not request a hearing in a timely manner, then the notice of denial becomes the final order of the board.~~

(7) If the licensee files a renewal request and pays the licensing fee in a timely manner and in the manner and form prescribed by the board, then the licensee's existing occupational license does not expire until a decision on the application for renewal is made. If renewal is denied or the new license is restricted or limited, then the existing occupational license does not expire until the last day to apply for judicial review or a later date fixed by order of the reviewing court.

PART 4. PUBLIC OFFERING OF DEBT OR EQUITY FOR MICHIGAN CASINOS

R 432.1402 Public offerings.

Rule 402. A person applying for or holding a casino license in Michigan ~~this state~~, or a person that has or upon board approval will have ~~more~~ **greater** than a 5% ownership interest in a person applying for or holding a casino license in Michigan ~~this state~~ that commences a public offering of debt or equity securities must notify the board regarding a public offering of the securities required to be registered with the ~~securities and exchange commission~~ **Securities and Exchange Commission** or regarding any other type of public offering not later than 140 ~~business~~ days after the initial filing of a registration statement with the ~~securities and exchange commission~~ **Securities and Exchange Commission** or, regarding any other type of public offering, not later than 140 ~~business~~ days before the public use or distribution of any offering document, if either of the following provisions applies:

(a) The person that is applying for or holding the casino license or other person that has or upon board approval will have ~~more~~ **greater** than a 5% ownership interest in a person that is

applying for or holding the casino license and that intends to issue the securities is not a publicly traded corporation.

(b) The person applying for or holding the casino license or other person that has or upon board approval will have ~~more~~ **greater** than a 5% ownership interest in a person applying for or holding the casino license and that intends to issue the securities is a publicly traded corporation and the proceeds of the offering, in whole or in part, are intended to be used for any of the following purposes:

(i) To pay for the construction of a casino or a casino enterprise to be owned or operated by a person applying for or holding the casino license in ~~Michigan~~ **this state**.

(ii) To acquire any direct or indirect ownership interest in a casino or casino enterprise located in ~~Michigan~~ **this state**.

(iii) To finance the operation of a casino or casino enterprise in ~~Michigan~~ **this state** by a person applying for or holding a casino license.

(iv) To retire or extend obligations incurred for 1 or more purposes set forth in paragraphs (i), (ii), and (iii) of this subdivision.

R 432.1405 Submission of proxy and information statements.

Rule 405. Each publicly traded corporation that applies for or holds a casino license must, within ~~104 business~~ days after distributing to its security holders a proxy statement or information statement ~~that is subject~~ **pursuant to either Regulation 14A or 14C adopted under section 14 of the securities and exchange act of 1934, 15 USC 78n, 17 CFR 240.14a-1 to 240.14b-2 and 240.14c-1 to 240.14c-101, as amended** ~~commission~~, submit the proxy statement or information statement to the board.

R 432.1406 Reporting requirements.

Rule 406. (1) If a publicly traded corporation or other person that applies for or holds a casino license files any of the following documents with the ~~securities and exchange commission~~ **Securities and Exchange Commission**, the person must file 1 copy of each document with the board within ~~104 business~~ days of filing the documents with the ~~securities and exchange commission~~ **Securities and Exchange Commission**:

(a) Form 10.

(b) Form 10-Q.

(c) Form 10-K.

(d) Form 8-K.

(e) Form 1-A.

(f) Registration Statement S-1.

(g) Registration Statement SB-2.

(h) Registration Statement 10-SB.

(i) Report 10-KSB.

(j) Report 10-QSB.

(k) Schedule 13e-3.

(l) Schedule 14D-9.

(m) A filing required by **15 CFR 240.14f-1, as amended** ~~rule 14f-1 promulgated under the securities exchange act of 1934, 15 U.S.C. § 78a et seq.~~

(2) If a publicly traded corporation or other person that applies for or holds a casino license **receives** any material document filed with the ~~securities and exchange commission~~ **Securities**

and Exchange Commission by any other person relating to the publicly traded corporation, the person must file 1 copy of the document with the board within 104 business-days after receipt of the material.

(3) A publicly traded corporation or other person that applies for or holds a casino license must file a list of record holders of its voting securities with the board annually.

(4) A person applying for or holding a casino license must report to the board the election or appointment of a director or officer of that applicant or licensee or a holding company of that applicant or licensee who is actively and directly engaged in the administration or supervision of that applicant or licensee.

(5) If a person that applies for or holds a casino license learns that a key person or substantial owner of the publicly traded corporation has disposed of his or her voting securities, the person must provide the board with written notice of the transaction within 104 business days of becoming aware of it.

(6) A person who applies for or holds a casino license and all other persons covered by this part must file any other document requested by the board to ensure compliance with the act or this part within 30 days of a board request or at another time established by the board.

PART 5. TRANSFER OF OWNERSHIP

R 432.1501 Applicability of part; transfer of ownership interest; limitation.

Rule 501. (1) An interest in a person applying for or holding a casino license or supplier license may only be transferred in accordance with this part. **Except as stated in subrules (3) and (5) of this rule, the following persons must receive board approval before transferring the interest:**

~~(2a) This part applies to a~~ **(2a) A person that transfers or acquires more greater than a 5% interest in a publicly traded corporation that has applied for or holds a casino license or supplier license in Michigan this state.**

~~(b) This part also applies to a~~ **(b) A person that will, as a result of an acquisition approved by the board, have acquired an interest totaling more greater than 5% of a publicly traded corporation that has applied for or holds a casino license or supplier license.**

(c) A person that transfers or acquires greater than a 1% interest in a person, other than a publicly traded corporation, that has applied for or holds a casino license or supplier license in this state.

(d) A person who will, as a result of an acquisition approved by the board, have acquired an interest totaling greater than 1% in a person, other than a publicly traded corporation, that has applied for or holds a casino license or supplier license in this state.

(2) Before or when the board approves a transfer of interest, it must determine that the person acquiring the interest is eligible and suitable under the standards set forth in the act and these rules, unless the board grants the person an institutional-investor waiver under these rules or under section 6c of the act, MCL 432.206c.

~~(3) This part does not apply to a~~ **(3) A transfer of interest to an institutional investor that acquires or will have acquired, upon approval of the board completion of the transfer, less than 1015% of the equity securities of a person that applies for or holds a casino license or supplier license and that meets the standards for waiver of the eligibility and suitability**

requirements for qualification and licensure under the act and these rules may occur without first receiving board approval but is subject to other requirements of this part.

~~(4) This part applies to a person that transfers or acquires more than a 1% interest in a person, other than a publicly traded corporation, that has applied for or holds a casino license or supplier license in Michigan. This part also applies to a person who will, as a result of an acquisition approved by the board, acquire an interest totaling more than 1% in a person, other than a publicly traded corporation, that has applied for or holds a casino license or supplier license in Michigan.~~

~~(5) The board shall not approve a transfer of any interest that is more than a 5% interest in a publicly traded corporation that has applied for or holds a casino license or a supplier license in Michigan unless the board first determines the individual qualifications of each person that acquires the interest in accordance with the relevant qualification and licensing standards set forth in the act and these rules.~~

~~(6) The board shall not approve a transfer of any interest that, upon board approval, will result in a person acquiring an interest of more than 5% in a publicly traded corporation that has applied for or holds a casino license or supplier license in Michigan, unless the board first determines the individual qualifications of each person that acquires the interest in accordance with the relevant qualification and licensing standards set forth in the act and these rules.~~

~~(7) The board shall not approve a transfer of any interest that is more than a 1% interest in a person that is not a publicly traded corporation and that has applied for or holds a casino license or a supplier license in Michigan unless the board first determines the individual qualifications of each person that acquires the interest in accordance with the relevant qualification and licensing standards set forth in the act and these rules.~~

~~(8) The board shall not approve a transfer of any interest that, upon board approval, will result in a person acquiring an interest of more than 1% in a person, other than a publicly traded corporation, that has applied for or holds a casino license or supplier license in Michigan, unless the board first determines the individual qualifications of each person that acquires the interest in accordance with the relevant qualification and licensing standards set forth in the act and these rules.~~

(94) The organizational documents of all persons who have applied for or hold a casino license or supplier license shall **must** contain a provision **stating** that transfers of ownership interests in the applicant or licensee may only be made in accordance with this rule before the issuance of the license for which application is made.

(5) A transfer of interest in a supplier licensee may occur without first receiving board approval if the transfer is between persons the board has found eligible, qualified, and suitable for licensure during the licensing period in which the transfer occurs. In those cases, approval of the transfer must be requested no later than 30 days after the transfer, and the executive director may decide the application. If approval is denied, the transferee must divest itself of the interest within 30 days after the date of the order denying approval.

R 432.1504 ~~Required qualification; w~~Waiver for institutional investors.

Rule 504. (1) ~~A person, other than an institutional investor who complies with R 432.501(3) and subrule (2) of this rule, who, individually or in association with others, acquires any~~

interest, directly or indirectly, that is either of the following shall apply to the board for a finding of suitability within 45 days after acquiring the interest:

~~–(a) More than 5% in a publicly traded corporation that has applied for or holds a casino license or supplier license in Michigan or that is the holding company or intermediary company of the publicly traded corporation or which acquisition, upon approval by the board, will result in the person acquiring more than a 5% interest in a publicly traded corporation that has applied for or holds a casino license or supplier license in Michigan or that is the holding company or intermediary company of the publicly traded corporation.~~

~~–(b) More than 1% in a person that is not a publicly traded corporation and that has applied for or holds a casino license or a supplier license in Michigan or which acquisition, upon approval by the board, will result in the person acquiring more than a 1% interest in a person that is not a publicly traded corporation and that has applied for or holds a casino license or supplier license in Michigan.~~ (21) An institutional investor who, individually or in association with others, acquires, directly or indirectly, beneficial ownership of a person that has applied for or holds a casino license or supplier license shall notify the board within 104 business days after the institutional investor acquires the interest or files form 13-D or 13-G with the securities and exchange commission **Securities and Exchange Commission**, or both, and shall provide additional information, and may be subject to a finding of suitability, as required by the board.

(32) An institutional investor who acquires ~~more~~ **and holds a less than 15% 10%** of an interest in a person that has applied for or holds a casino license or supplier license in Michigan **this state** may apply to the board for a waiver of the eligibility and suitability requirements of the act and these rules if the total interest held by the institutional investor is ~~not more than 15%.~~ **The licensee in whom the institutional investor acquires the interest must file an application for approval of the transfer within 30 days after the transfer. Within the same time period, the institutional investor must file either an application for a waiver or application and disclosure forms for qualification as part of the relevant licensee's license.**

(3) Unless otherwise provided by the board, an application for a waiver shall include all of the following information:

(a) A description of the institutional investor's business and a statement as to why the institutional investor is within the definition of institutional investor.

(b) A certification made under oath and subject to the penalty of perjury that the interest was acquired, and is being held, for investment purposes only and was acquired, and is being held, in the ordinary course of business as an institutional investor and not for the purpose of causing, directly or indirectly, the election of a majority of the board of directors or any change in the corporate charter, bylaws, management, policies, or operations of the person in which the institutional investor has acquired the interest. The signatory shall also certify that it is not its current intention to influence or affect the affairs of the person in which it has acquired the interest. In addition, the signatory shall explain the basis of his or her authority to sign the certification and to bind the institutional investor to its terms. The certification shall also provide that the institutional investor agrees to be bound by, and comply with, the act and this part, is subject to the jurisdiction of the courts of Michigan, and consents to Michigan **this state** as the choice of forum if a dispute, question, or controversy arises regarding the application of this rule.

(c) The name, address, telephone number, and social security number of the officers and directors, or their equivalent, of the institutional investor as well as those persons who have direct control over the institutional investor's holdings of voting securities of the person in which the institutional investor has acquired the interest.

(d) The name, address, telephone number, and social security number or federal tax identification number of each person who has the power to direct or control the institutional investor's exercise of its voting rights as a holder of voting securities of the person in which it has acquired the interest.

(e) The name of each person who beneficially owns ~~more~~ **greater** than 5% of the institutional investor's voting securities or other equivalent.

(f) To the extent known by the institutional investor, a list of the institutional investor's affiliates that have ~~more~~ **greater** than a 5% interest in the institutional investor.

(g) A list of all equity securities of the person in which the institutional investor has acquired an interest subject to this part that are or were, directly or indirectly, beneficially owned by the institutional investor or its affiliates within the preceding 1-year period. This list shall set forth a description of the securities, the amount of the securities, and the date of the acquisition or sale, or both.

(h) A list of all regulatory agencies with which the institutional investor or any of its affiliates that beneficially own equity securities of the person in which it has acquired an interest subject to this part files periodic reports, and the name, address, and telephone number of the person, if known, to contact at each agency regarding the institutional investor.

(i) To the extent known, a disclosure of all criminal sanctions imposed against the institutional investor, its affiliates, and any of its current or former officers or directors during the preceding 10 years. A disclosure of all regulatory sanctions imposed during the preceding 10 years and of any administrative or court proceedings filed against the institutional investor, its affiliates, or any of its current officers or directors in the preceding 5 years, or any former officer or director whose tenure ended within the preceding 12 months.

(j) A copy of any filing made under 15 U.S.C. §USC 18a with respect to the acquisition or proposed acquisition of securities of the person in which it has acquired the interest subject to this part.

(k) Any additional information the board may request to ensure compliance with the act and these rules.

~~(4) Each institutional investor who, individually or in association with others, acquires, directly or indirectly, the beneficial ownership or more than 15% of an equity interest in a person that has applied for or is the holder of a casino license or supplier license or that is the holding company or intermediary of a person that has applied for or is the holder of a casino license or supplier license, shall apply to the board for approval of the acquisition within 45 days after acquiring the interest.~~

~~(54)~~ The board may require that any person, **including an institutional investor**, seeking approval to ~~acquire and~~ hold ownership interests subject to this part apply for a finding of suitability in accordance with this rule if the board deems the finding of suitability necessary to ensure compliance with the act and these rules. **If the board denies a request for an institutional investor waiver, the institutional investor must, within 30 days, either divest itself of the interest or file application and disclosure forms for qualification as part of the relevant licensee's license.**

(65) The following activities ~~shall be~~ deemed to be consistent with holding equity securities for investment purposes only under ~~subrule (3) (b) of this rule:~~

(a) Voting, directly or indirectly, through the delivery of a proxy furnished by the board of directors, on all matters voted on by the holders of the voting securities.

(b) Serving as a member of a committee of creditors or security holders formed in connection with a debt restructuring.

(c) Nominating a candidate for election or appointment to the board ~~of~~ directors in connection with a debt restructuring.

(d) Accepting appointment or election as a member of the board of directors in connection with a debt restructuring and serving in that capacity until the conclusion of the member's term.

(e) Making financial and other inquiries of management of the type normally made by securities analysts for information purposes and not to cause a change in its management, policies, or operations.

(f) Other activities that the board determines to be consistent with the investment intent.

(76) A person created under the laws of a foreign country, who acquires an interest of ~~more~~ **greater** than 5% in a publicly traded corporation that has applied for or holds a casino license or supplier license or ~~more~~ **greater** than 1% in a nonpublicly traded person that has applied for or holds a casino license or supplier license, shall file reports as the board may prescribe and is subject to a finding of suitability under the act.

~~(8) A person whose application to be qualified to acquire and hold an interest in a person that has applied for or holds a casino license or supplier license in Michigan is denied by the board shall not hold, directly or indirectly, an equity interest in the licensee or applicant beyond the period of time prescribed by the board and shall be removed immediately from a position as a director, officer, key person, or employee of the person.~~

~~(9) These rules do not apply to an underwriter during the first 90 days of the underwriting.~~

~~(10) A person applying for or holding a casino license or supplier license in Michigan shall notify a person desiring to acquire an interest subject to this part of the requirements of this rule. The obligations of the person subject to this rule are independent of, and unaffected by, the failure to give notice of the requirements of this rule.~~

R 432.1506 ~~Repurchase of interest~~**Rescinded.**

~~Rule 506. (1) Within 30 calendar days of the earlier of the failure of an applicant for qualification to acquire and hold an ownership interest subject to this part to request a hearing after receiving a notice of denial or of the exhaustion of the hearing or appellate process, the person in which the applicant acquired the ownership interest shall purchase all of the interest held by the unsuccessful applicant who was served with the notice of denial. The applicant who was served with the notice of denial shall sell all of the interest back to the person from which it acquired the interest within 30 days.~~

~~(2) The ownership interest shall be purchased at the lesser of the market price of the ownership interest or the price at which the unsuccessful applicant purchased the ownership interest.~~

R 432.1508 Debt acquisition generally.

Rule 508. (1) A person that has applied for or holds a casino license in ~~Michigan~~**this state**, or a holding company or affiliate that has control of a person that has applied for or holds a

casino license in ~~Michigan~~**this state**, may enter into debt transactions affecting the capitalization or financial viability of its Michigan gambling operation or casino operation only in accordance with the act and these rules.

(2) A person that has applied for or holds a casino license in ~~Michigan~~**this state**, or another person that has control of a person that has applied for or holds a casino license in ~~Michigan~~**this state**, shall stamp or otherwise mark ~~each page of its~~ debt transaction documents that it submits to the board with the word "confidential," if the material submitted is not subject to disclosure. The person shall, at the request of the executive director or the board, provide a justification explaining the confidential nature of the documents. The board may determine that the information marked "confidential" is subject to disclosure.

R 432.1509 Debt transactions requiring board approval; process.

Rule 509. (1) A person that holds a casino license in ~~Michigan~~**this state**, or a holding company or affiliate that has control of a person that holds a casino license in ~~Michigan~~**this state**, may not ~~enter into~~**close on** any debt transaction affecting the capitalization or financial viability of its Michigan gambling operation or casino operation without first receiving the approval of the board. A person applying for a casino license in ~~Michigan~~**this state** shall immediately notify the board upon entering into any debt transaction affecting the capitalization or financial viability of its proposed Michigan gambling operation or casino operation. The board shall consider debt transactions in determining the suitability of a person to be granted or to hold a casino license in ~~Michigan~~**this state**.

(2) A person that holds a casino license in ~~Michigan~~**this state**, or a holding company or affiliate of a person that holds a casino license in ~~Michigan~~**this state**, shall submit, in writing, a request for approval of a debt transaction that is subject to this rule. The procedure for requesting approval shall be as follows:

(a) A person shall submit the request for approval not less than 10 days before a scheduled meeting of the board. The executive director shall place the request for approval of a debt transaction on the agenda of the board meeting.

(b) A representative of the person requesting approval of the debt transaction shall be present at the board meeting to answer any questions posed by the board, the executive director, or his or her designee.

~~(c) The approval of the debt transaction will be discussed, and a decision issued by the board, at the next meeting of the board.~~

(3) The request for approval of a debt transaction shall contain, at a minimum, all of the following information:

(a) The names and addresses of all parties to the debt transaction.

(b) The amount of the funds involved.

(c) The type of debt transaction.

(d) The source of the monies obtained by the person requesting approval of the debt transaction.

(e) All sources of collateral.

(f) The purpose of the debt transaction.

(g) The terms of the debt transaction.

(h) All filings that must be submitted to any regulatory agency in association with the debt transaction.

(i) An executive summary of the debt transaction.

(j) Other information deemed necessary by the executive director or the board to ensure compliance with the act and these rules.

R 432.1511 Denial of approval of debt transaction.

Rule 511. If the board denies approval of a debt transaction that is subject to this part, then the person requesting approval ~~of to enter into~~ the debt transaction may not ~~enter into~~ **close on** the debt transaction.

PART 7. DENIAL AND EXCLUSION HEARINGS

R 432.1701 Hearings generally.

Rule 701. (1) **Unless a hearing under section 6(7) of the act, MCL 432.206, is available,** ~~A~~ a person whose application for a license or a transfer of ownership has been denied, whose license has not been renewed, who has been placed on an exclusion list, or who has been denied an approval from the board required in these rules may request a hearing. The hearing will be de novo.

(2) The petitioner ~~shall~~ **must** submit an original ~~and 2 copies~~ of any **hearing** request, pleading, or other written document ~~submitted to the board's principal location at its offices in Ingham county~~ and **shall must** serve each party or attorney of record and provide a proof of service on each party or attorney of record.

R 432.1702 Request for hearing.

Rule 702. (1) A request for hearing ~~shall~~ **must** meet all of the following requirements:

(a) Be in writing.

(b) State the name, current address, and current telephone number of the petitioner.

(c) State in detail the reasons why, and the facts upon which the petitioner will rely to show that, the petitioner's application for a license should not have been denied, the license should have been renewed, the transfer of ownership should have been approved, the petitioner should not have been placed on the exclusion list, or approval should have been granted; ~~including specific responses to any facts enumerated in the board's notice of denial, notice of non-renewal, or notice of exclusion.~~

(d) **Be signed, verified, and dated.** ~~A petitioner shall sign, verify, and date a request for hearing.~~ A petitioner ~~shall~~ **must** have the verification notarized and ~~shall~~ include a certification stating, "Under the penalty of perjury, the undersigned has examined this request for hearing and to the best of my knowledge and belief, it is true, complete, and correct."

(2) **A request for hearing must be submitted** ~~petitioner shall submit a request for hearing~~ within 21 days after service of the notice of denial, notice of nonrenewal, exclusion, or disapproval. **A request for a hearing submitted by certified mail or overnight express mail will be deemed submitted in a timely manner if it is postmarked not later than 21 days after service of a notice of denial, notice of nonrenewal, exclusion, or disapproval.** ~~The request for hearing shall meet both of the following requirements:~~

~~(a) The petitioner shall submit a request for hearing to the board at the board's office in Ingham county.~~

~~(b) A request for a hearing submitted by certified mail or overnight express mail shall be deemed submitted in a timely manner if it is postmarked not later than 21 days after service of a notice of denial, nonrenewal, or exclusion in accordance with the act.~~

(3) A request for a hearing ~~shall be~~ deemed granted unless denied.

(4) Once a request for a hearing is granted, the executive director ~~shall~~ will assign a title and case number to the matter.

(5) A request for a hearing may ~~not~~ be withdrawn **by the petitioner. If the request for hearing is withdrawn or voluntarily dismissed if the board determines that withdrawal or voluntary dismissal is not in the best interest of the public or the gaming industry. If the board allows a petitioner to withdraw a hearing request, then the initial denial, nonrenewal, placement on the exclusion list, or disapproval becomes a final board order.**

(6) **Unless the board denies a request for hearing, the board shall will appoint a board member or an administrative hearing officer to conduct a hearing in accordance with this rule submit the request for hearing to the appropriate state agency, and a hearing will be conducted in accordance with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.** The board shall serve the petitioner with a copy of the letter of appointment. The letter shall serve as notice of the pendency of the hearing. The hearing officer who is to conduct the hearing shall establish a hearing date and notify the parties. The hearing officer may hold prehearing conferences to resolve discovery disputes or any other matters. The board member or hearing officer may do all of the following:

~~(a) Issue subpoenas to compel the attendance of witnesses and the production of papers and documents.~~

~~(b) Authorize the taking of depositions.~~

~~(c) Administer oaths.~~

~~(d) Receive evidence.~~

~~(e) Rule on amendment to pleadings and the admissibility of evidence.~~

~~(f) Exclude, sequester, and examine witnesses.~~

~~(g) Set reasonable time frames within which a party may present evidence and within which a witness may testify.~~

~~(h) Permit and set limits on oral argument.~~

~~(i) Issue interim orders.~~

~~(j) Establish dates and times for all hearings.~~

~~(k) Recess a hearing from day to day and place to place.~~

~~(l) Request briefs before or after the board member or hearing officer files written recommendations, findings of fact, and conclusions of law.~~

~~(m) Perform other duties necessary to ensure the parties are provided a fair and proper hearing.~~

(7) Default judgment or dismissal may result at any stage of the proceeding. ~~If a petitioner fails to take action for which it is responsible for a period of 60 days, then default judgment may be entered against the petitioner and the case may be dismissed unless the petitioner shows good cause for failing to take action.~~

R 432.1704 ~~Discovery~~ **Rescinded.**

~~Rule 704. Discovery may be granted, in the discretion of the hearing officer, after the filing of a written request stating the reasons why discovery is necessary and after adverse parties and attorneys of record have had an opportunity to respond to the request. Witness and exhibit lists shall be exchanged 10 days before a hearing or earlier if ordered by the hearing officer. The hearing officer may exclude any witnesses or exhibits not disclosed in a timely manner.~~

R 432.1706 Motions for summary judgment and other appropriate motions.

Rule 706. (1) The hearing officer may recommend a directed finding, dismissal, or summary judgment upon the filing of an appropriate motion by any party.

(2) Affidavits, depositions, admissions, or other documentary evidence may be submitted by a party to support or oppose the motion. Against a motion so supported, an adverse party may not rest upon the mere allegations or denials of his or her pleading, but shall, by affidavits, depositions, admissions, or other documentary evidence, set forth specific facts showing that there is a genuine issue for a contested case hearing.

(3) If requested by ~~one~~ **1** of the parties, the hearing officer shall hear arguments on the motion for summary judgment or other appropriate motion. The hearing officer may require the parties to brief their positions in support of or against the motion for summary judgment or other appropriate motion.

R 432.1707 Continuance.

Rule 707. (1) A motion to continue a hearing ~~or deposition~~ shall be made not less than 10 days before the hearing ~~or deposition~~ date, unless the requesting party can show good cause otherwise.

(2) A continuance may be granted by the hearing officer upon a showing of good cause.

(3) The hearing officer may order a continuance of a hearing on the hearing officer's own initiative.

