

SENATE BILL NO. 574

June 5, 1997, Introduced by Senators BOUCHARD, GEAKE, NORTH and SHUGARS and referred to the Committee on Gaming and Casino Oversight.

A bill to regulate persons having certain gaming interests; to require registration of persons having certain gaming interests and their agents; to require the filing of reports; to prescribe the powers and duties of the department of state; and to prescribe penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "casino interest registration act".

3 Sec. 2. As used in this act:

4 (a) "Affiliate" means a person who, directly or indirectly,
5 through 1 or more intermediaries, controls, is controlled by, or
6 is under common control with; is in a partnership or joint ven-
7 ture relationship with; or is a co-shareholder of a corporation,
8 a co-member of a limited liability company, or co-partner in a

1 limited liability partnership with a person who holds or applies
2 for a casino license under this act.

3 (b) "Casino enterprise" means the buildings, facilities, or
4 rooms functionally or physically connected to a casino, including
5 but not limited to any bar, restaurant, hotel, cocktail lounge,
6 retail establishment, or arena, or any other facility located in
7 a city under the control of a casino licensee or an affiliate of
8 a casino licensee company.

9 (c) "Casino key employee" means an individual employed in
10 the operation of a licensed casino who the Michigan gaming con-
11 trol board designates as a key employee.

12 (d) "Department" means the department of state.

13 (e) "Local government" means a city, village, township,
14 county, school district, or community college district.

15 (f) "Person" means an individual, limited liability company,
16 proprietorship, firm, partnership, joint venture, syndicate,
17 business trust, labor organization, company, corporation, associ-
18 ation, committee, governmental entity, or other legal entity.

19 (g) "Person holding a casino interest" includes all of the
20 following:

21 (i) A person who holds at least a 1% interest in a casino
22 licensee or casino enterprise.

23 (ii) A person who is a partner, officer, or key or manage-
24 rial employee of the casino licensee or casino enterprise.

25 (iii) A person who is an officer of the person who holds at
26 least a 1% interest in the casino licensee or casino enterprise.

1 (iv) The spouse or children of a person listed in
2 subparagraphs (i) through (iii).

3 Sec. 3. (1) Not later than 5 days after obtaining a casino
4 interest, the person who holds the casino interest shall file a
5 registration form with the secretary of state. The registration
6 shall contain the following information:

7 (a) The name and office address of the person holding the
8 casino interest.

9 (b) A description of the casino interest.

10 (2) A person who fails to register under subsection (1)
11 shall pay a late registration fee of \$10.00 for each day the
12 person remains not registered in violation of subsection (1), not
13 to exceed \$300.00. A person who is in violation by failing to
14 register as required by this section more than 30 days is guilty
15 of a misdemeanor and shall be fined not more than \$1,000.00.

16 (3) A person holding a casino interest shall file a notice
17 of termination with the secretary of state within 30 days after
18 the person ceases to hold a casino interest.

19 Sec. 4. A person, other than an individual, who holds a 1%
20 or more interest in a casino licensee or casino enterprise shall,
21 in addition to the other information required in section 3,
22 include on its registration form the names of its principal offi-
23 cers, board members, partners, or directors.

24 Sec. 5. Twice a year, the department shall prepare and pub-
25 lish summaries of the registration forms received. The summaries
26 shall include a list of the names of the persons who hold casino

1 interests. The summaries shall be given wide public
2 dissemination.

3 Sec. 6. (1) If the secretary of state, upon investigation
4 of a report filed under this act, determines that there is proba-
5 ble cause a violation of this act occurred, the secretary of
6 state shall forward the results of that investigation to the
7 attorney general for enforcement of the penalties provided by
8 this act.

9 (2) A person who alleges a violation of this act or rules
10 promulgated under this act shall file a sworn complaint with the
11 secretary of state. The secretary of state shall forward the
12 complaint to the attorney general. Upon receipt of a sworn com-
13 plaint, the attorney general shall determine whether there is
14 probable cause that there was a violation of this act or the
15 rules promulgated under this act. Notice shall be given to a
16 person within 5 days after a sworn complaint is filed against
17 that person. Notice shall include a copy of the sworn
18 complaint. Every 60 days after the date of a request for an
19 investigation and until the matter is terminated, the attorney
20 general shall mail to the complainant and to the alleged violator
21 notice of the action taken to date by the attorney general,
22 together with the reasons for the action or nonaction. If it is
23 determined that there is no probable cause that a violation of
24 this act occurred, the attorney general shall immediately give
25 notice of that determination to the complainant and to the person
26 previously given notice under this subsection.

1 (3) All governmental bodies shall cooperate with the
2 department of attorney general in the conduct of its
3 investigations.

4 Sec. 7. The secretary of state shall promulgate rules to
5 implement this act pursuant to the administrative procedures act
6 of 1969, 1969 PA 306, MCL 24.201 to 24.328.

7 Sec. 8. The attorney general upon investigation and deter-
8 mination that this act or a rule promulgated under this act was
9 violated shall do either of the following:

10 (a) Initiate a civil action to enforce this act.

11 (b) Begin criminal prosecution for the imposition of crimi-
12 nal penalties provided by this act in the judicial district in
13 which the alleged violation occurred.

14 Enacting section 1. This act does not take effect unless
15 Senate Bill No. 569

16 of the 89th Legislature is enacted into law.