

**SUBSTITUTE FOR
HOUSE BILL NO. 5881**

A bill to amend 1996 IL 1, entitled "Michigan gaming control and revenue act," by amending sections 2, 4, 4a, 4c, 4d, 5, 6, 6a, 6c, 7a, 7b, 7c, 8, 9, 9a, 9b, 9c, 12, 12a, 14, 18, 21, and 25 (MCL 432.202, 432.204, 432.204a, 432.204c, 432.204d, 432.205, 432.206, 432.206a, 432.206c, 432.207a, 432.207b, 432.207c, 432.208, 432.209, 432.209a, 432.209b, 432.209c, 432.212, 432.212a, 432.214, 432.218, 432.221, and 432.225), sections 2, 4, 5, 6, 8, 9, and 14 as amended and sections 4a, 4c, 4d, 6a, 6c, 7a, 7b, 7c, 9a, 9b, 9c, 12a, 18, 21, and 25 as added by 1997 PA 69 and section 12 as amended by 2004 PA 306; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

1 (a) "Adjusted gross receipts" means the gross receipts less
2 winnings paid to wagerers.

3 (b) "Affiliate" means a person who, directly or indirectly,
4 through 1 or more intermediaries, controls ~~, is controlled by, or~~
5 ~~is under common control with; is in a partnership or joint venture~~
6 ~~relationship with; or is a co-shareholder of a corporation, a co-~~
7 ~~member of a limited liability company, or co-partner in a limited~~
8 ~~liability partnership with a person who holds or applies for a~~
9 casino license **LICENSEE** under this act.

10 (c) "Affiliated company" means any form of business
11 organization ~~which~~ **THAT** controls, ~~is controlled by or is under~~
12 ~~common control with; is in a partnership or joint venture~~
13 ~~relationship with; or is a co-shareholder of a corporation, a co-~~
14 ~~member of a limited liability company, or co-partner in a limited~~
15 ~~liability partnership with a person who holds or applies for a~~
16 casino license **LICENSEE** under this act.

17 (d) "Agent" means any person who is employed by any agency of
18 ~~the~~ **THIS** state, other than the board, the state police, or **THE**
19 **DEPARTMENT OF** attorney general, who is assigned to perform full-
20 time services on behalf of or for the benefit of the board
21 regardless of the title or position held by that person.

22 (e) "Applicant" means any person who applies for a license or
23 for registration under this act. ~~The term applicant~~ **AS USED** in
24 sections 4a(1)(a), 5(1), ~~5(2), 5(3), 5(4), 6(3), 6(4), 6(5), 6(9),~~
25 ~~7a(4), 7a(5), and 7a(11) shall include~~ **5(1) TO (4), 6(3) TO (5) AND**
26 **(9), AND 7A(4), (5), AND (11), APPLICANT INCLUDES** an affiliate,
27 affiliated company, ~~officer,~~ director, or managerial employee of

1 the applicant **WHO PERFORMS THE FUNCTION OF PRINCIPAL EXECUTIVE**
2 **OFFICER, PRINCIPAL OPERATIONS OFFICER, OR PRINCIPAL ACCOUNTING**
3 **OFFICER**, or a person who holds greater than ~~1%~~**5%** direct or
4 indirect interest in the applicant. As used in this subdivision,
5 affiliate and affiliated company do not include a partnership, a
6 joint venture relationship, a co-shareholder of a corporation, a
7 co-member of a limited liability company, or a co-partner in a
8 limited liability partnership that has ~~less than 1%~~ **A 5% OR LESS**
9 direct interest in the applicant and is not involved in the casino
10 ~~or casino enterprise application as defined in rules promulgated by~~
11 the board.

12 (f) "Board" means the Michigan gaming control board **CREATED**
13 **UNDER SECTION 4.**

14 (g) "Casino" means a building **OR BUILDINGS** in which gaming is
15 conducted.

16 (h) "Casino enterprise" means the buildings, facilities, or
17 rooms functionally or physically connected to a casino, including
18 but not limited to any bar, restaurant, hotel, cocktail lounge,
19 retail establishment, or arena or any other facility located in a
20 city under the control of a casino licensee. ~~or affiliated company.~~

21 (i) "Certified development agreement" means a development
22 agreement that has been certified by a city and submitted to the
23 ~~Michigan gaming control board.~~

24 (j) "Chairperson" means the chairperson of the board.

25 (k) "Cheat" means to alter the selection of criteria ~~which~~
26 **THAT** determine the result of a gambling game or the amount or
27 frequency of payment in a gambling game, in violation of this act

1 or rules promulgated under this act.

2 (l) "City" means a local unit of government other than a
3 county ~~which~~**THAT** meets all of the following criteria:

4 (i) Has a population of at least 800,000 at the time a license
5 is issued.

6 (ii) Is located within 100 miles of any other state or country
7 in which gaming was permitted on December 5, 1996.

8 (iii) Had a majority of voters who expressed approval of
9 casino gaming in the city.

10 (m) "Company" means a sole proprietorship, corporation,
11 partnership, limited liability partnership, limited liability
12 company, trust, association, joint stock company, joint venture,
13 tribal corporation, or other form of business organization.

14 (n) "Compensation" means any money, thing of value, or
15 financial benefit conferred on or received by a person in return
16 for services rendered, or to be rendered, whether by that person or
17 another.

18 (o) "Conflict of interest" means a situation in which the
19 private interest of a member, employee or agent of the board may
20 influence the judgment of the member, employee, or agent in the
21 performance of his or her public duty under this act. A conflict of
22 interest includes, but is not limited to, **ANY OF** the following:

23 (i) Any conduct that would lead a reasonable person, knowing
24 all of the circumstances, to conclude that the member, employee, or
25 agent of the board is biased against or in favor of an applicant.

26 (ii) Acceptance of any form of compensation other than from
27 the board for any services rendered as part of the official duties

1 of the member, employee, or agent for the board.

2 (iii) Participation in any business being transacted with or
3 before the board in which the member, employee, or agent of the
4 board or his or her parent, spouse, or child has a financial
5 interest.

6 (iv) Use of the position, title, or any related authority of
7 the member, employee, or agent of the board in a manner designed
8 for personal gain or benefit.

9 (v) Demonstration, through work or other action in the
10 performance of the official duties of the member, employee, or
11 agent of the board, of any preferential attitude or treatment of
12 any person.

13 (p) "Control" means having a greater than 15% direct or
14 indirect pecuniary interest in the casino gaming operation with
15 respect to which the license is sought.

16 (q) "Department" means the department of treasury.

17 (r) "Development agreement" means a written agreement between
18 a city and a person naming the person as the designated developer
19 of a casino in the city and covering certain subjects including,
20 but not limited to, ~~approval~~ **ALL OF THE FOLLOWING:**

21 (i) **APPROVAL** by the city of the location of the casino. ~~+~~
22 ~~certification~~

23 (ii) **CERTIFICATION** by the city that the applicant has
24 sufficient financial resources to construct and open the casino
25 ~~which~~ **THAT** it proposes to develop. ~~+~~ ~~zoning~~

26 (iii) **ZONING** and site plan requirements. ~~+~~ ~~utility~~

27 (iv) **UTILITY** connection fees. ~~+~~ ~~infrastructure~~

- 1 (v) **INFRASTRUCTURE** improvements. ~~; requirements~~
- 2 (vi) **REQUIREMENTS** to utilize local businesses and small
- 3 businesses as suppliers. ~~; employment~~
- 4 (vii) **EMPLOYMENT** issues. ~~; compulsive~~
- 5 (viii) **COMPULSIVE** gambling programs. ~~; insurance~~
- 6 (ix) **INSURANCE** requirements. ~~; conceptual~~
- 7 (x) **CONCEPTUAL** design approval. ~~; reimbursement~~
- 8 (xi) **REIMBURSEMENT** for predevelopment and infrastructure
- 9 costs, traffic engineering, and other transportation costs. ~~; plans~~
- 10 (xii) **PLANS** for completion of destination attractions either
- 11 within or outside the casino facility and ancillary development
- 12 rights.
- 13 (s) "Disciplinary action" ~~is~~ **MEANS** an action by the board
- 14 suspending or revoking a license ~~;~~ **OR** fining, excluding,
- 15 reprimanding, or otherwise penalizing a person for violating this
- 16 act or rules promulgated by the board.
- 17 (t) "Ex parte communication" means any communication, direct
- 18 or indirect, regarding a licensing application, disciplinary
- 19 action, or a contested case under this act other than communication
- 20 that takes place during a meeting or hearing conducted under this
- 21 act.
- 22 (u) "Financial interest" or "financially interested" means any
- 23 interest in investments, awarding of contracts, grants, loans,
- 24 purchases, leases, sales, or similar matters under consideration or
- 25 consummated by the board. A member, employee, or agent of the board
- 26 ~~will be~~ **IS** considered to have a financial interest in a matter
- 27 under consideration if ~~any~~ **EITHER** of the following circumstances

1 ~~exist:~~ **EXISTS:**

2 (i) He or she owns 1% or more of any class of outstanding
3 securities that are issued by a party to the matter under
4 consideration or consummated by the board.

5 (ii) He or she is employed by or is an independent contractor
6 for a party to the matter under consideration or consummated by the
7 board.

8 (v) "Gambling game" means any game played with cards, dice,
9 equipment or a machine, including any mechanical, electromechanical
10 or electronic device ~~which shall include~~ **INCLUDING** computers and
11 cashless wagering systems, for money, credit, or any representative
12 of value, including, but not limited to, faro, monte, roulette,
13 keno, bingo, fan tan, twenty one, blackjack, seven and a half,
14 klondike, craps, poker, chuck a luck, Chinese chuck a luck (dai
15 shu), wheel of fortune, chemin de fer, baccarat, pai gow, beat the
16 banker, panguingui, slot machine, any banking or percentage game,
17 or any other game or device approved by the board. ~~, but~~ **GAMBLING**
18 **GAME** does not include games played with cards in private homes or
19 residences in which no person makes money for operating the game,
20 except as a player.

21 (w) "Gambling operation" **OR "CASINO GAMBLING OPERATION"** means
22 the conduct of ~~authorized gambling games in a casino.~~ **AUTHORIZED BY**
23 **THE BOARD.**

24 (x) "Gaming" **OR "CASINO GAMING"** means to deal, operate, carry
25 on, conduct, maintain or expose or offer for play any gambling game
26 or gambling operation.

27 (y) "Gross receipts" means the total of all ~~sums~~ **MONEY**

1 including valid or invalid checks, currency, ~~tokens,~~ coupons,
2 vouchers, or instruments of monetary value whether collected or
3 uncollected, received by a casino licensee from gaming, including
4 all entry fees assessed for tournaments or other contests, less a
5 deduction for uncollectible gaming receivables not to exceed the
6 uncollectible amounts owed as a result of wagers placed at or
7 through a gambling game or 4% of the total gross receipts,
8 whichever is less. ~~The~~ **A** licensee shall not receive the deduction
9 unless the licensee provides written proof to the state treasurer
10 of the uncollected gaming receivables and ~~had~~ complied with all
11 rules promulgated by the board regarding the issuance of credit and
12 the collection of amounts due under a credit extension.

13 (z) "Institutional investor" means any retirement fund
14 administered by a public agency for the exclusive benefit of
15 federal, state, or local public employees, an employee benefit
16 plan, or pension fund that is subject to the employee retirement
17 income security act of 1974, as amended, an investment company
18 registered under the investment company act of 1940, ~~title I of~~
19 ~~chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to~~ **15**
20 **USC 80A-1 TO** 80a-64, a collective investment trust organized by a
21 bank under part 9 of the rules of the comptroller of the currency,
22 a closed end investment trust, a chartered or licensed life
23 insurance company or property and casualty insurance company, a
24 chartered or licensed financial institution, an investment advisor
25 registered under the investment advisers act of 1940, ~~title II of~~
26 ~~chapter 686, 54 Stat. 847, 15 U.S.C.~~ **15 USC** 80b-1 to 80b-21, or any
27 other person as **DETERMINED BY** the board ~~may determine~~ for reasons

1 consistent with this act.

2 (aa) "Investigative hearing" means any hearing conducted by
3 the board or its authorized representative to investigate and
4 gather information or evidence regarding pending license
5 applications, applicants, licensees, or alleged or apparent
6 violations of this act or rules promulgated by the board.

7 ~~—— (bb) "Junket enterprise" means any person other than a casino
8 licensee or applicant who employs or otherwise engages in the
9 procurement or referral of persons who may participate in a junket
10 to a casino licensed under this act or casino enterprise whether or
11 not those activities occur within the state.~~

12 (BB) ~~(cc)~~ "Managerial employee" means a person who by virtue
13 of the level of ~~their~~ **HIS OR HER** remuneration or otherwise holds a
14 management, supervisory, or policy making position with any
15 licensee under this act, **A** vendor, or the board.

16 (CC) ~~(dd)~~ "Member" means a board member appointed to the
17 ~~Michigan gaming control board~~ under this act.

18 (DD) ~~(ee)~~ "Occupational license" means a license issued by the
19 board to a person to perform **IN A CASINO OR A CASINO ENTERPRISE** an
20 occupation ~~in a casino or casino enterprise which~~ **THAT DIRECTLY**
21 **IMPACTS THE INTEGRITY OF GAMING AND THAT** the board has identified
22 as requiring a license to engage in ~~casino gaming in~~
23 ~~Michigan.~~ **PERFORM THE OCCUPATION IN A CASINO OR CASINO ENTERPRISE IN**
24 **THIS STATE.**

25 (EE) ~~(ff)~~ "Person" means an individual, corporation, limited
26 liability company, association, partnership, limited liability
27 partnership, trust, ~~entity,~~ or other legal entity.

1 **(FF)** ~~(gg)~~ "Supplier" means a person who the board has
 2 identified under rules promulgated by the board as requiring a
 3 license to provide casino licensees ~~or casino enterprises~~ with
 4 goods or services regarding the ~~realty, construction, maintenance,~~
 5 ~~or business~~ of a proposed or existing casino, ~~casino enterprise,~~
 6 ~~or related facility~~ on a regular or continuing basis. ~~, including,~~
 7 ~~but not limited to, junket enterprises, security businesses,~~
 8 ~~manufacturers, distributors, persons who service gaming devices or~~
 9 ~~equipment, garbage haulers, maintenance companies, food purveyors,~~
 10 ~~and construction companies.~~

11 **(GG)** ~~(hh)~~ "Vendor" means a person who is not licensed under
 12 this act who supplies any goods or services to a casino licensee or
 13 supplier licensee.

14 **(HH)** ~~(ii)~~ "Wagerer" means a person who plays a gambling game
 15 authorized under this act.

16 **(II)** ~~(jj)~~ "Winnings" means the total cash value of all
 17 property or ~~sums~~ **MONEY** including currency, tokens, or instruments
 18 of monetary value paid to wagerers as a direct result of wagers
 19 placed at or through a gambling game.

20 Sec. 4. (1) The Michigan gaming control board is created
 21 within the department of treasury. The board ~~shall have~~ **HAS** the
 22 powers and duties specified in this act and all other powers
 23 necessary and proper to fully and effectively execute and
 24 administer this act for the purpose of licensing, regulating, and
 25 enforcing the system of casino gambling established under this act.

26 (2) The board ~~shall consist~~ **CONSISTS** of 5 members, not more
 27 than 3 of whom ~~shall~~ **MAY** be members of the same political party, to

House Bill No. 5881 as amended December 4, 2018

1 be appointed by the governor with the advice and consent of the
 2 senate. ~~1 of whom~~ **THE GOVERNOR** shall be designated by the
 3 governor to be **DESIGNATE 1 OF THE MEMBERS AS** chairperson. Each
 4 member shall ~~shall~~ **MUST** be a resident of this state.

5 (3) The members shall be appointed for terms of 4 years. ~~7~~
 6 ~~except of those who are first appointed, 1 member shall be~~
 7 ~~appointed for a term of 2 years, 2 members shall be appointed for a~~
 8 ~~term of 3 years and 2 members shall be appointed for a term of 4~~
 9 ~~years. A member's term shall expire~~ **EXPIRES** on December 31 of the
 10 last year of the member's term. In the event of ~~IF THERE IS~~ a
 11 vacancy on the board, the governor shall appoint in like manner a
 12 successor to fill the unexpired term.

13 (4) Each member ~~of the board shall~~ **MUST** be reimbursed for all
 14 actual and necessary expenses and disbursements incurred in the
 15 execution of official duties. **BEGINNING JANUARY 1, 2023, EACH**
 16 **MEMBER MUST RECEIVE COMPENSATION IN THE AMOUNT OF \$1,000.00 FOR**
 17 **EACH PUBLIC BOARD MEETING THAT HE OR SHE ATTENDS. BEGINNING JANUARY**
 18 **1, 2023, THE CHAIRPERSON MUST RECEIVE \$1,250.00 FOR EACH MEETING HE**
 19 **OR SHE ATTENDS, AND MUST BE REIMBURSED FOR ALL ACTUAL AND NECESSARY**
 20 **EXPENSES AND DISBURSEMENTS. [**

21]

22 (5) A ~~board~~ member shall not hold any other public office for
 23 which he or she shall ~~receive~~ **RECEIVES** compensation other than
 24 necessary travel or other incidental expenses.

25 (6) A person who is not of good moral character or who has
 26 been indicted or charged with, convicted of, pled guilty or nolo
 27 ~~contendere~~ **CONTENDERE** to, or forfeited bail concerning a felony or a

1 misdemeanor involving gambling, theft, dishonesty, or fraud under
2 the laws of this state, any other state, or the United States or a
3 local ordinance in any state involving gambling, dishonesty, theft,
4 or fraud that substantially corresponds to a misdemeanor in that
5 state ~~shall~~ **MUST** not be appointed or remain as a member. ~~of the~~
6 ~~board.~~

7 (7) Any member ~~of the board~~ may be removed by the governor for
8 neglect of duty, misfeasance, malfeasance, nonfeasance, or any
9 other just cause.