R 432.1712 **Recording proceedings;** ~~Transmittal of record and recommendation to board.~~

Rule 712. (1) Oral proceedings involving contested issues ~~shall~~ **must** be recorded ~~stenographically or by such means that adequately to ensure the preservation of the testimony. or oral proceedings and shall be transcribed at the request of a party.~~ **A party may request a transcript of the proceedings.** The requesting party ~~shall~~ **must** pay for the transcript.

(2) **Unless otherwise specified by the board, the hearing officer, ~~W~~within ~~90~~ 60 days** of the conclusion of the hearing, or the submission of post-hearing briefs or proposed findings of fact, ~~the hearing officer shall will~~ issue, to the board and to the parties, written findings of fact, conclusions of law, and recommendations. Findings of fact ~~shall~~ **must** be based exclusively on testimony, evidence, and matters within the record. The findings of fact ~~shall~~ **must** be stated separately. ~~Within 60 days from the issuance of the findings of fact, conclusions of law, and recommendations of the hearing officer, the parties may file objections to the written findings of fact, conclusions of law, and recommendations issued by the hearing officer.~~

(3) **Unless otherwise agreed to by the parties or as set by the hearing officer, the parties shall have 21 days from the service of the findings of fact, conclusions of law, and recommendations of the hearing officer to file objections.**

(4) **Unless otherwise agreed to by the parties or as set by the hearing officer, the parties may file a response to the objections within 21 days from service of the objections.**

(5) **After the time period for the parties to file objections and responses to those objections, the hearing officer must transmit the entire record to the board.**

(36) ~~All of the following requirements apply to a final board order:~~

~~(a) Before issuing a final order~~ When issuing a final board order, the board shall consider the record as a whole or shall consider the portion of the record cited by any party to the proceeding and supported by, and in accordance with, the competent, material, and substantial evidence. ~~The board may require that the parties present oral argument before the board.~~

(7) After considering the record, ~~the board may take any of the following actions:~~

~~(ia) The board may~~ **Affirm** the written recommendations, findings of fact, and conclusions of law submitted by the hearing officer as its final board order.

~~(iib) The board may~~ **Issue a final order** modifying the written recommendations, findings of fact, and conclusions of law submitted by the hearing officer.

~~(iiic) The board may dissolve~~ **Issue a final order rejecting** the written recommendations, findings of fact, and conclusions of law submitted by the hearing officer.

~~(ivd) The board may~~ **Issue an order** remanding the matter, with instructions, to the hearing officer for further proceedings.

~~(v) In the absence of an objection or notice by the board to review any issue relating to the written recommendations, findings of fact, and conclusions of law submitted by the hearing officer, the board shall affirm the written recommendations, findings of fact, and conclusions of law.~~

~~(vi) The board shall issue a written order of the proceeding shall be remanded to the hearing officer for further proceedings within 60 days of any of the following, whichever is later, unless the period is waived or extended with the written consent of all parties or for good cause shown:~~

~~(A) The date that the written recommendations, findings of fact, and conclusions of law were issued under subrule (2) of this rule.~~

~~(B) The receipt of briefs or proposed findings of fact.~~

~~(C) The close of oral argument.~~

~~(D) Expiration of the time for filing objections to the written findings of fact, conclusions of law, and recommendations of the hearing officer.~~

~~(8)(b) The board shall~~ **must** serve copies of ~~its~~ **the final board orders** on the parties by personal delivery or certified mail.

~~(9)(e) A final board order shall~~ becomes effective upon ~~service~~ **personal delivery to the parties or upon the posting of certified mail.**

R 432.1713 ~~Status of applicant for licensure or transfer upon filing request for hearing on notice of denial~~ **Rescinded.**

~~—Rule 713. An applicant who has been denied a license, whose license has not been renewed, who has had a request for transfer of ownership denied, whose request for transfer of an ownership interest has been denied, or who has been placed on an exclusion list and who has requested a hearing under this rule is considered an applicant for purposes of compliance with applicable statutory provisions and board rules.~~

R 432.1715 Declaratory ruling; notice of issuance; request for information or arguments; hearing.

Rule 715. (1) Within ~~90~~ **60** calendar days of the receipt of the request for a declaratory ruling, the board will issue a written notification by regular first-class mail to the petitioner

and the petitioner's legal counsel, if any, stating whether or not a declaratory ruling will be issued.

- (2) If the board decides to issue a declaratory ruling, the board may do any of the following:
- (a) Request more information from the person.
 - (b) Request information from other interested persons.
 - (c) Request information from experts outside the board.
 - (d) Request oral or written arguments from interested parties.
 - (e) Hold a hearing upon proper notice to all interested parties.
 - (f) **Decline to issue** ~~Issue~~ a declaratory ruling.

PART 8. CONDUCT OF GAMING/GAMING EQUIPMENT

R 432.1803 Minimum and maximum wagers.

Rule 803. There shall be no limitation as to the minimum or maximum wager ~~that~~ a casino licensee may accept. **This rule does not preclude a casino licensee from limiting a patron's wager for reasons deemed necessary or appropriate by the casino licensee.**

R 432.1804 Floor plans.

Rule 804. (1) A casino licensee or casino license applicant shall submit a floor plan or floor plans outlining each floor of the casino and the location, number, or position of each ~~electronic gaming device~~ **EGD** and live gaming device. A licensee or license applicant shall submit the floor plan or floor plans to the board not less than 30 days before the commencement of gambling operations.

(2) A casino licensee **must submit** ~~shall provide notice~~ to the board of material changes in a casino floor plan **in the manner and form prescribed by the board** before implementing the change.

R 432.1811 Live gaming device table requirements.

Rule 811. **(1)** All of the following minimum requirements apply to a live gaming device:

- (a) A live gaming device shall be capable of having a drop box attached to it that is in compliance with all of the following requirements:
 - (i) The box has 1 lock that secures the contents of the drop box.
 - (ii) The box has a separate lock that attaches the drop box to the live gaming device. The keys to the lock securing the contents of the drop box and attaching the drop box to the live gaming device shall be separate.
 - (iii) The box has a slot opening through which currency, coins, ~~tickets~~**tokens**, chips, forms, records, and documents can be inserted into the drop box.
 - (iv) The box shall be equipped with a mechanical device that automatically closes and locks the slot opening upon removal of the drop box from the live gaming device.
 - (v) The box is attached to ~~the side of~~ the live gaming device table at which the dealer is located or at another location approved by the board.
 - (vi) The box has the ~~type of game, the shift, and the~~ live gaming device table number to which the drop box is attached ~~permanently imprinted~~ on the drop box. The imprinted information shall be clearly visible.

(b) A live gaming device shall be capable of having a tip box attached to it for the deposit of tips and gratuities received by the dealer. The tip box shall be in compliance with all of the following requirements:

- (i) ~~It shall be~~ Be a transparent container.
- (ii) ~~It shall be~~ Be capable of being locked.
- (iii) ~~It shall be~~ Be capable of being secured to the table by means of a chain, a lock, or the equivalent. If the tip box is attached by means of a lock, then the key to remove the tip box from the table shall be separate from the key that opens the tip box.
- (iv) ~~It shall be~~ Be attached to the side of the live gaming device table at which the dealer is located or at another location approved by the board.

(c) A casino licensee may have emergency drop boxes to replace the drop boxes on a temporary basis. The emergency drop boxes shall be in compliance with the requirements in this rule and shall have the word "EMERGENCY" ~~permanently and~~ clearly imprinted on the boxes.

(2) Nothing in these rules prohibits using electronic progressive or bonusing equipment in conjunction with play on a live gaming device.

(3) Nothing in these rules prohibits using electronic equipment to monitor or assist in the conduct of a live game.

Rule 432.1812 Live gaming inventory; **placement of live gaming device.**

Rule 812. (1) The casino licensee must assign a unique number to each live gaming device, which will be known as the asset number.

(2) The casino licensee must maintain an inventory of live gaming devices.

The inventory must include all of the following information:

- (a) The asset number assigned to the live gaming device by the casino licensee.
- (b) The type of game for which the live gaming device is designed and used.
- (c) The location of each live gaming device.
- (d) The manufacturer of the live gaming device.

(3) A casino licensee must submit the inventory report to the board on a form prescribed by the board within 10 days of the issuance of the casino license and on each subsequent anniversary date of the issuance of the casino license.

(4) Unless otherwise authorized by the board, a live gaming device may be installed only in a licensed casino.

R 432.1813 Playing card specifications.

Rule 813. All playing cards utilized by a casino licensee shall be in compliance with all of the following specifications:

(a) Unless otherwise provided in this part or in the rules of the game document, all decks of cards shall be 1 complete standard deck of 52 cards in 4 suits. The 4 suits shall be hearts, diamonds, clubs, and spades. Each suit shall consist of all of the following numerical cards:

- (i) Two to 10.
- (ii) A jack.
- (iii) A queen.
- (iv) A king.
- (v) An ace.

(b) The backs of each card in a deck shall be identical and no card shall contain any marking, symbol, or design that will enable a person to know the identity of any element printed on the face of the card or that will differentiate the back of that card from any other card in the deck.

(c) All edges shall be perfectly square with each side at a precise 90 degree angle to each adjacent side of the card.

(d) The radius of all 4 corners shall be exactly the same.

(e) The name, trade name, or logo of the casino licensee or casino license applicant shall be imprinted on the back side of each playing card twice in a mirror image. The mirror imaged name, trade name, or logo of the casino licensee or casino license applicant shall be spaced a minimum of 3/4 of an inch apart.

(f) If playing cards have a white border, then the border shall be a minimum of 3/16 of an inch on each side of the card.

(g) In the hearts suit, the hearts shall be a burgundy red color.

(h) In the diamonds suit, the diamond pips shall be a burgundy red color.

(i) In the spades suit, the spades shall be a black color.

(j) In the clubs suit, the trefoil-shaped figure shall be a black color.

(k) All ~~finished~~ new card decks **must arrive at the casino wrapped in** ~~are to be packaged using a cellophane, or shrink wrap~~ **packaging, or with** ~~in single deck boxes that have a tamper-resistant security seal and a tear band.~~

(l) The manufacturer's identification name shall be placed on each ~~deck~~-box, **unless the box contains card decks for use in poker.**

~~(m) The manufacturer's identification name shall be placed on each box containing individual decks of playing cards.~~

R 432.1816 Storage of cards or dice.

Rule 816. (1) All dice or playing cards that are not being utilized at a live gaming device shall be kept in locked compartments.

(2) Dice and playing cards shall not be left at a live gaming device while unattended.

(3) Casino licensees shall maintain an inventory of all dice and playing cards on forms prescribed by the board. The inventory shall contain all of the following information:

(a) The date on which dice and playing cards are received.

(b) The quantity of the dice and playing cards received.

(c) The name, business address, and business telephone number of the manufacturer from which the dice or playing cards are received.

(d) The quantity of dice and playing cards that are placed into play each day.

(e) The quantity of dice and playing cards that are removed from play due to suspected tampering and the date of the removal.

(f) The quantity of dice and playing cards that are removed from play and canceled each day.

~~(4) A casino licensee shall conduct a physical inventory of the dice and playing cards every 3 months.~~ A casino licensee shall record the results of the physical inventory on forms prescribed by the board. A casino licensee shall reconcile inventory maintained in subrule (3) of this rule with the results of the physical inventory. A casino licensee shall immediately report any discrepancies in the inventory forms and the physical inventory to the board.

R 432.1817 Inspection of cards.

Rule 817. ~~(1) When playing cards are accepted~~**received** for play at a live gaming device, the occupational licensee ~~accepting~~**receiving** the playing cards ~~shall inspect the playing cards to ensure the playing cards comply with this rule.~~**must do the following:**

(a) Inspect the cards for crimps, bends, cuts, shaving, or any other defect that could affect the integrity or fairness of the game.

(b) Verify that the deck is complete, either manually or by using associated equipment.

(c) Reject the deck if it is incomplete or if any of the cards have any defect that could affect the integrity or fairness of the game, such as the defects listed in subdivision (a) of this rule.

~~–(2) Playing cards shall be inspected by sorting the cards sequentially by suit and inspecting the sides of the cards for crimps, bends, cuts, shaving, or any other defect that would affect the integrity or fairness of the game.~~

R 432.1819 Casino gaming wagering; cashless wagering system required.

Rule 819. **(1)** A casino licensee ~~shall~~ **must** use a cashless wagering system in its gambling operation. The system ~~shall~~ **must** convert a player's money to chips, ~~token~~**stickets**, electronic cards, or electronic credits **as** approved by the board. ~~A player shall use the chips, tokens, electronic cards, or electronic credits for wagering on gambling games at the casino.~~

(2) Casino gaming wagers may be made only with board-approved chips, ~~token~~**stickets**, **coupons**, ~~or~~ electronic cards, or electronic credits. The chips, ~~token~~**stickets**, **coupons**, electronic cards, and electronic credits may only be used and redeemed at the **issuing** casino ~~at which they are issued~~ **or as approved by the board.**

R 432.1820 ~~Cashing in~~**Reportable transactions.**

Rule 820. A casino licensee ~~shall~~ **must** comply with all federal and state regulations for the withholding of taxes from winnings or the filing of currency transaction reports, or both. A patron shall produce an identification card confirming information required by all federal and state regulations for the withholding of taxes from winnings or currency transaction reports, or both, before the disbursement of winnings.

R 432.1821 Submission of chips for review and approval.

Rule 821. (1) A casino licensee shall submit, to the board ~~for approval~~, a sample of each denomination of value and nonvalue chips in its primary and secondary sets and shall not utilize the chips for gaming purposes ~~unless it~~ **approved by the executive director board.**

(2) In requesting approval of the chips, a casino licensee, before having any chips manufactured, shall first submit, to the board, a detailed schematic of its proposed chips, ~~or a sample chip, which shall~~ **that** shows the front, back, and edge of each denomination of value chip and each nonvalue chip and the design and wording to be contained on the chip, all of which shall be depicted on the schematic ~~or chip~~ as they will appear, both as to size and location, on the actual chip. Once the design schematics ~~or chip~~ is approved by the board, a **sample of each** value or nonvalue chip **must** ~~shall not be issued or utilized until a sample of each denomination of value chip and each color of nonvalue chip is also submitted to, and approved by, the board~~ **be sent to the board by the casino licensee.**

(3) A casino licensee or other person licensed by the board shall not manufacture for, sell to, distribute to, or use in, any casino outside ~~Michigan~~**this state** any value or nonvalue chips that have the same edge ~~or center~~ design as chips approved for use in ~~Michigan~~**this state**.

R 432.1822 Chip specifications.

Rule 822. (1) All of the following specifications apply to value chips:

(a) A chip issued by a casino licensee shall be round in shape and have the name of the casino and the specific value of the chip clearly and permanently impressed, engraved, or imprinted on the chip, except that a casino licensee may issue gaming chips without a value impressed, engraved, or imprinted on the chip for roulette. A chip that has a value contained on the chip shall be known as a "value chip" and a chip that does not have a value contained on the chip shall be known as a "nonvalue chip."

(b) A value chip may be issued by the casino licensee in denominations of **25 cents**, 50 cents, \$1.00, \$2.50, \$5.00, \$20.00, \$25.00, \$100.00, \$500.00, \$1,000.00, ~~and~~ \$5,000.00, **and \$25,000.00**. The casino licensee shall have discretion to determine the denominations to be utilized in its casino and the amount of each denomination for the conduct of casino gaming operations.

(c) Each denomination of value chip shall have a primary color different from every other denomination of value chip. Value chips shall fall within the colors set forth in this subdivision when the chips are viewed both in daylight and under incandescent light. In conjunction with the primary colors, each casino licensee shall utilize contrasting secondary colors for the edge spots on each denomination of value chip. Unless otherwise approved by the executive director, a casino licensee shall not use a secondary color on a specific denomination of chip identical to the secondary color used by another casino licensee on the same denomination of the value chip. The primary color that a casino licensee shall utilize for each denomination of value chip is as follows:

(i) 25 cents "Peach."

~~(ii)~~ 50 cents "Mustard yellow."

~~(iii)~~ \$1.00 "White."

~~(iv)~~ \$2.50 "Pink."

~~(v)~~ \$5.00 "Red."

~~(vi)~~ \$20.00 "Yellow."

~~(vii)~~ \$25.00 "Green."

~~(viii)~~ \$100.00 "Black."

~~(ix)~~ \$500.00 "Purple."

~~(x)~~ \$1,000.00 "Fire orange."

~~(xi)~~ \$5,000.00 "Gray."

(xii) \$ 25,000.00 "Watermelon."

(d) Each denomination of value chip utilized by a casino licensee shall, unless otherwise authorized by the board, be in compliance with all of the following specifications:

(i) Have a center portion containing the value of the chip and the casino issuing it of a different shape from each other denomination.

(ii) Be designed so that the specific denomination of the chip can be determined on closed circuit black and white television when placed in a stack of chips of other denominations.

(iii) Be designed, manufactured, and constructed so as to prevent, to the greatest extent possible, the counterfeiting of the chips or each chip shall have an embedded microchip identifying the issue and denomination of the chip.

(e) The board ~~has the discretion to~~**may** approve a value chip in denominations that deviate from the requirements of this rule if deviation is specifically identified by the casino licensee and if the deviation does not affect the control, security, or integrity of the chips or the operation of the games.

(2) All of the following provisions apply to nonvalue chips:

(a) Each nonvalue chip utilized by a casino shall be issued solely for the purpose of gaming at roulette. Nonvalue chips at each roulette table shall be in compliance with all of the following requirements:

(i) Have the name of the casino issuing it impressed, engraved, or imprinted into its center.

(ii) Contain a design, insert, or symbol differentiating it from the nonvalue chips being used at every other roulette table in the casino.

(iii) Have the word "roulette" impressed on it.

(iv) Be designed, manufactured, and constructed so as to prevent, to the greatest extent possible, the counterfeiting of the chips.

(b) Nonvalue chips issued at a roulette table shall only be used for gaming at that table and shall not be used for gaming at any other table in the casino.

A casino licensee or its employees shall not allow a casino patron to remove nonvalue chips permanently from the table from which the chips were issued.

(c) An individual at a roulette table shall not be issued or permitted to wager with nonvalue chips that are identical in color and design to value chips or to nonvalue chips being used by another individual at the same table. When a patron purchases nonvalue chips, a nonvalue chip of the same color shall be placed in a slot or receptacle attached to the outer rim of the roulette wheel. At that time, a marker button denoting the value of a stack of 20 chips of that color shall be placed in the slot or receptacle.

(d) Nonvalue chips shall only be presented for redemption at the table from which they were issued and shall not be redeemed or exchanged at any other location in the casino gaming operation. When presented for redemption, the dealer at the table shall exchange the chips for an equivalent amount of value chips, which may then be used by the patron in gaming or redeemed in the manner provided for value chips.

(e) A casino licensee shall have the discretion to permit, limit, or prohibit the use of value chips in gaming in roulette. However, ~~it is the responsibility of~~ a casino licensee ~~to~~**must** keep an accurate account of the wagers being made at roulette with value chips so that the wagers made by one player are not confused with wagers made by another player at the table.

R 432.1823 Primary, secondary, and reserve sets of gaming chips.

Rule 823. (1) Unless otherwise authorized by the board, each casino shall have a primary set of value chips, a separate secondary set of value chips, and a nonvalue chip reserve that conform to the color and design specification set forth in these rules. An approved secondary set of value chips and reserve nonvalue chips shall be placed into active play if the primary set is removed.

(2) The secondary set of value chips shall have different secondary colors than the primary set of value chips. A secondary set of value chips is required for all denominations **greater than \$5.00**.

(3) A casino licensee shall have a nonvalue chip reserve for each color utilized in the casino and a design insert or symbol of the reserve chips shall be different from the nonvalue chips comprising the primary set.

(4) A casino licensee shall remove the primary set of ~~value gaming~~ chips from active play if any of the following provisions apply:

(a) A determination is made by the casino licensee or a board agent that the casino gaming operation is receiving a significant number of counterfeit chips.

(b) Any other impropriety or defect in the utilization of the primary set of chips makes removal of the primary set necessary.

(c) The board directs.

(5) If the primary set of **value** chips is removed from active play, then the casino licensee shall immediately notify the board as to the reason for the removal.

~~R 432.1824 Issuance and use of tokens for gaming in electronic gaming devices~~**Rescinded.**

~~Rule 824. (1) A casino licensee shall not issue, or cause to be utilized, in a casino gaming operation, any tokens for gaming in electronic gaming devices unless the tokens are approved by the board. In requesting approval of the tokens, a casino licensee shall first submit, to the board, a detailed schematic of its proposed token. The schematic shall show its front, back, and edge, its diameter and thickness, and any logo, design, or wording to be contained on the token, all of which shall be depicted on the schematic as they will appear, both as to size and location, on the actual token. Once the design schematics are approved by the board, a token shall not be issued or utilized until a sample of the token is also submitted and approved by the board.~~

~~(2) A casino licensee may, with the approval of the board, issue metal tokens designed for gaming in its electronic gaming devices. The tokens shall be in compliance with all of the following requirements:~~

~~(a) Clearly identify the name and location of the casino gaming operation issuing them.~~

~~(b) Clearly state the face value of the token.~~

~~(c) Contain the statement "Not Legal Tender."~~

~~(d) Contain, on at least 1 face, a statement approved by the board as to form and content that notifies a patron that the token will be accepted to activate play only in electronic gaming devices operated by the casino licensee that issued it.~~

~~(e) Not be deceptively similar to any current or past coin of the United States or a foreign country.~~

~~(f) Be of a size or shape or have other characteristics that will physically prevent their use to activate lawful vending machines or other machines designed to be operated by coins of the United States.~~

~~(g) Not be manufactured from a ferromagnetic material or from a 3-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core or from a copper based alloy, except if the total zinc, nickel, aluminum, magnesium, and other alloying metal is more than 25% of the token's weight.~~

~~(h) Incorporate the anti-counterfeit features and other security measures the board requires.~~

~~(i) Be disk shaped and conform to all of the following measurements:~~

~~(i) The diameter of the 5-cent denomination tokens shall be between 0.795 and 0.805 inches and the width must be between 0.072 and 0.078 inches.~~

- ~~–(ii) The diameter of the 10-cent denomination tokens shall be between 0.870 and 0.880 inches and the width must be between 0.058 and 0.067 inches.~~
- ~~–(iii) The diameter of the 25-cent denomination tokens shall be between 0.979 and 0.989 inches and the width between 0.064 and 0.070 inches.~~
- ~~–(iv) The diameter of the 50-cent denomination tokens shall be between 1.235 and 1.248 inches and the width between 0.077 and 0.083 inches.~~
- ~~–(v) The diameter of the \$1.00 denomination tokens shall be between 1.460 and 1.470 inches and the width between 0.098 and 0.104 inches.~~
- ~~–(vi) The diameter of the \$2.00 denomination tokens shall be between 1.335 and 1.348 inches and the width between 0.098 and 0.104 inches.~~
- ~~–(vii) The diameter of the \$5.00 denomination tokens shall be between 1.750 and 1.760 inches and the width between 0.119 and 0.125 inches.~~
- ~~–(viii) The diameter of the \$10.00 denomination tokens shall be between 1.695 and 1.705 inches and the width between 0.133 and 0.139 inches.~~
- ~~–(ix) The diameter of the \$25.00 denomination tokens shall be between 1.645 and 1.655 inches and the width between 0.093 and 0.099 inches.~~
- ~~–(x) The diameter of the \$100.00 denomination tokens shall be between 1.595 and 1.605 inches and the width between 0.077 and 0.083 inches.~~
- ~~–(3) Tokens approved for issuance by a casino licensee shall be in compliance with all of the following provisions:~~
 - ~~–(a) Be issued to a patron upon payment for the tokens, or in accordance with a complimentary distribution program authorized under the act or these rules.~~
 - ~~–(b) Be capable of insertion into designated electronic gaming devices operated by a casino licensee for the purpose of activating play.~~
 - ~~–(c) Be available as a payout from the hopper of electronic gaming devices.~~
 - ~~–(d) Be redeemable by the patron in accordance with the act and these rules.~~

R 432.1825 ~~Distribution of coupons for complimentary chips and tokens~~**Rescinded.**

- ~~–Rule 825. A casino licensee may, for specified marketing purposes, provide patrons of its casino gaming operation with coupons redeemable for complimentary chips or tokens, if both of the following requirements are satisfied:~~
 - ~~–(a) The processes and procedures for the control, accountability, and distribution of coupons for chips and tokens and for the redemption of the coupons are provided for in a casino licensee's internal control system and are in conformance with the internal control system.~~
 - ~~–(b) Periodic internal audits validate the integrity and accountability of the processes and procedures authorized and required under these rules.~~

R 432.1826 ~~Exchange of chips and tokens.~~

Rule 826. (1) A casino licensee ~~shall~~ **may** issue chips ~~to an individual only~~ **upon** ~~at the request of the individual~~ **a patron's request** and ~~shall~~ **a casino licensee may not be given** chips as change in any other transaction. **Unless otherwise permitted by the board, in writing,** ~~a~~ casino licensee shall issue chips only to casino patrons at cashier's cages or at the live gaming devices and ~~shall~~ **may** redeem chips only ~~at a cashier's cage~~ **in the casino at board-approved locations.**

~~(2) A casino licensee shall issue tokens only at the request of a patron and only from a cashier's cage, token dispenser, or employees of a casino licensee at the electronic gaming device area. A casino licensee shall redeem tokens only at a cashier's cage.~~

~~(3) Unless approved by the board, in writing, a~~ A casino licensee ~~shall~~ **may** redeem chips ~~or tokens~~ only from its patrons and ~~shall~~ **may** not knowingly redeem chips ~~or tokens~~ from any nonpatron source, except as follows:

~~(a) If nongaming employees of the casino present chips or tokens for redemption in the casinos provided in the approved internal control system of the casino.~~

~~(b) If another casino licensee presents chips or tokens for redemption that have been lawfully received by the casino licensee.~~

~~(c) Subject to the approval of the executive director~~**board**, if a person who is licensed to conduct gaming in another jurisdiction presents ~~chip~~**tokens** for redemption that have been lawfully received by the person.

~~(43) A casino licensee shall~~ **must** promptly redeem its own chips ~~and tokens~~ by cash or by check dated the day of the redemption on an account of the casino licensee, as requested by the patron, except when the chips ~~and tokens~~ were obtained or used unlawfully.

~~(54) A casino licensee may demand the redemption of its chips or tokens from any individual in possession of them. If demanded by a casino licensee, a~~ An individual ~~shall~~ **must** redeem the chips ~~or tokens~~ upon presentation of an ~~and receive from the casino licensee the equivalent amount of~~ **in cash or check dated the day of the redemption** ~~by the casino licensee.~~

~~(6) A casino licensee shall cause to be posted and keep posted, in a prominent place, both of the following signs:~~

~~(a) On the front of a cashier's cage, a sign that reads as follows: "Gaming chips issued by another casino may not be wagered or redeemed in this casino."~~

~~(b) On electronic gaming device token redemption booths, a sign that reads as follows: "Tokens issued by another casino may not be wagered or redeemed in this casino."~~

R 432.1828 Inventory of chips.

Rule 828. (1) Chips shall be taken from or returned to either the reserve chip inventory or the secondary set of chips in the presence of not less than 2 individuals, 1 of whom shall be a **manager or an individual** from the security department. The denominations, number, and amount of chips taken or returned shall be recorded in the chip inventory ledger together with the date and signatures of the individuals carrying out the process.

(2) A casino licensee shall, on a ~~monthly~~ **biweekly** basis, compute and record the unredeemed liability for each denomination of chips and ensure that an inventory of chips in circulation is made and ensure that the result of the inventory is recorded in the chips inventory ledger. On a monthly basis, a casino licensee shall ensure that an inventory of chips in reserve is made and ensure that the result of the inventory is recorded in the chip inventory ledger. A **casino** licensee shall submit the procedures to be utilized to compute the unredeemed liability and to inventory chips in circulation and reserve to the board for approval. A physical inventory of chips in reserve shall be required ~~annually~~ **biennially** if the inventory procedures incorporate the sealing of the locked compartment.

(3) During nongaming hours, a **casino** licensee shall ensure that all chips in the possession of the casino are stored in the chip bank, in the vault, ~~or~~ in a locked compartment in a cashier's cage, **or in another secured area**. However, chips may be locked in a transparent

compartment on the **live gaming tables-device** if there is adequate security as approved by the board.

R 432.1829 ~~Authorized use of tokens~~**Rescinded.**

~~Rule 829. Tokens approved for issuance by a casino licensee shall be in compliance with all of the following provisions:~~

- ~~(a) Be issued to a patron upon payment for the chips or in accordance with a complimentary distribution program approved by the board.~~
- ~~(b) Be capable of insertion into an electronic gaming device at the casino to activate play.~~
- ~~(c) Be available as a payout from the hopper of an electronic gaming device.~~
- ~~(d) Be redeemable by a patron in accordance with the act and these rules.~~

R 432.1830 ~~Destruction of chips and tokens.~~

Rule 830. ~~(1) Before destroying chips, a casino licensee shall notify the executive director, in writing, of the date and the location at which the destruction will be performed, the denomination, number, and amount of value chips to be destroyed, the description and number of nonvalue chips to be destroyed, and a detailed explanation of the method of destruction. Unless otherwise authorized by the board, the destruction of chips shall be carried out in the presence of not less than 2 individuals, 1 of whom shall be an employee of the board. A licensee shall ensure that the denomination, number, and amount of value chips, and the number and description of nonvalue chips, destroyed are recorded in the chip inventory ledger together with the signatures of the individuals carrying out the destruction and the date on which the destruction took place.~~

~~(2) A casino licensee shall submit, to the board for approval, procedures to record the receipt, inventory, storage, and destruction of gaming tokens.~~

R 432.1831 ~~Destruction of counterfeit chips and~~ **disposal of coins**~~tokens.~~

Rule 831. (1) This rule applies to a casino licensee and a casino license applicant.

(2) All of the following provisions apply to the notice of counterfeit chips ~~and tokens~~:

(a) A casino licensee shall notify the board ~~and the executive director~~, in writing, immediately upon the discovery of a counterfeit chip or chips ~~or token or tokens~~ that results in a loss of more than \$1,000.00 to the licensee.

(b) The board or the Michigan state police may take possession of the counterfeit chips ~~or tokens~~.

(c) The board shall determine the disposition of any counterfeit chip ~~or token~~, including, but not limited to, destruction of a counterfeit chip ~~or token~~, in accordance with these rules.

(3) All of the following provisions apply to the destruction of counterfeit chips and **disposal of coins**~~tokens~~:

(a) Unless the board or a law enforcement officer instructs in writing, or a court of competent jurisdiction orders otherwise in a particular case, a casino licensee shall destroy or otherwise dispose of counterfeit chips ~~and tokens~~ discovered in the casino in a manner approved by the board.

(b) Unless the board or a law enforcement officer instructs in writing, or a court of competent jurisdiction orders otherwise in a particular case, a casino licensee may dispose of coins of the United States or any other nation discovered to have been incorrectly used in the casino or, in the case of foreign coins, may exchange them for United States currency or

coins and include the currency or coins in the casino's currency or may dispose of them in any other lawful manner.

(c) A casino licensee or casino license applicant shall notify the board, in writing, not less than 30 days before counterfeit chips ~~or tokens~~ are destroyed. The casino licensee or casino license applicant shall notify the board of all of the following information:

(i) The number and denominations, actual and purported, of the coins and counterfeit chips ~~and tokens~~ destroyed or otherwise disposed of under this rule.

(ii) The date on which the coins and counterfeit chips ~~and tokens~~ were discovered.

(iii) The date, place, and method of destruction or other disposition, including, in the case of foreign coin exchanges, the exchange rate and the identity of the bank, exchange company, or other business or person at which, or with whom, the coins are exchanged.

(iv) The names of the occupational licensees carrying out the destruction or other disposition on behalf of the casino licensee or casino license applicant.

(v) Other information deemed necessary by the board to ensure compliance with the act and these rules.

(4) Unless otherwise approved by the board, not less than 2 people, 1 of whom is an agent of the board, shall be present when the counterfeit chips ~~or tokens~~ are destroyed.

(5) Unless the board notifies the casino licensee or casino license applicant within 30 days of the receipt of the letter set forth in subrule (3) of this rule, the method of destruction ~~will be~~ **is** deemed approved.

(6) A casino licensee or casino license applicant shall maintain records required by this rule for not less than 5 years.

R 432.1832 Complimentary chip ~~and token~~ distribution programs.

Rule 832. ~~(1)~~ A casino licensee may, for specified marketing purposes, provide patrons with coupons that are redeemable for complimentary chips ~~or tokens~~, ~~or both.~~ **if both of the following requirements are satisfied:**

(a) The processes and procedures for the control, accountability, and distribution of coupons for chips and for the redemption of the coupons are provided for in a casino licensee's internal control system and are in conformance with the internal control system.

(b) The casino licensee's periodic internal audits validate the integrity and accountability of the processes and procedures authorized and required under these rules.

~~(2) A casino licensee shall distribute complimentary chips or tokens only in accordance with these rules and an approved internal control procedure.~~

R 432.1833 Submission of internal controls for complimentary chip ~~and token~~ **distribution** program.

Rule 833. (1) The submission of the internal control procedures concerning a complimentary **chip distribution** ~~chips and token~~ programs shall be conducted as follows:

(a) A casino licensee shall submit internal control procedures to the board not less than ~~20 business~~ **30** days before the **proposed** initiation of the program. **The internal control procedures shall include, at a minimum, all of the following information:**

(i) The casino departments that will be responsible for administering the complimentary chip distribution program.

(ii) The security measures that will be taken with respect to the coupons, including, but not limited to, all of the following information:

(A) The manner in which the coupons will be ordered.

(B) The manner in which the coupons will be inventoried upon receipt by the casino licensee.

(C) The manner in which the coupons will be stored and the individuals who will have access to the coupons.

(D) The manner in which discrepancies will be handled.

(E) The manner in which coupons will be voided.

(iii) The casino department or departments that will be responsible for administering the coupon distribution program.

(iv) The manner in which the coupons will be distributed.

(v) The schedule for conducting routine inventories of active unissued coupons. The inventory shall be conducted monthly by not less than 2 individuals from separate casino departments. The results of the inventory shall be recorded in the coupon control ledger.

(vi) The manner in which coupons will be removed from the inventory, recorded, and voided once the coupons become inactive.

(vii) The manner in which the casino department responsible for distributing the coupons can requisition coupons from the casino department responsible for storing the coupons.

(viii) The maximum number of days in advance of an event that coupons can be requisitioned by the casino department responsible for issuing the coupons. The requisition document shall contain, at a minimum, all of the following information:

(A) The date the requisition is prepared.

(B) The day and date for which the coupons are needed.

(C) The type or types of coupons that are requested.

(D) The number of coupons required.

(E) The name, title, and occupational license number of the individual completing the requisition.

(F) The name, title, occupational license number, and signature of the supervisor authorizing the requisition.

(ix) The manner in which the coupons will be issued. The casino licensee shall require that coupons shall be stamped with the date of issuance.

(x) The location of the locked cabinet in which the coupons will be stored before the distribution of the coupons.

(xi) The manner in which coupons may be redeemed for chips by patrons.

(xii) The manner in which coupons redeemed by patrons will be canceled.

(xiii) The manner in which the coupons distributed, coupons not distributed, and coupons issued will be reconciled.

(xiv) The manner in which coupons that have been issued, but not distributed to patrons in the appropriate time frame, will be voided and reconciled.

(xv) The manner in which a dealer or cage employee will receive and account for coupons redeemed by patrons.

(b) The board ~~may~~ shall, in writing, approve or disapprove the internal control procedures in total or in part.

(c) A casino licensee shall revise and resubmit any portion of the internal control procedures not approved by the board within the time frame established by the board. A casino licensee shall revise and resubmit the internal control procedures until all portions of the internal control procedures have been approved or approval cannot be obtained.

(d) A casino licensee may not use an internal control procedure unless the internal control procedure has been approved, in writing, by the board.

(2) If the board determines, at any time, that approved internal control procedures are not adequate to ensure compliance with the act and these rules, then the board may direct the casino licensee, in writing, to amend its internal control procedure in accordance with subrule (1)(c) of this rule.

R 432.1834 Amendments to internal control procedures for complimentary chip distribution program.

Rule 834. A casino licensee shall make amendments to the internal control procedures with respect to **its** complimentary chip ~~distribution and token~~ programs as follows:

(a) Unless otherwise provided by the board, a licensee shall submit amendments to the internal control procedures to the board not less than ~~230 business~~ days before **the proposed utilization of** utilizing the amended internal control procedure.

(b) The board ~~or designee may~~ shall, in writing, approve **or disapprove** the amendment to the internal control procedure in total or in part.

(c) A casino licensee shall not use an amendment to internal control procedures unless the amendment to the internal control procedure has been approved, in writing, by the board.

R 432.1835 Coupon Accounting procedures and distribution program.

Rule 835. (1) Not less than 2 casino departments shall be responsible for administering the coupon accounting procedures and distribution program. One casino department shall be responsible for storing the coupons and the other department shall be responsible for issuing the coupons.

(2) A casino licensee shall ensure that coupons received from a vendor are opened and examined by not less than 2 individuals from different casino departments. A casino licensee shall ensure that any deviations in the coupons ordered and coupons received are recorded in compliance with subrule (3) of this rule and are reported immediately to the appropriate supervisor.

(3) A casino licensee shall maintain a coupon control ledger in the manner prescribed by the board. The coupon control ledger shall contain, at a minimum, all of the following information:

- (a) The date the coupons were received.
- (b) The type and quantity of coupons received.
- (c) The beginning serial number of the coupons received.
- (d) The ending serial number of the coupons received.
- (e) The purchase order number or requisition number for the coupons received.
- (f) The signatures and occupational license numbers of all individuals who examined the coupons upon receipt of the coupons.
- (g) The date the coupons were issued to the casino distribution department.
- (h) The beginning serial number of the coupons issued to the casino distribution department.
- (i) The ending serial number of the coupons issued to the casino distribution department.

- (j) The number and quantity of coupons issued to the casino distribution department.
- (k) The balance of unissued coupons on hand.
- (l) The name, title, occupational license number, and signature of the representative issuing the coupons.
- (m) The name, title, occupational license number, and signature of the representative receiving the issued coupons.
- (n) A record of any coupons that are distributed to patrons.
- (o) A record and explanation of any deviations noted.
- (4) The casino department responsible for distributing the coupons shall maintain a daily coupon reconciliation form. One daily coupon reconciliation form shall be completed to account for all individuals responsible for distributing coupons to patrons. The daily coupon reconciliation form shall contain, at a minimum, all of the following information:
 - (a) The date.
 - (b) The type of coupon being issued.
 - (c) The beginning and ending serial numbers of the coupons the individual has to distribute to patrons.
 - (d) The quantity of coupons the individual has to distribute to patrons.
 - (e) The total number of coupons the individual distributed to patrons.
 - (f) The beginning and ending serial numbers of coupons not distributed to patrons.
 - (g) The total number of coupons not distributed to patrons.
 - (h) The serial numbers of any coupons that were voided and the reason the coupons were voided.
 - (i) The name, title, occupational license number, and signature of the individual distributing the coupons to patrons and completing the form.
 - (j) The name, title, occupational license number, and signature of the supervisor.
 - (k) Any variations discovered and an explanation of the variations.
- ~~(5) Not less than 30 business days before the initiation of the coupon distribution program a casino licensee shall submit internal control procedures concerning the coupon distribution program to the board. The internal control procedures shall include, at a minimum, all of the following information:~~
 - ~~(a) The casino departments that will be responsible for administering the coupon distribution program.~~
 - ~~(b) The security measures that will be taken with respect to the coupons, including, but not limited to, all of the following information:~~
 - ~~(i) The manner in which the coupons will be ordered.~~
 - ~~(ii) The manner in which the coupons will be inventoried upon receipt by the casino licensee.~~
 - ~~(iii) The manner in which the coupons will be stored and the individuals who will have access to the coupons.~~
 - ~~(iv) The manner in which discrepancies will be handled.~~
 - ~~(v) The manner in which coupons will be voided.~~
 - ~~(c) The casino department or departments that will be responsible for administering the coupon distribution program.~~
 - ~~(d) The manner in which the coupons will be distributed.~~

- ~~-(e) The schedule for conducting routine inventories of active unissued coupons. The inventory shall be conducted monthly by not less than 2 individuals from separate casino departments. The results of the inventory shall be recorded in the coupon control ledger.~~
- ~~-(f) The manner in which coupons will be removed from the inventory, recorded, and voided once the coupons become inactive.~~
- ~~-(g) The manner in which the casino department responsible for distributing the coupons can requisition coupons from the casino department responsible for storing the coupons.~~
- ~~-(h) The maximum number of days in advance of an event that coupons can be requisitioned by the casino department responsible for issuing the coupons. The requisition document shall contain, at a minimum, all of the following information:~~
 - ~~-(i) The date the requisition is prepared.~~
 - ~~-(ii) The day and date for which the coupons are needed.~~
 - ~~-(iii) The type or types of coupons that are requested.~~
 - ~~-(iv) The number of coupons required.~~
 - ~~-(v) The name, title, and occupational license number of the individual completing the requisition.~~
 - ~~-(vi) The name, title, occupational license number, and signature of the supervisor authorizing the requisition.~~
- ~~-(i) (5) The casino department responsible for storing the coupons shall complete all of the following information before the coupons are given to the casino department responsible for distributing the coupons:~~
 - ~~(i)(a) The name, title, occupational license number, and signature of the representative filling the order.~~
 - ~~(ii)(b) The beginning serial number of the coupons issued.~~
 - ~~(iii)(c) The ending serial number of coupons issued.~~
 - ~~(iv)(d) The total number of and type of coupons issued.~~
 - ~~(v)(e) The name, title, occupational license number, and signature of the supervisor.~~
 - ~~(vi)(f) A record and explanation of any coupons that were voided due to discrepancies. The casino department responsible for storing the coupons shall enter the information in paragraphs (ii) to (iv) of this subdivision subdivisions (b) to (d) of this subrule in the coupon control ledger.~~
- ~~-(j) The manner in which the coupons will be issued. The casino licensee shall require that coupons shall be stamped with the date of issuance.~~
- ~~-(k) The location of the locked cabinet in which the coupons will be stored before the distribution of the coupons.~~
- ~~-(l) The casino licensee shall assure that coupons that are distributed shall be entered in the coupon control ledger.~~
- ~~-(m) The manner in which coupons may be redeemed for chips or tokens, or both, by patrons.~~
- ~~-(n) The manner in which coupons redeemed by patrons will be canceled.~~
- ~~-(o) The manner in which the coupons distributed, coupons not distributed, and coupons issued will be reconciled.~~
- ~~-(p) The manner in which coupons that have been issued, but not distributed to patrons in the appropriate time frame, will be voided and reconciled.~~
- ~~-(q) The manner in which a dealer or cage employee shall receive and account for coupons redeemed by patrons.~~

R 432.1836 Coupon requirements.

Rule 836. (1) Coupons utilized in ~~the complimentary chips~~ **distribution and token** programs shall be original instruments and shall contain, at a minimum, all of the following information:

- (a) Any serial number assigned to the coupon.
- (b) A description of the value of the coupon.
- (c) The location or locations where the coupon may be redeemed.
- (d) The name of the casino licensee.
- (e) The date or dates for which the coupon is valid.
- (f) Any other information deemed necessary by the board to ensure compliance with the act and these rules.

If a multiple-part coupon is utilized, then each part of the coupon shall contain the information set forth in this subrule.

(2) Coupons shall be designed and manufactured so that the denomination and type of coupon can be determined utilizing the surveillance system.

R 432.1838 Authorization for progressive ~~electronic gaming device~~ **EGDs**.

Rule 838. (1) This rule authorizes the use of progressive ~~electronic gaming device~~ **EGDs** within 1 casino ~~if the electronic gaming devices comply with the requirements of these rules.~~

This rule does not apply to a wide area progressive system.

(2) A casino licensee ~~or provider of a wide area progressive system~~ must provide the board with **all of** the following information before using progressive ~~electronic gaming device~~ **EGDs** in its casino:

- (a) The serial numbers of the ~~electronic gaming device~~ **EGDs** that are common to a single progressive link.
- (b) The odds of hitting the progressive amount on each ~~electronic gaming device~~ **EGD** that is attached to the link.
- (c) The reset value of the progressive link.
- (d) The rate of progression for the progressive link.
- (e) How the rate of progression is split between the various progressive components.
- (f) Other information deemed necessary **and requested in writing** by the executive director or the board to ensure compliance with the act and this part.

~~(3) Wide area progressive systems that link gaming devices in more than 1 casino may not be used without prior written board approval.~~

(34) All of ~~the~~ following provisions apply to progressive ~~electronic gaming device~~ **EGDs**:

- (a) A progressive ~~electronic gaming device~~ **EGD** is an ~~electronic gaming device~~ **EGD** that has a payoff that increases uniformly as the ~~electronic gaming device~~ **EGD** is played.
- (b) A progressive **EGD** jackpot may be won where a certain preestablished criteria, which does not have to be a winning combination, ~~are~~ **is** satisfied.
- (c) A bonus game where certain circumstances are required to be satisfied before awarding a fixed bonus prize is not a progressive ~~electronic gaming device~~ **EGD** and is not subject to this rule.

~~(45) A casino licensee or provider of a wide area progressive system~~ must not reduce, **eliminate, or transfer** the amount ~~displayed~~ on a progressive **EGD** jackpot meter or

~~otherwise reduce or eliminate~~ a progressive **EGD** jackpot unless 1 of the following circumstances exist:

(a) A player wins the **progressive** jackpot.

(b) The casino licensee adjusts the progressive **EGD** jackpot meter to correct a malfunction, or to prevent the display of an amount greater than a limit imposed in these rules and the casino licensee documents the adjustment; and the reasons for it **and notifies the board in writing**.

(c) The casino licensee's gaming operations at the establishment cease for any reason other than a temporary closure where the same licensee resumes gaming operations at the same establishment within ~~a month~~ **30 days**.

(d) The casino licensee distributes the incremental amount to another progressive **EGD** jackpot at the casino licensee's establishment **in accordance with the casino licensee's board approved internal controls**, if all the following circumstances exist:

~~(i) The casino licensee documents the distribution.~~

~~(ii) A machine offering the jackpot to which the casino licensee distributes the incremental amount does not require that more money be played on single play to win the jackpot than the machine from which the incremental amount is distributed.~~

~~(iii) A machine offering the jackpot to which the incremental amount is distributed complies with the board's minimum theoretical payout requirement.~~

~~(iv) The distribution is completed within 30 days after the progressive jackpot is removed from play or within a longer period as the board, for good cause, may approve.~~

(e) The board, for good cause, approves in writing **prior to a transfer**, a reduction, elimination, distribution, or procedure not ~~otherwise described~~ **addressed** in this rule **or the casino licensee's internal controls**.

(6) The following provisions apply to permitting the transfer of a progressive jackpot that is in play:

~~(a) A progressive jackpot that is currently in play may be transferred to another progressive electronic gaming device on the casino floor under any of the following circumstances:~~

~~(ii) Electronic gaming device malfunction.~~

~~(iii) Electronic gaming device replacement.~~

~~(iiii) Other good reason deemed appropriate by the board to ensure compliance with the act and these rules.~~

~~(b) If the events set forth in subdivision (a) of this subrule do not occur, then the progressive award must be permitted to remain until it is won by a player or until transfer is approved by the board.~~

(57) ~~All of T~~the following provisions apply to recording, keeping, and reconciling the **progressive EGD** jackpot amount.

(a) A casino licensee must maintain a record of the amount shown on a progressive jackpot meter.

(b) A casino licensee must maintain supporting documents to explain any reduction in the payoff amount from a previous entry.

(c) A casino licensee must retain the records and documents for a period of 5 years unless otherwise provided by the board in writing.

(68) ~~An electronic gaming device~~ **progressive EGD** must either contain or be linked to a progressive display showing the **progressive jackpot** ~~current payoff~~ to all players who are

playing an ~~electronic gaming device~~ **progressive EGD** and who may potentially win the progressive **jackpot amount**.

(79) Except as otherwise authorized by the board, in writing, when 2 or more progressive ~~electronic gaming device~~ **EGDs** are linked together, each ~~electronic gaming device~~ **EGD** on the link must have the same probability of hitting the combination that will award the progressive jackpot or jackpots.

~~(810)~~ The following provisions apply to the normal operating mode of the progressive controller:

(a) During the normal operating mode of the progressive controller, the controller must do both of the following:

(i) Continuously monitor each ~~electronic gaming device~~ **EGD** attached to the controller to detect credits wagered.

(ii) Multiply the credits wagered by the programmed rate of progression to determine the correct amounts to apply to the progressive jackpot.

(b) The progressive display must be constantly updated as play on the link continues. It is acceptable to have a slight delay in the update if, when a jackpot is triggered, the jackpot amount is shown immediately.

~~(911)~~ Both of the following provisions apply to the jackpot operating mode of the progressive controller:

(a) The progressive controller must send to the ~~electronic gaming device~~ **progressive EGD** the amount that was won. The ~~electronic gaming device~~ **EGD** must update its electronic meters to reflect the winning jackpot amount ~~consistent with this rule. In instances where the jackpot values are extremely high, the board may waive the requirements of this rule.~~

(b) If more than 1 progressive ~~electronic gaming device~~ **EGD** is linked to the progressive controller, then the progressive controller ~~or other approved attached device or system~~ must **after the jackpot was won** automatically reset to the reset amount and continue normal play. During this time, the progressive meter ~~or another attached approved device or system~~ must display all of the following information:

(i) The identity of the ~~electronic gaming device~~ **progressive EGD** that caused the progressive meter to activate.

(ii) The winning progressive amount.

(iii) The new normal mode amount that is current on the link.

~~(102)~~ The following provisions apply to the security of the progressive controller:

(a) A progressive controller linking 2 or more progressive ~~electronic gaming device~~ **EGDs** must be housed in a ~~double keyed~~ **secured** compartment in a location ~~approved by the board~~ **stated in the internal controls**. ~~All keys must be maintained in accordance with the licensee's or provider of wide area progressive system's approved internal controls.~~

~~(b) The board must possess 1 of the keys.~~

~~(c) A list of the occupational licensees who have access to a progressive controller must be submitted to the board and updated continually.~~

~~(db)~~ A progressive controller entry authorization log must be maintained ~~within each controller. The log shall be on a form prescribed by the board and completed by an individual who gains entrance to the controller.~~

~~(e) Security restrictions must be submitted in writing to the executive director for approval not less than 60 days before their enforcement. All restrictions approved by the board will be~~

~~made on a case-by-case basis in the case of a stand-alone progressive where the controller is housed in the logic area.~~

(113) A progressive controller or another approved attached device or system must keep all of the following information in nonvolatile memory, which must be displayed upon demand:

(a) The number of progressive jackpots won on each progressive level if the progressive display has more than 1 winning amount.

(b) The cumulative amounts paid on each progressive level if the progressive display has more than 1 winning amount.

(c) The maximum amount of the progressive payout for each level displayed.

(d) The minimum amount or reset amount of the progressive payout for each level displayed.

(e) The rate of progression for each level displayed.