10 (8) The governor shall appoint the executive director of the
11 board to serve a 6-year term. ~~After the effective date of the act~~
12 ~~that added this subsection, the~~ **THE** appointment of the executive
13 director ~~shall require~~ **REQUIRES** the approval of the senate by a
14 record roll call vote. The executive director shall perform any and
15 all duties that the board ~~shall assign~~ **ASSIGNS TO** him or her. The
16 executive director ~~shall~~ **MUST** be reimbursed for all actual and
17 necessary expenses incurred by him or her in discharge of his or
18 her official duties. The executive director shall keep records of
19 all proceedings of the board and shall preserve all records, books,
20 documents, and other papers belonging to the board or entrusted to
21 its care. The executive director shall devote his or her full time
22 to the duties of the office and shall not hold any other office or
23 employment. A vacancy in the position of executive director ~~shall~~
24 **MUST** be filled as provided in this subsection for a new 6-year
25 term.

26 (9) The board shall employ **THE** personnel ~~as may be necessary~~
27 to carry out the functions of the board under this act.

1 (10) ~~A~~ **THE GOVERNOR SHALL NOT APPOINT A** person ~~shall not be~~
2 ~~appointed to or employed by~~ **THE BOARD AND** the board **SHALL NOT**
3 **EMPLOY A PERSON** if any of the following circumstances exist:

4 (a) During the ~~3 years~~ **YEAR** immediately preceding appointment
5 or employment, the person held any direct or indirect interest in,
6 or any employment by, a person who is licensed to operate a casino
7 under this act or in another jurisdiction, a person who had an
8 application to operate a casino pending before the board or any
9 other jurisdiction, or a casino enterprise. However, the **BOARD MAY**
10 **EMPLOY THE** person ~~may be employed by the board~~ if his or her
11 interest in any casino licensee or casino enterprise would not, in
12 the opinion of the board, interfere with the objective discharge of
13 the person's employment obligations. However, **THE BOARD SHALL NOT**
14 **EMPLOY** a person ~~shall not be employed by the board~~ if his or her
15 interest in the casino licensee or casino enterprise constitutes a
16 controlling interest in that casino licensee or casino enterprise.

17 (b) The person or his or her spouse, parent, child, child's
18 spouse, sibling, or spouse of a sibling is a member of the board of
19 directors of or a person financially interested in any person
20 licensed as a casino licensee or casino supplier, any person who
21 has an application for a license pending before the board, or a
22 casino enterprise.

23 (11) Each member, ~~of the board,~~ the executive director, and
24 each ~~key~~ employee as determined by the board shall file with the
25 governor a financial disclosure statement listing all assets and
26 liabilities, property and business interests, and sources of income
27 of the member, executive director, ~~and each key~~ **OR** employee and any

1 ~~of their spouses~~ **HIS OR HER SPOUSE, AND** affirming that **THE**
2 **CIRCUMSTANCES DESCRIBED IN SUBSECTION (10) DO NOT APPLY TO** the
3 member, executive director, ~~and key~~ **OR** employee. ~~are in compliance~~
4 ~~with subsection (10) (a) and (b) of this act.~~ The financial
5 disclosure statement ~~shall~~ **MUST** be under oath and ~~shall~~ be filed at
6 the time of employment and annually thereafter.

7 (12) Each employee of the board shall file with the board a
8 financial disclosure statement listing all assets and liabilities,
9 property and business interests, and sources of income of the
10 employee and his or her spouse. This subsection does not apply to
11 the executive director or a key employee.

12 (13) A member, ~~of the board,~~ executive director, or key
13 ~~employee~~ **BOARD EMPLOYEE** shall not hold any direct or indirect
14 interest in, be employed by, or enter into a contract for services
15 with an applicant, ~~a person licensed by or registered with the~~
16 ~~board, or a casino enterprise~~ **A CASINO LICENSEE** for a period of 4-**2**
17 years after the date his or her ~~membership on the board~~ **OFFICE OR**
18 **EMPLOYMENT** terminates.

19 (14) An employee of the board shall not acquire any direct or
20 indirect interest in, be employed by, or enter into a contract for
21 services with any applicant, person licensed by the board, or
22 casino enterprise for a period of 2 years after the date his or her
23 employment with the board is terminated.

24 (15) A ~~board member, or a person employed by the board~~
25 **EXECUTIVE DIRECTOR, OR BOARD EMPLOYEE** shall not represent any
26 person or party other than ~~the~~ **THIS** state before or against the
27 board for a period of 2 years after the termination of his or her

1 office or employment with the board.

2 ~~—— (16) A business entity in which a former board member or~~
3 ~~employee or agent has an interest, or any partner, officer, or~~
4 ~~employee of the business entity shall not make any appearance or~~
5 ~~representation that is prohibited to that former member, employee,~~
6 ~~or agent. As used in this subsection, "business entity" means a~~
7 ~~corporation, limited liability company, partnership, limited~~
8 ~~liability partnership, association, trust, or other form of legal~~
9 ~~entity.~~

10 (16) ~~(17)~~ The board ~~shall have~~ **HAS** general responsibility for
11 the implementation of this act. The board's duties include, but are
12 not limited to, all of the following:

13 (a) Deciding in a reasonable period of time all casino license
14 applications. A casino license applicant ~~shall have~~ **HAS** the burden
15 to establish by clear and convincing evidence ~~their~~ **ITS** suitability
16 as to integrity, moral character, and reputation; personal and
17 business probity; financial ability and experience; responsibility;
18 and other criteria considered appropriate by the board. The
19 criteria considered appropriate by the board ~~shall~~ **MUST** not be
20 arbitrary, capricious, or contradictory to the expressed provisions
21 of this act.

22 (b) ~~To decide~~ **DECIDING** in reasonable order all license
23 applications. Except for casino license applicants granted a
24 hearing under section 6(7), any party aggrieved by an action of the
25 board denying, suspending, revoking, restricting, or refusing to
26 renew a license, or imposing a fine, may request a hearing before
27 the board. A request for a hearing ~~shall~~ **MUST** be made to the board

1 in writing within 21 days after service of notice of the action of
2 the board. Notice of the action of the board ~~shall~~**MUST** be served
3 either by personal delivery or by certified mail, postage prepaid,
4 to the aggrieved party. Notice served by certified mail ~~shall be~~**IS**
5 considered complete on the business day following the date of the
6 mailing.

7 (c) Conducting its public meetings in compliance with the open
8 meetings act, 1976 PA 267, MCL ~~15.231 to 15.246~~**15.261 TO 15.275**.

9 (d) Promulgating the rules ~~as may be~~ necessary to implement,
10 administer, and enforce this act. ~~All~~**THE** rules promulgated under
11 this act ~~shall~~**MUST** not be arbitrary, capricious, or contradictory
12 to the expressed provisions of this act. The rules may include, but
13 need not be limited to, rules that do 1 or more of the following:

14 (i) Govern, restrict, approve, or regulate the casino gaming
15 authorized in this act.

16 (ii) Promote the safety, security, and integrity of casino
17 gaming authorized in this act.

18 (iii) License and regulate persons participating in or
19 involved with casino gaming authorized in this act.

20 (e) Providing for the establishment and collection of all
21 license and registration fees and taxes imposed by this act and the
22 rules promulgated by the board.

23 (f) Providing for the levy and collection of penalties and
24 fines for the violation of this act and the rules promulgated by
25 the board.

26 (g) Being present through its inspectors, agents, auditors,
27 and the ~~Michigan~~**DEPARTMENT OF** state police or **DEPARTMENT OF**

1 attorney general at any time in any casino and related casino
2 enterprise for the purpose of certifying the revenue thereof, ~~OF~~
3 **THE LICENSEE**, receiving complaints from the public, and conducting
4 other investigations into the conduct of the gambling games and the
5 maintenance of the equipment as ~~from time to time~~ the board ~~may~~
6 ~~consider~~ **CONSIDERS** necessary and proper to assure compliance with
7 this act and the rules promulgated by the board and to protect and
8 promote the overall safety, security, and integrity of casino
9 gaming authorized in this act.

10 (h) Reviewing and ruling upon any complaint by a licensee
11 regarding any investigative procedures of ~~the~~ **THIS** state ~~which~~ **THAT**
12 are unnecessarily disruptive of gambling operations. The need to
13 inspect and investigate ~~shall be~~ **IS** presumed at all times. A
14 licensee ~~shall~~ **MUST** establish by clear and convincing evidence that
15 its operations were disrupted, the procedures had no reasonable law
16 enforcement or regulatory purposes, and the procedures were so
17 disruptive as to unreasonably inhibit gambling operations.

18 (i) Holding at least 1 public meeting each quarter of the
19 fiscal year. In addition, special meetings may be called by the
20 chairperson or any 2 ~~board~~ members upon 72 hours' written notice to
21 each member. Three members ~~of the board shall~~ constitute a quorum,
22 except ~~when~~ **THAT IN** making determinations on applications for
23 casino licenses, ~~when~~ 4 members ~~shall~~ constitute a quorum. Three
24 votes ~~shall be~~ **ARE** required in support of final determinations of
25 the board on applications for casino licenses. The board shall keep
26 a complete and accurate record of all its meetings and hearings.
27 Upon order of the board, 1 of the board members or a hearing

1 officer designated by the board may conduct any hearing provided
2 for under this act or by the rules promulgated by the board and may
3 recommend findings and decisions to the board. The board member or
4 hearing officer conducting the hearing ~~shall have~~ **HAS** all powers
5 and rights regarding the conduct of hearings granted to the board
6 under this act. The record made at the time of the hearing ~~shall~~
7 **MUST** be reviewed by the board, or a majority of the board, and the
8 findings and decision of the majority of the board ~~shall constitute~~
9 the order of the board. ~~in the case.~~

10 (j) Maintaining records ~~which~~ **THAT** are separate and distinct
11 from the records of any other state board. The **BOARD SHALL MAKE THE**
12 records ~~shall be~~ available for public inspection subject to the
13 limitations of this act, and ~~shall~~ **THE RECORDS MUST** accurately
14 reflect all board proceedings.

15 (k) Reviewing the patterns of wagering and wins and losses by
16 persons in casinos under this act and ~~make~~ **MAKING** recommendations
17 to the governor and the legislature in a written annual report to
18 the governor and the legislature and additional reports as
19 **REQUESTED BY** the governor. ~~may request.~~ The annual report ~~shall~~
20 **MUST** include a statement of receipts and disbursements by the
21 board, actions taken by the board, and any additional information
22 and recommendations that the board considers appropriate or that
23 the governor ~~may request.~~ **REQUESTS.**

24 Sec. 4a. (1) The board ~~shall have~~ **HAS** jurisdiction over and
25 shall supervise all gambling operations governed by this act. The
26 board ~~shall have~~ **HAS** all powers necessary and proper to fully and
27 effectively execute this act, including, but not limited to, the

1 authority to do all of the following:

2 (a) Investigate applicants and determine the eligibility of
3 applicants for licenses or registration and to grant licenses to
4 applicants in accordance with this act and the rules promulgated
5 under this act.

6 (b) Have jurisdiction over and supervise casino gambling
7 operations authorized by this act and all persons in casinos where
8 gambling operations are conducted under this act.

9 (c) Enter through its investigators, agents, auditors, and the
10 ~~Michigan~~ **DEPARTMENT OF** state police at any time, without a warrant
11 and without notice to the licensee, the premises, offices, casinos,
12 casino enterprises, facilities, or other places of business of a
13 casino licensee or casino supplier licensee, where evidence of the
14 compliance or noncompliance with this act or rules promulgated by
15 the board is likely to be found, for the following purposes:

16 (i) To inspect and examine all premises ~~wherein~~ **WHERE** casino
17 gaming or the business of gaming or the business of a supplier is
18 conducted, or where any records of the activities are prepared.

19 (ii) To inspect, examine, audit, impound, seize, or assume
20 physical control of, or summarily remove from the premises all
21 books, ledgers, documents, writings, photocopies, correspondence,
22 records, videotapes, including electronically stored records, money
23 receptacles, other containers and their contents, equipment in
24 which the records are stored, or other gaming related equipment and
25 supplies on or around the premises, including counting rooms.

26 (iii) To inspect the person, and inspect, examine, and seize
27 personal effects present in a casino facility licensed under this

1 act, of any holder of a license or registration issued ~~pursuant to~~
2 **UNDER** this act while that person is present in a licensed casino
3 facility.

4 (iv) To investigate and deter alleged violations of this act
5 or the rules promulgated by the board.

6 (v) This section is not intended to limit warrantless
7 inspections except in accordance with constitutional requirements.

8 (d) Investigate alleged violations of this act or rules
9 promulgated by the board and to take appropriate disciplinary
10 action against a licensee or any other person, ~~or holder of an~~
11 ~~occupational license for a violation,~~ or institute appropriate
12 legal action for enforcement, or both.

13 (e) Adopt standards for the licensing of all persons under
14 this act, as well as for electronic or mechanical gambling games or
15 gambling games, and to establish fees for the licenses.

16 (f) Adopt appropriate standards for all casino gaming
17 facilities and equipment.

18 (g) Require that all records of casino and supplier licensees,
19 including financial or other statements, ~~shall be kept on the~~
20 premises of the casino licensee or supplier licensee in the manner
21 prescribed by the board.

22 (h) Require that each casino licensee involved in the
23 ownership or management of gambling operations submit to the board
24 an annual balance sheet, profit and loss statement, and a list of
25 the stockholders or other persons having a ~~1%-5%~~ or greater
26 beneficial interest in the gambling activities of ~~each~~ **THE** licensee
27 in addition to any other information the board considers necessary

1 in order to effectively administer this act and all rules
2 promulgated by the board and orders and final decisions made under
3 this act.

4 (i) Conduct investigative and contested case hearings, issue
5 subpoenas for the attendance of witnesses and subpoenas duces tecum
6 for the production of books, ledgers, records, memoranda,
7 electronically retrievable data, and other pertinent documents and
8 to administer oaths and affirmations to the witnesses to exercise
9 and discharge the powers and duties of the board under this act.
10 The executive director or his or her designee is also authorized to
11 issue subpoenas and to administer oaths and affirmations to
12 witnesses.

13 (j) Prescribe a form to be used by any licensee involved in
14 the ownership or management of gambling operations as an
15 application for employment for prospective employees.

16 (k) Revoke or suspend licenses, impose fines and penalties as
17 the board considers necessary and in compliance with applicable
18 laws of ~~the~~**THIS** state regarding administrative procedures, and
19 review and decide applications for the renewal of licenses. The
20 board may suspend a casino license, without notice or hearing upon
21 a determination that the safety or health of patrons or employees
22 is jeopardized by continuing a casino's operation. If the board
23 suspends a license under this subdivision without notice or
24 hearing, a prompt postsuspension hearing ~~shall~~**MUST** be held to
25 determine if the suspension should remain in effect. The suspension
26 may remain in effect until the board determines that the cause for
27 suspension has been abated. The board may revoke the casino license

1 upon a determination that the owner has not made satisfactory
2 progress toward abating the hazard.

3 (l) In addition to a disassociated person, eject or exclude or
4 authorize the ejection or exclusion of a person from a casino if
5 the person violates this act, rules promulgated by the board, or **A**
6 final ~~orders~~**ORDER** of the board or ~~when~~**IF** the board determines
7 that the person's conduct or reputation is such that his or her
8 presence within the casino gambling facilities may compromise the
9 honesty and integrity of the gambling operations or ~~interferes~~
10 **INTERFERE** with the orderly conduct of the gambling operations.
11 However, the propriety of the ejection or exclusion is subject to a
12 subsequent hearing by the board.

13 (m) Suspend, revoke, or restrict licenses and require the
14 removal of a licensee or an employee of a licensee for a violation
15 of this act or a rule promulgated by the board or for engaging in a
16 fraudulent practice, and impose civil penalties of up to \$5,000.00
17 against individuals and up to \$10,000.00 or an amount equal to the
18 daily gross receipts, whichever is greater, against casino
19 licensees for each violation of this act, any rules promulgated by
20 the board, any order of the board, or for any other action ~~which~~
21 **THAT** the board determines is a detriment or impediment to casino
22 gambling operations.

23 (n) Disqualify a person under section 7c(5).

24 (o) In addition to the authority provided under subdivision
25 (m), revoke or suspend a casino license or impose any other
26 disciplinary action for ~~any~~**EITHER** of the following reasons:

27 ~~— (i) The casino licensee has violated the Michigan liquor~~

1 ~~control act, 1933 (Ex Sess) PA 8, MCL 436.1 to 436.57a, or rules~~
2 ~~promulgated under that act.~~

3 (i) ~~(ii)~~ At any time the licensee no longer meets the
4 eligibility requirements or suitability determination by the board
5 for a casino license under this act.

6 (ii) ~~(iii)~~ The failure to revoke or suspend the license would
7 undermine the public's confidence in the ~~Michigan~~ gaming industry
8 **IN THIS STATE.**

9 (p) Conduct periodic audits of casinos authorized under this
10 act.

11 (q) Establish minimum levels of insurance to be maintained by
12 licensees.

13 (r) Delegate the execution of any of its powers under this act
14 for the purpose of administering and enforcing this act and the
15 rules promulgated by the board. This subdivision does not apply to
16 the granting of casino licenses under section 6.

17 (s) Perform a background check, at the vendor's expense, of
18 any vendor using the same standards that the board uses in
19 determining whether to grant a supplier's license.

20 (t) Review the business practices of a casino licensee
21 including, but not limited to, the price and quality of goods and
22 services offered to patrons and take disciplinary action as the
23 board considers appropriate to prevent practices that undermine the
24 public's confidence in the ~~Michigan~~ gaming industry **IN THIS STATE.**

25 **(U) ENTER INTO AGREEMENTS WITH OTHER JURISDICTIONS TO**
26 **FACILITATE, ADMINISTER, AND REGULATE MULTI JURISDICTIONAL GAMING BY**
27 **CASINO LICENSEES IF THE GAMING UNDER THE AGREEMENT IS CONDUCTED**

1 **ONLY IN THE UNITED STATES.**

2 (V) ~~(u)~~ Review a licensee if that licensee is under review or
3 is otherwise subject to discipline by a regulatory body in any
4 other jurisdiction for a violation of a gambling law or regulation
5 in that jurisdiction.

6 (W) ~~(v)~~ Take any other action as may be reasonable or
7 appropriate to enforce this act and rules promulgated by the board.

8 (2) The board may seek and shall receive the cooperation and
9 assistance of the department of state police and department of
10 attorney general in conducting background investigations of
11 applicants and in fulfilling its responsibilities under this act.