~~(1412) Both of the following provisions apply to limits on the jackpot of a progressive electronic gaming device EGD:~~

~~(a) A casino licensee may impose a limit on the jackpot of a progressive electronic gaming device EGD if the limit imposed is greater than the possible maximum jackpot payout on the electronic gaming device progressive EGD at the time the limit is imposed.~~

~~(b) A casino licensee must inform the public of the limits of a progressive electronic gaming device EGD. The information must be contained in a prominently displayed notice.~~

R 432.1839 ~~Electronic gaming device~~**Board approval of EGDs; EGD specifications and requirements.**

Rule 839. (1) ~~An electronic gaming device~~**EGD proposed for use**~~used~~ in a casino must meet the specifications set forth in ~~these~~**is rules or other technical specifications adopted by the board in an order or resolution. Any amendments to these rules changing EGD standards shall not apply to EGDs previously approved by the board unless the board withdraws approval of the previously approved EGD using the process described in these rules.**

(2) An EGD must be approved in writing by the board prior to use by the casino licensee.

~~(2) All of the following provisions apply to equipment approval:~~

~~(a) The board must approve an electronic or mechanical gambling game before use.~~

~~(b) Except as otherwise determined by the board, the following may not be used for gaming by any casino licensee without the prior written approval of the board:~~

~~(i) Bill acceptors or bill validators.~~

~~(ii) Token acceptors.~~

~~(iii) Progressive controllers.~~

~~(iv) Progressive displays.~~

~~(v) Associated gaming equipment as provided for in R 432.1842.~~

~~(c) The manufacturer and manufacturer Michigan supplier license number must be recorded on the slot inventory log.~~

~~(d) The approval must describe, with particularity, the equipment or device approved.~~

~~(3) Both of the following provisions apply to testing:~~

~~(a) Both of the following must be tested before approval for use:~~

~~(i) An electronic gaming device.~~

~~–(ii) Another device or other equipment as the executive director may deem necessary to ensure compliance with the act and this part.~~

~~(3b) In the process of evaluating EGDs prior to use in the casino, the board may do take both of all of the following actions:~~

~~(a) Require the applicant or licensee who requests approval of an EGD to submit the EGD to the board for evaluation.~~

~~(b) Employ the services of an outside independent gaming test laboratory to conduct the testing.~~

~~(ii) Bill a licensee who requests approval of a device or equipment through any billing mechanism the board deems appropriate.~~

~~(c) Charge a fee to the applicant or licensee for the submission, evaluation, and any testing performed.~~

~~(4) An applicant who is served with a notice of denial under this rule may request a hearing to appeal the test results.~~

~~(5) An electronic gaming device must meet all of the following security and audit specifications:~~

~~–(a) Be controlled by a microprocessor.~~

~~–(b) Be connected and communicating to an approved casino central computer system.~~

~~–(c) Have an internal enclosure for the circuit board that is locked or sealed, or both, before game play.~~

~~–(d) After a power failure, be able to continue a game without loss of data.~~

~~–(e) Have game data recall for the current game and the previous 4 games.~~

~~–(f) Have a random selection process that satisfies the 99% confidence level using any of the following tests:~~

~~–(i) Standard chi-squared.~~

~~–(ii) Runs.~~

~~–(iii) Serial correlation.~~

~~–(iv) Another standard mechanical test for randomness as approved by the board.~~

~~–(g) Clearly display applicable rules of play and the payout schedule.~~

~~–(h) Display an accurate representation of each game outcome utilizing any of the following:~~

~~–(i) Rotating reels.~~

~~–(ii) Video monitors.~~

~~–(iii) Another type of display mechanism that accurately depicts the outcome of the game.~~

~~–(6) All of the following requirements apply to the control program:~~

~~–(a) Electronic gaming device control programs must test themselves for possible corruption caused by failure of the program storage media.~~

~~–(b) The test methodology must detect 99.99% of all possible failures.~~

~~–(c) The control program must allow for the electronic gaming device to be continually tested during game play.~~

~~–(d) Except as otherwise authorized by the board, the control program must reside in the electronic gaming device that is contained in a storage medium that is not alterable through use of the circuitry or programming of the electronic gaming device itself.~~

~~–(e) The control program must check for all of the following:~~

~~–(i) Corruption of RAM locations used for crucial electronic gaming device functions.~~

~~–(ii) Information relating to the current play and final outcome of the 4 previous games.~~

~~–(iii) Random number generator outcome.~~

- ~~-(iv) Error states.~~
- ~~-(f) Detection of corruption is a game malfunction that must result in a tilt condition that identifies the error and causes the electronic gaming device to cease further function.~~
- ~~-(g) The control program must have the capacity to display a complete play history for the current game and the previous 4 games.~~
- ~~-(h) The control program must display an indication of all of the following:~~
 - ~~-(i) The game outcome or a representative equivalent.~~
 - ~~-(ii) Bets placed.~~
 - ~~-(iii) Credits or tokens paid.~~
 - ~~-(iv) Credits or tokens cashed out.~~
 - ~~-(v) Any error conditions.~~
 - ~~-(vi) Any other information deemed necessary by the board to ensure compliance with the act and these rules.~~
 - ~~-(i) The control program must provide the means for on-demand display of the electronic meters utilizing a key switch on the exterior of the electronic gaming device.~~
- ~~-(7) All of the following provisions apply to accounting meters:~~
 - ~~-(a) An electronic gaming device must be equipped with electronic meters.~~
 - ~~-(b) An electronic gaming device's electronic meters must tally totals to at least 8 digits and be capable of rolling over when the maximum value is reached.~~
 - ~~-(c) An electronic gaming device's control program must provide the means for on-demand display of the electronic meters utilizing a key switch on the exterior of the machine.~~
 - ~~-(d) Electronic meters must have an accuracy rate of 99.99% or better.~~
 - ~~-(e) The required electronic meters must comply with the following provisions:~~
 - ~~-(i) The tokens in meter must cumulatively count the number of tokens that are wagered by actual tokens inserted or credits bet, or both.~~
 - ~~-(ii) The tokens out meter must cumulatively count the number of tokens won that are paid by the hopper or credits won that are paid to the credit meter, or both.~~
 - ~~-(iii) The tokens dropped meter must cumulatively count the number of tokens that have been diverted into a drop bucket and the credit value of all bills inserted into the bill validator for play.~~
 - ~~-(iv) The jackpots paid meter must reflect the cumulative amounts paid by an attendant for progressive jackpots and nonprogressive jackpots.~~
 - ~~-(v) The games played meter must display the cumulative number of games played.~~
 - ~~-(vi) A cabinet door meter must display the number of times the front cabinet door was opened.~~
 - ~~-(vii) The drop door meter must display the number of times the drop door or the bill validator door was opened.~~
 - ~~-(f) If an electronic gaming device is equipped with a bill validator, then the device must be equipped with a bill validator meter that records all of the following:~~
 - ~~-(i) The total number of bills that were accepted.~~
 - ~~-(ii) An accounting of the number of each denomination of bill accepted.~~
 - ~~-(iii) The total dollar amount of bills accepted.~~
 - ~~-(g) An electronic gaming device must have meters that continuously display all of the following information relating to the current play or monetary transaction:~~
 - ~~-(i) The number of tokens or credits wagered in the current game.~~
 - ~~-(ii) The number of tokens or credits won in the current game, if applicable.~~

- ~~–(iii) The number of tokens paid by the hopper for a credit cashout or a direct pay from a winning outcome.~~
- ~~–(iv) The number of credits available for wagering, if applicable.~~
- ~~–(h) Electronically stored meter information required by this rule must be preserved after a power loss to the electronic gaming device and must be maintained for a period of not less than 180 days.~~
- ~~–(8) All of the following provisions apply to clearing permanent meters:~~
 - ~~–(a) An electronic gaming device may not have a mechanism that causes the required electronic accounting meters to clear automatically when an error occurs.~~
 - ~~–(b) The required electronic accounting meters may be cleared only if approved by the board.~~
 - ~~–(c) Required meter readings, when possible, must be recorded before and after the electronic accounting meter is cleared.~~
- ~~–(9) The following provisions apply to randomness events and randomness testing:~~
 - ~~–(a) Events in electronic gaming devices are occurrences of elements or particular combinations of elements that are available on the particular electronic gaming device.~~
 - ~~–(b) A random event has a given set of possible outcomes that has a given probability of occurrence called the distribution.~~
 - ~~–(c) Two events are called independent if both of the following conditions exist:~~
 - ~~–(i) The outcome of 1 event does not have an influence on the outcome of the other event.~~
 - ~~–(ii) The outcome of 1 event does not affect the distribution of another event.~~
 - ~~–(d) An electronic gaming device must be equipped with a random number generator to make the selection process. A selection process is considered random if all of the following specifications are met:~~
 - ~~–(i) The random number generator satisfies not less than a 99% confidence level using the standard chi squared analysis.~~
 - ~~–(ii) The random number generator does not produce a statistic with regard to producing patterns of occurrences. Each reel position is considered random if it meets not less than 99% confidence level with regard to the runs test or any similar pattern testing statistic.~~
 - ~~–(iii) The random number generator produces numbers that are independently chosen without regard to any other symbol produced during that play. This test is the correlation test. Each pair of reels is considered random if the pair of reels meet not less than 99% confidence level using standard correlation analysis.~~
 - ~~–(iv) The random number generator reduces numbers that are chosen without reference to the series of outcomes in the previous game. This test is the serial correlation test. A reel stop position is considered random if it meets not less than 99% confidence level using standard serial correlation analysis.~~
 - ~~–(v) The random number generator and random selection process must be impervious to influences from outside the electronic gaming device, including, but not limited to, all of the following:~~
 - ~~–(A) Electromagnetic interference.~~
 - ~~–(B) Electrostatic interference.~~
 - ~~–(C) Radio frequency interference.~~
 - ~~–(vi) An electronic gaming device must use appropriate communication protocols to protect the random number generator and random selection process from influence by associated equipment that is conducting data communications with the electronic gaming device.~~
 - ~~–(10) All of the following provisions apply to safety requirements:~~

- ~~-(a) Electrical and mechanical parts and design principles must not subject a player to physical hazards. An electronic gaming device must be underwriters laboratories approved or the equivalent.~~
- ~~-(b) Spilling a conductive liquid on the electronic gaming device must not create a safety hazard or alter the integrity of the electronic gaming device's performance.~~
- ~~-(c) The power supply used in an electronic gaming device must be designed to make minimum leakage of current in the event of an intentional or inadvertent disconnection of the alternate current power ground.~~
- ~~-(11) All of the following provisions apply to surge protector:~~
 - ~~-(a) A surge protector must be installed on each electronic gaming device.~~
 - ~~-(b) Surge protection can be internal to the power supply or external.~~
 - ~~-(c) A battery backup device must be installed and capable of maintaining the accuracy of required electronic meter information after power is discontinued from the electronic gaming device. The device must be kept within the locked or sealed logic board compartment and be capable of sustaining the stored information for 90 days.~~
- ~~-(12) An on and off switch that controls the electrical current used to operate the electronic gaming device must be located in an accessible place and within the interior of the electronic gaming device.~~
- ~~-(13) If an electronic gaming device is equipped with a token acceptor, then all of the following provisions apply to the token acceptor:~~
 - ~~-(a) An acceptor must be approved by the board to indicate that it meets the requirements of these rules.~~
 - ~~-(b) A token acceptor must be designed to accept designated tokens and to reject others.~~
 - ~~-(c) The token receiver on an electronic gaming device must be designed to prevent the use of cheating methods, including, but not limited to, any of the following:~~
 - ~~-(i) Slugging.~~
 - ~~-(ii) Stringing.~~
 - ~~-(iii) Spooning.~~
 - ~~-(d) A token that is accepted but not credited to the current game must be returned to the player by activating the hopper or crediting toward the next play of the electronic gaming device. The electronic gaming device control program must be capable of handling rapidly fed tokens so that frequent instances where a token is accepted but not credited to the current game are prevented.~~
 - ~~-(e) If an electronic gaming device is equipped with a token acceptor, it must accept or reject a token on the basis of any of the following:~~
 - ~~-(i) Metal composition.~~
 - ~~-(ii) Mass.~~
 - ~~-(iii) Composite makeup.~~
 - ~~-(iv) Equivalent security.~~
 - ~~-(f) An electronic gaming device must have a suitable detector for determining the direction and speed of token travel in the receiver. If a token traveling at an improper speed or direction is detected, then the electronic gaming device must enter a tilt condition and display an error condition that requires attendant intervention to clear.~~
- ~~-(14) All of the following provisions apply to bill validators:~~
 - ~~-(a) An electronic gaming device may have a bill validator installed into which a patron may insert currency in exchange for an equal value of electronic gaming device credits. The~~

patron must be able to obtain an equal number of tokens for the amount of currency that was inserted into the bill validator.

~~-(b) A bill validator may accept any of the following:~~

~~-(i) One dollar (\$1.00) bills.~~

~~-(ii) Five dollar (\$5.00) bills.~~

~~-(iii) Ten dollar (\$10.00) bills.~~

~~-(iv) Twenty dollar (\$20.00) bills.~~

~~-(v) Fifty dollar (\$50.00) bills.~~

~~-(vi) One hundred dollar (\$100.00) bills.~~

~~-(vii) EZpay tickets/vouchers.~~

~~-(c) A bill acceptor may be for any single denomination or combination of denominations.~~

~~-(d) A bill validator must have software programs that enable the validator to differentiate between genuine and counterfeit bills to a high degree of accuracy.~~

~~-(e) A bill validator must be equipped with a bill validator drop box to collect the currency inserted into the bill validator. The bill validator drop box must comply with all of the following requirements:~~

~~-(i) The bill validator drop box must be housed in a locked compartment separate from any other compartment of the electronic gaming device.~~

~~-(ii) The bill validator drop box must be accessible by a key that will access only the bill validator drop box and no other area of the electronic gaming device.~~

~~-(iii) The bill validator drop box must have a slot opening through which currency can be inserted.~~

~~-(iv) The bill validator drop box must be identifiable to the electronic gaming device from which it was removed.~~

~~-(v) The bill validator drop box must have a separate lock to access the contents of the bill validator drop box. The key to the lock must not access any other area of the electronic gaming device.~~

~~-(15) Both of the following provisions apply to an automatic light alarm:~~

~~-(a) A light must be installed on the top of the electronic gaming device and must automatically illuminate when the door to the electronic gaming device is opened or when associated equipment that may affect the security or operation of the electronic gaming device is exposed, if the equipment is physically attached to the gaming device.~~

~~-(b) A bar top electronic gaming device must have a light alarm or an audio door alarm, or both, installed. The alarm must be designed to activate when the machine is entered.~~

~~-(16) All of the following provisions apply to access to the interior of an electronic gaming device:~~

~~-(a) The internal space of an electronic gaming device must not be readily accessible when the door is closed.~~

~~-(b) All of the following must be in a separate locked or sealed area within the electronic gaming device:~~

~~-(i) Logic boards.~~

~~-(ii) Program storage medium.~~

~~-(iii) RAM.~~

~~-(c) Access to the area described in subdivision (b) of this subrule is not allowed without prior notification to the board at the casino.~~

~~-(d) The board must be allowed immediate access to the locked or sealed area. A casino licensee must maintain its copies of the keys to electronic gaming devices in accordance with the licensee's approved internal controls.~~

~~Unauthorized tampering or entrance into the logic area without prior notification in accordance with subdivision (c) of this subrule is grounds for disciplinary action.~~

~~-(17) An electronic gaming device must have its logic boards and any computer chips that store memory secured in a locked enclosure within the electronic gaming device that must be sealed with evidence tape. The locked enclosure for logic boards and computer chips within the electronic gaming device must be sealed with evidence tape by an employee of the board or the Michigan state police assigned to assist the board.~~

~~-(18) All of the following provisions apply to hardware switches:~~

~~-(a) A hardware switch may not be installed if it alters the pay tables or payout percentages in the operation of an electronic gaming device.~~

~~-(b) A hardware switch may be installed to control any of the following:~~

~~-(i) Graphic routines.~~

~~-(ii) Speed of play.~~

~~-(iii) Sound.~~

~~-(iv) Other approved cosmetic play features.~~

~~-(c) A machine may have multiple percentage settings if the settings do not violate these rules and if the settings are accessed through software switches approved by the board.~~

~~-(19) Both of the following provisions apply to multigames:~~

~~-(a) A gaming device that offers a menu of more than 1 game to the player is a "multigame." A multigame may have various games with configurable percentages. A multigame may be approved by the board if, in addition to any other requirements in these rules, electronic meters with at least 8 digits are available upon display for each game offered on the menu:~~

~~-(i) Credits wagered or equivalent.~~

~~-(ii) Credits won or equivalent.~~

~~-(b) If the method of configuring the game menu may be accomplished by entering a configuration mode of the device, then the method employed must meet both of the following standards:~~

~~-(i) The method has sufficient safeguards to prevent unauthorized access.~~

~~-(ii) The method does not result in data loss or corruption of data sent to the casino central computer system.~~

~~-(20) All of the following provisions apply to the display of rules of play:~~

~~-(a) The rules of play for an electronic gaming device must be displayed on the face or screen of the electronic gaming device.~~

~~-(b) The rules of play must be approved by the board.~~

~~-(c) The board may reject the rules if the board determines that the rules are any of the following:~~

~~-(i) Incomplete.~~

~~-(ii) Conflicting.~~

~~-(iii) Confusing.~~

~~-(iv) Misleading.~~

~~-(d) The rules of play must be kept under glass or another transparent substance.~~

~~-(e) The rules of play may not be altered without prior approval from the board.~~

- ~~-(f) Stickers or other removable devices may not be placed on the electronic gaming device face unless their placement is approved or required by the board.~~
- ~~-(21) The following must not subject a player to physical hazards:~~
 - ~~-(a) Electrical parts.~~
 - ~~-(b) Mechanical parts.~~
 - ~~-(c) Design principles of the electronic gaming device and its component parts.~~
- ~~-(22) Electronic gaming device power supply filtering must be sufficient to prevent disruption of the electronic gaming device by a repeated switching on and off of the AC power.~~
- ~~-(23) The following provisions apply to error conditions and automatic clearing:~~
 - ~~-(a) An electronic gaming device must be capable of detecting and displaying all of the following conditions:~~
 - ~~-(i) Power reset.~~
 - ~~-(ii) Door open.~~
 - ~~-(iii) Inappropriate token in if the token is not automatically returned to the player.~~
 - ~~-(b) The conditions listed in subdivision (a) of this subrule must be automatically cleared by the electronic gaming device upon initiation of a new play sequence.~~
- ~~-(24) The following provisions apply to error conditions and clearing by an attendant:~~
 - ~~-(a) An electronic gaming device must be capable of detecting and displaying all of the following error conditions that an attendant may clear:~~
 - ~~-(i) Token in jam.~~
 - ~~-(ii) Token out jam.~~
 - ~~-(iii) Hopper empty or timed-out.~~
 - ~~-(iv) RAM error.~~
 - ~~-(v) Hopper runaway or extra token paid out.~~
 - ~~-(vi) Program error.~~
 - ~~-(vii) Reverse token in.~~
 - ~~-(viii) Reel spin error of any type, including a misindex condition for rotating reels. The specific reel number must be identified in the error indicator.~~
 - ~~-(ix) Low RAM battery, for batteries external to the RAM itself, or low power source.~~
 - ~~-(b) A description of the electronic gaming device error codes and their meanings must be contained inside each electronic gaming device.~~
- ~~-(25) If an electronic gaming device is equipped with a hopper mechanism, then all of the following provisions apply to the hopper mechanism:~~
 - ~~-(a) The hopper must be designed to detect all of the following and force the electronic gaming device into a tilt condition if 1 of the following occurs:~~
 - ~~-(i) Jammed tokens.~~
 - ~~-(ii) Extra tokens paid out.~~
 - ~~-(iii) Hopper runaways.~~
 - ~~-(iv) Hopper empty conditions.~~
 - ~~-(b) The electronic gaming device control program must monitor the hopper mechanism for the error conditions specified in subdivision (a) of this subrule in all game conditions.~~
 - ~~-(c) All tokens paid from the hopper mechanism must be accounted for by the electronic gaming device, including, to the extent possible, tokens paid as extra tokens during a hopper malfunction.~~

~~-(d) Hopper pay limits must be designed to permit compliance by a casino licensee with all applicable taxation laws, rules, and regulations.~~

~~-(26) An electronic gaming device that is capable of a bidirectional communication with internal or external associated equipment must use a communication protocol that ensures that erroneous data or signals will not adversely affect the operation of the electronic gaming device.~~

~~-(27) An electronic gaming device must meet all of the following maximum and minimum theoretical percentage payouts during the expected lifetime of the electronic gaming device:~~

~~-(a) The electronic gaming device must pay out not less than 80%, and not more than 100%, of the amount wagered unless otherwise approved by the board.~~

~~-(b) The theoretical payout percentage must be determined using standard methods of the probability theory. The percentage must be calculated using the highest level of skill where player skill impacts the payback percentage.~~

~~-(c) An electronic gaming device must have a probability of obtaining the maximum payout of more than 1 in 50,000,000.~~

~~-(28) Except in the case of a total memory failure, and if the machine is still operable, an electronic gaming device must be capable of continuing the current play with all the current play features after an electronic gaming device malfunction is cleared.~~

(4) EGDs submitted to the board for approval must be accompanied by a technically accurate description and explanation of the EGD and its intended use. The information must be submitted in a manner and form prescribed by the board. The applicant or licensee requesting approval must provide any information, equipment, or assistance requested by the board.

(5) The board may require the applicant to deliver 2 working models of the gaming equipment for evaluation. The board may dismantle the EGD and may destroy the electronic components in order to fully evaluate the submission.

(6) Verify and release programs are not required to be submitted for review, unless specified by the board. Verify and release programs include, but are not limited to, the following:

(a) Bill validator firmware.

(b) Printer firmware.

(c) RAM clear programs.

(d) Diagnostic programs.

(7) EGD software submissions must include documentation that individually lists all submitted items, along with corresponding verification signatures that are reported when using the game authentication terminal (GAT) verification program or equivalent.

(8) All of the following provisions apply to calculation sheets:

(a) For each submitted EGD game program, the applicant or licensee requesting approval must supply calculation sheets that determine the theoretical payback percentage, including base game, bonus games or features, free games, double-up options, progressives, and any other game features included in the payback percentage calculation.

(b) Where different player options such as number of credits, lines bet, or player strategy cause the pay table to vary, a separate calculation for each option is required.

(9) The applicant or licensee must submit the EGD source code and any special tool, computer equipment, compiling program, or other technical assistance necessary to compile the submitted software. The result of the compiled source code shall be identical to that in the storage medium submitted for evaluation. The applicant or licensee must provide the board with a method to compensate for or resolve any differences between the compiled program and the submitted program.

(10) EGD general specifications are as follows:

(a) An EGD must be controlled by a microprocessor.

(b) An EGD must be equipped with a RNG to make the selection process.

(c) An EGD must have a random selection process.

(d) An EGD must be capable of connecting to and communicating with an approved casino critical computerized system. An EGD must be capable of reporting all required electronic digital storage meters as well as all tilt and error conditions to the approved casino critical computerized system.

(e) An EGD that is capable of bidirectional communication with internal or external equipment must use a communication protocol that ensures that erroneous data or signals will not adversely affect the operation of the EGD or any attached equipment.

(f) An EGD must clearly display applicable rules of play and the payout schedule. The rules of play must be displayed on the face or screen of the EGD. If displayed on the face of the machine, the rules must be kept under glass or another transparent substance.

(g) An EGD must display an accurate representation of each game outcome utilizing rotating reels, video monitors, or other type of display mechanism that accurately depicts the outcome of the game.

(h) After selection of the game outcome, the EGD must not make a secondary decision that affects the result shown to the player.

(i) When a bonus game or feature is triggered, auto-initiation of the bonus game or feature by the EGD itself is prohibited except under the following circumstances:

(i) The player is presented with a choice and specifically acknowledges his or her intent to have the EGD auto-initiate the bonus or feature by means of a button press or physical player interaction with the machine.

(ii) The bonus or feature provides only 1 choice to the player, such as “press button to spin wheel.” In this case, the EGD may auto-initiate the bonus or feature after a time out period of at least 2 minutes.

(j) If an EGD has the capability of auto-initiating the bonus or feature, the mechanism by which the auto-initiation is implemented must be explained in the pay table and help screens, if help screens are a feature of the particular game. For non-video devices or devices with the pay table displayed on glass, the auto-initiation mechanism must be explained on the glass.

(k) An EGD that offers progressive awards must have all of the following functionality within the control program itself or an attached progressive controller:

(i) The ability to display, for each progressive level, the total number of progressive wins, the dollar amount of the last progressive win, and the total dollar amount awarded.

(ii) The ability to display, for each progressive level, a chronological win history of not less than 10 progressive win events. The win history events must include, at a minimum,

the date and time of the progressive award, the progressive level that was awarded, and the dollar amount of the award.

(iii) The ability to set or override the current progressive amount for all progressive levels.

(l) A player must have the option of cashing out and redeeming any residual credit or cash values. An EGD must not be designed in such a way that requires a player to gamble residual credits or cash equivalent on a double-up or gamble feature.

(m) All EGDs must incorporate the GAT program for verification, or another game level verification program determined equivalent by the board. The verification program must be readily accessible on demand at the EGD itself and not require extensive or overly burdensome use of specialized equipment. The EGD must calculate and return a digital signature (hash code) for all regulated firmware residing on the device. The board shall determine GAT requirements for equipment on an individual basis.

(n) An EGD must be designed in a manner that prohibits the enabling and operation of any pay table, feature, bonus round, or any other aspect of game operation that does not meet the jurisdictional requirements set forth in this rule or other technical standards issued by the board.

(11) All of the following apply to the EGD control program:

(a) Except as otherwise approved by the board in writing, the control program must reside in the EGD and must be contained either:

(i) in a storage medium that is not alterable through use of the circuitry or programming of the EGD itself, or

(ii) on a storage medium that employs a mechanism to prevent any alteration of the control program and all critical files through use of the circuitry or programming of the EGD.

(b) The control program must be impervious to influences from outside the EGD, including, but not limited to, all of the following:

(i) Electromagnetic interference.

(ii) Electrostatic interference.

(iii) Radio frequency interference.

(c) The EGD must use appropriate communication protocols to protect the control program from unwanted influence by equipment that is conducting data communications with the EGD.

(d) EGD control programs must test themselves for possible corruption caused by failure of the program storage media. The test methodology must detect 99.99% of all possible failures. The control program must allow for the EGD to be continually tested during game play. The control program must check for all of the following:

(i) Corruption of RAM locations used for crucial EGD functions.

(ii) All required information relating to the game recall history as outlined in this rule.

(iii) RNG outcome.

(iv) Error states.

(e) Detection of corruption is a game malfunction that must result in a tilt condition that identifies the error and causes the EGD to cease further function.

(f) An EGD control program must routinely perform all of the following self-verification functions:

(i) Employ a verification mechanism that verifies that all program components are authentic copies. The verification method must prevent the execution of any program component if the component is determined to be invalid, and must cause the EGD to cease further function by means of a tilt.

(ii) Employ a mechanism that tests unused or unallocated areas of any alterable media for unintended programs or data and test the structure of the storage media for integrity. The mechanism must cause the EGD to cease operation by means of a tilt if unexpected data or structural inconsistencies are found.

(12) The applicant or licensee must submit the EGD RNG to the board for approval under any of the following circumstances:

(a) The source code of a previously approved RNG has changed or the implementation of the RNG has changed.

(b) The RNG is new or was not previously board approved.

(c) The RNG is being implemented on a new hardware platform with a new microprocessor.

(13) The applicant or licensee must submit the following for all EGD RNG submissions:

(a) The internal RNG test data and analysis detailing the types of tests performed and the results of the testing, certifying compliance with the specifications set forth in this rule or another standard adopted by the board.

(b) Upon request, all hardware and software necessary to collect the random number data. Direct collection of the random number data from the actual submitted EGD is required unless it is not possible. If direct collection from the actual submitted EGD is not possible, an external random data generation method may be used if found acceptable by the board.

(c) Explanation of any differences between the test application and the production application if generating random data with an external test application.

(d) RNG selection parameters, including the number of selections made per game and the range of numbers used.

(e) Description of the RNG, including the type, seeding method, and seeding frequency.

(14) Specifications for RNG data collection or generation are as follows:

(a) Test software must allow the tester to specify the amount and range of random numbers that will be generated.

(b) The test software must output an unsorted ASCII text file of unsigned integers, 1 per line, with no additional characters or leading zeros.

(c) The output file must be able to be extracted to a removable storage device or be sent via a communication port to an external PC.

(15) The following EGD RNG requirement provisions apply to randomness events and randomness testing:

(a) Events in EGDs are occurrences of elements or particular combinations of elements that are available on the particular EGD.

(b) A random event has a given set of possible outcomes that has a given probability of occurrence called the distribution.

(c) Two events are called independent if both of the following conditions exist:

(i) The outcome of 1 event does not have an influence on the outcome of the other event.

(ii) The outcome of 1 event does not affect the distribution of another event.

(d) The RNG in an EGD must produce game plays that are random and independent, so that a future game outcome cannot be predicted by a previous game outcome.

(e) A selection process is considered random if all of the following specifications are met to the 95% confidence level or better:

(i) The RNG passes the standard chi-squared analysis.

(ii) The RNG does not produce a statistic with regard to producing patterns of occurrences (runs analysis or similar pattern testing statistic).

(iii) The RNG produces numbers that are independently chosen without regard to any other symbol produced during that play (correlation analysis).

(iv) The RNG produces numbers that are chosen without reference to the series of outcomes in the previous game (serial correlation analysis).

(f) The RNG and random selection process must be impervious to influences from outside the EGD, including, but not limited to, all of the following:

(i) Electromagnetic interference.

(ii) Electrostatic interference.

(iii) Radio frequency interference.

(g) An EGD must use appropriate communication protocols to protect the RNG and random selection process from influence by equipment that is conducting data communications with the EGD.

(h) The RNG must continue to run in the background at all times, whether or not games are being played on the EGD.

(i) When determining if an EGD award, pay table win, bonus game, progressive, or other feature will be awarded, an EGD utilizing any of the following restricted selection processes exclusively to make the determination is prohibited:

(i) Coin based or threshold triggering in which an award has been predetermined to be triggered at a certain point or between 2 points or values and utilizes a pool value, coin in value, threshold value or any other non-random mechanism to determine when the EGD exceeds the predetermined threshold and awards a prize.

(ii) Time based triggering in which an award has been predetermined to be triggered at a specific time or between 2 points in time and utilizes a clock, either internal or external, to determine when the EGD awards a prize.

(iii) Any other non-RNG based selection processes, other than player skill, both internal and external to the EGD.

(j) If a restricted selection process is utilized, an approved RNG based selection process must also be utilized simultaneously that is capable of triggering the same award, pay table win, bonus game, progressive award, or other feature on every game play. The trigger probability of the restricted selection process and the RNG selection process must be equivalent.

(16) An EGD must meet all of the following minimum and maximum theoretical percentage pay out requirements during the lifetime of the EGD:

(a) The EGD must pay out not less than 80% and not more than 100% of the amount wagered unless otherwise approved by the board.

(b) The theoretical payback percentage must be determined using standard methods of probability theory. The percentage must be calculated using both the highest and lowest level of skill, where player skill impacts the payback percentage.

(c) An EGD must not automatically alter pay tables or any function of the device based on internal computation of the actual hold percentage.

(d) When calculating the minimum theoretical payback percentage of a progressive EGD, only the base or reset amount (the lowest possible amount) of progressive awards can be used. A progressive EGD must meet or exceed the minimum jurisdictional requirement of 80% payback without the addition of progressive incremental rates.

(e) Double-up or gamble options must have a theoretical payback percentage of 100% for that feature.

(f) A skill based bonus game or feature utilizing a player's physical skill, dexterity, or knowledge to determine or influence an EGD award must include calculations for the lowest and highest level of skill possible.

(g) An extended play collection (trophy) feature is one where a given award is not attainable on a single game play and a player must collect items or "trophies" over a series of games before winning an award or participating in a bonus round or feature. These features are allowed but, when calculating minimum theoretical payback for an EGD utilizing a collection or trophy feature, contributions from the collection or trophy feature cannot be used to achieve the minimum jurisdictional requirement of 80% theoretical payback.

(h) EGD programs designed for tournament or promotional use may have a theoretical payback percentage that exceeds 100%.

(i) An EGD may have multiple percentage settings if the settings do not violate these rules and if the settings are accessed only by software switches approved by the board.

(j) The probability of obtaining any payout on an EGD must be better than 1 in 50,000,000.

(k) Unless otherwise approved by the board in writing and denoted on the pay glass or pay table screen, where the EGD offers a game that is recognizable such as poker, blackjack, roulette, keno, or craps, the same probabilities associated with the live game must be used in the EGD. For example, each side on a die must have a 1 in 6 probability of occurrence.

(17) All of the following provisions apply to an EGD with multigame features:

(a) An EGD that offers a menu of more than 1 game to the player is a considered a multigame. A multigame may have various games with configurable payback percentages.

(b) In addition to any other requirements or rules, a multigame may be approved by the board if electronic digital storage meters with at least 10 digits are available upon display for each game offered on the menu. Additionally, a multigame must retain the electronic digital storage meters of any games that are installed on the EGD but are not currently available on the menu. The electronic digital storage meters must include credits wagered and credits won, or equivalent.

(c) If the method of configuring the multigame menu may be accomplished by entering a configuration mode of the device, then the method employed must meet both of the following standards:

(i) The method has sufficient safeguards to prevent unauthorized access.

(ii) The method does not result in data loss or corruption of data sent to the casino critical computerized systems.

(18) All of the following provisions apply to electronic digital storage meters in EGDs:

(a) Electronic digital storage meters in EGDs must tally totals to at least 10 digits, be capable of rolling over when the maximum value is reached, and have an accuracy rate of at least 99.99%.

(b) An EGD must be equipped with all of the following electronic digital storage meters:

(i) A “coin-in” meter that accumulates the total value of all wagers, excluding subsequent wagers of intermediate winnings accumulated during game play sequences such as those acquired from “double up” games.

(ii) A “coin-out” meter that accumulates the total value of all amounts directly paid by the machine as a result of winning wagers, whether the payout is made to a credit meter or by any other means. This meter will not record amounts awarded as the result of an external bonusing system or a progressive payout.

(iii) An “attendant paid jackpots” meter that accumulates the total value of credits paid by an attendant resulting from a single winning alignment or combination, the amount of which is not capable of being paid by the machine itself. This does not include progressive amounts or amounts awarded as a result of an external bonusing system. This meter is only to include awards resulting from a specifically identified amount listed in the manufacturer’s par sheet.

(iv) An “attendant paid cancelled credits” meter that accumulates the total value paid by an attendant resulting from a player-initiated cash-out that exceeds the physical or configured capability of the machine to make the proper payout amount.

(v) A “bill in” meter that accumulates the total value of currency accepted. Additionally, the machine must have a specific meter for each denomination of currency accepted that records the number of bills accepted of each denomination.

(vi) A “voucher in” meter that accumulates the total value of all slot machine wagering vouchers accepted by the machine.

(vii) A “voucher out” meter that accumulates the total value of all slot machine wagering vouchers and payout receipts issued by the machine.

(viii) A “wagering account transfer in” or “WAT in” meter that accumulates the total value of cashable credits electronically transferred to the machine from a wagering account by means of an external connection between the machine and a cashless wagering system.

(ix) A “wagering account transfer out” or “WAT out” meter that accumulates the total value of cashable credits electronically transferred from the machine to a wagering account by means of an external connection between the machine and a cashless wagering system.

(x) A “non-cashable electronic promotion in” meter that accumulates the total value of non-cashable credits electronically transferred to the machine from a promotional account by means of an external connection between the machine and a cashless wagering system.

(xi) A “non-cashable electronic promotion out” meter that accumulates the total value of non-cashable credits electronically transferred from the machine to a promotional

account by means of an external connection between the machine and a cashless wagering system.

(xii) A “cashable electronic promotion in” meter that accumulates the total value of cashable credits electronically transferred to the machine from a promotional account by means of an external connection between the machine and a cashless wagering system.

(xiii) A “cashable electronic promotion out” meter that accumulates the total value of cashable credits electronically transferred from the machine to a promotional account by means of an external connection between the machine and a cashless wagering system.

(xiv) A “coupon promotion in” meter that accumulates the total value of all slot machine coupons accepted by the machine.

(xv) A “coupon promotion out” meter that accumulates the total value of all slot machine coupons issued by the machine.

(xvi) A “machine paid external bonus payout” meter that accumulates the total value of additional amounts awarded as a result of an external bonusing system and paid by the slot machine.

(xvii) An “attendant paid external bonus payout” meter that accumulates the total value of amounts awarded as a result of an external bonusing system and paid by an attendant.

(xviii) An “attendant paid progressive payout” meter that accumulates the total value of credits paid by an attendant as a result of progressive awards that are not capable of being paid by the machine itself. This meter does not include awards paid as a result of an external bonusing system.

(xix) A “machine paid progressive payout” meter that accumulates the total value of credits paid as a result of progressive awards paid directly by the machine. This meter does not include awards paid as a result of an external bonusing system.

(xx) A “games-played” meter that displays the cumulative number of games played.

(xxi) A “cabinet door” meter that displays the number of times the front cabinet door was opened.

(xxii) A “drop door” meter that displays the number of times the drop door or bill validator door was opened.

(xxiii) Any additional meters necessary to fully reconcile transfers to and from the EGD.

(xxiv) Any additional meters required, in writing, by the board.

(c) An EGD must have electronic digital storage meters that continuously and accurately display to the player all of the following information relating to the current play or monetary transaction:

(i) The number of credits wagered in the current game.

(ii) The number of credits won in the current game, if applicable.

(iii) The number of credits cashed out or a direct pay from a winning combination.

(iv) The number of credits available for wagering, if applicable.

(d) An EGD may not have a mechanism that causes any of the required electronic digital storage meters to clear automatically when an error occurs. The required electronic digital storage meters may be cleared only in a manner approved by the

board. Required meter readings, when possible, must be recorded before and after the electronic digital storage meter is cleared.

(e) All electronic digital storage meters must be preserved after a power loss to the EGD and must be maintained for a period of not less than 180 days.

(19) All of the following provisions apply to game recall requirements:

(a) Unless otherwise approved by the board in writing, an EGD must have the capacity to display a complete play history for the current game and the previous 9 games.

The game recall shall reflect at least the last 50 events of completed bonus games. If a bonus game consists of “x number of events,” each with separate outcomes, each of the “x events”, up to 50, shall be displayed with its corresponding outcome, regardless of whether the result was a win or loss.

(b) The EGD game recall must display an indication of all of the following:

(i) The game outcome or representative equivalent.

(ii) The outcome of any bonus round or feature game.

(iii) All bets placed.

(iv) Credits won or cashed out.

(v) Any error conditions.

(vi) Any other information deemed necessary by the board to ensure compliance with the act and these rules.

(20) All of the following provisions apply to error conditions and malfunctions:

(a) A description of the EGD error codes and their meanings must be contained inside each EGD only if the error codes are required for troubleshooting tilts or malfunctions.

(b) The following provisions apply to error conditions and automatic clearing. The EGD must be capable of detecting and displaying the error conditions listed below. These error conditions must be automatically cleared by the EGD upon initiation of a new play sequence. The following error conditions apply:

(i) Power reset.

(ii) Door open.

(iii) Inappropriate coin-in, bill-in, or voucher-in if not automatically returned to the player.

(c) The following provisions apply to error conditions and clearing by an attendant. The EGD must be capable of detecting and displaying all of the following error conditions that an attendant may clear:

(i) Printer jam or error.

(ii) RAM error.

(iii) Program error.

(iv) A reel spin error of any type, including an index error condition for rotating reels. The specific reel number must be identified in the error indicator.

(v) Low RAM battery, for batteries external to the RAM itself, or low power source.

(d) Except in the case of total memory failure, and if the machine is still operable, an EGD must be capable of continuing the current play with all the current play features after an EGD error condition or malfunction is cleared.

(21) EGD hardware specifications are as follows:

(a) An EGD must provide the means for on-demand display of the electronic accounting meters utilizing a key switch on the exterior of the EGD.

(b) An EGD is not required to have electromechanical meters installed.

(c) The internal space of an EGD must not be readily accessible when the door is closed.

(d) An on and off power switch that controls the electrical current to operate the EGD must be located in an accessible place within the interior of the EGD.

(e) All of the following must be secured inside a separate internal enclosure inside the EGD that is capable of being locked:

(i) Logic boards.

(ii) Program storage media.

(iii) RAM.

(f) An EGD must have its logic boards, computer chips, and any other devices that store memory secured in a locked enclosure, as described in subdivision (e) of this subrule. The board must be allowed immediate access to the locked area described in subdivision (e) of this subrule. A casino licensee must maintain its keys to EGDs in accordance with the casino licensee's approved internal controls.

(g) A light must be installed on the top of the EGD and must automatically illuminate when the door to the EGD is opened or when equipment that may affect the security or operation of the EGD is exposed, if the equipment is physically attached to the EGD.

(h) A bar-top EGD must have a light alarm or an audio door alarm, or both, installed. The alarm must be designed to activate when the machine is entered.

(i) An EGD must be Underwriters Laboratories approved or equivalent.

(j) Electrical and mechanical parts and design principles must not subject a player to physical hazards.

(k) Spilling conductive liquid on the EGD must not create a safety hazard or alter the integrity or performance of the EGD.

(l) The power supply used in an EGD must be designed to make minimum leakage of current in the event of an intentional or inadvertent disconnection of the AC power ground.

(m) An EGD power supply filtering must be sufficient to prevent disruption of the EGD by a repeated switching on and off of the AC power.

(n) A surge protector must be installed on each EGD.

(o) An EGD must be capable of maintaining the accuracy of the required electronic meter information and game data after power is discontinued from the EGD.

(p) After a power failure, the EGD must be able to continue a game without loss of data.

(q) A hardware switch may not be installed if it alters the pay tables or payout percentages in the operation of the EGD.

(r) Unless otherwise approved by the board in writing, a hardware switch may only be installed to control any of the following:

(i) Graphic routines.

(ii) Speed of play.

(iii) Sound.

(iv) Other approved cosmetic play features.

(22) If a bill validator is utilized, the bill validator must be approved by the board and must meet the following requirements:

(a) The bill validator must exchange currency, tickets, or vouchers for equal value of EGD credits. If EGD credit is issued, then the player must have the option of taking the

entire amount of credits or utilizing any portion of the registered credits to activate the EGD as a wager.

(b) A bill validator must have software programs that enable the acceptor to differentiate between genuine and counterfeit bills to a high degree of accuracy.

(c) A bill validator may be for a single denomination or combination of denominations, including tickets and vouchers.

(d) A bill validator must be equipped with a drop box to collect the currency, tickets, or vouchers inserted into the bill validator. The drop box must comply with all of the following requirements:

(i) The drop box must be housed in a locked compartment separate from any other compartment of the EGD.

(ii) The drop box must be accessible by a key that will access only the bill validator drop box and no other area of the EGD.

(iii) The drop box must have a slot opening through which currency, tickets, or vouchers can be inserted.

(iv) The drop box must be identifiable to the EGD from which it was removed.

(23) Wagering credits available for play must be wagered in the following order:

(a) Non-cashable credits.

(b) Cashable credits given away by a casino licensee.

(c) All other credits.

R 432.1840 ~~EGD~~Electronic gaming device tournaments.

Rule 840. (1) ~~Electronic gaming device~~**EGD** tournaments may be conducted by the casino licensee.

(2) All tournament play ~~shall~~**must** be on machines ~~that~~**which** have been tested and approved in accordance with the rules and for which the tournament feature has been enabled.

(3) All ~~electronic gaming devices~~ **EGDs** used in a single tournament ~~shall~~ **must** utilize the same electronics and machine settings.

(4) ~~Electronic gaming devices~~ **EGDs** enabled for tournament play ~~shall~~**must** not accept ~~tokens~~**credits in** or pay **credits out in any mannertokens**. The ~~electronic gaming devices~~ **EGDs** ~~shall~~**must** utilize credit points only.

(5) Tournament credits ~~shall~~**must** have no cash value.

(6) Tournament play ~~may~~**must** not credit the accounting meters of the machine.

(7) At the casino licensee's discretion, the casino licensee may establish qualification or selection criteria to limit the eligibility of players in a tournament. Criteria used ~~shall~~**must** be reasonably related to gaming activity.

(8) All of the following provisions apply to the rules of tournament play:

(a) A casino licensee ~~shall~~**must** submit the rules for a tournament to the board not less than 30 days in advance of the commencement of the tournament or within a shorter time period as the board may designate. The rules of tournament play ~~shall~~ **must** include, ~~but not be limited to,~~ all of the following:

(i) The amount of points, credits, and playing time players will begin with.

(ii) The manner in which players will receive ~~electronic gaming device~~ **EGD** assignments and how reassignments are to be handled.

(iii) How players are eliminated from the tournament and how the winner or winners are to be determined.

(iv) The number of ~~electronic gaming devices~~ **EGDs** each player will be allowed to play.

(v) The amount of entry fee for participating in the tournament.

(vi) The number of prizes to be awarded.

(vii) An exact description of each prize to be awarded.

(viii) Any additional house rules governing play of the tournament.

(ix) Any procedures deemed necessary by the board to ensure compliance with the act and these rules.

~~(b) The board shall approve the rules, in writing, within 30 days of the receipt of the rules.~~

~~(eb)~~ A casino licensee **shall-must** not permit any tournament to be played unless the rules of tournament play have been approved by the board.

~~(dc)~~ Once rules of a tournament have been approved by the ~~executive director~~**board**, a casino licensee may offer a tournament utilizing the approved rules at any time. Amendments to approved rules of tournament play **shall-must** be submitted to the board not less than 30 days before utilizing the amendments or within a shorter time frame as the board may designate. ~~The board shall approve or reject amendments to the rules of tournament play within 30 days of receipt of the amendments.~~ An amendment to the rules of tournament play **shall-must** not be utilized by the casino licensee until approved by the board.

~~(ed)~~ The rules of tournament play **shall-must** be provided to all tournament players and members of the public who request a copy of the rules.

R 432.1841 ~~Operation of w~~**Wide area progressives system authorization.**

Rule 841. (1) This rule authorizes the use of **a wide area progressive system**~~progressive electronic gaming devices among the casinos licensed under the act if the electronic gaming devices and the wide area progressive systems meet the requirements of these rules.~~

(2) Unless otherwise permitted by the board, in writing, ~~a~~**each** machine on the link shall have the same probability of hitting the combination that will award the progressive jackpot. In addition, ~~a~~**each** machine on a link shall be located on the licensed premises of 1 ~~casino establishment~~ or a machine may be linked among more than 1 ~~casino establishment~~ if the system, hereinafter referred to as multilink for describing such system, is in compliance with all of the following:

(a) The wide area **progressive** system shall have the ability to monitor entry into the front door of each networked ~~slot machine~~**EGD** as well as the logic area of each networked ~~slot machine~~**EGD** and report it to the central system immediately.

(b) All communication packets between each location and the central system shall be encrypted.

(c) A progressive EGD must either contain or be linked to a progressive display showing the wide area progressive jackpot to all players who are playing a progressive EGD and who may potentially win the wide area progressive jackpot.

~~(de)~~ All progressive meter reading data shall be obtained in real-time in an ~~on-line~~, automated fashion. When requested to do so, the system shall return meter readings on the first device attached to the system within 5 minutes of the meter acquisition request. This limitation shall not apply to the length of time it takes the computer system to calculate and print reports, but rather only to the time it takes to gather data used for the process. Manual reading of meter values may not be substituted for these requirements.

~~(ed)~~ A **casino** licensee utilizing a wide area progressive system shall suspend play on the system if a communication failure in the system cannot be corrected within **24 consecutive hours** ~~a period of time approved by the board before the commencement of play on the wide area progressive system~~. If a communication failure occurs in a wide area progressive system, then the operator of the system shall take a reading during the time the system is down to make sure that the jackpot amount is the same at all locations connected to the system when ~~bringing~~**restoring** the system ~~that failed back on line~~. A licensee utilizing a multilink system shall suspend play on the multilink at the premises of the licensee if a communication failure in the system cannot be corrected within a configurable amount of time, but not more than 24 consecutive hours.

~~(fe)~~ A licensee authorized to provide a wide area **progressive** system shall keep a ~~hard copy~~ log of all events for a period of not less than 60 days.

~~(gf)~~ Wide area progressive jackpot verification procedures shall include the following provisions:

(i) When a wide area progressive jackpot is won, the licensee authorized to provide the wide area system shall inspect the machine ~~accompanied by a gaming board agent or personnel assigned to the Michigan state police gaming section~~ **and the board must be notified prior to inspection**. The inspection shall include examining the EPROM **or equivalent electronic storage mediums**, the error events received by the central system, and any other data that could reasonably be used to ascertain the validity of the jackpot.

(ii) The central system shall produce reports that will clearly demonstrate the method of arriving at the payoff amount. The reports shall include ~~wagers the coins contributed~~ beginning at the polling cycle immediately following the previous jackpot and will include all ~~coins contributed wagers~~ up to, and including, the polling cycle, which includes the jackpot signal. ~~Coins Wagers contributed to the system before the jackpot message is received will be deemed to have been contributed~~ **used in calculating** the progressive amount before the current jackpot. ~~Coins Wagers contributed to the system subsequent to the jackpot message being received will be deemed to have been contributed~~ **used in calculating** the progressive amount of the next jackpot.

(iii) A jackpot of more than \$100,000.00 may be paid in installments over a period of not more than 25 years if each machine clearly displays the fact that the jackpot will be paid in installments. In addition, the number of installments and time between installments shall be clearly displayed on the face of the machine in plain language that is approved by the board.

(iv) Two jackpots that occur in the same polling cycle ~~will be~~ deemed to have occurred simultaneously and, therefore, each winner shall receive the full amount shown on the meter, unless another method of resolution has been approved in advance by the board.

~~(hg)~~ **Submission to Approval** ~~by the board of any wide area progressive system shall occur in the following 2 phases:~~

(i) The initial ~~approval stage~~**phase**, wherein the underlying gaming devices and communication hardware are tested and approved **or rejected** by the board.

(ii) The on-site testing phase, wherein a field inspection is conducted at the central computer site as well as multiple field sites to ensure compliance with the act and these rules. Operation of the system will be authorized only after the board is satisfied that the system meets both the initial approval and on-site testing requirements, as well as any other requirements that the board may impose to assure the integrity, security, and legal operation of the wide area progressive system.

(ih) The central computer site shall be equipped with a noninterruptible power supply, and the central computer shall be capable of on-line data redundancy if hard disk peripherals fail during operation.

(ji) A licensee authorized to provide a wide area progressive system shall supply reports in a format approved by the board ~~which~~**that** support and verify the economic activity on the system.

(kj) Any licensee authorized to provide a wide area progressive system must supply, as requested, reports and information to the board indicating the amount of, and basis for, the current jackpot amount (the amount currently in play).