12 Sec. 4c. (1) Except as otherwise provided in this section, all
13 information, records, interviews, reports, statements, memoranda,
14 or other data supplied to or used by the board ~~shall be~~ **ARE** subject
15 to the freedom of information act, 1976 PA 442, MCL 15.231 to
16 15.246, except for the following:

17 (a) ~~Unless presented during a public hearing, all~~ **ALL** the
18 information, records, interviews, reports, statements,
19 **CORRESPONDENCE**, memoranda, **DOCUMENTS**, or other data supplied to,
20 created by, or used by the board related to background
21 ~~investigation~~ **INVESTIGATIONS** of applicants or licensees ~~and to~~ **OR**
22 **INVOLVING** trade secrets, internal controls, ~~and~~ **NONPUBLIC FINANCIAL**
23 **DATA, SURVEILLANCE FOOTAGE, OR SURVEILLANCE OR** security measures of
24 the licensees or applicants, **OR THAT THE APPLICANT, LICENSEE, OR**
25 **BOARD DESIGNATES AS CONFIDENTIAL.**

26 (b) All information, records, interviews, reports, statements,
27 memoranda, or other data supplied to or used by the board that have

1 been received from another jurisdiction or local, state, or federal
 2 agency under a promise of confidentiality or if the release of the
 3 information is otherwise barred by the statutes, rules, or
 4 regulations of that jurisdiction or agency or by an
 5 intergovernmental agreement.

6 (c) All information provided in an application for license
 7 required under this act.

8 **(D) ANY INFORMATION THAT WOULD DISCLOSE EMPLOYMENT SCHEDULES,**
 9 **TRAVEL SCHEDULES, VEHICLE INFORMATION, OR OTHER INFORMATION THAT**
 10 **MIGHT ENDANGER THE PHYSICAL SAFETY OF BOARD EMPLOYEES, OR**
 11 **INVESTIGATION INFORMATION.**

12 (2) Notwithstanding subsection (1)(a) or (c), the board shall,
 13 ~~upon~~ **ON** written request from any person, provide the following
 14 information concerning ~~the~~ **AN** applicant or licensee, his or her
 15 products, services or gambling enterprises, and his or her business
 16 holdings if the board has the information in its possession:

17 (a) The name, business address, and business telephone number.

18 (b) An identification of ~~any~~ **THE** applicant or licensee,
 19 including, if ~~an~~ **THE** applicant or licensee is not an individual,
 20 its state of incorporation or registration, its corporate officers,
 21 and the identity of its shareholders. If an applicant or licensee
 22 has a registration statement or a pending registration statement
 23 filed with the ~~securities and exchange commission,~~ **SECURITIES AND**
 24 **EXCHANGE COMMISSION,** only the names of those persons or entities
 25 holding interest of 5% or more shall be provided.

26 ~~—— (c) An identification of any business, including, if~~
 27 ~~applicable, the state of incorporation or registration, in which an~~

1 ~~applicant or licensee or an applicant's or licensee's spouse,~~
2 ~~parent, or child has equity interest of more than 5%.~~

3 ~~—— (d) Whether an applicant or licensee has been indicted,~~
4 ~~convicted, pleaded guilty or nolo contendere, or forfeited bail~~
5 ~~concerning any criminal offense under the laws of any jurisdiction,~~
6 ~~either felony or misdemeanor, not including traffic violations,~~
7 ~~including the name and location of the court, the date, and~~
8 ~~disposition of the offense.~~

9 ~~—— (e) Whether an applicant or licensee has had any license or~~
10 ~~certification issued by a licensing authority in Michigan or any~~
11 ~~other jurisdiction denied, restricted, suspended, revoked, or not~~
12 ~~renewed and, if known by the board, a statement describing the~~
13 ~~facts and circumstances concerning the denial, restriction,~~
14 ~~suspension, revocation, or nonrenewal, including the name of the~~
15 ~~licensing authority, the date each action was taken, and the reason~~
16 ~~for each action.~~

17 ~~—— (f) Whether an applicant or licensee has ever filed, or had~~
18 ~~filed against it, a proceeding for bankruptcy or has ever been~~
19 ~~involved in any formal process to adjust, defer, suspend, or~~
20 ~~otherwise work out the payment of any debt, including the date of~~
21 ~~filing, the name and location of the court, the case, and number of~~
22 ~~the disposition.~~

23 ~~—— (g) Whether an applicant or licensee has filed, or been served~~
24 ~~with, a complaint or other notice filed with any public body~~
25 ~~regarding the delinquent payment of any tax required under federal,~~
26 ~~state, or local law, including the amount of the tax, type of tax,~~
27 ~~the taxing agency, and time periods involved.~~

1 ~~—— (h) A statement listing the names and titles of all public~~
2 ~~officials or officers of any city, state, or federal body, agency,~~
3 ~~or entity and relatives of the officials who, directly or~~
4 ~~indirectly, own any financial interest in, have any beneficial~~
5 ~~interest in, are the creditors of, or hold or have any other~~
6 ~~interest in, or any contractual or service relationship with, an~~
7 ~~applicant or licensee under this act.~~

8 ~~—— (i) Whether an applicant or licensee or the spouse, parent,~~
9 ~~child, or spouse of a child of an applicant or licensee has made,~~
10 ~~directly or indirectly, any political contributions, or any loans,~~
11 ~~gifts, or other payments to any candidate as defined in section 7b~~
12 ~~or officeholder elected in this state, within 5 years prior to the~~
13 ~~date of filing the application, including the amount and the method~~
14 ~~of payment or to a committee established under the Michigan~~
15 ~~campaign finance act, 1976 PA 388, MCL 169.201 to 169.282.~~

16 (C) ~~(j)~~—The name and business telephone number of any
17 attorney, counsel, lobbyist agent as **THAT TERM IS** defined in
18 section 5 of 1978 PA 472, MCL 4.415, or any other person
19 representing an ~~THE~~ applicant or licensee in matters before the
20 board.

21 (D) ~~(k)~~—A summary of the applicant's development agreement
22 with the city, including the ~~applicant's~~ proposed location, the
23 square footage of any proposed casino, the type of additional
24 facilities, restaurants, or hotels proposed by the applicant, the
25 expected economic benefit to the city, **THE** anticipated or actual
26 number of employees, any statement from the applicant regarding
27 compliance with federal and state affirmative action guidelines,

1 **THE** projected or actual admissions, and **THE** projected or actual
2 adjusted gross receipts.

3 **(E)** ~~(/)~~—A description of the product or service to be supplied
4 by, or occupation to be engaged in by, a ~~THE~~ licensee.

5 (3) Except as otherwise provided in this subsection, all
6 information, records, interviews, reports, statements, memoranda,
7 or other data provided in a response to a request for proposals for
8 development agreements issued by ~~the~~ **A** city and all draft
9 development agreements being negotiated by the city ~~shall be~~ **ARE**
10 exempt from disclosure under the freedom of information act, 1976
11 PA 442, MCL 15.231 to 15.246, including but not limited to any of
12 the following:

13 (a) ~~Unless presented during a public hearing, all~~ **ALL**
14 **INFORMATION**, records, interviews, reports, **CORRESPONDENCE**,
15 statements, memoranda, **DOCUMENTS**, or other ~~information~~ **DATA**
16 supplied to, created by, or used by the city related to background
17 ~~investigation~~ **INVESTIGATIONS** of applicants for a development
18 agreement ~~and to~~ **OR INVOLVING** trade secrets, internal controls, ~~and~~
19 **NONPUBLIC FINANCIAL DATA, SURVEILLANCE, OR** security measures of the
20 licensees or applicants, **OR THAT THE APPLICANT, LICENSEE, OR BOARD**
21 **DESIGNATES AS CONFIDENTIAL.**

22 (b) All records, interviews, reports, statements, memoranda,
23 or other information supplied to or used by the city that have been
24 received from another jurisdiction or local, state, or federal
25 agency under a promise of confidentiality or if the release of the
26 information is otherwise barred by the statutes, rules, or
27 regulations of that jurisdiction or agency or by an

1 intergovernmental agreement.

2 (c) All information provided in a response to a request for
3 proposals for development agreements.

4 (4) Notwithstanding subsection (3)(a) or (c), ~~the~~ **A** city
5 shall, upon request, disclose the following information concerning
6 ~~the~~ **A** response to a request for proposals for development
7 agreements:

8 (a) The name, business address, and business telephone number
9 of the person filing the response.

10 (b) An identification of a ~~THE~~ person filing a ~~THE~~ response,
11 including, if the person is not an individual, the state of
12 incorporation or registration, the corporate officers, and the
13 identity of all shareholders or participants. If a ~~THE~~ person
14 filing a response has a registration statement or a pending
15 registration statement filed with the ~~securities and exchange~~
16 ~~commission,~~ **SECURITIES AND EXCHANGE COMMISSION**, the city shall only
17 provide the names of those persons or entities holding interest of
18 5% or more.

19 ~~— (c) An identification of any business, including, if~~
20 ~~applicable, the state of incorporation or registration, in which a~~
21 ~~person filing a response or his or her spouse, parent, or child has~~
22 ~~equity interest of more than 5%.~~

23 ~~— (d) Whether a person filing a response has been indicted,~~
24 ~~convicted, pleaded guilty or nolo contendere, or forfeited bail~~
25 ~~concerning any criminal offense under the laws of any jurisdiction,~~
26 ~~either felony or misdemeanor, not including traffic violations,~~
27 ~~including the name and location of the court, the date, and~~

1 ~~disposition of the offense.~~

2 ~~—— (e) Whether a person filing a response has had any license or~~
3 ~~certification issued by a licensing authority in Michigan or any~~
4 ~~other jurisdiction denied, restricted, suspended, revoked, or not~~
5 ~~renewed and, if known by the city, a statement describing the facts~~
6 ~~and circumstances concerning the denial, restriction, suspension,~~
7 ~~revocation, or nonrenewal, including the name of the licensing~~
8 ~~authority, the date each action was taken, and the reason for each~~
9 ~~action.~~

10 ~~—— (f) Whether a person filing a response has ever filed, or had~~
11 ~~filed against it, a proceeding for bankruptcy or has ever been~~
12 ~~involved in any formal process to adjust, defer, suspend, or~~
13 ~~otherwise work out the payment of any debt, including the date of~~
14 ~~filing, the name and location of the court, the case, and number of~~
15 ~~the disposition.~~

16 ~~—— (g) Whether a person filing a response has filed, or been~~
17 ~~served with, a complaint or other notice filed with any public body~~
18 ~~regarding the delinquency in the payment of any tax required under~~
19 ~~federal, state, or local law, including the amount, type of tax,~~
20 ~~the taxing agency, and time periods involved.~~

21 ~~—— (h) A statement listing the names and titles of all public~~
22 ~~officials or officers of any city, state, or federal body, agency,~~
23 ~~or entity and relatives of the officials who, directly or~~
24 ~~indirectly, own any financial interest in, have any beneficial~~
25 ~~interest in, are the creditors of, or hold or have any interest in~~
26 ~~or have any contractual or service relationship with, a person~~
27 ~~filing a response.~~

1 (C) ~~(i)~~ Whether a person filing a response or the spouse,
2 parent, child, or spouse of a child of a person filing a response
3 has made, directly or indirectly, any political contributions, or
4 any loans, gifts, or other payments to any board member or any
5 candidate as defined in section 7b or officeholder elected in this
6 state or to a committee established under the Michigan campaign
7 finance act, 1976 PA 388, MCL 169.201 to 169.282, within 5 years
8 before the date of filing the application, including the amount and
9 the method of payment.

10 (D) ~~(j)~~ The name and business telephone number of the counsel
11 representing ~~a~~ **THE** person filing a response.

12 (E) ~~(k)~~ A summary of the development agreement proposal with
13 the city, including the ~~applicant's~~ proposed location, the square
14 footage of ~~any~~ **THE** proposed casino, the type of additional
15 facilities, restaurants, or hotels proposed by the person filing a
16 response, the expected economic benefit to the city, **THE**
17 anticipated or actual number of employees, any statement from the
18 applicant regarding compliance with federal and state affirmative
19 action guidelines, **THE** projected or actual admissions, and **THE**
20 projected or actual adjusted gross receipts.

21 (F) ~~(l)~~ A description of the product or service to be supplied
22 by, or occupation to be engaged in by, a person filing a response.

23 (5) Notwithstanding the provisions of this section, the board
24 or ~~the~~ **A** city may cooperate with and provide all information,
25 records, interviews, reports, statements, memoranda, or other data
26 supplied to or used by the board to other jurisdictions or law
27 enforcement agencies.

1 Sec. 4d. (1) By January 31 of each year, each member of the
2 board shall prepare and file with the office of the board, a board
3 disclosure form in which the member does all of the following:

4 (a) Affirms that the member or the member's spouse, parent,
5 child, or child's spouse is not a member of the board of directors
6 of, financially interested in, or employed by a licensee or
7 applicant.

8 (b) Affirms that the member continues to meet any other
9 criteria for board membership under this act or the rules
10 promulgated by the board.

11 (c) Discloses any legal or beneficial interests in any real
12 property that is or that may be directly or indirectly involved
13 with gaming or gaming operations authorized by this act.

14 (d) Discloses any other information ~~as may be~~ required to
15 ensure that the integrity of the board and its work is maintained.

16 (2) By January 31 of each year, each employee of the board
17 shall prepare and file with the office of the board an employee
18 disclosure form in which the employee does all of the following:

19 (a) Affirms the absence of financial interests prohibited by
20 this act.

21 (b) Discloses any legal or beneficial interests in any real
22 property that is or that may be directly or indirectly involved
23 with gaming or gaming operations authorized by this act.

24 (c) Discloses whether the employee or the employee's spouse,
25 parent, child, or child's spouse is financially interested in or
26 employed by a supplier licensee or an applicant for a supplier's
27 license under this act.

1 (d) Discloses ~~such~~ **ANY** other matters ~~as may be~~ required to
2 ensure that the integrity of the board and its work is maintained.

3 (3) A member, employee, or agent of the board who becomes
4 aware that the member, employee, or agent of the board or his or
5 her spouse, parent, or child is a member of the board of directors
6 of, financially interested in, or employed by a licensee or an
7 applicant shall immediately provide detailed written notice ~~thereof~~
8 **OF THE MEMBERSHIP, FINANCIAL INTEREST, OR EMPLOYMENT** to the
9 chairperson.

10 (4) A member, employee, or agent of the board who has been
11 indicted, charged with, convicted of, pled guilty or nolo ~~contendere~~
12 **CONTENDERE** to, or forfeited bail concerning a misdemeanor involving
13 gambling, dishonesty, theft, or fraud or a local ordinance in any
14 state involving gambling, dishonesty, theft, or fraud that
15 substantially corresponds to a misdemeanor in that state, or a
16 felony under Michigan law, the laws of any other state, or the laws
17 of the United States, or any other jurisdiction shall immediately
18 provide detailed written notice of the conviction or charge to the
19 chairperson.

20 (5) Any member, employee, or agent of the board who is
21 negotiating for, or acquires by any means, any interest in any
22 person who is a licensee or an applicant, or any person affiliated
23 with such a person, shall immediately provide written notice of the
24 details of the interest to the chairperson. The member, employee,
25 or agent of the board shall not act on behalf of the board with
26 respect to that person.

27 (6) A member, employee, or agent of the board may not enter

House Bill No. 5881 as amended December 4, 2018

1 into any negotiations for employment with any person or affiliate
2 of any person who is a licensee or an applicant, and shall
3 immediately provide written notice of the details of any such
4 negotiations or discussions to the chairperson. The member,
5 employee, or agent of the board shall not take any action on behalf
6 of the board with respect to that person.

7 (7) Any member, employee, or agent of the board who receives
8 an invitation, written or oral, to initiate a discussion concerning
9 employment or the possibility of employment with a person or
10 affiliate of a person who is a licensee or an applicant shall
11 immediately report that he or she received the invitation to the
12 chairperson. The member, employee, or agent of the board shall not
13 take action on behalf of the board with respect to the person.

14 (8) A licensee or applicant shall not knowingly initiate a
15 negotiation for or discussion of employment with a member,
16 employee, or agent of the board. A licensee or applicant who
17 initiates a negotiation or discussion about employment shall
18 immediately provide written notice of the details of the
19 negotiation or discussion to the chairperson as soon as he or she
20 becomes aware that the negotiation or discussion has been initiated
21 with a member, employee, or agent of the board.

22 (9) A member, employee, or agent of the board, or former
23 member, employee, or agent of the board, shall not disseminate or
24 otherwise disclose any material or information in the possession of
25 the board that the board considers confidential unless specifically
26 authorized to do so by the chairperson or the board.

27 (10) ~~A—EXCEPT FOR FOOD OR DRINK FOR IMMEDIATE CONSUMPTION[,~~

House Bill No. 5881 as amended December 4, 2018

1] A member,
 2 employee, or agent of the board or a parent, spouse, sibling,
 3 spouse of a sibling, child, or spouse of a child of a member,
 4 employee, or agent of the board may not accept any gift, gratuity,
 5 compensation, travel, lodging, or anything of value, directly or
 6 indirectly, from any licensee or any applicant or affiliate or
 7 representative of an applicant or licensee, unless the acceptance
 8 conforms to a written policy or directive that is issued by the
 9 chairperson or the board. Any member, employee, or agent of the
 10 board who is offered or receives any gift, gratuity, compensation,
 11 travel, lodging, or anything of value, directly or indirectly,
 12 **EXCEPT FOR FOOD OR DRINK FOR IMMEDIATE CONSUMPTION**[,
 13] from any licensee or
 14 any applicant or affiliate or representative of an applicant or
 15 licensee shall immediately provide written notification of the
 16 details to the chairperson.