The reports shall include an aggregate report and a detail report. The aggregate report shall show only the balancing of the system with regard to system-wide totals. The detail report shall be in a form that identifies each machine on a polling station and indicates for each machine, summarized by location, the coin-in and coin-out totals as the terms are commonly understood in the industry.

In addition, upon the invoicing of any licensee participating in a wide area progressive system, a licensee shall be given a printout identifying all of the following:

(i) Each machine linked to the system.

(ii) The ~~coins contributed~~**wagers** by each machine to the jackpot for the period for which an invoice is remitted.

(iii) Other information required by the board to document the validity of the licensee's contributions to the jackpot amount.

(lk) A licensee authorized to provide a wide area progressive system shall obtain written approval from the board identifying all of the following:

(i) The methods of funding the progressive prize pool.

(ii) The calculating and receipt of payments from participating licensees.

(iii) Provisions for equipment and services associated with the wide area progressive system.

(ml) In calculating gross receipts, a licensee shall deduct its contributions to any progressive jackpots awarded during the month. The deducted amount shall be listed on the detailed accounting records provided to the licensee by the person authorized to provide the wide area progressive system. A licensee's contribution is based on the ~~number of coins in~~**wagered amounts** from that licensee's machines on the wide area progressive system, compared to the total amount of coins in on the whole system for the time period or periods between the jackpot or jackpots awarded.

(nm) The right to receive the jackpot payments may not be encumbered, assigned, or otherwise transferred by a winner, estate, or heir of a deceased winner, except to the estate or heir of the person upon his or her death. An attempt to make a prohibited transfer may result in the person forfeiting the right to receive future payments.

(on) Except where prohibited by law, if a licensee ceases operations and a progressive jackpot is awarded subsequent to the last day of the final month of operation, then the licensee may file an amended tax return or make claim for a gaming tax refund based on its contributions to the particular progressive pool.

(po) The central monitoring system for the wide area progressive shall be located within ~~the this state of Michigan~~ **unless otherwise approved in writing by the board**. The office containing the central monitoring system shall be equipped with a surveillance system that has been approved by the board. The licensee authorized to provide a wide area progressive

system shall be required to limit access to the monitoring system room and keep and maintain an entry and exit log for the office in a manner approved by the board. The board ~~shall~~ **must**, at all times, have the right to immediate access to the office containing the central monitoring system and the system itself.

~~(qp)~~ **The provider licensee authorized to provide of the wide area progressive system may must** not allow any agent or employee to work on any component of the system until the person has demonstrated that the employee or agent is qualified and experienced in the construction, software, hardware, and all internal and external components of the system and has attained at least a level ~~H2~~ occupational license from the board.

~~(rq)~~ The licensee authorized to provide a wide area progressive system shall supply a copy of all leases and contractual agreements relating to the wide area progressive system ~~to if~~ **requested by** the board.

~~(sf)~~ The wide area progressive system prize fund (the amount of money contributed by the participating licensees) shall be audited, in accordance with generally accepted auditing standards, on the fiscal year of the licensee authorized to provide the system, by an independent accountant licensed by the Michigan state board of accountancy and approved by the board. The report shall be submitted to the board upon completion of the audit or 90 days after the conclusion of the licensee's fiscal year, whichever occurs first. The licensee providing the wide area progressive system shall pay for the cost of the audit.

~~(ts)~~ The board shall require that a licensee who is authorized to provide a wide area progressive system **must comply with both of the following requirements maintain, in a restricted account, a reserve consisting of cash, United States government treasury securities, approved debt instruments, or combination of not less than the sum of both of the following:**

~~(i) Maintain, in a restricted account, a reserve consisting of cash, United States government treasury securities, approved debt instruments, or combination of not less than the sum of both of the following amounts:~~ **The aggregate remaining balances owed on all jackpots previously won by patrons through the wide area progressive system.**

~~(ii) An amount sufficient to fully fund the present value of all amounts currently reflected on the progressive meters of the wide area progressive systems.~~

~~-(A) The aggregate remaining balances owed on all jackpots previously won by patrons through the wide area progressive system.~~

~~-(B) An amount sufficient to fully fund the present value of all amounts currently reflected on the progressive meters of the wide area progressive systems.~~

~~(ii) In addition, a licensee who is authorized to provide the wide area system shall, at all times, satisfy and be in compliance with both of the following ratios:~~

~~-(A) A ratio of not less than 2:1.~~

~~-(B) An interest coverage ratio of not less than 3:1.~~

(3) A licensee of a wide area progressive system must not reduce, eliminate, or transfer the amount on a wide area progressive EGD jackpot meter or a wide area progressive EGD jackpot unless 1 of the following circumstances exist:

(a) A player wins the wide area progressive jackpot.

(b) The licensee adjusts the wide area progressive EGD jackpot meter to correct a malfunction or to prevent the display of an amount greater than a limit imposed in these rules and the licensee documents the adjustment and the reasons for it and notifies the board in writing.

(c) The casino licensee's gaming operations at the establishment cease for any reason other than a temporary closure where the same licensee resumes gaming operations at the same establishment within 30 days.

(d) The licensee distributes the amount to another wide area progressive EGD jackpot in accordance with the licensee's board approved internal controls.

(e) The board, for good cause, approves in writing prior to a transfer, a reduction, elimination, distribution, or procedure not otherwise addressed in this rule or the licensee's internal controls.

R 432.1842 Associated equipment approval.

Rule 842. (1) Except as otherwise determined by the board **in writing**, a **licensed supplier manufacturer or distributor of associated equipment shall must** not distribute associated equipment to a casino licensee unless the associated equipment has been approved by the board.

~~(2) The board may require the manufacturer or distributor of associated equipment to obtain a supplier license.~~

~~(3) All of the following provisions apply to applications and procedure for approval of associated equipment. A manufacturer or distributor may seek approval of its associated equipment by submitting an application to the board in the manner and form prescribed by the board.:~~

~~(a) An application for approval of associated equipment shall require that the manufacturer or distributor submit all of the following information on forms prescribed by the board:~~

~~(i) The name, business address, and business telephone number of the manufacturer or distributor.~~

~~(ii) The federal identification number, Michigan taxpayer identification number, or social security number of the manufacturer or distributor.~~

~~(iii) If the manufacturer or distributor is a business entity, then the information set forth in this subdivision and subdivision (b) of this subrule shall be provided for the business entity's key persons and substantial owners.~~

~~(iv) A list of the jurisdictions that have approved the associated equipment. A copy of the document of approval from each jurisdiction shall be attached to the application.~~

~~(v) Additional information deemed necessary by the board to enable a complete understanding of the operation and function of the associated equipment.~~

~~(b) If the board may requires the manufacturer or distributor of associated equipment to submit the associated equipment to the board or an independent lab utilized by the board for evaluation, then the manufacturer or distributor of the associated equipment shall must provide all of the following information to the independent lab the board requests, including, but not limited to, all of the following:~~

~~(i) The information set forth in subrule (3)(a)(i) to (v) of this rule.~~

~~(ii) A complete, comprehensive, and technically accurate description and explanation of the associated equipment and its intended use in both technical and lay language. The document shall must be signed under penalty of perjury.~~

~~(iii) Detailed operating procedures of the associated equipment.~~

~~(iv) Details of all tests performed on the associated equipment, the conditions and standards under which the tests were performed, the test results, and the identity of the person who conducted the each test.~~

- ~~(c) With respect to associated equipment, the independent lab shall provide the board with documentation regarding all of the following information:~~
- ~~(i) Details of the tests performed on the associated equipment.~~
 - ~~(ii) Results of the tests performed on the associated equipment.~~
 - ~~(iii) Detailed operating procedures of the associated equipment.~~
 - ~~(iv) Percentage calculations of the associated equipment.~~
 - ~~(v) Other information deemed necessary by the board to ensure compliance with the act and these rules.~~
- ~~(4) Both of the following provisions apply to the evaluation of associated equipment:~~
- ~~(a) The board may require transportation of not more than 2 working models of associated equipment to a designated lab for review evaluation and inspection. The board or independent lab may dismantle the associated equipment and may destroy the electronic components associated equipment in order to fully evaluate it the equipment.~~
 - ~~(b) The board may do both of the following: require the manufacturer or distributor requesting approval of the associated equipment to provide specialized equipment or the services of an independent technical expert to evaluate the equipment.~~
- ~~(i) Require the manufacturer or distributor seeking approval of the associated equipment to provide specialized equipment or the services of an independent technical expert to evaluate the equipment.~~
 - ~~(ii) Employ an outside lab to conduct the evaluation.~~
- ~~(e) The manufacturer or distributor seeking requesting approval of the associated equipment shall must pay the board for the cost associated with of the evaluation and inspection of the associated equipment.~~
- ~~(5) Except where the board has provided written notification that approval is not required, A casino licensee or casino license applicant shall must only install or use only associated equipment that has been approved by the board after a determination has been made that the associated equipment is in compliance with the technical standards set forth in this rule.~~
- ~~(6) After evaluating the associated equipment submission is approved, the board shall will advise the manufacturer and or distributor, in writing, of the approval determination.~~
- ~~(7) A casino licensee or casino license applicant shall must not alter the manner in which associated equipment operates or revise the associated equipment without the prior written approval of the board.~~
- ~~(8) All of the following provisions apply to the revocation of approval after the associated equipment has been approved:~~
- ~~(a) The board may revoke the approval of associated equipment if the executive director determines any of the following require a casino licensee or casino license applicant to discontinue use of the associated equipment for any of the following reasons:~~
- ~~(i) The associated equipment does not perform in the manner described in the application.~~
 - ~~(ii) The associated equipment is defective or malfunctions frequently.~~
 - ~~(iii) The associated equipment has a detrimental impact on the conduct of a casino gambling operation.~~
 - ~~(iv) The associated equipment adversely affects the computation of taxes for reasons including, but not limited to, the following:~~
- ~~(A) Inaccurate computation.~~
 - ~~(B) Defects.~~

(C) Malfunctions.

(v) Any other reason justifying discontinuance, in the board's judgment.

~~(b) The board shall immediately, in writing, notify~~ **will provide written notification to the manufacturer or distributor of the associated equipment and the casino licensee that the associated equipment is no longer approved for use** ~~of the revocation of approval. The board shall advise the manufacturer or distributor of the associated equipment of the date on which the associated equipment shall cease to be used.~~

~~(c) The board shall immediately, in writing, notify the casino licensee or casino license applicants that utilize the associated equipment of the revocation of approval. The board shall advise the casino licensee or casino license applicant of the date on which the casino licensee or casino license applicant shall cease to use the associated equipment.~~

~~(dc) A casino licensee or casino license applicant shall~~ **must cease utilizing using** the associated equipment ~~for which approval has been revoked by the date established by the board in subrule (8)(c) of this rule~~ **unless the board extends the date based on a written request from a casino licensee or casino license applicant received before the date initially established.** ~~The casino licensee or casino license applicant shall notify the board, in writing, if it cannot cease utilization of the associated equipment by the established date and shall seek an extension of time. The board shall advise the casino licensee or casino license applicant, in writing, if the suggested time frame is not suitable.~~

(911) All of the following provisions apply to further notification requirements:

~~(a) The manufacturer or distributor of associated equipment shall~~ **must immediately** notify ~~the executive director~~ **board**, in writing, of any ~~problems, defects or malfunctions~~ **that affect the fairness of any game or proper reporting of required accounting meters, or materially affect the integrity of the operation, safety, or play** of any associated equipment that has been approved by the board.

~~(b) If another gaming jurisdiction revokes or otherwise directs discontinuance of associated equipment that has been approved by the board, t~~~~The manufacturer or distributor of the associated equipment shall~~ **must advise the board in writing of the discontinuance, within 21 days of the revocation or direction of discontinuance** ~~in writing, if the approval of any associated equipment approved by the board has been revoked by any other gaming jurisdiction.~~

~~(c) A casino licensee or casino license applicant shall~~ **must immediately** notify the board, in writing, of any ~~material problems, defects or malfunctions~~ **that affect the fairness of any game, or proper reporting of required accounting meters, or materially affect the integrity of the operation, safety, or play** of any associated equipment that has been approved by the board and is utilized by the casino licensee or casino license applicant ~~in the state of Michigan or any other jurisdiction.~~

~~(d) A casino licensee or casino license applicant shall notify the board, in writing, if the approval of associated equipment approved by the board and utilized by the casino licensee or casino license applicant has been revoked by any other gaming jurisdiction.~~

(102) All of the following provisions apply to the retention of records:

~~(a) The associated equipment manufacturer or distributor of associated equipment shall maintain all of the following~~ **must retain all of the following associated equipment records:**

(ia) All applications for approval of associated equipment submitted to the board **and the information included in the submission.**

~~(ii) Detailed operating procedures of the associated equipment.~~

~~(iii)~~ **(b)** Approvals, **denials, and revocations** of associated equipment received from any gaming jurisdiction, **if the associated equipment has been submitted to the board for approval.**

~~(iv) A complete, comprehensive, and technically accurate description and explanation of the associated equipment and its intended use in both technical and lay language.~~

~~(v)~~ **(c)** Any alterations or revisions ~~and the requisite approvals~~ that have been conducted on associated equipment utilized by casino licensees or casino license applicants **and the requisite approvals.**

~~(vi) The revocation of any approval for associated equipment issued by any gaming jurisdiction.~~

(b) Any **notification and supporting** documentation that indicates ~~problems;~~ **material** defects; or malfunctions of the associated equipment.

~~(c) Details of any tests performed on the associated equipment by the manufacturer or distributor of the associated equipment.~~

(d) Any other records the board deems necessary to ensure compliance with the act and these rules.

~~(13)~~ A casino licensee or casino license applicant ~~shall~~ **must** maintain any records ~~listed in subrule (10) of~~ **specified in** this rule that are in its possession.

~~(14)~~ All records required by this rule ~~shall~~ **must** be maintained by the manufacturer or distributor of the associated equipment, the casino licensee, or the casino license applicant for a **minimum** period of 5 years.

~~(13) The manufacturer or distributor of associated equipment who is served with a notice of denial or revocation of approval under this rule may request a hearing.~~

R 432.1843 Analysis of questioned ~~electronic gaming devices~~ **EGDs.**

~~Rule 843. (1) If the operation of any electronic gaming device is questioned by any holder of a casino license, patron, or the board, then the questioned device will be examined in the presence of a representative of the board and a representative of the holder of a casino license. If the malfunction cannot be cleared by other means to the mutual satisfaction of the patron and the holder of the casino license, then the electronic gaming device will be subjected to an EPROM memory test to verify a signature comparison by a board agent.~~

~~(2) If the malfunction cannot be determined and corrected by the testing, then the electronic gaming device may be removed from service and secured in a remote, locked compartment. The electronic gaming device may then be transported to an industry-recognized laboratory selected by the executive director. The device will be fully analyzed at the laboratory to determine the status and cause of the malfunction. All costs for transportation and analysis will be borne by the holder of a casino license and will be billed to the holder of a casino license by the board. If a patron questions the operation of an EGD, the questioned EGD must be inspected by a casino licensee representative. If the question is not resolved to the mutual satisfaction of the patron and the casino licensee representative, a board representative must be notified immediately. The EGD may be examined by a board representative. If the board representative deems it necessary, the EGD will be removed from service until the issue is resolved to the satisfaction of the board.~~

R 432.1903 Board approval of internal control system.

Rule 903. (1) A licensee shall describe, in a manner that the board may approve or require, its administrative and accounting procedures in detail in a written system of internal control. A written system of internal controls shall include a detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of these rules. Additionally, the description shall include a separate section for all of the following:

(a) An organizational chart depicting appropriate segregation of functions and responsibilities.

(b) A description of the duties and responsibilities of each position shown on the organizational chart.

(c) A detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of these rules. Additionally, the description shall include a separate section for all of the following:

(i) Physical characteristics of the drop box and tip box.

(ii) Transportation of drop and tip boxes to and from gaming tables.

(iii) Procedures for table inventories.

(iv) Procedures for opening and closing gaming tables.

(v) Procedures for fills and credits.

(vi) Procedures for accepting and reporting tips and gratuities.

(vii) Procedures for transporting chips and tokens to and from gaming tables.

(viii) Procedures for shift changes at gaming tables.

~~(ix) Drop bucket characteristics.~~

~~(x) Transportation of drop buckets to and from electronic gaming devices.~~

~~(ixi) Procedures for chip and token purchases.~~

~~(xii) Procedures for hopper fills.~~

~~(xiii) Procedures for the transportation of electronic gaming devices EGDs.~~

~~(xiv) Procedures for hand-paid jackpots.~~

~~(xiiiv) Layout and physical characteristics of the cashier's cage.~~

~~(xviii) Procedures for accounting controls.~~

~~(xivii) Procedures for the exchange of checks submitted by gaming patrons.~~

~~(xviii) Procedures for credit card and debit card transactions.~~

~~(xvix) Procedures for the acceptance, accounting for, and redemption of, patron's cash deposits.~~

~~(xviiix) Procedures for the control of coupon redemption and other complimentary distribution programs.~~

~~(xviii) Procedures for federal cash transactions reporting.~~

~~(xixii) Procedures for computer backups and assuring the retention of financial and gambling operation.~~

(d) Other items as the board may require.

(2) Not less than 90 days before the gambling operation commences, unless otherwise directed by the board, a licensee shall submit, to the board, a written description of its internal control system that is designed to satisfy the requirements of subrule (1) of this rule.

(3) If the written system is the initial submission to the board, then a letter shall be submitted from an independent certified public accountant selected by the board stating that

the licensee's written system has been reviewed by the accountant and is in compliance with the requirements of subrule (1) of this rule.

(4) The board shall review each submission required by subrule (2) of this rule and shall determine whether it conforms to the requirements of subrule (1) of this rule and whether the system submitted provides adequate and effective controls for the operations of the licensee. If the board finds any insufficiencies, then the board shall specify the insufficiencies, in writing, and submit the written insufficiencies to the licensee. The licensee shall make appropriate alterations. A licensee shall not commence gambling operations until a system of internal controls is approved.

R 432.1904 Amendments to internal control procedures.

Rule 904. All of the following provisions apply to amendments to the internal control procedures:

(a) Unless otherwise provided by the board, amendments to any portion of the internal control procedures shall be submitted to the board not less than 30 days before the amended internal control procedure is utilized.

(b) The board ~~shall~~**may**, in writing, approve **or disapprove** the amendment to the internal control procedure in total or in part.

(c) An amendment to internal control procedures ~~may~~**must** not be utilized by a casino licensee unless the amendment to the internal control procedure has been approved, in writing, by the board.

(d) A casino licensee shall advise the board of any change in a scheduled event not less than 24 hours before the change is instituted. If the time of the scheduled event has to be altered due to an emergency, then the casino licensee shall immediately notify the board, in writing, and provide a written explanation for the change to the board within 24 hours.

(e) If the board requests additional information, clarification, or revision of a proposed amendment to an internal control and the casino licensee fails to satisfy the request within 30 days of the request, the board shall consider the proposed amendment withdrawn. If the casino licensee subsequently wants to seek board approval of the proposed amendment, it must resubmit the request.

R 432.1905 Emergency procedures.

Rule 905. (1) In the event of an emergency, the casino licensee may amend an internal control procedure. The executive director or his or her designee must concur that an emergency exists before amending an internal control procedure.

(2) A casino licensee shall report any emergency amendment of the internal control procedures to the executive director or his or her designee immediately.

(3) A casino licensee shall submit a description of the emergency amendment of the internal control procedures and the circumstances necessitating the emergency amendment to the board within ~~10~~**14** business days of the amendment.

(4) As soon as the circumstances necessitating the emergency amendment to the internal control procedures abate, a casino licensee shall resume compliance with the approved internal control procedures.

PART 10. SECURITY AND SURVEILLANCE

R 432.11001 Surveillance and recording systems; staffing; installation of different or new types of audio or visual recording or surveillance technology.

Rule 1001. (1) A casino licensee ~~shall require~~ **must have** that the casino surveillance room staffed ~~by an occupational licensee employed to work in the surveillance department~~ at all times, ~~that any of the following occur:~~

- ~~-(a) Gaming.~~
- ~~-(b) Drop bucket collection process.~~
- ~~-(c) Hard count process.~~
- ~~-(d) Currency collection process.~~
- ~~-(e) Soft count process.~~
- ~~-(f) The temporary holding cell is occupied.~~
- ~~-(g) Armored car cash deliveries and pickups.~~
- ~~-(h) Other times deemed necessary by the board to ensure compliance with the act and these rules.~~

(2) Subject to approval of the board, a casino licensee may install different or new types of audio or visual recording or surveillance technology in the casino and related facilities for purposes of compliance with the act or these rules.

R 432.11002 Surveillance and board surveillance room specifications.

Rule 1002. (1) ~~There shall be~~ **A casino must have rooms for** recording and monitoring ~~rooms in each casino.~~ The room for the exclusive use of the board and **its designees** ~~Michigan state police personnel assigned to assist the board in the casino~~ shall be designated the "Board Surveillance Room." The room for the use of the surveillance employees of the gambling operation shall be designated the "Casino Surveillance Room." The casino security office ~~shall~~ **must** be separate from the casino surveillance room ~~and be located in a different area of the building.~~

(2) Each surveillance room ~~shall~~ **must** be in compliance with ~~both~~ of the following provisions:

- (a) Be located out of the general view of patrons ~~and nonsurveillance employees.~~
- (b) Have access limited to surveillance room personnel and persons with a legitimate need to enter the area.

(3) Subject to approval by the board, a casino licensee may install surveillance monitors in locations other than the surveillance room.

R 432.11003 Detained or arrested persons.

Rule 1003. (1) A casino licensee shall immediately report; to Michigan state police personnel assigned to assist the board; the physical detention, **in a temporary holding area,** of a person suspected of criminal activity.

(2) A casino licensee shall provide ~~separate~~ **at least 2** temporary holding areas for ~~male and female detainees or arrestees that are capable of accommodating not less than 4 people for the purposes of detention and arrest.~~ The holding areas shall be in compliance with all of the following provisions:

- (a) Be separate and located out of the general view of patrons.
- (b) Be easily accessed by the board, law enforcement officers, and casino security officers.
- (c) Have adequate soft handcuff restraints affixed to benches ~~for not less than 4 people.~~

(d) **Be audibly and visually recorded and monitored by surveillance** For purposes of monitoring the temporary holding area when occupied, ~~have a color camera and monitor that are in compliance with the specifications for surveillance equipment specified in these rules.~~

~~(e) Have adequate space for detainee processing adjacent to each temporary holding area.~~

(3) Before a person is secured in the temporary holding area for purposes of detention or arrest, all of the following provisions shall be complied with:

~~-(a) An arrested or detained person shall be thoroughly searched for weapons, illegal substances, and all property.~~

~~-(b) All items of property, including shoestrings, waist belts, or anything the detained person could use to harm himself or herself or others, shall be itemized on a property form and removed from the detained party.~~

~~-(c) Property belonging to the detained party shall be secured in a locked storage area specifically designated for detainee property.~~

~~-(d) The room designated for storage of detainee property shall be surveilled by black and white camera and monitored any time detainee property is stored in the room.~~

~~-(e) Upon release or transfer of the detained party, casino security officers shall return the detained person's property and have the person sign the itemized property form to document the return.~~

~~-(f) Completed property forms shall be attached to appropriate incident reports and retained for the required period.~~

~~-(4) As a general rule, a person shall not be detained in a temporary holding area awaiting transport for more than 2 hours. Other Rrestrictions regarding on the use of easinøtemporary holding areas are as follows:~~

(a) A juvenile detainee shall not be placed in a temporary holding area without ~~the authorization and review of the ranking~~ **notification to Michigan state police personnel assigned to assist the board** Michigan state police officer on-site.

(b) If it becomes necessary to place a juvenile detainee in a temporary holding area, then the juvenile shall be kept out of ~~the visual and physical contact, sight, and sound~~ of adult detainees at all times. ~~This restriction also applies during transports.~~

(c) Male and female detainees (adult or juvenile) shall not be placed in the same temporary holding area.

R 432.11004 Secured delivery station specifications.

Rule 1004. (1) A casino licensee ~~shall provide~~ **must have** a secure structure **available** for all of the following purposes: **armored car cash deliveries and armored car cash pickups.**

~~-(a) Armored car cash deliveries.~~

~~-(b) Armored car cash pickups.~~

~~(c) The delivery and pickup of chips, tokens, and other valuables.~~

~~-(d) The pickup of detainees.~~

The structure shall be designated the "secured delivery station" and shall be **recorded by surveillance cameras during all hours of operation, with monitoring conducted when deliveries and pickups are made** ~~overtly surveilled and monitored during all hours of operation. One on one continuous surveillance shall be conducted when deliveries and pickups are made.~~

(2) A secured delivery station shall be in compliance with all of the following provisions:

(a) Be located out of the general view of patrons, ~~non-surveillance employees, and non-security employees.~~

(b) Have ~~not less than 2~~ **at least 1** garage stalls large enough to accommodate ~~2~~ **an** armored trucks and still allow adequate space to comfortably walk around ~~each~~ **the** vehicle.

(c) Have ~~2~~ **an** independently operated garage doors that ~~are~~ **is** electronically controlled from the casino surveillance room.

(d) Have a secured room between the secured delivery station and the **adjacent area of the casino common**. The room shall have electronically operated ~~sliding bulletproof glass~~ doors that are programmed so that both doors cannot be open at the same time and neither door can open unless ~~the both~~ garage doors to the secured delivery station ~~are~~ **is** closed and secured.

(e) Have color cameras ~~and monitors which are~~ in compliance with the specifications for surveillance equipment in these rules ~~which surveil and monitor activities~~ in all of the following areas:

(i) The secured delivery station.

(ii) The secured room off the secured delivery station.

(iii) Just outside the garage doors to the secured delivery station.

(iv) Just inside the **adjacent area of the casino common**.

(3) Casino surveillance personnel shall advise ~~the security officers~~ **department** of deliveries so the ~~officers~~ **security department** can provide a foot escorts to and from secured areas within the casino. Delivery personnel who are not casino personnel shall not be allowed to walk in the secured areas of the casino without an escort.

R 432.11005 Required surveillance equipment.

Rule 1005. (1) A casino licensee shall install a ~~closed circuit television~~ **surveillance** system in accordance with ~~this~~ **these** rules.

(2) A casino shall have a sufficient number of monitors in the surveillance rooms to ~~adequately protect~~ **facilitate the adequate protection of** patrons and ensure the integrity of casino gaming.

The board surveillance room and the casino surveillance room shall have appropriate switching capabilities to ensure all surveillance cameras are accessible to monitors in each room, except for the camera and monitor that allow the board or Michigan state police personnel assigned to **assist** the board, or both, to monitor employees in the casino surveillance room. The equipment in the board surveillance room shall ~~be able to monitor~~ **and capable of recording and monitoring**, without being overridden, anything visible by monitor to employees of a casino licensee.

(3) ~~Above each~~ table game ~~there~~ shall ~~have~~ **be a** fixed cameras ~~that which are~~ **is** in compliance with the requirements for surveillance equipment in these rules and ~~which~~ continuously monitors and records ~~all games during all hours of casino operations.~~

(4) The board surveillance room shall have a ~~color television~~ monitoring system ~~which that~~ is in compliance with the requirements for surveillance equipment in these rules and ~~which that~~ is capable of monitoring employees in the casino surveillance room.

(5) The equipment utilized in the ~~closed circuit television~~ **surveillance** system shall be in compliance with all of the following requirements:

(a) ~~A black and white television~~ camera shall be in compliance with all of the following requirements:

(i) ~~Be solid state.~~

~~(ii) Be 2/3 or 1/2 format.~~

(iii) ~~Have a minimum of 400 lines of resolution,~~ **Be installed in a fixed positions, and have a matrix control or pan, tilt, and zoom capabilities.**

~~(iiiv) Be secreted from the public and nonsecurity personnel view to effectively and clandestinely monitor, in detail, from various points,~~ **be capable of conducting surveillance in accordance with the coverage requirements** described in these rules.

~~(b) A color television camera shall be in compliance with all of the following requirements:~~

~~(i) Be 2/3 or 1/2 format.~~

~~(ii) Have a minimum of 320 lines of resolution and have a matrix control or pan, tilt, and zoom capabilities.~~

~~(iii) Be secreted from the public and nonsecurity personnel view to effectively and clandestinely monitor, in detail, from various points, the coverage described in these rules.~~

(b) A fixed color camera stationed over table games shall be secreted from the public and non-surveillance personnel view and be capable of conducting surveillance of the players, dealers, and gaming devices of table games in accordance with the coverage requirements described in these rules.

(c) A camera that is utilized for observing chips, dice, ~~tokens,~~ playing cards, keno balls, and positions on the roulette wheel shall be ~~equipped with lenses~~ **capable of capturing the images with sufficient clarity to determine** ~~magnification capabilities to allow the operator to clearly distinguish~~ the value of all of the following:

(i) Chips.

(ii) Dice.

~~(iii) Tokens.~~

~~(iiiv) Playing cards.~~

(iv) Keno balls.

(vi) Positions on the roulette wheel.

~~(d) A monitor must shall be in compliance with all of the following~~ **display images that conform to the coverage requirements: in these rules, be capable of showing the date and time of the** ~~for recording cameras that have solid state circuitry~~ **of those images upon demand, and meet or exceed the resolution requirements for recording.**

~~(i) Meet or exceed the resolution requirements for recording cameras that have solid state circuitry.~~

~~(ii) Have a date and time generator that is synchronized to a central clock which can be displayed on any of the monitors while recording on videotape, video pictures, or other means of electronic recording.~~

~~(iii) At a minimum, a monitor screen shall measure diagonally not less than 12 inches and have all controls located on the front of the monitor screen.~~

~~(e) A recorder shall be in compliance~~ **comply** with all of the following requirements:

~~(i) Be~~ **Have a date and time generator that is synchronized to a central or master clock and capable of producing high quality, first generation pictures that meet or exceed the resolution requirements for recording cameras** ~~including with recorded images~~ **the date and time of recording of those images.**

~~(ii) Be capable of recording in a board approved format with high speed scanning and have a flickerless playback capability in real time~~ **Produce images of a high quality that conform**

to the coverage requirements in these rules and that include the date and time of recording of those images.

~~(iii) Be capable of r~~**Recording what is viewed by any camera in the system in a board approved format with high speed scanning capability in real time.**

~~(iv) There shall be sufficient r~~**Recorders to allow for the simultaneous recording of the coverage described in these rules, off-line playback, and duplication capabilities what is viewed by any camera in the surveillance system that is attached to such recorder.**

(f) There shall be sufficient recorders to allow for the simultaneous recording of the coverage described in these rules, off-line playback, and duplication capabilities.

~~(fg) A printer that is capable of printing from surveillance-related recording equipment~~ **recorded images shall be provided available and shall be in compliance with all of the following requirements:**

(i) Be capable of adjustment.

(ii) Upon command, be capable of generating instantaneous, clear, and color, or black and white copies of images depicted on the ~~surveillance monitor screen or recording devices or~~ **that have been recorded.**

~~(gh) A date and time generator shall be in compliance with all of the following requirements:~~

~~(i) Be based on a synchronized~~ **with a central or master clock.**

~~(ii) Be capable of being recorded~~ **superimposing the date and time of recording on tape or other board approved medium and in order for such date and time to be visible on any the captured image when it is displayed on a monitor when following recording.**

~~(iii) Have a backup power supply so that the generator remains accurate despite power interruptions.~~

~~(hi) Generator equipment shall allow audio capabilities in the hard and soft count rooms~~ **and the temporary holding areas.**

~~(ij) A wiring system shall be designed to prevent tampering and must be in compliance with both of the following requirements:~~

~~(i) Be supplemented with a backup gas generator power source or diesel generator power source, or both~~ **battery power source, or any combination thereof, that is capable of automatically engaging in case of a power failure.**

~~(ii) Be capable of returning full power within 7 to 10 seconds after a power failure.~~

~~(jk) Switchers for all surveillance cameras shall be capable of both manual and automatic sequential switching for the appropriate cameras.~~

~~(kl) Both of the following shall be in reserve in the event of equipment malfunctions:~~

~~(i) A minimum of 2 backup cameras.~~

~~(ii) Two recording devices.~~

~~(l) Fixed color television cameras designated for table games shall be in compliance with all of the following requirements:~~

~~(i) Be 2/3 or 1/2 format.~~

~~(ii) Have a minimum of 320 lines of resolution, be fixed, and be stationed over table games.~~

~~(iii) Be secreted from the public's and nonsecurity personnel's view to effectively and clandestinely monitor, in detail, the patrons, players, dealers, and gaming devices of table games.~~

(6) Casino surveillance room telephones shall be connected to the casino general telephone system and have at least 1 direct outside line that is independent of the casino general

telephone system. Casino surveillance radio communications shall be connected with the casino security department.

R 432.11006 Required surveillance.

Rule 1006. (1) The surveillance ~~closed circuit television~~ system shall be capable of ~~covertly monitoring~~ **surveilling** activities on the casino floor and related areas, including ~~the~~ patron parking areas and ~~the~~ patron passages leading to and from the casino ~~operation and gambling operation areas~~, as required in these rules.

(2) The board may require additional areas be monitored to ensure compliance with the act and these rules and to ensure the safety of patrons and the integrity of gambling.

R 432.11007 Surveillance system coverage.

Rule 1007. (1) All of the following areas shall be ~~covertly monitored~~ **surveilled** in accordance with these rules:

- (a) Live gaming devices.
- (b) Pits.
- (c) ~~Electronic gaming device~~ **EGD** areas.
- (d) Areas of the main bank.
- ~~(e) Hard count room.~~
- ~~(fe) Soft e~~Count rooms.
- ~~(gf)~~ Occupied temporary holding area.
- ~~(hg)~~ Secured delivery station.
- ~~(ih)~~ Garages, pedestrian walkways, and parking lots.

(2) The surveillance system **coverage of table games shall be capable of providing an overall view of live table games that permits clear identifying with sufficient clarity to determine or allow identification** of all of the following:

- (a) Dealers.
- (b) Patrons.
- (c) Hands of all participants.
- (d) Facial views of all participants.
- (e) All pit personnel.
- (f) Activities of all pit personnel.

(3) The **surveillance system coverage of table games shall be capable of providing a view of the playing surface of the each tables shall be viewed with sufficient clarity to determine or allow identification** all of the following:

- (a) All wagers.
- (b) Card values.
- (c) Game results.

~~(4) The playing surface of the tables shall be viewed with sufficient clarity to clearly observe, in detail, all of the following:~~

- ~~(ad)~~ Chip trays.
- ~~(b)~~ Token holders.
- ~~(ee)~~ Cash receptacles.
- ~~(df)~~ Tip boxes.
- ~~(eg)~~ Dice.
- ~~(fh)~~ Shuffle machines.

(gi) Card shoes.

(54) ~~The R~~oulette tables shall be ~~viewed~~ **surveilled** with color cameras.

(65) ~~The surveillance system coverage of EGDs~~ **Electronic gaming device surveillance systems** shall be capable of providing all of the following:

(a) A reasonably clear view of all gaming patrons.

(b) A facial view of all gaming patrons with sufficient clarity to **determine or** allow identification of the patron.

(c) A view of the ~~electronic gaming device~~ **EGDs** with sufficient clarity to **determine or allow identification of** ~~observe~~ the results of the game.

(d) An overall view of the areas around the ~~electronic gaming device~~ **EGD**.

(e) A view of bill validators with sufficient clarity to determine the bill value and the amount of credit obtained.

(76) The surveillance system shall be capable of providing a reasonably clear view of all of the following:

(a) Activity by players and employees, alone or in concert, that may constitute cheating or stealing.

(b) Failure of employees to follow proper procedures and internal controls.

(c) Treatment of disorderly persons.

(d) Treatment of persons on the exclusion list.

(e) Arrests and evictions.

(f) Treatment of ill or injured patrons.

(g) The activities of detainees in the temporary holding area.

(h) Movement of cash, ~~tokens,~~ cards, chips, or dice on the casino floor.

Upon notification of intended movement of any cash **or chips in excess of \$10,000,** ~~tokens,~~ cards, ~~chips,~~ or dice, both of the following provisions shall be complied with:

(i) The surveillance system personnel shall record the notification in the activities log.

(ii) During the course of routine surveillance, the progress of the movement shall be ~~monitored to~~ **surveilled for purposes of ensuring** that ~~all procedures~~ **these rules** and internal controls are followed.

(i) Areas where any of the following items are stored shall be ~~monitored~~ **surveilled** by a dedicated camera capable of continuous recording or motion activation:

(i) Cash.

~~(ii) Tokens.~~

(iii) Chips.

~~(iii) Cards.~~

(iv) Dice.

~~(vi) Drop buckets containing tokens or any monetary equivalent.~~

(j) Areas where any of the following items are transported or stored shall be ~~monitored~~ **surveilled** by a dedicated camera capable of continuous recording or motion activation:

~~(i) Uncounted tokens.~~

(ii) Chips.

(iii) Cash.

~~(iii) Cash equivalents.~~

R 432.11008 Surveillance system requirements.

Rule 1008. (1) ~~The S~~urveillance **system** shall visually record all of the following ~~activity~~:

- (a) Observed criminal activity.
- (b) Arrests or evictions.
- (c) Observed procedural violations by employees.
- (d) Detention of persons ~~and security of their property.~~
- (e) Emergency activities capable of being observed by the **surveillance** system.
- (f) ~~Armored car and other delivery and pickups from the secured delivery station.~~
- (g) Any other activity deemed necessary by the board to ensure compliance with the act and to ensure protection of the public and the integrity of gaming.

(2) ~~The S~~**surveillance system** shall audibly and visually record ~~both of the following:~~ **count procedures.**

~~(a) Soft count procedures.~~

~~(b) Hard count procedures.~~

(3) ~~The S~~**surveillance department** shall ~~monitor~~**observe** and visually record all of the following:

(a) **Gaming** ~~C~~currency collection.

~~(b) Drop bucket collection.~~

~~(e)~~ **Armored car deliveries and pickups in the secured delivery station.**

~~(d) Keno ball drawing devices. The view of the keno area shall be in compliance with both of the following provisions:~~

~~(i) Provide sufficient clarity to identify the numbers on the balls.~~

~~(ii) Provide a general view of the keno area with sufficient clarity to identify employees involved in the game.~~

~~(e)~~ **Main banks, including both with equipment capable of the following:**

~~(i) The capability to monitor and record~~**Recording and displaying on a screen** a general overview of the activities in each cage and vault area with sufficient clarity ~~to identify~~ **allow identification of patrons and employees.**

~~(ii) Providing a~~**A dedicated camera view to monitor, record, and identify,** with sufficient clarity, **to identify** the currency, coin, ~~token~~ and chip values, and the amounts of credit slips and fill slips in any area where fills and credits are transacted.

~~(f)~~ **Security department offices, through equipment capable of recording and displaying on a screen, both audibly and visually, all activities in any area of the security office where a person may be detained and questioned by the security department.**~~including complying with all of the following provisions:~~

~~(i) The capability to monitor and record, both audibly and visually, all activities in any area of the security office where a person may be detained and questioned by the security department. All areas where a person may be detained and questioned shall display a notice clearly stating that the area is or may be under surveillance.~~

~~(ii) All detention and questioning of detained individuals by casino security personnel must be recorded.~~

~~(iii) A notice shall be posted in the security office stating that the area is under surveillance.~~

~~(g)~~ **Entrances and exits of the casino and entrances and exits of all of the following rooms in the casino by dedicated camera coverage providing a reasonable opportunity to identify any person using the entrances and exits to:**

(i) Count rooms.

(ii) Vaults.

(iii) Surveillance rooms.

(iv) Security rooms. ~~The entrances and exits described in this subdivision shall have dedicated monitoring and recording devices that have sufficient clarity to afford a reasonable opportunity to identify any person using the entrances and exits.~~

~~(hg) On-site maintenance and repair service, which also requires all of the following including complying with all of the following provisions:~~

~~(i) Surveillance personnel shall be notified of any maintenance or repair of any gaming or money handling equipment.~~

~~(ii) Notation of the service shall be made in the activity log.~~

~~(iii) Repair shall be periodically monitored in conjunction with routine monitoring activities to ensure that proper controls and procedures are being followed by casino personnel.~~

~~(iv) The provisions of this subdivision are not applicable to routine operations, such as jackpot payouts, hopper-fills, and hopper-jams.~~

~~(4) The Ssurveillance system shall monitor, by a dedicated camera, and continuously record any electronic gaming device EGD or group of electronic gaming devices EGDs that have a possible jackpot payout of more than \$100,000.00 for any single pay line.~~

R 432.11009 Retention of recorded activities.

Rule 1009. (1) A recorded activity (visual or audio) shall be retained and maintained in accordance with ~~this~~ **these rules and the casino internal controls.**

(2) A recording of routine activity shall contain a date and time reading and shall be retained for not less than 14 days.

(3) A visual ~~or~~ **and** audio recording of detention or questioning of ~~an detained~~ individual or employee **detained in the security office** shall be immediately ~~provided~~ **made available** to the board. ~~The recording shall contain a date and time reading and shall be marked with all of the following:~~

~~(a) The date and time the recording was made.~~

~~(b) The identities of the employee or employees responsible for the monitoring.~~

~~(c) The identity of the employee who removed the recording from the recorder and the time and date removed.~~

~~The recording shall be retained for not less than 14 days after the original recording is provided to the board.~~

(4) ~~An original~~ recording of a violation of internal controls or criminal activity shall be immediately ~~provided~~ **made available** to the board. ~~The recording shall contain a date and time reading and be marked with all of the following:~~

~~(a) The date and time the tape was made.~~

~~(b) The identity of the employee responsible for the monitoring.~~

~~(c) The identity of the employee who removed the recording from the recorder.~~

~~A copy of the recording shall be retained for not less than 14 days after the original is provided to the board.~~

R 432.11010 Segregated and secured telephone communication **Rescinded.**

~~Rule 1010. A casino licensee shall provide, in the board surveillance room and board casino premises, a segregated and secured telephone communications system for use by the board and Michigan state police personnel assigned to assist the board. The system in each room shall include a direct emergency line for all of the following:~~

~~(a) The Michigan state police regional dispatch center.~~

- ~~(b) The city of Detroit fire department.~~
- ~~(c) The Detroit police dispatch center.~~

R 432.11011 Daily surveillance logs; visitors logs.

Rule 1011. (1) A casino licensee shall maintain a daily surveillance log ~~and a log of visitors to the surveillance room.~~ A daily surveillance log shall be in compliance with all of the following provisions:

- (a) Be continuously maintained by surveillance personnel.
 - ~~(b) Be changed with each shift change of personnel.~~
 - ~~(eb)~~ Be chronological.
 - ~~(dc)~~ Contain, at a minimum, all of the following information:
 - (i) The date and time of each entry.
 - (ii) The identity of the employee making the entry.
 - (iii) A summary of the activity recorded.
 - ~~(iv) Detail whether the activity was monitored.~~
 - ~~(v) Detail the disposition of the tape, if recorded.~~
 - ~~(e) Unless otherwise directed by the board, include entries for all of the following information:~~
 - (iv) The identity of the surveillance room personnel each time they enter or depart the surveillance room ~~and the reason for the entry or departure.~~
 - ~~(iv)~~ The notification of any maintenance or repair of any gaming device or money handling equipment.
 - ~~(iv)~~ Live table drop box exchanges.
 - ~~(iv) Electronic gaming device drop bucket exchanges.~~
 - (vii) **Material** Transfers of cash, chips, ~~tokens,~~ cards, or dice.
 - (viii) Any detention or questioning of patrons or employees ~~by the security department, including the identity of the patrons or employees and the security department personnel involved~~ **detained in a temporary holding area.**
 - ~~(viii)~~ The beginning, end, and any interruptions of the count.
 - ~~(viii) The beginning, end, and any interruptions of the hard count.~~
 - (ix) An observed violation of these rules or of the licensee's internal control procedures.
 - (xi) An observed criminal activity.
 - (xii) A pertinent telephone call.
 - (xiii) Pertinent radio transmission.
 - ~~(xiii)~~ Malfunction or repair of surveillance equipment.
 - (xiv) An emergency activity.
 - (xvi) Surveillance conducted on anyone or any activity that appears unusual, irregular, or illegal or appears to violate the act or these rules.
 - (xvii) Surveillance conducted at the request of a casino licensee, an employee of the casino licensee, a board employee, or the Michigan state police **personnel assigned to assist the board.**
 - (xviii) Other notations deemed necessary by surveillance room personnel or the board to ensure compliance with the act and these rules.
- The provisions of this subdivision are not applicable to routine operations, such as jackpot payouts, ~~hopper~~-fills, and ~~hopper~~-jams.
- ~~(fd)~~ Be retained for not less than 90 days.

(2) A **casino licensee shall maintain a log of visitors** ~~log shall be to the surveillance room~~ in compliance with all of the following provisions:

~~(a) Include the signature of anyone other than surveillance room personnel on duty, who accesses the surveillance room.~~

~~(ba)~~ Identify all visitors.

~~(eb)~~ State the department or agency the visitor represents.

~~(dc)~~ State the reason for access to the room.

~~(ed)~~ Provide the date and time of arrival and departure from the room.

~~(fe)~~ Be retained not less than 90 days.

(3) All surveillance room ~~tapes~~ **video and or audio recordings**, logs, and reports shall be in compliance with both of the following provisions:

(a) Be retained in a manner to allow them to be easily retrieved by any of the following:

(i) Time.

(ii) Date.

(iii) Location of activity.

(iv) Type of activity.

(b) Be furnished to the board or ~~personnel of the Michigan state police~~ **personnel** assigned to **assist** the board immediately upon demand. ~~A casino licensee may retain a copy of any tape, log, or report at the casino licensee's own expense.~~

R 432.11012 Michigan gaming control board; casino premises office **and parking**.

Rule 1012. A casino licensee shall provide a secure and segregated room at the casino ~~premises~~ for the exclusive use of the board. The room shall be in addition to the board surveillance room and shall be a size approved by the board based on casino size and board staffing needs within the casino. ~~The board casino premises office shall have a secure telephone line that has a different number than the telephone line of the casino. The secure telephone line shall provide not less than 4 extensions and direct emergency lines as described in these rules.~~ A casino licensee shall provide ~~10~~ **parking spaces in a number approved by the board based on the board's needs. The parking spaces must be** located in close proximity to the casino for exclusive use of the board.

R 432.11013 Surveillance equipment; maintenance and malfunctions.

Rule 1013. (1) The **board and the Michigan state police personnel assigned to assist the board gaming section** shall be informed if surveillance equipment is expected to be out of service for more than 30 minutes due to maintenance or malfunction.

(2) Unless otherwise directed by the board, a **casino** licensee shall replace equipment expected to be out of service for more than 30 minutes with alternate camera coverage or, at the discretion of the board, shall cover the equipment with live surveillance.

~~(3), The board will periodically inspect the surveillance room to ensure all of the following:~~

~~(a) All equipment is working properly.~~

~~(b) Camera views are not blocked or distorted by improper lighting or obstructions.~~

~~(c) All required surveillance capabilities are in place.~~

R 432.11014 Emergency procedures.

Rule 1014. (1) Before a licensee has operated a casino gambling operation for 120 days, **and at any time requested by the board**, the casino licensee ~~or applicant~~ shall submit, to

the board, the Michigan state police **personnel assigned to assist the board gaming section**, and the city of Detroit fire department, an emergency action plan for the response to, and management of, fire and medical emergencies and natural disasters in all areas of the casino and related casino enterprises. The plan shall include procedures for notification of the Michigan state police **personnel assigned to assist the board gaming section**, the Detroit fire department fire or emergency medical personnel, or both, and procedures for expedited and unimpeded access of the personnel into all areas of the casino or casino enterprise in the event of a fire, medical, or other emergency. The plan shall also include an inspection schedule allowing Michigan state police **personnel assigned to assist the board gaming section** and Detroit fire department personnel to inspect all areas of the casino and casino enterprises for compliance with applicable fire and emergency laws, codes, and ordinances.

(2) In an emergency, the safety of patrons and personnel is the first priority.

(3) In an emergency, established emergency management, response, and evacuation plans, as set forth in ~~Michigan~~**this state's** law and ~~chapter 19, ordinance 593h~~ of the ordinances of the city of Detroit shall be followed.

(4) ~~All of the following actions shall be taken in an emergency if sufficient time exists:~~

~~(a) Secure all records.~~

~~(b) Replace all recordings.~~

~~(c) Set recorders for slow speeds.~~

~~(d) Activate dedicated cameras and recording devices.~~

~~(e) Set all other available cameras and recorders.~~

~~(5) A licensee shall place cameras and recording devices in areas where unusual occurrences have been observed or where reason exists to believe unusual occurrences will occur.~~

R 432.11015 Incident management training required.

Rule 1015. (1) A casino licensee shall require **certain** licensed casino surveillance and security personnel to undergo annual incident management training ~~administered~~ **approved** by the board **and developed in cooperation with the Michigan state police, city of Detroit fire department, city of Detroit police department and other emergency response agencies** ~~and the Michigan state police in cooperation with the city of Detroit fire department.~~

(2) The training ~~exercise must~~**will** be geared to prepare casino surveillance and security personnel in the proper procedures to follow in the event of a fire, robbery ~~attempt~~, bomb threat, terrorist activity, medical emergency, or other major occurrence. Training ~~will~~**must** be geared to instruct casino personnel in all of the following:

(a) Procedures to follow.

(b) Notifications to make, for example, police, fire, ambulance, hospitals.

(c) Securing the facility.

(d) Communications with Michigan state police **personnel assigned to assist the board** and Detroit police **department** dispatch centers and the Detroit fire department.

(e) Evacuation.

(f) Fire and medical emergencies.

R 432.11016 Surveillance plan.

Rule 1016. (1) A casino licensee shall submit a surveillance plan to the board not less than 90 days before the commencement of ~~gambling~~ operations. The plan shall include both of the following:

(a) A floor plan that shows the placement of all surveillance equipment.

(b) A detailed description of the surveillance system and its equipment.

(2) **The board shall approve or deny the casino licensee's surveillance plan prior to the casino licensee commencing operations. If the surveillance plan is disapproved, a casino licensee shall not commence operations until the surveillance plan is approved by the board.** ~~Unless recommended by board personnel, a casino licensee shall submit alterations to the surveillance plan to the executive director not less than 30 days before the proposed institution of the alterations. Alterations recommended by board personnel may be implemented as agreed to by the licensee and the board.~~

(3) **A casino licensee must submit alterations to the surveillance plan in the manner and form prescribed by the board before the institution of the alterations.** ~~A casino licensee shall submit all of the following alteration information:~~

~~-(a) Details of the change, including the floor plan.~~

~~-(b) The reason for the change.~~

~~-(c) Expected results of the change.~~

(4) **At any time, the board may require a casino licensee to modify its surveillance plan.**

~~A casino licensee shall submit the surveillance plan to the board for approval. A casino licensee can commence operations if a surveillance plan is approved. The board shall advise the casino licensee of the decision in writing.~~

~~A casino licensee shall not commence operations or institute alterations if the surveillance plan or alterations are disapproved.~~

R 432.11017 ~~Surveillance of employees~~ **Rescinded.**

~~Rule 1017. (1) An employee whose duties will be monitored in accordance with this rule shall be informed before commencing his or her duties that his or her surveillance is a requirement of employment.~~

~~-(2) An employee whose duties will be monitored in accordance with this rule shall sign a written statement before commencing his or her employment indicating that the employee understands that he or she will be under surveillance.~~

~~-(3) A casino licensee shall maintain each signed statement for 1 year after employment ends.~~

~~-(4) An employee shall sign an updated statement before commencing a new position or before being rehired into a previous position if the new position requires employee surveillance.~~

~~-(5) An area under surveillance and accessible only to employees shall display a notice clearly stating that the area is under surveillance.~~

R 432.11018 Communications equipment.