17 (11) A licensee or applicant, or affiliate or representative
 18 of an applicant or licensee, may not, directly or indirectly, give
 19 or offer to give any gift, gratuity, compensation, travel, lodging,
 20 or anything of value to any member, employee, or agent of the board
 21 which the member, employee, or agent of the board is prohibited
 22 from accepting under subsection (10). **BY FEBRUARY 1 OF EACH YEAR, A**
 23 **LICENSEE SHALL SUBMIT A REPORT TO THE BOARD THAT INCLUDES THE TOTAL**
 24 **VALUE OF FOOD OR DRINK FOR IMMEDIATE CONSUMPTION THAT THE LICENSEE**
 25 **OR APPLICANT, OR AFFILIATE OR REPRESENTATIVE OF THE LICENSEE OR**
 26 **APPLICANT, GAVE IN THE PREVIOUS YEAR AS ALLOWED UNDER SUBSECTION**
 27 **(10) IF THE TOTAL AMOUNT GIVEN IN THE PREVIOUS YEAR IS AT LEAST**

1 \$500.00.

2 (12) A member, employee, or agent of the board shall not
3 engage in any conduct that constitutes a conflict of interest, and
4 shall immediately advise the chairperson in writing of the details
5 of any incident or circumstances that would present the existence
6 of a conflict of interest with respect to the performance of the
7 board-related work or duty of the member, employee, or agent of the
8 board.

9 (13) A member, employee, or agent of the board who is
10 approached and offered a bribe in violation of section 118 of the
11 Michigan penal code, 1931 PA 328, MCL 750.118, or this act shall
12 immediately provide written account of the details of the incident
13 to the chairperson and to a law enforcement officer of a law
14 enforcement agency having jurisdiction.

15 (14) A member, employee, or agent of the board shall disclose
16 his or her past involvement with any casino interest in the past 5
17 years and shall not engage in political activity or politically
18 related activity during the duration of his or her appointment or
19 employment.

20 (15) A former member, employee, or agent of the board may
21 appear before the board as a fact witness about matters or actions
22 handled by the member, employee, or agent during his or her tenure
23 as a member, employee, or agent of the board. The member, employee,
24 or agent of the board shall not receive compensation for such an
25 appearance other than a standard witness fee and reimbursement for
26 travel expenses as established by statute or court rule.

27 (16) A licensee or applicant or any affiliate or

1 representative of an applicant or licensee shall not engage in ex
2 parte communications with a member of the board. A member of the
3 board shall not engage in any ex parte communications with a
4 licensee or an applicant or with any affiliate or representative of
5 an applicant or licensee.

6 (17) Any board member, licensee, or applicant or affiliate or
7 representative of a board member, licensee, or applicant who
8 receives any ex parte communication in violation of subsection
9 (16), or who is aware of an attempted communication in violation of
10 subsection (16), shall immediately report details of the
11 communication or attempted communication in writing to the
12 chairperson.

13 (18) Any member of the board who receives an ex parte
14 communication ~~which~~ **THAT** attempts to influence that member's
15 official action shall disclose the source and content of the
16 communication to the chairperson. The chairperson may investigate
17 or initiate an investigation of the matter with the assistance of
18 the attorney general and **THE DEPARTMENT OF** state police to
19 determine if the communication violates subsection (16) or
20 subsection (17) or other state law. The disclosure under this
21 section and the investigation shall remain confidential. Following
22 an investigation, the chairperson shall advise the governor or the
23 board, or both, of the results of the investigation and may
24 recommend action as the chairperson considers appropriate.

25 (19) A new or current employee or agent of the board shall
26 obtain written permission from the executive director before
27 continuing outside employment held at the time the employee begins

1 to work for the board. ~~Permission~~**THE EXECUTIVE DIRECTOR** shall be
2 ~~denied,~~**DENY PERMISSION**, or **REVOKE** permission previously granted,
3 ~~will be revoked,~~ if the nature of the work is considered to or ~~does~~
4 ~~create~~**CREATES** a possible conflict of interest or otherwise
5 interferes with the duties of the employee or agent for the board.

6 (20) An employee or agent of the board granted permission for
7 outside employment shall not conduct any business or perform any
8 activities, including solicitation, related to outside employment
9 on premises used by the board or during the employee's working
10 hours for the board.

11 (21) ~~Whenever~~**IF** the chairperson, as an employee of the board,
12 is required to file disclosure forms or report in writing the
13 details of any incident or circumstance ~~pursuant to~~**UNDER** this
14 section, he or she shall ~~make such filings~~**FILE THOSE DISCLOSURE**
15 **FORMS** or written reports ~~to~~**WITH** the board.

16 (22) The chairperson shall report any action he or she has
17 taken or contemplates taking under this section with respect to an
18 employee or agent or former employee or former agent to the board
19 at the next meeting of the board. The board may direct the
20 executive director to take additional or different action.

21 (23) Except as follows, ~~no~~**A** member, employee, or agent of the
22 board ~~may~~**SHALL NOT** participate in or wager on any gambling game
23 conducted by any licensee or applicant or any affiliate of an
24 applicant or licensee in Michigan~~—THIS STATE~~ or in any other
25 jurisdiction:

26 (a) A member, employee, or agent of the board may participate
27 in and wager on a gambling game conducted by a licensee under this

1 act, to the extent authorized by the chairperson or board as part
2 of the person's surveillance, security, or other official duties
3 for the board.

4 (b) A member, employee, or agent of the board shall advise the
5 chairperson at least 24 hours in advance if he or she plans to be
6 present in a casino in this state or in another jurisdiction
7 operated by a licensee or applicant, or affiliate of a licensee or
8 an applicant, outside the scope of his or her official duties for
9 the board.

10 (24) Violation of this section by a licensee or applicant, or
11 affiliate or representative of a licensee or applicant, may result
12 in denial of the application of licensure or revocation or
13 suspension of license or other disciplinary action by the board.

14 (25) Violation of this section by a member of the board may
15 result in disqualification or constitute cause for removal under
16 section 4(7) or other disciplinary action as determined by the
17 board.

18 (26) A violation of this section by an employee or agent of
19 the board will not result in termination of employment if the board
20 determines that the conduct involved does not violate the purpose
21 of this act, or require other disciplinary action, including
22 termination of employment. However, employment will be terminated
23 as follows:

24 (a) If, after being offered employment or beginning employment
25 with the board, the employee or agent intentionally acquires a
26 financial interest in a licensee or an applicant, or affiliate or
27 representative of a licensee or applicant, employment with the

1 board ~~shall~~**MUST** be terminated.

2 (b) If a financial interest in a licensee or an applicant, or
3 affiliate or representative of a licensee or applicant, is acquired
4 by an employee or agent that has been offered employment with the
5 board, **OR IS** an employee of the board, ~~or the employee's or agent's~~
6 ~~spouse, parent, or child,~~ through no intentional action of the
7 employee or agent, the individual ~~shall have~~**HAS** up to 30 days to
8 divest or terminate the financial interest. Employment may be
9 terminated if the interest has not been divested after 30 days.

10 (c) Employment ~~shall~~**MUST** be terminated if the employee or
11 agent is a spouse, parent, child, or spouse of a child of a board
12 member.

13 (27) Violation of this section does not create a civil cause
14 of action.

15 (28) As used in this section:

16 (a) "Outside employment" includes, but is not limited to **ANY**
17 **OF**, the following:

18 (i) Operation of a proprietorship.

19 (ii) Participation in a partnership or group business
20 enterprise.

21 (iii) Performance as a director or corporate officer of any
22 for-profit corporation or banking or credit institution.

23 (b) "Political activity" or "politically related activity"
24 includes all of the following:

25 (i) Using his or her official authority or influence for the
26 purpose of interfering with or affecting the result of an election.

27 (ii) Knowingly soliciting, accepting, or receiving a political

1 contribution from any person.

2 (iii) Running for the nomination or as a candidate for
3 election to a partisan political office.

4 (iv) Knowingly soliciting or discouraging the participation in
5 any political activity of any person who is either of the
6 following:

7 (A) Applying for any compensation, grant, contract, ruling,
8 license, permit, or certificate pending before the board.

9 (B) The subject of or a participant in an ongoing audit,
10 investigation, or enforcement action being carried out by the
11 board.

12 Sec. 5. (1) A person may apply to the board for a casino
13 license to conduct a ~~casino~~ gambling operation as provided in this
14 act. The application ~~shall~~ **MUST** be made under oath on forms
15 provided by the board and ~~shall~~ contain information as prescribed
16 by the board, including but not limited to all of the following:

17 (a) The name, business address, business telephone number,
18 ~~social security~~ **SOCIAL SECURITY** number, and, where applicable, the
19 federal tax identification number of any applicant.

20 (b) The identity of every person having a greater than 1%
21 direct or indirect pecuniary interest in the applicant with respect
22 to which the license is sought. If the disclosed entity is a trust,
23 the application ~~shall~~ **MUST** disclose the names and addresses of the
24 beneficiaries; if a corporation, the names and addresses of all
25 stockholders and directors; if a partnership, the names and
26 addresses of all partners, both general and limited; if a limited
27 liability company, the names and addresses of all members.

1 (c) An identification of any business, including, if
2 applicable, the state of incorporation or registration, in which an
3 applicant or an applicant's spouse, parent, or child has an equity
4 interest of more than 5%. If an applicant is a corporation,
5 partnership, or other business entity, the applicant shall identify
6 any other corporation, partnership, or other business entity in
7 which it has an equity interest of 5% or more, including, if
8 applicable, the state of incorporation or registration. An
9 applicant ~~can~~**MAY** comply with this subdivision by filing a copy of
10 the applicant's registration with the securities exchange
11 commission if the registration contains the information required by
12 this subdivision.

13 (d) Whether an applicant has been indicted, charged, arrested,
14 convicted, pleaded guilty or nolo contendere, forfeited bail
15 concerning, or had expunged any criminal offense under the laws of
16 any jurisdiction, either felony or misdemeanor, not including
17 traffic violations, regardless of whether the offense has been
18 expunged, pardoned, or reversed on appeal or otherwise, including
19 the date, the name and location of the court, arresting agency and
20 prosecuting agency, the case caption, the docket number, the
21 offense, the disposition, and the location and length of
22 incarceration.

23 (e) Whether an applicant has ever applied for or has been
24 granted any license or certificate issued by a licensing authority
25 in ~~Michigan~~**THIS STATE** or any other jurisdiction that has been
26 denied, restricted, suspended, revoked, or not renewed and a
27 statement describing the facts and circumstances concerning the

1 application, denial, restriction, suspension, revocation, or
2 nonrenewal, including the licensing authority, the date each action
3 was taken, and the reason for each action.

4 (f) Whether an applicant has ever filed or had filed against
5 it a civil or administrative action or proceeding in bankruptcy or
6 has ever been involved in any formal process to adjust, defer,
7 suspend, or otherwise work out the payment of any debt including
8 the date of filing, the name and location of the court, the case
9 caption, the docket number, and the disposition.

10 (g) Whether an applicant has filed, or been served with, a
11 complaint or other notice filed with any public body, regarding the
12 delinquency in the payment of, or a dispute over the filings
13 concerning the payment of, any tax required under federal, state,
14 or local law, including the amount, type of tax, the taxing agency,
15 and time periods involved.

16 (h) A statement listing the names and titles of all public
17 officials or officers of any unit of government, and the spouses,
18 parents, and children of those public officials or officers who,
19 directly or indirectly, own any financial interest in, have any
20 beneficial interest in, are the creditors of or hold any debt
21 instrument issued by, or hold or have any interest in any
22 contractual or service relationship with, an applicant. As used in
23 this subdivision, public official or officer does not include a
24 person who would have to be listed solely because of his or her
25 state or federal military service.

26 (i) Whether an applicant or the spouse, parent, child, or
27 spouse of a child of an applicant has made, directly or indirectly,

1 any political contribution, or any loans, donations, or other
2 payments to any candidate as defined in section 7b or officeholder
3 elected in this state or to a committee established under the
4 Michigan campaign finance act, 1976 PA 388, MCL 169.201 to 169.282,
5 within 5 years ~~from~~**BEFORE** the date of the filing of the
6 application, including the identity of the board member, candidate,
7 or officeholder, the date, the amount, and the method of payment.

8 (j) The name and business telephone number of any attorney,
9 counsel, lobbyist agent as **THAT TERM IS** defined in section 5 of
10 1978 PA 472, MCL 4.415, or any other person representing an
11 applicant in matters before the board.

12 (k) A description of any proposed or approved casino gaming
13 operation and related casino enterprises, including the economic
14 benefit to the community, anticipated or actual number of
15 employees, any statement from an applicant regarding compliance
16 with federal and state affirmative action guidelines, projected or
17 actual admissions, projected or actual gross receipts, and
18 scientific market research.

19 (l) Financial information in the manner and form prescribed by
20 the board.

21 (2) Information provided on the application ~~shall~~**MUST** be used
22 as a basis for a thorough background investigation ~~which~~**THAT** the
23 board shall conduct on each applicant. A false or incomplete
24 application is cause for denial of a license by the board.

25 (3) Applicants ~~shall~~**MUST** submit with their application all
26 required development agreements and documents, certifications,
27 resolutions, and letters of support from the governing body that

1 represents the municipality in which the applicant proposes to
2 operate a casino.

3 (4) Applicants ~~shall~~**MUST** consent in writing to being subject
4 to the inspections, searches, and seizures provided for in section
5 4a(1)(c)(i) to (v) and to disclosure to the board and its agents of
6 otherwise confidential records, including tax records held by any
7 federal, state, or local agency, or credit bureau or financial
8 institution, while applying for or holding a license under this
9 act.

10 (5) A nonrefundable application fee of \$50,000.00 ~~shall~~**MUST**
11 be paid at the time of filing to defray the costs associated with
12 the background investigation conducted by the board. If the costs
13 of the investigation exceed \$50,000.00, the applicant shall pay the
14 additional amount to the board. All information, records,
15 interviews, reports, statements, memoranda, or other data supplied
16 to or used by the board in the course of its review or
17 investigation of an application for a license under this act ~~shall~~
18 **MUST** only be disclosed in accordance with this act. The
19 information, records, interviews, reports, statements, memoranda,
20 or other data ~~shall~~**ARE** not be admissible as evidence, nor
21 discoverable in any action of any kind in any court or before any
22 tribunal, board, agency, or person, except for any action
23 considered necessary by the board.

24 Sec. 6. (1) The board shall issue a casino license to a person
25 who applies for a license, who pays the nonrefundable application
26 fee required under section 5(5) and a \$25,000.00 license fee for
27 the first year of operation, and who the board determines is

1 eligible and suitable to receive a casino license under this act
2 and the rules promulgated by the board. It is the burden of the
3 applicant to establish by clear and convincing evidence its
4 suitability as to character, reputation, integrity, business
5 probity, experience, and ability, financial ability and
6 responsibility, and other criteria ~~as may be considered~~ appropriate
7 by the board. The criteria considered appropriate by the board
8 ~~shall~~ **MUST** not be arbitrary, capricious, or contradictory to the
9 expressed provisions of this act. A person is eligible to apply for
10 a casino license if all of the following criteria are met:

11 (a) The applicant proposes to locate the casino in a city
12 where the local legislative body enacted an ordinance approving
13 casino gaming that may include local ordinances governing casino
14 operations, occupational licensees, and suppliers ~~which~~ **THAT** are
15 consistent with this act and rules promulgated by the board.

16 (b) The applicant entered into a certified development
17 agreement with the city where the local legislative body enacted an
18 ordinance approving casino gaming.

19 (c) The applicant or its affiliates or affiliated companies
20 has a history of, or a bona fide plan for, either investment or
21 community involvement in the city where the casino will be located.

22 (2) A city shall not certify or submit and have pending before
23 the board more than 3 certified development agreements. If an
24 applicant is denied a casino license by the board, the city may
25 then certify a development agreement with another applicant and
26 submit the certified development agreement to the board. Nothing in
27 this act ~~shall be construed to prevent~~ **PREVENTS** the city from

1 entering into more than 3 development agreements.

2 (3) ~~No~~ **THE BOARD SHALL NOT ISSUE** more than ~~three (3)~~ **3**
 3 licenses ~~shall be issued by the board in any city. A~~ **THE BOARD**
 4 **SHALL NOT ISSUE A** license ~~shall not be issued for a casino to be~~
 5 located on land held in trust by the United States for a federally
 6 recognized Indian tribe. In evaluating the eligibility and
 7 suitability of all applicants under the standards provided in this
 8 act, the board shall establish and apply the standards to all
 9 applicants in a consistent and uniform manner. ~~In the event that~~ **IF**
 10 more than ~~three (3)~~ **3** applicants meet the standards for eligibility
 11 and suitability provided for in subsections (4) and (5), **THE BOARD**
 12 **SHALL FIRST ISSUE** licenses ~~shall first be issued to those eligible~~
 13 and suitable applicants ~~which~~ **THAT** submitted any casino gaming
 14 proposal for voter approval ~~prior to~~ **BEFORE** January 1, 1995, in the
 15 city in which the casino will be located and the voters approved
 16 the proposal.

17 (4) An applicant is ineligible to receive a casino license if
 18 any of the following circumstances exist:

19 (a) The applicant has been convicted of a felony under the
 20 laws of this state, any other state, or the United States. **HOWEVER,**
 21 **THE BOARD MAY WAIVE THE REQUIREMENTS UNDER THIS SUBDIVISION IF THE**
 22 **CONVICTION OCCURRED MORE THAN 10 YEARS BEFORE THE APPLICANT APPLIES**
 23 **FOR A LICENSE UNDER THIS SECTION AND THE BOARD IS CONVINCED OF BOTH**
 24 **OF THE FOLLOWING:**

25 (i) **THAT THE APPLICANT DOES NOT POSE A THREAT TO THE INTEGRITY**
 26 **OF GAMING.**

27 (ii) **THAT THE APPLICANT OTHERWISE MEETS THE REQUIREMENTS OF**

1 **THIS SECTION.**

2 (b) The applicant has been convicted of a misdemeanor
3 involving gambling, theft, dishonesty, or fraud in any state or a
4 local ordinance in any state involving gambling, dishonesty, theft,
5 or fraud that substantially corresponds to a misdemeanor in that
6 state. **HOWEVER, THE BOARD MAY WAIVE THE REQUIREMENTS UNDER THIS**
7 **SUBDIVISION IF THE CONVICTION OCCURRED MORE THAN 5 YEARS BEFORE THE**
8 **APPLICANT APPLIES FOR A LICENSE UNDER THIS SECTION AND THE BOARD IS**
9 **CONVINCED OF BOTH OF THE FOLLOWING:**

10 (i) **THAT THE APPLICANT DOES NOT POSE A THREAT TO THE INTEGRITY**
11 **OF GAMING.**

12 (ii) **THAT THE APPLICANT OTHERWISE MEETS THE REQUIREMENTS OF**
13 **THIS SECTION.**

14 (c) The applicant has submitted an application for a license
15 under this act that contains false information.

16 (d) The applicant is a member of the board.

17 (e) The applicant fails to demonstrate the applicant's ability
18 to maintain adequate liability and casualty insurance for its
19 proposed casino.

20 (f) The applicant holds an elective office of a governmental
21 unit of this state, another state, or the federal government, or is
22 a member of or employed by a gaming regulatory body of a
23 governmental unit in this state, another state, or the federal
24 government, or is employed by a governmental unit of this state.
25 This section does not apply to an elected officer of or **AN** employee
26 of a federally recognized Indian tribe or to an elected precinct
27 delegate.

1 (g) The applicant or affiliate owns more than a 10% ownership
2 interest in any entity holding a casino license issued under this
3 act.

4 (h) The board concludes that the applicant lacks the requisite
5 suitability as to integrity, moral character, and reputation;
6 personal and business probity; financial ability and experience;
7 responsibility; or means to develop, construct, operate, or
8 maintain the casino proposed in the certified development
9 agreement.

10 (i) The applicant fails to meet other criteria considered
11 appropriate by the board. The criteria considered appropriate by
12 the board ~~shall~~**MUST** not be arbitrary, capricious, or contradictory
13 to the expressed provisions of this act.

14 (5) In determining whether to grant a casino license to an
15 applicant, the board shall also consider all of the following:

16 (a) The integrity, moral character, and reputation; personal
17 and business probity; financial ability and experience; and
18 responsibility of the applicant and of any other person or means to
19 develop, construct, operate, or maintain a casino that either:

20 (i) Controls, directly or indirectly, the applicant.

21 (ii) Is controlled, directly or indirectly, by the applicant
22 or by a person who controls, directly or indirectly, the applicant.

23 (b) The prospective total revenue to be derived by the state
24 from the conduct of casino gambling.

25 (c) The financial ability of the applicant to purchase and
26 maintain adequate liability and casualty insurance and to provide
27 an adequate surety bond.

1 (d) The sources and total amount of the applicant's
2 capitalization to develop, construct, maintain, and operate the
3 proposed casino.

4 (e) Whether the applicant has adequate capitalization to
5 develop, construct, maintain, and operate for the duration of a
6 license the proposed casino in accordance with the requirements of
7 this act and rules promulgated by the board and to responsibly pay
8 off its secured and unsecured debts in accordance with its
9 financing agreement and other contractual obligations.

10 (f) The extent and adequacy of any compulsive gambling
11 programs that the applicant will adopt and implement if licensed.

12 (g) The past and present compliance of the applicant and its
13 affiliates or affiliated companies with casino or casino-related
14 licensing requirements, casino-related agreements, or compacts with
15 ~~the state of Michigan~~ **THIS STATE** or any other jurisdiction.

16 (h) Whether the applicant has been indicted, charged,
17 arrested, convicted, pleaded guilty or nolo contendere, forfeited
18 bail concerning, or had expunged any criminal offense under the
19 laws of any jurisdiction, either felony or misdemeanor, not
20 including traffic violations, regardless of whether the offense has
21 been expunged, pardoned, or reversed on appeal or otherwise.

22 (i) Whether the applicant has filed, or had filed against it,
23 a proceeding for bankruptcy or has ever been involved in any formal
24 process to adjust, defer, suspend, or otherwise work out the
25 payment of any debt.

26 (j) Whether the applicant has been served with a complaint or
27 other notice filed with any public body regarding a payment of any

1 tax required under federal, state, or local law that has been
2 delinquent for 1 **YEAR** or more. ~~years.~~

3 (k) The applicant has a history of noncompliance with the
4 casino licensing requirements of any jurisdiction.

5 (l) The applicant has a history of noncompliance with any
6 regulatory requirements in this state or any other jurisdiction.

7 (m) Whether at the time of application the applicant is a
8 defendant in litigation involving its business practices.

9 (n) Whether awarding a license to an applicant would undermine
10 the public's confidence in the ~~Michigan~~ gaming industry **IN THIS**
11 **STATE.**

12 (o) Whether the applicant meets other standards for ~~the~~
13 ~~issuance of~~ **ISSUING** a casino license ~~which~~ **THAT** the board may
14 promulgate by rule. The rules promulgated under this subdivision
15 ~~shall~~ **MUST** not be arbitrary, capricious, or contradictory to the
16 expressed provisions of this act.

17 (6) Each applicant ~~shall~~ **MUST** submit with its application, on
18 forms provided by the board, a photograph and 2 sets of
19 fingerprints for each person having a greater than ~~1%~~ **5%** direct or
20 indirect pecuniary interest in the casino, and each person who is
21 ~~an officer, a~~ director ~~,~~ or **IS A** managerial employee of the
22 applicant **WHO PERFORMS THE FUNCTION OF PRINCIPAL EXECUTIVE OFFICER,**
23 **PRINCIPAL OPERATION OFFICER, OR PRINCIPAL ACCOUNTING OFFICER.**

24 (7) The board shall review all applications for casino
25 licenses and shall inform each applicant of the board's decision.
26 ~~Prior to~~ **BEFORE** rendering its decision, the board shall provide a
27 public investigative hearing at which the applicant for a license

1 ~~shall have~~ **HAS** the opportunity to present testimony and evidence to
2 establish its suitability for a casino license. Other testimony and
3 evidence may be presented at the hearing, but the board's decision
4 ~~shall~~ **MUST** be based on the whole record before the board and is not
5 limited to testimony and evidence submitted at the public
6 investigative hearing.

7 (8) A license ~~shall be~~ **IS** issued for a 1-year period. All
8 licenses are renewable annually upon payment of the license fee and
9 upon the transmittal to the board of an annual report to include
10 information required under rules promulgated by the board.

11 (9) All applicants and licensees ~~shall~~ **MUST** consent to
12 inspections, searches, and seizures and the providing of
13 handwriting exemplar, fingerprints, photographs, and information as
14 authorized in this act and in rules promulgated by the board.

15 (10) Applicants and licensees ~~shall be~~ **ARE** under a continuing
16 duty to provide information requested by the board and to cooperate
17 in any investigation, inquiry, or hearing conducted by the board.

18 (11) Failure to provide information requested by the board to
19 assist in any investigation, inquiry, or hearing of the board, or
20 failure to comply with this act or rules promulgated by the board,
21 may result in denial, suspension, or, upon reasonable notice,
22 revocation of a license.

23 Sec. 6a. (1) If in the review of an application submitted
24 under this act the board identifies a deficiency that would require
25 denial, the board shall ~~notify~~ **GIVE WRITTEN NOTICE OF THE**
26 **DEFICIENCY TO** the applicant. ~~and the city in writing of the~~
27 ~~deficiency.~~

1 (2) The board shall provide ~~the~~**AN** applicant a reasonable
2 period of time to correct ~~the~~**A** deficiency.

3 Sec. 6c. (1) Unless the board determines that an institutional
4 investor ~~may be found~~**IS** unqualified, an institutional investor
5 holding either under 10% of the equity securities or debt
6 securities of a casino licensee's affiliate or affiliated company
7 ~~which~~**THAT** is related in any way to the financing of the casino
8 licensee, if the securities represent a percentage of the
9 outstanding debt of the affiliate or affiliated company not
10 exceeding 20%, or a percentage of any issue of the outstanding debt
11 of the affiliate or affiliated company not exceeding 50%, shall be
12 granted a waiver of the eligibility and suitability requirements of
13 section 6 if ~~such securities are those of a publicly traded~~
14 ~~corporation and its holdings of such~~**THOSE** securities were
15 purchased for investment purposes only and, if requested by the
16 board, **THE INVESTOR** files with the board a certified statement that
17 it has no intention of influencing or affecting the affairs of the
18 issuer, the casino licensee, or its affiliate or affiliated
19 company.

20 (2) The board may grant a waiver under this section to an
21 institutional investor holding a higher percentage of securities as
22 allowed in subsection (1), upon a showing of good cause and if the
23 conditions specified in subsection (1) are met.

24 (3) An institutional investor granted a waiver under this
25 section that subsequently intends to influence or affect the
26 affairs of the issuer ~~shall~~**MUST** provide notice to the board and
27 file an application for a determination of eligibility and

1 suitability before taking any action that may influence or affect
2 the affairs of the issuer.

3 (4) Notwithstanding any provisions of this act, an
4 institutional investor may vote on all matters that are put to the
5 vote of the outstanding security holders of the issuer.

6 (5) If an institutional investor changes its investment intent
7 or if the board finds that the institutional investor ~~may be found~~
8 **IS** unqualified, no action other than divestiture of the security
9 holdings shall be taken until there has been compliance with this
10 act.

11 (6) The casino licensee or an affiliate or affiliated company
12 of the casino licensee shall immediately notify the board of any
13 information concerning an institutional investor holding its equity
14 or debt securities ~~which~~ **THAT** may impact the eligibility and
15 suitability of the institutional investor for a waiver under this
16 section.

17 (7) If the board finds that an institutional investor holding
18 any security of an affiliate or affiliated company of a casino
19 licensee that is related in any way to the financing of the casino
20 licensee fails to comply with the requirements of this section, or
21 if at any time the board finds that, by reason of the extent or
22 nature of its holdings, an institutional investor is in a position
23 to exercise a substantial impact upon the controlling interests of
24 a casino licensee, the board may take any necessary action to
25 protect the public interest, including requiring this institutional
26 investor to satisfy the eligibility and suitability requirements
27 under section 6.

1 Sec. 7a. (1) The board may issue a supplier's license to a
2 person who applies for a license and pays a nonrefundable
3 application fee set by the board, if the board determines that the
4 applicant is eligible and suitable for a supplier's license and the
5 applicant pays a \$5,000.00 annual license fee. It is the burden of
6 the applicant to establish by clear and convincing evidence its
7 suitability as to integrity, moral character, and reputation;
8 personal and business probity; financial ability and experience;
9 responsibility; and other criteria considered appropriate by the
10 board. All applications ~~shall~~**OF A DIRECTOR OR MANAGERIAL EMPLOYEE**
11 **OF THE APPLICANT WHO PERFORMS THE FUNCTION OF PRINCIPAL EXECUTIVE**
12 **OFFICER, PRINCIPAL OPERATIONS OFFICER, OR PRINCIPAL ACCOUNTING**
13 **OFFICER MUST** be made under oath.

14 (2) A person who holds a supplier's license is authorized to
15 sell or lease, and to contract to sell or lease, equipment and
16 supplies to any licensee involved in the ownership or management of
17 gambling operations.

18 (3) Gambling supplies and equipment ~~shall~~**MUST** not be
19 distributed unless supplies and equipment conform to standards
20 adopted in rules promulgated by the board.

21 (4) An applicant is ineligible to receive a supplier's license
22 if any of the following circumstances exist:

23 (a) The applicant has been convicted of a felony under the
24 laws of this state, any other state, or the United States. **THE**
25 **BOARD MAY WAIVE THE REQUIREMENTS IN THIS SUBDIVISION IF THE**
26 **CONVICTION OCCURRED MORE THAN 10 YEARS BEFORE THE APPLICANT APPLIES**
27 **FOR A LICENSE UNDER THIS SECTION AND THE BOARD IS CONVINCED OF BOTH**

1 OF THE FOLLOWING:

2 (i) THAT THE APPLICANT DOES NOT POSE A THREAT TO THE INTEGRITY
3 OF GAMING.

4 (ii) THAT THE APPLICANT OTHERWISE MEETS THE REQUIREMENTS OF
5 THIS SECTION.

6 (b) The applicant has been convicted of a misdemeanor
7 involving gambling, theft, fraud, or dishonesty in any state or a
8 local ordinance in any state involving gambling, dishonesty, theft,
9 or fraud that substantially corresponds to a misdemeanor in that
10 state. **THE BOARD MAY WAIVE THE REQUIREMENTS IN THIS SUBDIVISION IF**
11 **THE CONVICTION OCCURRED MORE THAN 5 YEARS BEFORE THE APPLICANT**
12 **APPLIES FOR A LICENSE UNDER THIS SECTION AND THE BOARD IS CONVINCED**
13 **OF BOTH OF THE FOLLOWING:**

14 (i) THAT THE APPLICANT DOES NOT POSE A THREAT TO THE INTEGRITY
15 OF GAMING.

16 (ii) THAT THE APPLICANT OTHERWISE MEETS THE REQUIREMENTS OF
17 THIS SECTION.

18 (c) The applicant has submitted an application for license
19 under this act ~~which~~ **THAT** contains false information.

20 (d) The applicant is a member of the board.

21 (e) The applicant holds an elective office of a governmental
22 unit of this state, another state, or the federal government, or is
23 a member of or employed by a gaming regulatory body of a
24 governmental unit in this state, another state, or the federal
25 government, or is employed by a governmental unit of this state.
26 This subdivision does not apply to an elected officer of or **AN**
27 employee of a federally recognized Indian tribe or ~~an elected~~ **TO A**

House Bill No. 5881 as amended December 4, 2018

1 precinct delegate. **AS USED IN THIS SUBDIVISION, "STATE [ELECTIVE]**
2 **OFFICE" MEANS THAT TERM AS DEFINED IN SECTION 12 OF THE MICHIGAN**
3 **CAMPAIGN FINANCE ACT, 1976 PA 388, MCL 169.212.**

4 (f) The applicant owns more than a 10% ownership interest in
5 any entity holding a casino license issued under this act.

6 (g) The board concludes that the applicant lacks the requisite
7 suitability as to integrity, moral character, and reputation;
8 personal and business probity; financial ability and experience;
9 and responsibility.

10 (h) The applicant fails to meet other criteria considered
11 appropriate by the board. The **BOARD SHALL NOT APPLY** criteria
12 ~~considered appropriate by the board shall not be~~ **THAT ARE**
13 arbitrary, capricious, or contradictory to the expressed provisions
14 of this act.

15 (5) In determining whether to grant a supplier's license to an
16 applicant, the board shall consider all of the following:

17 (a) The applicant's past and present compliance with casino
18 licensing requirements of this state or any other jurisdiction
19 pertaining to casino gaming or any other regulated activities.

20 (b) The integrity, moral character, and reputation; personal
21 and business probity; financial ability and experience; and
22 responsibility of the applicant. ~~or an affiliate of the applicant.~~

23 (c) Whether the applicant has been indicted **FOR**, charged **WITH**,
24 arrested **FOR**, convicted **OF**, pleaded guilty or nolo contendere **TO**,
25 forfeited bail concerning, or had expunged any criminal offense
26 under the laws of any jurisdiction, either felony or misdemeanor,
27 not including traffic violations, regardless of whether the offense

1 has been expunged, pardoned, or reversed on appeal or otherwise.

2 (d) Whether the applicant has filed, or had filed against it,
3 a proceeding for bankruptcy or has ever been involved in any formal
4 process to adjust, defer, suspend, or otherwise work out the
5 payment of any debt.

6 (e) Whether the applicant has been served with a complaint or
7 other notice filed with any public body regarding a payment of any
8 tax required under federal, state, or local law that has been
9 delinquent for 1 **YEAR** or more. ~~years.~~

10 (f) Whether the applicant has a history of noncompliance with
11 the casino licensing requirements of any jurisdiction.

12 (g) Whether the applicant has a history of noncompliance with
13 any regulatory requirements in this state or any other
14 jurisdiction.

15 (h) Whether at the time of application the applicant is a
16 defendant in litigation involving its business practices.

17 (i) Whether awarding a license to ~~an~~**THE** applicant would
18 undermine the public's confidence in the ~~Michigan~~ gaming industry
19 **IN THIS STATE.**

20 (j) Whether the applicant meets other standards for ~~the~~
21 ~~issuance of~~ **ISSUING** a supplier's license ~~that~~ **CONTAINED IN A RULE**
22 **PROMULGATED BY** the board. ~~may promulgate by rule.~~ The rules
23 ~~promulgated~~ **BOARD SHALL NOT PROMULGATE A RULE** under this
24 subdivision ~~shall not be~~ **THAT IS** arbitrary, capricious, or
25 contradictory to the expressed provisions of this act.

26 (6) ~~Any~~ **A** person, ~~including a junket enterprise,~~ that
27 supplies equipment, devices, supplies, or services to a licensed

1 casino shall first obtain a supplier's license. A supplier shall
2 furnish to the board a list of all equipment, devices, and supplies
3 offered for sale or lease to casino licensees licensed under this
4 act.

5 (7) A supplier shall keep books and records of its business
6 activities with a casino operator, including its furnishing of
7 equipment, devices, supplies, and services to gambling operations
8 separate and distinct from any other business that the supplier
9 ~~might operate. A supplier shall file a quarterly return with the~~
10 ~~board listing all sales, leases, and services.~~ **OPERATES**. A supplier
11 shall permanently affix its name to all its equipment, devices, and
12 supplies for gambling operations. Any supplier's equipment,
13 devices, or supplies that are used by any person in an unauthorized
14 gambling operation ~~shall be~~ **ARE** forfeited to ~~the~~ **THIS** state.

15 (8) A casino licensee who owns its own equipment, devices, and
16 supplies is not required to obtain a supplier's license.

17 (9) Any gambling equipment, devices, and supplies provided by
18 any licensed supplier may be either repaired in the casino or
19 removed from the casino to a ~~licensed area.~~ **AN AREA APPROVED BY THE**
20 **BOARD.**

21 (10) A **SUPPLIER'S** license ~~shall be~~ issued **UNDER THIS SECTION**
22 **IS VALID** for a ~~1-year~~ period **OF 1 YEAR FROM THE DATE THE LICENSE IS**
23 **ISSUED**. All licenses are renewable annually upon payment of the
24 license fee and the transmittal to the board of an annual report to
25 include information required under rules promulgated by the board.

26 (11) All applicants and licensees ~~shall~~ **MUST** consent to
27 inspections, searches, and seizures provided for in section

1 4a(1)(c)(i) to (v) and to the disclosure to the board and its
2 agents of confidential records, including tax records, held by any
3 federal, state, or local agency, credit bureau, or financial
4 institution and to provide handwriting exemplars, photographs,
5 fingerprints, and information as authorized in this act and in
6 rules promulgated by the board.