Rule 1018. A **casino licensee or holder of a certificate of suitability** ~~applicant~~ shall assure that portable telephone or 2-way radio communication equipment, or both, ~~may be~~ **are** operated ~~able~~ from all areas of the casino or casino enterprise, including, but not limited to, secure or underground areas.

PART 12. ACCOUNTING RECORDS AND PROCEDURES

R 432.11202 Accounting records.

Rule 1202. (1) A casino licensee shall maintain complete, accurate, legible, and permanent records of all transactions pertaining to its revenues and expenses, assets, liabilities, and equity in conformance with generally accepted accounting principles. The board may direct a casino licensee to alter the manner in which the records are maintained if the licensee's records are not in accordance with generally accepted accounting principles or if the records are not in sufficient detail.

(2) The accounting records shall be maintained using a double entry system of accounting with transactions recorded on the accrual basis and supported by detailed subsidiary records.

(3) The detailed subsidiary records shall include, at a minimum, all of the following:

(a) Detailed general ledger accounts identifying all revenue, expenses, assets, liabilities, and equity for a casino licensee.

(b) A record of all investments, advances, loans, and accounts receivable balances due the establishment.

(c) A record of all loans and other accounts payable by a casino licensee.

(d) A record of all accounts receivable written off as uncollectible by a casino licensee.

(e) Journal entries prepared by a casino licensee.

(f) Tax work papers used in preparation of any state or federal tax return.

(g) Records that identify table drop, table win, and percentage of table win to table drop for each live game and records accumulated for each type of live game by shift or by another accounting period approved by the executive director.

(h) Records that identify all of the following on a per day basis or other accounting period approved by the board:

~~(i) The actual tokens in.~~

~~(ii)~~ **(i) Electronic gaming deviceEGD drop.**

~~(iii)~~ **(ii) Electronic gaming deviceEGD win.**

~~(iv)~~ **(iii) Electronic gaming deviceEGD win to electronic gaming deviceEGD drop.**

~~(v)~~ **(iv) Theoretical payout percentage of each electronic gaming deviceEGD.**

(i) Records supporting the accumulation of the costs for complimentary services and items. A complimentary service or item provided to patrons in the normal course of a casino business shall be recorded at an amount based upon the full retail price normally charged for the service or item.

(j) Records that identify the purchase, receipt, and destruction of gaming chips ~~and tokens~~ from all sources, including receipts from bill validators.

(k) Records required to fully comply with all the federal financial record-keeping requirements enumerated in 31 ~~C.F.R.~~ **CFR** part 103.

(l) Records required by a casino licensee's internal control system.

(m) Work papers supporting the daily reconciliation of cash accountability.

(n) Other records that the board requires to be maintained.

(4) If a casino licensee fails to maintain the records used by it to calculate the gross revenues, then the board may compute and determine the amount upon the basis of an audit conducted by the board using available information.

R 432.11203 Standard financial and statistical records.

Rule 1203. (1) A casino licensee, unless specifically exempted by the board, shall file monthly, quarterly, and annual reports of financial and statistical data in a format prescribed by the board.

(2) The board shall periodically prescribe a set of standard reporting forms and instructions to be used in filing monthly, quarterly, and annual reports.

(3) The board shall prescribe a uniform chart of accounts, including account classifications, in order to ensure consistency, comparability, and appropriate disclosure of financial information. The prescribed chart of accounts shall be the minimum level of detail to be maintained for each accounting classification by a casino licensee.

(4) Annual reports shall be based on a calendar year beginning January 1 and ending December 31, unless otherwise approved by the board. Quarterly reports shall be based on the calendar quarters ending March 31, June 30, and September 30. Monthly reports shall be based on calendar months. Quarterly and monthly reports shall contain a cumulative year-to-date column in this rule to facilitate analysis.

(5) The reports required to be filed in this rule shall be sworn to and signed by the following entities:

(a) If the reports are from a corporation, then the chief executive officer and 1 of the following entities:

- (i) Financial vice president.
- (ii) Treasurer.
- (iii) Controller.

(b) If the reports are from a limited liability company, then by a manager.

(c) If the reports are from a partnership, then by a general partner and financial director.

(d) If the reports are from a sole proprietorship, then by the proprietor.

(e) If the reports are from any other form of business association, then by the chief executive officer.

(6) A report shall be addressed to the board and postmarked not later than the required filing date. The required filing dates are as follows:

(a) A monthly report is due on the thirtieth~~-calendar~~ day of the following month.

(b) A quarterly report is due on the fifteenth~~-calendar~~ day of the second month following the end of the quarter.

(c) An annual report is due on the fifteenth~~-calendar~~ day of the third month following the end of the year.

(7) If there is a termination or suspension of the casino license, a voluntary or involuntary change in the company, or a material change in ownership, then a casino licensee shall file an interim quarterly report as of the date the event occurs, unless the event has already been disclosed in a regular quarterly report or unless exempted by the board. The filing date shall be 30~~-calendar~~ days after the date the event occurs.

(8) An adjustment that results from the quarterly and annual audits shall be recorded in the accounting records. If an adjustment was not reflected in a casino licensee's quarterly or annual reports and if the board concludes that the adjustment is significant, then a revised report may be required from a casino licensee. The revised filing shall be due within 30~~-calendar~~ days after written notification to a casino licensee.

(9) A delay in mailing, mail pickups, and postmarking is the responsibility of the casino licensee.

R 432.11208 Tips or gratuities.

Rule 1208. (1) **Except as prohibited by this rule, A** gaming employee ~~shall not may~~ accept ~~currency as a tip or gratuity from any patron. This subrule does not apply to waiters, waitresses, bartenders, or other food or beverage servers in the casinos.~~

(2) A gambling operation key person, ~~box person, floor person,~~ or other employee who serves in a supervisory position shall not accept a tip or gratuity from a player or patron of the casino gaming operation where he or she is employed. ~~A gambling operation key person or employee shall not solicit a tip or gratuity. A casino licensee shall not permit any practices prohibited by subrule (1) of this rule.~~

(3) All of the following provisions apply to tips and gratuities given to a dealer:

(a) **Except for electronic tips and gratuities, which must be reviewed by management before the end of a gaming day, a** dealer shall immediately deposit tips and gratuities in a transparent locked box reserved for that purpose. If nonvalue chips are received at a roulette table, then a dealer shall not remove the marker button indicating the specific value of the chips from the slot or receptacle attached to the outer rim of the roulette wheel until after a dealer, in the presence of a supervisor, has converted the nonvalue chips into value chips. The value chips shall be immediately deposited in a transparent locked box reserved for deposit and storage of tips and gratuities to the dealer.

(b) Tips and gratuities shall be accounted for by a recorded count conducted by not less than 2 employees designated by the licensee.

(c) Tips and gratuities shall be placed in a pool for pro rata distribution among the designated employees. Tips or gratuities from the pool shall be deposited into a casino licensee's payroll account. ~~Distributions to dealers~~ **designated employees** from the pool shall be made following a casino licensee's payroll accounting practices and shall be subject to all applicable state and federal withholding taxes.

(4) A casino licensee may allow poker room dealers to keep their own tips and gratuities if the following provisions are followed:

(a) Poker room dealers must deposit their tips or gratuities in their transparent locked tip box and all tips or gratuities must be converted to value chips before being deposited.

(b) Each transparent locked tip box must be secured on a poker game table at the start of the poker dealer's shift, taken off during his or her breaks, and finally removed at the end of his or her shift. When leaving for a break, the poker dealer must remove his or her box from the table, and a new dealer must secure his or her box on the table.

(c) All poker dealers must cash out their tips and gratuities at board-approved locations in the casino.

PART 13. CREDIT

R 432.11304 Application of credit.

Rule 1304. (1) In accordance with these rules, a casino licensee or casino license applicant shall submit the procedures for establishing credit to the board. Procedures for establishing credit shall, at a minimum, include the following:

(a) A credit file shall be completed and maintained for each patron to whom credit is extended. This file shall include, at a minimum, all of the following:

- (i) A credit application, including, but not limited to, all of the following information:
- (A) Patron's name.
 - (B) Requested credit line.
 - (C) Current home address.
 - (D) ~~Home~~ Telephone number.
 - (E) Date of birth.
 - (F) Place of employment and position held, **if applicable**.
 - (G) The employer's address and telephone number, **if applicable**.
 - (H) The patron's bank address.
 - (I) The ~~checking~~ **bank** account number.
 - (J) Social Security number.
- (ii) Authorized credit limit.
- (iii) A photocopy of the patron's identification.
- (iv) A history of all credit issued to the patron and payments received or written off by the casino licensee.
- (v) Verification of the credit application and approval of credit establishment.
 - (b) Procedures for verification of the credit application.
 - (c) Procedures for the review and approval of the credit limit for the patron.
 - (d) Procedures to increase or decrease an established credit line.
 - (e) Other procedures deemed necessary by the executive director or the board to ensure compliance with the act and these rules.
- (2) A casino licensee shall not extend credit to a patron who **at the time** has exceeded an established credit line.

R 432.11308 Front money deposits.

Rule 1308. (1) A casino licensee shall establish procedures approved by the board in accordance with these rules in connection with front money. The casino licensee shall establish policies and procedures approved by the board in accordance with these rules to ensure that all applicable currency transaction reporting requirements will be enforced in accordance with applicable state and federal law.

(2) Any of the following may be accepted from patrons for the purpose of customer deposits:

- (a) Cash or cash equivalent.
- (b) Value chips issued by the casino licensee.
- ~~(c) Tokens issued by the casino licensee.~~

(3) Deposits or withdrawals shall be documented ~~on a voucher that is not less than a 2-part, numbered form. The voucher shall be completed~~ by the casino cage cashier and shall include, at minimum, all of the following information:

- (a) Patron's name and signature.
- (b) Date of receipt or disbursement.
- (c) Amount of deposit.
- (d) Type of deposit.
- (e) Casino cashier's signature.

(4) A casino licensee shall provide, to the board, a monthly report detailing, at a minimum, all of the following:

- (a) Outstanding credit.

- (b) Checks returned and held.
- (c) Collection activities taken.
- (d) Settlement of disputed items.
- (5) All of the following checks shall be deposited **within 4**~~not later than the business days~~ after the day the checks are received or dated:
 - (a) Cashier's checks.
 - (b) Money orders.
 - (c) Credit card advance checks.
 - (d) Traveler's checks.
 - (e) Wire transfer service checks.
- (6) Personal checks shall be deposited **within 4**~~not later than the business days~~ after the day the checks are received or dated, unless otherwise agreed to by the casino licensee and the patron.

R 432.11309 Check cashing.

Rule 1309. (1) A casino licensee shall establish policies and procedures approved by the board in accordance with these rules in connection with cashing checks or drafts by the casino licensee. Only the following types of checks may be cashed by the casino licensee:

- (a) Personal checks.
 - (b) Drafts.
 - (c) Cashier's checks.
 - (d) Money orders.
 - (e) Credit card and debit card advance checks.
 - (f) Traveler's checks.
 - (g) Wire transfers and other kinds of checks approved by the board.
- (2) A casino licensee shall establish check-cashing privileges and limits that shall, at a minimum, incorporate the procedures established in R 432.11304.
- (3) For all checks cashed, all of the following procedures shall be followed:
- (a) Examine the patron's picture identification and compare the signature on the identification credential to the signature on the check to ensure agreement. If the signatures do not match, then the casino licensee shall not extend credit to the patron.
 - ~~(b) Immediately stamp the check "for deposit only."~~
 - ~~(eb)~~ Date ~~and time~~ stamp the check.
 - ~~(dc)~~ Initial the check.
 - ~~(ed)~~ Count out, in full public view and in the view of the surveillance camera, the funds requested by the patron.
- (4) If personal checks are cashed, then the cashier shall perform the procedures outlined in subrule (3) of this rule and all of the following additional procedures:
- (a) Record the picture identification number if the check is under \$500.00 and check-cashing privileges have not been established by the patron.
 - (b) Determine if the patron's available credit is sufficient to cover the amount of the personal check, if applicable.
 - (c) A personal check may not be cashed if the patron has a balance outstanding, due to checks previously cashed by the casino licensee, for more than 30 days.
 - (d) A personal check will be held against established credit lines for the earlier of 7 days or the date that the check cleared the financial institution upon which it was drawn.

PART 14. MOVEMENT OF GAMING EQUIPMENT

R 432.11401 Applicability of part; transportation requirements; transportation notification; sale and delivery of gaming devices restricted.

Rule 1401. (1) This part applies to a casino licensee, casino license applicant, and supplier of electronic gaming devices.

(2) An electronic gaming device may only be moved in accordance with this rule. A casino licensee, casino license applicant, and supplier licensee shall comply with this rule before any of the following occur:

(a) An electronic gaming device is transported from any point outside of ~~Michigan~~**this state** into the state of ~~Michigan~~**this state**.

(b) An electronic gaming device is transported from any point within ~~Michigan~~**this state** to any point outside of ~~Michigan~~**this state**.

(c) An electronic gaming device is transported within ~~Michigan~~**this state** other than from one location in the casino to another.

(3) Except as provided in R 432.11402(32), transportation notification is not required for the movement of an electronic gaming device on the casino floor.

(4) An electronic gaming device may only be sold or delivered, ~~or both~~, to a casino licensee, casino license applicant, or other person entitled to possess electronic gaming devices under applicable state and federal law.

~~(5) An electronic gaming device may not be delivered to a casino licensee or casino license applicant unless an employee of the board or personnel of the Michigan state police gaming section is present at the point of delivery.~~

~~A casino licensee is responsible for ensuring that a member of the board staff or a board agent is present at the point of delivery.~~

R 432.11402 ~~Electronic gaming device~~**EGD** movement.

Rule 1402. (1) ~~Not less than 5 days before the delivery of an electronic gaming device, the person causing the movement of the electronic gaming device shall notify the board, in writing, and provide all of the following information:~~

~~(a) The full name, business address, and business telephone number of the person selling the electronic gaming device.~~

~~(b) The full name, business address, and business telephone number of the ultimate owner of the electronic gaming device if ownership is being changed in connection with the transportation of the electronic gaming device.~~

~~(c) The method of transportation and the name, business address, and business telephone number of the carrier or carriers.~~

~~(d) The full name, business address, and business telephone number of the person to whom the electronic gaming device is being transported.~~

~~(e) The individual responsible for the shipment of the electronic gaming device for each person listed in subdivisions (a) to (d) of this subrule.~~

~~(f) The destination of the electronic gaming device if the address is different from the business address listed in subdivision (b) of this subrule.~~

~~(g) The quantity of electronic gaming devices being transported.~~

- ~~-(h) A brief description of the electronic gaming device being transported.~~
- ~~-(i) The serial number of the electronic gaming device and a request for the issuance of a board registration number in accordance with these rules.~~
- ~~-(j) The expected date and time of delivery of the electronic gaming device to the casino.~~
- ~~-(k) The expected date and time of the exit of the electronic gaming device if the device is exiting Michigan.~~
- ~~-(l) If the origin of the electronic gaming device being transported into Michigan is outside of the United States, the port of exit from that jurisdiction and the point of entry into the United States.~~
- ~~-(m) If the electronic gaming device is being transported to a destination outside of the United States, the port of exit from the United States.~~
- ~~-(n) The reason for the transportation of the electronic gaming device.~~
- ~~-(o) Upon request by the executive director, the person selling the electronic gaming device shall prove that the recipient is authorized under state and federal law to receive the electronic gaming device.~~

(21) If requested by the board, a person who receives an electronic gaming device **EGD** shall prove that the device was received.

(32) Before an electronic gaming device **EGD** is removed from the casino floor, a casino licensee or casino license applicant shall ensure that all of the following actions are taken: **the EGD contains no money or cash equivalents.**

- ~~(a) The hopper is emptied in accordance with these rules.~~
- ~~-(b) An employee of the board or personnel of the Michigan state police assigned to the board removes the evidence tape that was affixed in accordance with these rules.~~
- ~~-(c) Before an electronic gaming device is removed from Michigan, the board registration tag shall be removed in the presence of, and returned to, an employee of the board or personnel of the Michigan state police assigned to the board.~~

R 432.11404 ~~Live gaming device movements~~**Rescinded.**

~~Rule 1404. (1) This rule applies to a casino licensee, casino license applicant, and supplier licensee. For purposes of this rule, a live gaming device table shall constitute a fully assembled gaming table, including a table layout, and not the various components that comprise a fully assembled table.~~

~~A table layout, however, by itself, constitutes a live gaming device subject to the requirements and restrictions of this rule.~~

~~-(2) A live gaming device may only be moved in accordance with this rule. A casino licensee, casino license applicant, and supplier licensee shall comply with this rule before any of the following occur:~~

- ~~-(a) Live gaming devices are transported from any point outside of Michigan into Michigan.~~
- ~~-(b) Live gaming devices are transported from any point within Michigan to any point outside Michigan.~~
- ~~-(c) Live gaming devices are transported to and from locations within Michigan.~~

~~-(3) Except as provided in R 432.11402(3), transportation notification is not required to move a live gaming device on a casino floor.~~

~~-(4) A live gaming device may only be sold or delivered, or both, to a casino licensee, casino license applicant, or other person entitled to possess live gaming devices under applicable state and federal law.~~

- ~~–(5) A live gaming device may not be delivered to a casino licensee or a casino license applicant unless an employee of the board or personnel of the Michigan state police assigned to the board is present at the point of delivery. A casino licensee is responsible for ensuring that an employee of the board or personnel of the Michigan state police assigned to the board is present at the point of delivery.~~
- ~~–(6) A live gaming device table may only be installed in a licensed casino.~~

R 432.11405 Transportation of live gaming device.

~~Rule 1405. (1) For purposes of this rule, a live gaming device table shall constitute a fully assembled gaming table, including a table layout, and not the various components that comprise a fully assembled gaming table. A table layout, however, by itself, constitutes a live gaming device subject to the requirements and restrictions of this rule. Not less than 5 days before the delivery of live gaming devices to a casino in Michigan, the person causing the movement of the live gaming device in Michigan shall notify the board, in writing, and provide all of the following information:~~

- ~~–(a) The full name, business address, and business telephone number of the ultimate owner of the person selling the live gaming device.~~
- ~~–(b) The full name, business address, and business telephone number of the ultimate owner of the live gaming device if ownership is being changed in connection with the transportation of the live gaming device.~~
- ~~–(c) The method of transportation and the name, business address, and business telephone number of the carrier or carriers.~~
- ~~–(d) The full name, business address, and business telephone number of the person to whom the live gaming device is being transported.~~
- ~~–(e) The individual responsible for the shipment of the live gaming device for each person listed in subdivisions (a) to (d) of this subrule.~~
- ~~–(f) The destination of the live gaming device if the address is different from the business address listed in subrule (2) of this rule.~~
- ~~–(g) The quantity of live gaming devices being transported.~~
- ~~–(h) A brief description of each live gaming device being transported.~~
- ~~–(i) Any serial number assigned to the live gaming device and a request for the issuance of a board registration number.~~
- ~~–(j) The expected date and time of delivery of the live gaming device to the casino in Michigan.~~
- ~~–(k) The expected date and time of the exit of the live gaming device if the device is exiting Michigan.~~
- ~~–(l) If the origin of the live gaming device being transported into Michigan is outside of the United States, the port of exit from that jurisdiction and the point of entry into the United States.~~
- ~~–(m) If the live gaming device is being transported to a destination outside of the United States, the port of exit from the United States and the foreign destination to which it is being transported.~~
- ~~–(n) The reason for the transportation of the live gaming device.~~
- ~~–(o) Upon request by the board, the person selling the live gaming device shall prove that the recipient is authorized, under state and federal law, to receive the live gaming device.~~

(21) The person receiving the live gaming device in Michigan~~this state~~ shall prove receipt of the live gaming device if requested by the executive director.

(32) A live gaming device may only be sold or delivered to a casino licensee, casino license applicant, or other person entitled to possess live gaming devices under applicable state and federal law. Before a live gaming device is removed from the casino floor, the board registration tag shall be removed in the presence of, and returned to, an employee of the board or personnel of the Michigan state police assigned to the board.

PART 15. PATRON DISPUTE PROCEDURES

R 432.11501 Applicability of part;~~patron disputes to be settled under this part.~~

Rule 1501. (1) This part applies to a casino licensee~~and an occupational licensee.~~

~~(2) Patron disputes shall be settled in compliance with this part.~~

(2) A patron dispute does not constitute a complaint under Part 11 of these rules.

R 432.11502 Patron dispute process.

Rule 1502. (1) ~~If a~~ **casino licensee receives written notice of a patron dispute shall attempt to resolve all patron disputes within 10 days of the incident underlying the dispute, the casino licensee must investigate and attempt to resolve such dispute, provided that the notice of the patron dispute includes the information set forth in subsection (4)(a)-(d) and shall have a period of 10 business days to investigate a patron complaint and resolve the dispute.**

~~(2) If a casino licensee and the patron cannot resolve the dispute, then the casino licensee shall advise the patron of the patron's right to file a complaint form with the board. The complaint may be received by the board employee or member of the Michigan state police gaming section at the board office in the casino and sent to the board office in Detroit, Michigan. A casino licensee shall provide a patron with a complaint form upon request. After receiving written notice of a patron dispute in compliance with subrule (1) of this rule:~~

(a) A casino licensee must immediately determine whether it has a video or audio recording, or both, of the subject incident. If so, the casino licensee must maintain any recordings for at least 90 days unless otherwise directed by the board.

(b) The casino licensee must, within 14 days of receiving written notice of the patron dispute, provide the patron with a written notification explaining the results of its investigation and advising the patron of the patron's ability to file a patron dispute form with the board.

~~(3) A complaint shall contain, at a minimum, all of the following information:~~

~~(a) The name, address, and telephone number of the patron.~~

~~(b) A summary of the nature of the patron complaint, including the date and time on which the incident leading to the dispute occurred.~~

~~(c) A list of the names, if known, of any occupational licensees that were involved in, or a witness to, the incident that led to the patron dispute.~~

~~(d) The name, address, and telephone number, if known, of any witnesses to the incident that led to the patron dispute.~~

~~(e) A summary of the casino licensee's attempt to resolve the patron dispute.~~

~~(f) Other information deemed necessary by the executive director or the board.~~

~~(4) A patron shall submit the complaint within 21 business days of the incident that led to the patron dispute. The patron shall provide a copy of the complaint to the casino licensee at the same time that the patron submits the complaint to the board.~~

~~(53) A casino licensee shall respond in writing to a patron within 14 business days of receiving a copy of the patron's complaint. The patron may file the completed patron-dispute form within 28 days of the incident by providing it to a board employee at the board office in the casino or sending it to the board office in Detroit, Michigan.~~

(4) Before being filed with the board, a patron-dispute form must contain, at a minimum, all of the following information:

(a) The name, address, and telephone number of the patron.

(b) A summary of the nature of the patron dispute, including the date and time of the incident underlying the dispute.

(c) A list of the names, if known, of any occupational licensees that were involved in, or a witness to, the incident underlying the patron dispute.

(d) The name, address, and telephone number, if known, of any witnesses to the incident underlying the patron dispute.

(e) A summary of the casino licensee's attempt to resolve the patron dispute, if any.

(f) Other information requested on the board's patron-dispute form.

R 432.11503 Investigation; possible disciplinary action.

~~Rule 1503. (1) Following receipt of a completed patron dispute form, the board will shall determine if a patron dispute requires investigation.~~

~~If the board determines that an investigation is necessary, then the board shall conduct the investigation. If it is determined that the casino licensee or an occupational licensee violated the act or this rule, then the board may initiate disciplinary action.~~

(2) The board may decline to investigate the patron dispute for the following reasons:

(a) The patron dispute form was not received within 28 days from the incident date.

(b) The incident does not involve winnings or losses.

(c) The incident does not involve the conduct of gambling.

(d) Any other reason deemed appropriate by the board.

(3) If the board determines that an investigation is necessary, then the board will conduct an investigation for the purpose of deciding whether to take disciplinary action.

PART 16. DISASSOCIATED PERSONS

R 432.11601 Providing change in information to board.

Rule 1601. If a casino licensee learns of any change in information previously disclosed to the casino licensee under section 25(6) to (7) of the act, MCL 432.225, it must advise the board in writing of the change within 2 days.

R 432.11602 Maintaining certain information of person on the disassociated persons list.

Rule 1602. (1) Immediately after the board discloses to a casino licensee the identity of a person on the disassociated person list, the casino licensee must cause that person to be identified by name, address, and date of birth on all mailing, marketing, and

promotion lists maintained by a casino licensee or provided by the casino licensee to a third party as ineligible to receive promotional material.

(2) A casino licensee must not cash checks for, extend credit to, or otherwise assist a person on the disassociated persons list in obtaining funds at the cage and must maintain and use a system designed to identify whether a person who requests such services is on the board's disassociated persons list when the person provides his or her name, address, or date of birth in conjunction with completing such a transaction.