7 (12) Applicants and licensees ~~shall be under~~ **HAVE** a continuing
8 duty to provide information requested by the board and to cooperate
9 in any investigation, inquiry, or hearing conducted by the board.

10 (13) Failure to provide information requested by the board to
11 assist in any investigation, inquiry, or hearing of the board, or
12 failure to comply with this act or rules promulgated by the board,
13 may result in denial, suspension, or, upon reasonable notice,
14 revocation of a license.

15 Sec. 7b. (1) As used in this section:

16 (a) "Candidate" means both of the following:

17 (i) That term as defined in section 3 of the Michigan campaign
18 finance act, 1976 PA 388, MCL 169.203.

19 (ii) The holder of any state, legislative, or local elective
20 office.

21 (b) Except as provided in subsection (6), "committee" means
22 any of the following:

23 (i) A candidate committee as that term is defined in section 3
24 of the Michigan campaign finance act, 1976 PA 388, MCL 169.203.

25 (ii) A political party committee as that term is defined in
26 section 11 of the Michigan campaign finance act, 1976 PA 388, MCL
27 169.211.

1 (iii) An independent committee as that term is defined in
2 section 8 of the Michigan campaign finance act, 1976 PA 388, MCL
3 169.208.

4 (iv) A committee organized by a legislative caucus of a
5 chamber of the legislature.

6 (c) "License" means either a casino license issued under this
7 act or a supplier's license issued under this act.

8 (d) "Licensee" means a person who holds a license. ~~as defined~~
9 ~~in subdivision (c).~~

10 (e) "Officer" means either of the following:

11 (i) An individual listed as an officer of a corporation,
12 limited liability company, or limited liability partnership.

13 (ii) An individual who is a successor to an individual
14 described in subparagraph (i).

15 (2) For purposes of this section, a person is considered to
16 have an interest in a licensee or casino enterprise if any of the
17 following circumstances exist:

18 (a) The person holds at least a 1% interest in the licensee or
19 casino enterprise.

20 (b) The person is an officer or a managerial employee of the
21 licensee or casino enterprise as defined by rules promulgated by
22 the board.

23 (c) The person is an officer of the person who holds at least
24 a 1% interest in the licensee or casino enterprise.

25 (d) The person is an independent committee of the licensee or
26 casino enterprise.

27 (3) A licensee is considered to have made a contribution if a

1 contribution is made by a person who has an interest in the
2 licensee.

3 (4) A licensee or person who has an interest in a licensee or
4 casino enterprise, or the spouse, parent, child, or spouse of a
5 child of a licensee or person who has an interest in a licensee or
6 casino enterprise, shall not make a contribution to a candidate or
7 a committee during the following periods:

8 (a) The time period during which a casino licensee or
9 development agreement is being considered by a city or the board.

10 (b) The term during which the licensee holds a license.

11 (c) The 3 years following the final expiration or termination
12 of the licensee's license.

13 (d) During either of the following, whichever is shorter:

14 (i) The period beginning on or after ~~the effective date of~~
15 ~~this amendatory act.~~ **JULY 17, 1997.**

16 (ii) The period beginning 1 year ~~prior to~~ **BEFORE** applying for
17 a license.

18 (5) A licensee or person who has an interest in a licensee or
19 casino enterprise, or the spouse, parent, child, or spouse of a
20 child of a licensee or a person who has an interest in a licensee
21 or casino enterprise, shall not make a contribution to a candidate
22 or committee through a legal entity that is established, directed,
23 or controlled by any of the persons described in this subsection
24 during the time period described in subsection (4).

25 (6) This section does not apply to a ballot question committee
26 as that term is defined in section 2 of the Michigan campaign
27 finance act, 1976 PA 388, MCL 169.202.

1 Sec. 7c. (1) Each local labor organization that directly
2 represents casino gaming employees shall register with the board
3 ~~annually~~**BIENNIALY** and provide all of the following:

4 (a) The local labor organization's name, address, and
5 telephone number.

6 (b) The name and address of any international labor
7 organization with which it directly or indirectly maintains an
8 affiliation or relationship.

9 (c) All of the following information for the designated
10 individuals and other personnel of the local labor organization:

11 (i) The individual's full name and any known alias or
12 nickname.

13 (ii) The individual's business address and telephone number.

14 (iii) The individual's title or other designation in the local
15 labor organization.

16 (iv) Unless information is required under subdivision (d) (v),
17 a brief description of the individual's duties and activities.

18 (v) The individual's annual compensation, including salary,
19 allowances, reimbursed expenses, and other direct or indirect
20 disbursements.

21 (d) All of the following additional information for each
22 designated individual of the local labor organization:

23 (i) The individual's home address and telephone number.

24 (ii) The individual's date and place of birth.

25 (iii) The individual's ~~social security~~**SOCIAL SECURITY** number.

26 (iv) The date he or she was hired by or first consulted with
27 or advised the local labor organization.

1 (v) A detailed description of all of the following:

2 (A) The individual's duties and activities.

3 (B) Whether he or she performed the same or similar activities
4 previously on a labor organization's behalf.

5 (C) The individual's prior employment or occupational history.

6 (vi) Excluding minor traffic offenses, a detailed description
7 of all of the following:

8 (A) The individual's convictions, including any conviction
9 that was expunged or set aside, sealed by court order, or for which
10 he or she received a pardon.

11 (B) Any criminal offense for which he or she was charged or
12 indicted but not convicted.

13 (vii) Whether he or she was ever denied a business, liquor,
14 gaming, or professional license or had ~~such a~~ **BUSINESS, LIQUOR,**
15 **GAMING, OR PROFESSIONAL** license revoked.

16 (viii) Whether a court or governmental agency determined the
17 individual unsuitable to be affiliated with a labor organization
18 and the details of that determination.

19 (ix) Whether the individual was ever subpoenaed as a witness
20 before a grand jury, legislative committee, administrative body,
21 crime commission, or similar agency and the details relating to
22 that subpoena.

23 (x) A photograph of the individual taken within the previous
24 60 days.

25 (xi) For the local labor organization's first filing, a
26 complete set of the individual's fingerprints.

27 (e) A written certification under oath by the local labor

1 organization president, secretary, treasurer, or chief official
2 that the information provided under this subsection is complete and
3 accurate. The board shall prescribe the form for this
4 certification.

5 (2) A local labor organization may satisfy the information
6 requirements of subsection (1) by providing to the board copies of
7 reports filed with the United States ~~department of labor~~ **DEPARTMENT**
8 **OF LABOR** under the labor management reporting and disclosure act of
9 1959, Public Law 86-257, supplemented by any required information
10 not contained in those reports.

11 (3) If information required under subsection (1) for a
12 designated individual changes after registration or if the local
13 labor organization gains a designated individual after
14 registration, the local labor organization shall provide the board
15 with that new information or the information, photograph, and
16 fingerprints required under subsection (1) for the new designated
17 individual within 21 days **AFTER THE INFORMATION CHANGES**.

18 (4) Notwithstanding section 4c, information provided by a
19 local labor organization to the board under this section is exempt
20 from disclosure under the freedom of information act, 1976 PA 442,
21 MCL 15.231 to 15.246.

22 (5) Upon finding by clear and convincing evidence that grounds
23 for disqualification under subsection (6) exist, the board may
24 disqualify an officer, agent, or principal employee of a local
25 labor organization registered or required to be registered under
26 this section from performing any of the following functions:

27 (a) Adjusting grievances for or negotiating or administering

1 the wages, hours, working conditions, or employment conditions of
2 casino gaming employees.

3 (b) Soliciting, collecting, or receiving from casino gaming
4 employees any dues, assessments, levies, fines, contributions, or
5 other charges within this state for or on behalf of the local labor
6 organization.

7 (c) Supervising, directing, or controlling other officers,
8 agents, or employees of the local labor organization in performing
9 functions described in subdivisions (a) and (b).

10 (6) An individual may be disqualified under subsection (5) for
11 lacking good moral character only if any of the following apply:

12 (a) He or she has been indicted or charged with, convicted of,
13 pled guilty or nolo contendere to, or forfeited bail in connection
14 with a crime involving gambling, theft, dishonesty, prostitution,
15 or fraud under the laws of this state, any other state, or the
16 United States or a local ordinance of a political subdivision of
17 this state or another state. Disqualification ~~cannot~~ **MUST NOT** be
18 based only on crimes that involve soliciting or engaging
19 prostitution services unless the individual is or has engaged in an
20 ongoing pattern of that behavior. If the grounds for
21 disqualification are criminal charges or indictment, at the
22 individual's request, the board shall defer making a decision on
23 disqualification while the charge or indictment is pending.

24 (b) He or she intentionally or knowingly made or caused to be
25 made a false or misleading statement in a document provided to the
26 board or its agents or orally to a board member or agent in
27 connection with an investigation.

1 (c) He or she engages in criminal or unlawful activities in an
2 occupational manner or context for economic gain, or is an
3 associate or member of a group of individuals who operate together
4 in that fashion, and this behavior creates a reasonable belief that
5 the behavior adversely affects gambling operations and the public
6 policy underlying this act. In making a determination under this
7 subdivision, the board may consider findings or identifications by
8 the attorney general or department of state police that an
9 individual is within this category.

10 (7) A designated individual shall report all information
11 described in subsection (6) (a) to (c) concerning him or her to the
12 local labor organization. A local labor organization shall report
13 all information described in subsection (6) (a) to (c) concerning
14 its designated individuals of which it has actual knowledge to the
15 board.

16 (8) The board may waive any disqualification criterion under
17 subsection (6) or may rescind a disqualification under subsection
18 (5), if doing so is consistent with the public policy of this act
19 and based on a finding that the interests of justice ~~so~~ require
20 **THAT WAIVER OR RESCISSION.**

21 (9) The board shall give written notice to an individual it
22 proposes to disqualify and to the affected labor organization,
23 stating the reason for the proposed disqualification and describing
24 any supporting evidence in the board's possession. Within 30 days
25 after receiving the written notice of proposed disqualification,
26 the respondent may file with the board a written request for a
27 hearing, ~~which shall~~ **THAT MUST** take place promptly. The board shall

1 conduct the hearing in conformity with the contested case
2 procedures set forth in the administrative procedures act of 1969,
3 1969 PA 306, MCL 24.201 to 24.328. A person aggrieved by a final
4 disqualification has the right to appeal to the circuit court for
5 the county in which the person resides or has his or her principal
6 place of business to have the disqualification set aside based on
7 any ground set forth in section 106 of the administrative
8 procedures act of 1969, 1969 PA 306, MCL 24.306.

9 (10) Not later than January 31 of the calendar year after
10 disqualification and each year after that unless the
11 disqualification is rescinded or reversed, the disqualified
12 individual shall provide the board with a sworn statement that he
13 or she did not perform the functions described in subsection (5)
14 during the previous year.

15 (11) The board may petition ~~in~~ the circuit court for the
16 county in which the disqualified individual resides or has his or
17 her principal place of business for an order enforcing the terms of
18 the disqualification.

19 (12) A local labor organization that is registered or required
20 to be registered under this section or any officer, agent, or
21 principal employee of that organization shall not personally hold
22 any financial interest in a casino licensee employing casino gaming
23 employees represented by the organization or person.

24 (13) This section does not prohibit a local labor organization
25 from conducting training for or operating a school to train casino
26 gaming employees, or from entering into an agreement or arrangement
27 with a casino licensee, supplier, or vendor to provide for the

1 training of casino gaming employees. A local labor organization
2 that conducts ~~such~~ training **OF CASINO GAMING EMPLOYEES** or operates
3 ~~such~~ a school **TO TRAIN CASINO GAMING EMPLOYEES** or does not
4 otherwise qualify as a supplier is not subject to the contribution
5 prohibitions of section 7b.

6 (14) This section does not deny, abridge, or limit in any way
7 the legitimate rights of casino gaming employees to form, join, or
8 assist labor organizations, to bargain collectively through
9 representatives of their own choosing, or to engage in other
10 concerted activities for the purpose of collective bargaining or
11 other mutual aid and protection or the free exercise of any other
12 rights they may have as employees under the laws of the United
13 States or this state.

14 (15) This section shall not be expanded or amplified by action
15 of the board or any other executive or administrative body. The
16 board and any other executive or administrative body do not have
17 authority to promulgate interpretive rules or rulings to implement
18 this section. The board and any other executive or administrative
19 body do not have authority under this section to require that a
20 local labor organization or an officer, agent, or principal
21 employee of a labor organization does either of the following:

22 (a) Qualify for or obtain a casino, occupational, or
23 supplier's license or any other license or permit required under
24 rules promulgated by the board.

25 (b) Ensure the compliance of any person or entity with the
26 licensing requirements under this act or under rules promulgated by
27 the board.

1 (16) As used in this section:

2 (a) "Casino gaming employee" means the following and their
3 supervisors:

4 (i) Individuals involved in operating a casino gaming pit,
5 including dealers, shills, clerks, **AND** hosts. ~~and junket~~
6 ~~representatives.~~

7 (ii) Individuals involved in handling money, including
8 cashiers, change persons, count teams, and coin wrappers.

9 (iii) Individuals involved in operating gambling games.

10 (iv) Individuals involved in operating and maintaining slot
11 machines, including mechanics, floorpersons, and change and payoff
12 persons.

13 (v) Individuals involved in security, including guards and
14 game observers.

15 (vi) Individuals with duties similar to those described in
16 subparagraphs (i) to (v). However, casino gaming employee does not
17 include an individual whose duties are related solely to nongaming
18 activities such as entertainment, hotel operation, maintenance, or
19 preparing or serving food and beverages.

20 (b) "Designated individual" means an officer, agent, principal
21 employee, or individual performing a function described in
22 subsection (5).

23 (17) ~~Nothing in this~~ **THIS** act ~~shall~~ **DOES NOT** preclude
24 employees from exercising their legal rights to organize themselves
25 into collective bargaining units.

26 Sec. 8. (1) The board may issue an occupational license to an
27 applicant after all of the following have occurred:

1 (a) The applicant has paid a nonrefundable application fee set
2 by the board.

3 (b) The board has determined that the applicant is eligible
4 for an occupational license ~~pursuant to~~ **UNDER** rules promulgated by
5 the board.

6 (c) The applicant has paid the biennial license fee in an
7 amount ~~to be~~ established by the board.

8 (2) ~~It is the burden of the~~ **THE** applicant ~~to~~ **SHALL** establish
9 by clear and convincing evidence the applicant's eligibility and
10 suitability as to integrity, moral character, and reputation;
11 personal probity; financial ability and experience; responsibility;
12 and other criteria ~~as may be~~ considered appropriate by the board.
13 The **BOARD SHALL NOT APPLY** criteria ~~considered appropriate by the~~
14 ~~board shall not be~~ **THAT ARE** arbitrary, capricious, or contradictory
15 to the expressed provisions of this act. All applications ~~shall~~
16 **MUST** be made under oath.

17 (3) To be eligible for an occupational license, an applicant
18 ~~shall~~: **MUST MEET ALL OF THE FOLLOWING:**

19 (a) Be at least 21 years of age if the applicant will perform
20 any function involved in gaming by patrons.

21 (b) Be at least 18 years of age if the applicant will perform
22 only nongaming functions.

23 (c) Not have been convicted of a felony under the laws of this
24 state, any other state, or the United States. **THE BOARD MAY WAIVE**
25 **THE REQUIREMENTS IN THIS SUBDIVISION IF THE CONVICTION OCCURRED**
26 **MORE THAN 10 YEARS BEFORE THE APPLICANT APPLIES FOR A LICENSE UNDER**
27 **THIS SECTION AND THE BOARD IS CONVINCED OF BOTH OF THE FOLLOWING:**

1 (i) THAT THE APPLICANT DOES NOT POSE A THREAT TO THE INTEGRITY
2 OF GAMING.

3 (ii) THAT THE APPLICANT OTHERWISE MEETS THE REQUIREMENTS OF
4 SUBSECTION (2).

5 (d) Not have been convicted of a misdemeanor involving
6 gambling, dishonesty, theft, or fraud in any state or any violation
7 of a local ordinance in any state involving gambling, dishonesty,
8 theft, or fraud that substantially corresponds to a misdemeanor in
9 that state. **THE BOARD MAY WAIVE THE REQUIREMENTS IN THIS**
10 **SUBDIVISION IF THE CONVICTION OCCURRED MORE THAN 5 YEARS BEFORE THE**
11 **APPLICANT APPLIES FOR A LICENSE UNDER THIS SECTION AND THE BOARD IS**
12 **CONVINCED OF BOTH OF THE FOLLOWING:**

13 (i) THAT THE APPLICANT DOES NOT POSE A THREAT TO THE INTEGRITY
14 OF GAMING.

15 (ii) THAT THE APPLICANT OTHERWISE MEETS THE REQUIREMENTS OF
16 SUBSECTION (2).

17 (4) Each application for an occupational license ~~shall~~**MUST** be
18 on a form prescribed by the board and ~~shall~~contain all information
19 required by the board. The applicant shall set forth in the
20 application whether he or she has been issued prior gambling
21 related licenses; whether he or she has been licensed in any other
22 state under any other name, and, if so, the name under which the
23 license was issued and his or her age at the time the license was
24 issued; and whether or not a permit or license issued to him or her
25 in any other state has been suspended, restricted, or revoked, and,
26 if so, the cause and the duration of each ~~action~~**SUSPENSION,**
27 **RESTRICTION, OR REVOCATION.**

1 (5) Each applicant shall submit with his or her application,
2 on a form provided by the board, 2 sets of his or her fingerprints
3 and a photograph. The board shall charge each applicant an
4 application fee set by the board to cover all actual costs of
5 administering the act relative to costs generated by each licensee
6 and all background checks.

7 (6) The board may, in its discretion, deny an occupational
8 license to a person who is or does any of the following:

9 (a) The applicant fails to disclose or states falsely any
10 information requested in the application.

11 (b) The applicant is a member of the board.

12 (c) The applicant has a history of noncompliance with the
13 casino licensing requirements of any jurisdiction.

14 (d) Whether the applicant has been indicted **FOR**, charged **WITH**,
15 arrested **FOR**, convicted **OF**, pleaded guilty or nolo contendere **TO**,
16 forfeited bail concerning, or had expunged any criminal offense
17 under the laws of any jurisdiction, either felony or misdemeanor,
18 not including traffic violations, regardless of whether the offense
19 has been expunged, pardoned, or reversed on appeal or otherwise.

20 (e) The applicant has filed, or had filed against it, a
21 proceeding for bankruptcy or has ever been involved in any formal
22 process to adjust, defer, suspend, or otherwise work out the
23 payment of any debt.

24 (f) The applicant has a history of noncompliance with any
25 regulatory requirements in this state or any other jurisdiction.

26 (g) The applicant has been served with a complaint or other
27 notice filed with any public body regarding a payment of any tax

1 required under federal, state, or local law that has been
2 delinquent for 1 **YEAR** or more. ~~years.~~

3 (h) The applicant is employed by a governmental unit **OF THIS**
4 **STATE.**

5 ~~—— (i) The applicant or affiliate owns more than a 10% ownership~~
6 ~~interest in any entity holding a casino license issued under this~~
7 ~~act.~~

8 **(I)** ~~(j)~~—The board concludes that the applicant lacks the
9 requisite suitability as to integrity, moral character, and
10 reputation; personal probity; financial ability and experience; or
11 responsibility.

12 **(J)** ~~(k)~~—The applicant fails to meet any other criteria that
13 the board considers appropriate. The **BOARD SHALL NOT APPLY** criteria
14 ~~considered appropriate by the board shall not be~~ **THAT ARE**
15 arbitrary, capricious, or contradictory to the expressed provisions
16 of this act.

17 **(K)** ~~(l)~~—The applicant is unqualified to perform the duties
18 required of the license.

19 **(L)** ~~(m)~~—The applicant has been found guilty of a violation of
20 this act.

21 **(M)** ~~(n)~~—The applicant has had a prior gambling related license
22 or license application suspended, restricted, revoked, or denied
23 for just cause in any other jurisdiction.

24 (7) The board may suspend, revoke, or restrict any
25 occupational licensee for any of the following:

26 (a) Violation of this act.

27 (b) Violation of any ~~of the rules~~ **RULE** promulgated by the

1 board.

2 (c) Any cause ~~which,~~ **THAT**, if known to the board, would have
3 disqualified the applicant from receiving the license.

4 (d) Default in the payment of any obligation or debt due to
5 ~~the state of Michigan.~~ **THIS STATE.**

6 (e) Any other just cause.

7 (8) A license issued ~~pursuant to~~ **UNDER** this section ~~shall be~~
8 **IS** valid for a period of 2 years from the date ~~of issuance.~~ **THE**
9 **LICENSE IS ISSUED.**

10 (9) All applicants and licensees ~~shall~~ **MUST** consent to the
11 inspections, searches, and seizures of their person and personal
12 effects as provided in section 4a(1)(c)(i) to (v) and the providing
13 of handwriting exemplars, photographs, fingerprints, and
14 information as authorized in this act and in rules promulgated by
15 the board.

16 (10) An applicant or licensee ~~shall be under~~ **HAS** a continuing
17 duty to provide information requested by the board and to cooperate
18 in any investigation, inquiry, or hearing conducted by the board.

19 (11) Failure to provide information requested by the board, to
20 assist in any investigation, inquiry, or hearing of the board, or
21 to comply with this act or rules of the board may result in denial,
22 suspension, or, upon reasonable notice, revocation of a license.

23 Sec. 9. (1) ~~Minimum~~ **THE BOARD SHALL SET MINIMUM** and maximum
24 wagers on games. ~~shall be set by the board.~~

25 (2) Employees of the board, the department of state police,
26 and the department of attorney general may inspect any casino at
27 any time, without notice, ~~for the purpose of determining~~ **TO**

1 **DETERMINE** whether this act or rules promulgated by the board are
2 being complied with.

3 (3) Employees of the board, the department of state police,
4 and the department of attorney general, and their authorized agents
5 ~~shall~~ have the right to be present, at any time, in the casino or
6 on adjacent facilities under the control of the licensee.

7 (4) Gambling equipment and supplies customarily used in
8 conducting casino gambling ~~shall~~ **MUST** be purchased or leased only
9 from suppliers who are licensed under this act.

10 (5) Persons licensed under this act shall **NOT** permit ~~no~~ **ANY**
11 form of wagering on gambling games except as permitted by this act.

12 (6) Wagers may be received only from a person present in a
13 licensed casino. A person present in a licensed casino shall not
14 place or attempt to place a wager on behalf of another person who
15 is not present in the casino.

16 (7) Wagering ~~shall~~ **MUST** not be conducted with money or other
17 negotiable currency.

18 (8) All ~~tokens, chips, or electronic cards used to make wagers~~
19 ~~shall~~ **MUST** be purchased from a ~~licensed owner in the casino.~~

20 **LICENSEE.** The ~~tokens, chips, or electronic cards may be purchased~~
21 by means of an agreement under which the owner extends credit to
22 the patron. ~~Such tokens, THE~~ chips, or electronic cards may be used
23 ~~only while in a casino and only for the purpose of making wagers on~~
24 ~~gaming~~ **GAMBLING** games.

25 (9) A person ~~under age~~ **WHO IS LESS THAN** 21 ~~shall~~ **YEARS OLD IS**
26 not ~~be~~ permitted in an area of a casino where gaming is being
27 conducted, except for a person ~~at least~~ 18 years of age **OR OLDER**

1 who is an employee of the gaming operation. An employee ~~under the~~
2 ~~age of~~ **WHO IS LESS THAN 21 YEARS OLD** shall not perform any function
3 involved in gambling by the patrons. A person ~~under age~~ **WHO IS LESS**
4 **THAN 21** ~~shall~~ **YEARS OLD IS** not ~~be~~ permitted to make a wager under
5 this act.

6 (10) ~~Managerial employees of casino licensees pursuant to this~~
7 ~~act shall be under an affirmative duty to~~ **A MANAGERIAL EMPLOYEE OF**
8 **A CASINO LICENSEE SHALL** report to the board, and the Michigan
9 **DEPARTMENT OF** state police, in writing, within 24 hours, illegal or
10 suspected illegal activity or activity ~~which~~ **THAT** is in violation
11 of this act or of rules promulgated by the board.

12 (11) In addition to the requirements of this section, gambling
13 ~~shall~~ **MUST** be conducted in accordance with the rules promulgated by
14 the board.

15 (12) Unless approved by the city, a casino ~~shall~~ **MUST** not be
16 located within 1,000 feet of any of the following:

17 (a) A church or other place of worship.

18 (b) A school, college, or university.

19 (c) A financial institution or a branch of a financial
20 institution.

21 (d) A pawnshop.

22 (13) As used in ~~subsection (12),~~ **THIS SECTION**, "financial
23 institution" means a state or nationally chartered bank, a state or
24 federally chartered savings and loan association, a state or
25 federally chartered savings bank, a state or federally chartered
26 credit union, or any entity that provides check-cashing services.

27 (14) A casino licensee shall not employ an individual **WHO HAS**

1 **BEEN CONVICTED OF A FELONY IN THE PREVIOUS 5 YEARS** as a managerial
2 employee ~~who has been convicted of a felony in the previous 5 years~~
3 ~~to work~~ in a casino.

4 Sec. 9a. (1) A person who holds a casino license shall not
5 install, own, or operate or allow another person to install, own,
6 or operate an electronic funds transfer terminal on the premises of
7 the casino that is less than 50 feet from any game in the casino.

8 (2) A person who holds a casino license shall not install,
9 own, or operate or allow another person to install, own, or operate
10 on the premises of the casino a game that is played with a device
11 that allows a player to operate the game by transferring funds
12 electronically from a credit or debit card.

13 (3) As used in this section, "electronic funds transfer
14 terminal" means an information processing device used for the
15 purpose of executing deposit account transactions between financial
16 institutions and their customers by either the direct transmission
17 of electronic impulses or the recording of electronic impulses for
18 delayed processing. The fact that a device is used for other
19 purposes does not prevent it from being an electronic funds
20 transfer terminal **EXCEPT A PLAYER'S MOBILE OR OTHER PERSONAL DEVICE**
21 **IS NOT AN ELECTRONIC FUNDS TRANSFER TERMINAL.**

22 Sec. 9b. (1) ~~A~~ **EXCEPT AS PROVIDED IN SECTION 12, A** person who
23 holds a casino license **ISSUED UNDER THIS ACT** shall not televise or
24 allow any other person to televise simulcast horse races on the
25 premises of the casino.

26 (2) As used in this section, "simulcast" means the live
27 transmission of video and audio signals conveying a horse race held

1 either in or outside of this state.

2 Sec. 9c. (1) A person who holds a casino license issued
3 ~~pursuant to~~ **UNDER** this act shall conspicuously post at each
4 entrance and exit of the casino, on each electronic funds transfer
5 terminal, and at each credit location a visually prominent sign on
6 which is printed a toll-free compulsive gaming helpline number.

7 (2) A person who holds a casino license **ISSUED UNDER THIS ACT**
8 shall include a toll-free compulsive gaming helpline number on all
9 of its printed advertisement and promotional materials.

10 Sec. 12. (1) A wagering tax is imposed on the adjusted gross
11 receipts received by ~~the~~ **A CASINO** licensee from gaming authorized
12 under this act at the rate of 18%. If a city exercises either of
13 the options in subsection (4), the tax rate under this subsection
14 ~~shall be~~ **IS** 8.1% and **MUST BE** deposited in the state school aid fund
15 to provide additional funds for K-12 classroom education. If ~~the~~ **A**
16 city rescinds or is otherwise unable to exercise 1 of the options
17 in subsection (4), the tax rate under this subsection ~~shall be~~ **IS**
18 18%. A tax rate of 18% imposed under this subsection ~~shall cover~~
19 **COVERS** any period for which the city does not or is unable to
20 exercise 1 of the options in subsection (4).

21 (2) The state casino gaming fund is created in the department.
22 ~~of treasury.~~ The fund shall be administered by the department in
23 accordance with this act. Except as provided in sections 12a and
24 13, the taxes imposed under this section plus all other fees,
25 fines, and charges imposed by ~~the~~ **THIS** state ~~shall~~ **UNDER THIS ACT**
26 **MUST** be deposited into the state casino gaming fund. ~~The~~ **A CASINO**
27 **LICENSEE SHALL REMIT THE** wagering tax ~~is to be remitted daily by~~

1 ~~the holder of a casino license to the department of treasury~~ **DAILY**
2 by electronic wire transfer of funds. The ~~state~~ **DEPARTMENT** shall
3 remit the city's portion of the wagering tax to the city daily by
4 electronic wire transfer of funds as provided by this act.

5 (3) If the ~~state imposes a~~ wagering tax **IMPOSED** under
6 subsection (1) ~~equal to~~ **IS** 18% of adjusted gross receipts, money in
7 the state casino gaming fund that is not from a tax imposed under
8 subsections (5) to (8) ~~shall~~ **MUST** be allocated as follows:

9 (a) 55% to the city in which a casino is located for use in
10 connection with the following:

11 (i) The hiring, training, and deployment of street patrol
12 officers.

13 (ii) Neighborhood and downtown economic development programs
14 designed to create local jobs.

15 (iii) Public safety programs such as emergency medical
16 services, fire department programs, and street lighting.

17 (iv) Anti-gang and youth development programs.

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

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

22 (vii) The costs of capital improvements.

23 (viii) Road repairs and improvements.

24 (b) 45% to the state to be deposited in the state school aid
25 fund **ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE**
26 **CONSTITUTION OF 1963** to provide additional funds for K-12 classroom
27 education.

1 (4) A city in which a **CASINO** licensee is located may do 1 of
2 the following:

3 (a) In the development agreement into which the city is
4 entitled to enter, include a provision that requires the licensee
5 located in the city to pay the city a payment equal to 9.9% of the
6 adjusted gross receipts received by the licensee from gaming
7 authorized under this act.

8 (b) By ordinance, levy, assess, and collect an excise tax upon
9 licensees located in the city at a rate of 9.9% of the adjusted
10 gross receipts received by the licensee from gaming authorized
11 under this act.

12 (5) Subject to subsections (6) to (8), a wagering tax in
13 addition to the tax imposed in subsection (1) is imposed on the
14 adjusted gross receipts received by a licensee from gaming
15 authorized under this act at the rate of 6%. Money from the tax
16 imposed under this subsection that has been deposited in the state
17 casino gaming fund ~~shall~~**MUST** be allocated 1/3 to the city in which
18 the licensee's casino is located for use in connection with the
19 purposes listed in subsection (3) (a), 7/12 to the general fund, and
20 1/12 to the Michigan agriculture equine industry development fund.
21 The city may collect its share of the tax under this subsection
22 directly using 1 of the methods in subsection (4). For a period
23 during which the licensee is paying the city's share of the tax
24 under this subsection directly to the city under either of the
25 methods in subsection (4), the payment to the state casino gaming
26 fund under this subsection ~~shall be~~**IS** 4% and ~~shall~~**MUST** be
27 allocated 7/8 to the general fund and 1/8 to the Michigan

1 agriculture equine industry development fund.

2 (6) Subject to subsections (7) and (8), and unless an act of
3 God, a war, a disaster, or an act of terrorism directly and
4 substantially impacts the ability of ~~the~~ **CASINO** licensee to
5 complete construction of its casino and casino enterprise, if a
6 casino licensee is not fully operational by each of the following
7 dates, the tax on the **CASINO** licensee under subsection (5) ~~shall be~~
8 **IS** as follows:

9 (a) July 1, 2009, 7%, allocated 1/2 to the general fund, 1/14
10 to the Michigan agriculture equine industry development fund, and
11 3/7 to the city in which the licensee's casino is located.

12 (b) July 1, 2010, 8%, allocated 7/16 to the general fund, 1/16
13 to the Michigan agriculture equine industry development fund, and
14 1/2 to the city in which the licensee's casino is located.

15 (c) July 1, 2011, 9%, allocated 7/18 to the general fund, 1/18
16 to the Michigan agriculture equine industry development fund, and
17 5/9 to the city in which the licensee's casino is located.

18 (7) Subject to subsection (8), and irrespective of whether
19 there has been an increase under subsection (6), after a casino
20 licensee has been fully operational for 30 consecutive days, the
21 **CASINO** licensee may apply to the board for certification under this
22 subsection. If the board determines that a **CASINO** licensee that
23 makes an application under this subsection has been fully
24 operational and in compliance with its development agreement that
25 is in existence on July 1, 2004 or a subsequent original
26 development agreement, for at least 30 consecutive days, the board
27 shall certify the **CASINO** licensee under this subsection, and the

1 tax imposed on the **CASINO** licensee under subsection (5), as
2 adjusted, if applicable, by subsection (6), shall be, retroactive
3 to the first day of the 30 consecutive day period that the **CASINO**
4 licensee was fully operational, reduced to 1% and ~~shall~~**MUST** be
5 allocated entirely to the city where the licensee operates its
6 casino.

7 (8) If the McCauley-Traxler-Law-Bowman-McNeely lottery act,
8 1972 PA 239, MCL 432.1 to 432.47, is amended to allow the operation
9 of video lottery at horse racetracks in this state, and if video
10 lottery is being conducted at horse racetracks in this state, the
11 **CASINO** licensee is no longer obligated to pay the wagering tax
12 under subsections (5) to (7).

13 (9) Notwithstanding section 9b, if the McCauley-Traxler-Law-
14 Bowman-McNeely lottery act, 1972 PA 239, MCL 432.1 to 432.47, is
15 amended to allow the operation of video lottery at horse racetracks
16 in this state, and if video lottery is being conducted at horse
17 racetracks in this state, a casino licensee may, after obtaining
18 approval from the board, apply to the racing commissioner for
19 authorization to simulcast horse races under the horse racing law
20 of 1995, 1995 PA 279, MCL 431.301 to 431.336. A casino licensee
21 that is authorized under this subsection ~~shall display and allow~~
22 ~~wagering on simulcast horse races only at the licensee's casino and~~
23 shall comply with all applicable provisions of the horse racing law
24 of 1995, 1995 PA 279, MCL 431.301 to 431.336, rules promulgated
25 under that act, and the written permit to conduct simulcasting and
26 any related order issued to the **CASINO** licensee by the racing
27 commissioner. Simulcasting and wagering under this subsection are

1 under the primary control of the racing commissioner, and the
2 racing commissioner may revoke or suspend the authorization of or
3 take other disciplinary action against the **CASINO** licensee for
4 failing to comply with a law, rule, permit, or order as required by
5 this subsection. However, the simulcasting and wagering under this
6 subsection is part of the licensee's casino operation under this
7 act and subject to the same control by the board as are other parts
8 of the licensee's casino operation. The board may take disciplinary
9 action under section 4a against a casino licensee for failure to
10 comply with a law, rule, permit, or order as required by this
11 subsection.

12 (10) A casino licensee is entitled to the same commission from
13 money wagered on horse races simulcast by the licensee as a race
14 meeting licensee is entitled to receive from wagering on simulcast
15 horse races under the horse racing law of 1995, 1995 PA 279, MCL
16 431.301 to 431.336. The same taxes, fees, and other deductions
17 ~~shall~~**MUST** be subtracted and paid from the licensee's commission as
18 are subtracted and paid from a race meeting licensee's commission
19 under the horse racing law of 1995, 1995 PA 279, MCL 431.301 to
20 431.336.

21 (11) Payments to a city under 1 of the methods in subsection
22 (4) ~~shall~~**MUST** be made in a manner, at those times, and subject to
23 reporting requirements and penalties and interest for delinquent
24 payment as may be provided for in the development agreement if the
25 payment is required under a development agreement, or by ordinance
26 if the payment is required for a tax levied by the city. Payments
27 required under the method described in subsection (4) (a) may be in

1 addition to any other payments ~~which~~**THAT** may be required in the
2 development agreement for the conveyance of any interest in
3 property, the purchase of services, or the reimbursement of
4 expenses. Payments to a city under the method described in
5 subsection (4) ~~shall~~**MUST** be used by the city for the purposes
6 listed in subsection (3) (a).

7 (12) Approval by the city of a development agreement or
8 adoption of an ordinance approving either casino gaming or the levy
9 of a local excise tax does not constitute the granting of a
10 franchise or license by the city for purposes of any statutory,
11 charter, or constitutional provision.

12 (13) The taxes imposed under this section and any tax imposed
13 under section 13(2) ~~shall~~**MUST** be administered by the department of
14 treasury in accordance with 1941 PA 122, MCL 205.1 to 205.31, and
15 this act. In case of conflict between the provisions of 1941 PA
16 122, MCL 205.1 to 205.31, and this act, the provisions of this act
17 prevail.

18 (14) Funds from this act ~~shall~~**MUST** not be used to supplant
19 existing state appropriations or local expenditures.

20 (15) As used in this section:

21 (a) "Fully operational" means that a certificate of occupancy
22 has been issued to the casino licensee for the operation of a hotel
23 with not fewer than 400 guest rooms and, after issuance of the
24 certificate of occupancy, the casino licensee's casino, casino
25 enterprise, and 400-guest-room hotel have been opened and made
26 available for public use at their permanent location and maintained
27 in that status.

1 (b) "Michigan agriculture equine industry development fund"
2 means the Michigan agriculture equine industry development fund
3 created in section 20 of the horse racing law of 1995, 1995 PA 279,
4 MCL 431.320.

5 Sec. 12a. (1) In addition to application and license fees
6 described in this act, all regulatory and enforcement costs,
7 compulsive gambling programs, casino-related programs and
8 activities, casino-related legal services provided by the attorney
9 general, and the casino-related expenses of the department of state
10 police ~~shall~~**MUST** be paid by casino licensees as provided by this
11 section.

12 (2) The total annual assessment for the first year in which
13 any casino licensee under this act begins operating a casino in
14 this state ~~shall be~~**IS** \$25,000,000.00.

15 (3) The total annual assessment required under this subsection
16 ~~shall~~**MUST** be adjusted each year by multiplying the annual
17 assessment for the immediately preceding year by the Detroit
18 ~~consumer price index~~**CONSUMER PRICE INDEX** for the immediately
19 preceding year. As used in this subsection, "Detroit ~~consumer price~~
20 ~~index~~"**CONSUMER PRICE INDEX**" means the annual consumer price index
21 for Detroit consumers as defined and reported by the United States
22 ~~department~~**DEPARTMENT** of labor, ~~bureau~~**LABOR, BUREAU** of labor
23 ~~statistics~~**LABOR STATISTICS**.

24 (4) On or before the date ~~the~~**A** casino licensee begins
25 operating ~~the~~**ITS** casino and annually on that date thereafter, ~~each~~
26 **THE** casino licensee shall pay to the state treasurer an equal share
27 of the total annual assessment required under this section. ~~In no~~

1 ~~event shall a~~ **A** casino's assessment **MUST NOT** exceed 1/3 of the
 2 total annual assessment required under this section.

3 (5) From the amount collected under subsection (4),
 4 \$2,000,000.00 ~~shall~~ **MUST** be deposited in the compulsive gaming
 5 prevention fund.

6 (6) The state services fee fund is created in the department
 7 ~~of treasury and shall be administered by the department~~ **SHALL**
 8 **ADMINISTER THE STATE SERVICES FEE FUND** in accordance with this act.

9 (7) Except as provided in subsections (5) and (8), all ~~funds~~
 10 **MONEY** collected under this section ~~shall~~ **MUST** be deposited in the
 11 state services fee fund. Distributions from the fund ~~shall~~ **MUST** be
 12 made by the legislature through the appropriations process.

13 (8) The balance of the state services fee fund ~~shall~~ **MUST** not
 14 exceed \$65,000,000.00. If the ~~funds~~ **MONEY** collected under this
 15 section would cause the balance to exceed the limitation of this
 16 subsection, the surplus ~~funds~~ ~~shall~~ **MONEY MUST** be credited in equal
 17 shares against each casino licensee's annual assessment made under
 18 **THIS** section. ~~12a.~~

19 (9) The ~~funds~~ **MONEY** collected under this section and deposited
 20 in the state services fee fund ~~shall~~ **DOES** not revert to the general
 21 fund at the close of the fiscal year but ~~shall remain~~ **REMAINS** in
 22 the fund.

23 Sec. 14. Within ~~30~~ **90** days after the end ~~of each quarter~~ of
 24 each fiscal year each casino licensee shall transmit to the board
 25 and to the city **IN WHICH THE LICENSEE'S CASINO IS LOCATED** an audit
 26 of the financial condition of the licensee's total operations. ~~All~~
 27 ~~audits shall~~ **AN AUDIT UNDER THIS SECTION MUST** be conducted by a

1 certified public accountant in a manner and form prescribed by the
2 board. ~~Each~~**THE** certified public accountant ~~shall~~**THAT PERFORMS THE**
3 **AUDIT MUST** be registered in ~~the~~**THIS** state ~~of Michigan~~ under
4 article 7 of the occupational code, 1980 PA 299, MCL ~~339.701 to~~
5 ~~339.715.~~**339.720 TO 339.736.** The **LICENSEE SHALL PAY THE**
6 compensation for ~~each~~**THE** certified public accountant ~~shall be paid~~
7 directly ~~by the licensee~~ to the certified public accountant.

8 Sec. 18. (1) A person is guilty of a felony punishable by
9 imprisonment for not more than 10 years or a fine of not more than
10 \$100,000.00, or both, and ~~shall be~~**IS** barred from receiving or
11 maintaining a license **UNDER THIS ACT** for doing any of the
12 following:

13 (a) Conducting a gambling operation ~~where~~**IN WHICH** wagering is
14 used or to be used without a license issued by the board.

15 (b) Conducting a gambling operation ~~where~~**IN WHICH** wagering is
16 permitted other than in the manner specified in section 9.

17 (c) Knowingly making a false statement on an application for
18 ~~any~~**A** license ~~provided in~~**UNDER** this act or a written document
19 provided under oath in support of a proposal for a development
20 agreement.

21 (d) Knowingly providing false testimony to the board or its
22 authorized representative while under oath.

23 (e) Willfully failing to report, pay, or truthfully account
24 for ~~any~~**A** license fee or tax imposed by this act or willfully
25 ~~attempt~~**ATTEMPTING** in any way to evade or defeat the license fee,
26 tax, or payment. A person convicted under this ~~subsection~~ shall
27 **SUBDIVISION IS** also ~~be~~ subject to a penalty of 3 times the amount

1 of the licensee fee or tax not paid.

2 (f) Making a political contribution in violation of section
3 7b. ~~of this act.~~

4 (2) A person commits a felony punishable by imprisonment for
5 not more than 10 years or a fine of not more than \$100,000.00, or
6 both, and, in addition, ~~shall be~~**IS** barred for life from a gambling
7 operation under the jurisdiction of the board if the person does
8 any of the following:

9 (a) Offers, promises, or gives anything of value or benefit to
10 a person who is connected with a licensee or affiliated company,
11 including, but not limited to, an officer or employee of a casino
12 licensee or holder of an occupational license pursuant to an
13 agreement or arrangement or with the intent that the offer,
14 promise, or thing of value or benefit will influence the actions of
15 the person to whom the offer, promise, or gift was made in order to
16 affect or attempt to affect the outcome of a gambling game, or to
17 influence official action of a member of the board.

18 (b) Solicits or knowingly accepts or receives a promise of
19 anything of value or benefit while the person is employed by or
20 connected with a licensee, including, but not limited to, an
21 officer or employee of a casino licensee or holder of an
22 occupational license, pursuant to an understanding or arrangement
23 or with the intent that the promise or thing of value or benefit
24 will influence the actions of the person to affect or attempt to
25 affect the outcome of a gambling game.

26 (c) Offers, promises, or gives anything of value or benefit to
27 a member, employee, or agent of the board or an official of ~~any~~**A**

1 state or local agency or governmental body with the intent that the
2 offer, promise, or thing of value or benefit will influence the
3 official action of the person to whom the offer, promise, or gift
4 was made pertaining to a city development agreement, or
5 administering, licensing, regulating, or enforcing this act.

6 (d) Solicits or knowingly accepts or receives a promise of
7 anything of value or benefit while the person is a member,
8 employee, or agent of the board, or an official of any state or
9 local agency or governmental body, pursuant to an understanding or
10 arrangement or with the intent that the promise or thing of value
11 or benefit will influence the official action of the member,
12 employee, or agent of the board or official of the state or local
13 governmental body pertaining to a city development agreement, or
14 enforcing this act.

15 (e) Except as otherwise provided by the board, uses or
16 possesses with the intent to use a device ~~to assist in doing~~ **THAT**
17 **DOES** any of the following:

18 (i) ~~Projecting~~ **PROJECTS** the outcome of a gambling game.

19 (ii) ~~Keeping~~ **KEEPS** track of the cards played in a gambling
20 game.

21 (iii) ~~Analyzing~~ **ANALYZES** the probability of the occurrence of
22 an event relating to a gambling game.

23 (iv) ~~Analyzing~~ **ANALYZES** the strategy for playing or betting to
24 be used in a gambling game.

25 (f) Cheats at a gambling game.

26 (g) Manufactures, sells, or distributes cards, chips, dice, a
27 game, or a device that is intended to be used to violate this act.

1 (h) Alters or misrepresents the outcome of a gambling game on
2 which wagers have been made after the outcome is determined but
3 before it is revealed to the players.

4 (i) Places a bet after acquiring knowledge, not available to
5 all players, of the outcome of the gambling game that is the
6 subject of the bet or to aid a person in acquiring the knowledge
7 for the purpose of placing a bet contingent on that outcome.

8 (j) Claims, collects, takes, or attempts to claim, collect, or
9 take money or anything of value in or from ~~the~~ **A** gambling ~~games,~~
10 **GAME**, with intent to defraud, without having made a wager
11 contingent on winning ~~a~~ **THE** gambling game, or claims, collects, or
12 takes an amount of money or thing of value of greater value than
13 the amount won.

14 (k) Uses counterfeit chips ~~or tokens~~ in a gambling game.

15 (l) Possesses a key or device designed for the purpose of
16 opening, entering, or affecting the operation of a gambling game,
17 drop box, or an electronic or mechanical device connected with the
18 gambling game or for removing coins, ~~tokens,~~ chips, or other
19 contents of a gambling game. This subdivision does not apply to a
20 ~~gambling~~ **CASINO** licensee or employee of a ~~gambling~~ **CASINO** licensee
21 acting in furtherance of the employee's employment.

22 (3) A person, or an affiliate of a person, is guilty of a
23 misdemeanor punishable by imprisonment for not more than 1 year in
24 a county jail or a \$10,000.00 fine, or both, for doing any of the
25 following:

26 (a) Knowingly making a wager if the person is under 21 years
27 of age or permitting a person under 21 years **OF AGE** to make a

1 wager.

2 (b) Willfully failing to appear before or provide an item to
3 the board at the time and place specified in a subpoena or summons
4 issued by the board or executive director.

5 (c) Willfully refusing, without just cause, to testify or
6 provide items in answer to a subpoena, subpoena duces tecum or
7 summons issued by the board or executive director.

8 (d) Conducting or permitting a person who is not licensed
9 ~~pursuant to~~ **UNDER** this act to conduct activities required to be
10 licensed under the casino, occupational, and suppliers licensee
11 provisions in this act or in rules promulgated by the board.

12 (e) Knowingly violates or aids or abets in the violation of
13 the provisions of section 7b of this act.

14 (f) Leasing, pledging, borrowing, or loaning money against a
15 casino, supplier, or occupational license.

16 (4) The possession of more than 1 of the devices described in
17 subsection (2)(e) permits a rebuttable presumption that the
18 possessor intended to use the devices for cheating.

19 (5) An action to prosecute ~~any~~ **A** crime described in this
20 section may, in the discretion of the attorney general or county
21 prosecuting attorney, be tried in the county in which the crime
22 occurred or in ~~the county of~~ Ingham **COUNTY**.

23 Sec. 21. ~~When~~ **IF** the board is authorized or required by law to
24 consider some aspect of criminal history record information for the
25 purpose of carrying out its statutory powers and responsibilities,
26 the board shall, in the form and manner required by the department
27 of state police and the ~~federal bureau of investigation,~~ **FEDERAL**

1 **BUREAU OF INVESTIGATION**, cause to be conducted a criminal history
2 record investigation to obtain any information currently or
3 subsequently contained in the files of the department of state
4 police or the ~~federal bureau of investigation.~~ **FEDERAL BUREAU OF**
5 **INVESTIGATION**. The department of state police shall provide all
6 criminal record information requested by the board for any person
7 who is an applicant for or a holder of a license **UNDER THIS ACT**.

8 Sec. 25. (1) The board shall create a list of disassociated
9 persons. The board shall, with the assistance of casino licensees,
10 inform each patron of the list of disassociated persons and explain
11 how the patron may add his or her name to the list.

12 (2) The board may add an individual's name to the list of
13 disassociated persons if the individual has notified the board in
14 writing of his or her pledge not to visit a casino in this state by
15 filing an application for placement on the list of disassociated
16 persons with the board.

17 (3) The board shall create and make available an application
18 for placement on the list of disassociated persons. The application
19 ~~shall~~ **MUST** include all of the following information about the
20 individual who is applying:

21 (a) Full name and all aliases.

22 (b) Physical description including height, weight, hair and
23 eye color, skin color, and any other noticeable physical
24 characteristics.

25 (c) Occupation.

26 (d) Current home and work addresses and phone numbers.

27 (e) Social ~~security~~ **SECURITY** number.

1 (f) Date of birth.

2 (g) Statement that the individual believes he or she is a
3 problem gambler and is seeking treatment.

4 (h) A photograph suitable for the board and casino licensees
5 to use to identify the individual.

6 (i) Other information that the board considers necessary.

7 (4) An individual's name ~~shall~~ **MUST** be placed on the list of
8 disassociated persons after all of the following have occurred:

9 (a) The individual has submitted an application to be placed
10 on the list of disassociated persons to the ~~Michigan gaming control~~
11 board.

12 (b) The application has been verified by a representative of
13 the board.

14 (c) The individual has signed an affidavit in which he or she
15 affirms that he or she wishes to be placed on the list of
16 disassociated persons and authorizing the board to release the
17 contents of his or her application to all casino licensees in this
18 state.

19 (d) The individual signs a form releasing ~~the~~ **THIS** state, ~~of~~
20 ~~Michigan,~~ the board, and the casino licensees from any injury the
21 individual suffers as a consequence of placing his or her name on
22 the list of disassociated persons.

23 (e) The individual signs a form stating that he or she
24 understands and authorizes all of the following:

25 (i) That a criminal complaint for trespassing will be filed
26 against him or her if he or she is found on the premises of a
27 casino in this state and he or she will be immediately removed from

1 the casino premises.

2 (ii) That if he or she enters a casino and wins any money, the
3 board will confiscate the winnings.

4 (5) An individual who has his or her name placed on the list
5 of disassociated persons ~~shall~~**MUST** remain on the list for the
6 remainder of his or her life.

7 (6) After an application has been submitted to the board, the
8 chairperson of the board shall file a notice of placement on the
9 list of disassociated persons with the board at the next closed
10 session. Information contained in an application under subsection
11 (4) is exempt from disclosure under section 4c of this act and is
12 not open for public inspection. The information ~~shall~~**MUST** be
13 disclosed to the board, each casino licensee in this state, the
14 department of attorney general, and the department of state police.

15 (7) The list of disassociated persons ~~shall~~**MUST** be provided
16 to each casino licensee, the department of attorney general, and
17 the department of state police.

18 (8) Each casino licensee in this state shall submit to the
19 board a plan for disseminating the information contained in the
20 applications for placement on the list of disassociated persons.
21 The board shall approve the plan. The plan ~~shall~~**MUST** be designed
22 to safeguard the confidentiality of the information but ~~shall~~**MUST**
23 include dissemination to all of the following:

24 (a) The general casino manager or the managerial employee who
25 has responsibility over the entire casino operations.

26 (b) All security and surveillance personnel.

27 (c) The department of state police.

House Bill No. 5881 as amended December 4, 2018

1 (9) ~~A~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A**
 2 casino licensee shall not extend credit, offer check cashing
 3 privileges, **OR** offer coupons **TO, OR** market ~~[its services, or send~~
 4 ~~advertisements to,~~] or
 5 otherwise solicit the patronage **IN THE CASINO** of, those persons
 6 whose names are on the list of disassociated persons. **A CASINO**
 7 **LICENSEE MAY [MARKET OR] ADVERTISE [ITS SERVICES], OTHER THAN BY DIRECT**
 8 **MAIL, FOR THE CASINO**
 9 **LICENSEE'S NONGAMING AMENITIES, SUCH AS HOTELS, RESTAURANTS, AND**
 10 **EVENT CENTERS.**

11 (10) The casino licensee shall keep a computer record of each
 12 individual whose name is on the list of disassociated persons. If a
 13 casino licensee identifies a person **WHOSE NAME IS ON THE LIST OF**
 14 **DISASSOCIATED PERSONS** on the premises of a casino, the licensee
 15 shall immediately notify the board, a representative of the board,
 16 or a representative of the department of state police who is on the
 17 premises of the casino. ~~After the licensee confirms that the~~
 18 ~~individual has filed an affidavit under this section, the licensee~~
 19 ~~shall do all of the following:~~

20 ~~—— (a) Immediately remove the individual from the casino~~
 21 ~~premises.~~

22 ~~—— (b) Report the incident to the prosecutor for the county in~~
 23 ~~which the casino is located.~~

24 (11) A casino licensee who violates this act is subject to
 25 disciplinary action by the board.

26 (12) The board shall promulgate rules to implement and
 27 administer this act.

(13) An individual who has placed his or her name on the list

1 of disassociated persons who enters a casino in this state is
2 guilty of criminal trespassing punishable by imprisonment for not
3 more than 1 year, a fine of not more than \$1,000.00, or both.

4 (14) This act does not create any right or cause of action on
5 behalf of the individual whose name is placed on the list of
6 disassociated persons against ~~the~~**THIS** state, ~~of Michigan,~~ the
7 board, or a casino licensee.

8 (15) Any winnings collected by the board under this act ~~shall~~
9 **MUST** be deposited into the compulsive gaming prevention fund.

10 Enacting section 1. Sections 8a and 10 of the Michigan gaming
11 control and revenue act, 1996 IL 1, MCL 432.208a and 432.210, are
12 repealed.