

# HOUSE BILL No. 5881

April 25, 2018, Introduced by Rep. Iden and referred to the Committee on Regulatory Reform.

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, and 7a (MCL 432.202, 432.204, 432.204a, 432.204c, 432.204d, 432.205, 432.206, 432.206a, 432.206c, and 432.207a), sections 2, 4, 5, and 6 as amended and sections 4a, 4c, 4d, 6a, 6c, and 7a as added by 1997 PA 69.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1           Sec. 2. As used in this act:
- 2           (a) "Adjusted gross receipts" means the gross receipts less
- 3 winnings paid to wagerers.
- 4           (b) "Affiliate" means a person who, directly or indirectly,
- 5 through 1 or more intermediaries, controls, is controlled by, or is
- 6 under common control with; is in a partnership or joint venture

1 relationship with; or is a co-shareholder of a corporation, a co-  
2 member of a limited liability company, or co-partner in a limited  
3 liability partnership with a person who holds or applies for a  
4 casino license under this act.

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

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

17 (e) "Applicant" means any person who applies for a license or  
18 for registration under this act. ~~The term applicant~~**AS USED** in  
19 sections 4a(1)(a), 5(1), 5(2), 5(3), 5(4), 6(3), 6(4), 6(5), 6(9),  
20 7a(4), 7a(5), and 7a(11), ~~shall include~~**APPLICANT INCLUDES** an  
21 affiliate, affiliated company, officer, director, or managerial  
22 employee of the applicant or a person who holds greater than 1%  
23 direct or indirect interest in the applicant. As used in this  
24 subdivision, affiliate and affiliated company do not include a  
25 partnership, a joint venture relationship, a co-shareholder of a  
26 corporation, a co-member of a limited liability company, or a co-  
27 partner in a limited liability partnership that has less than **A** 1%

1 direct interest in the applicant and is not involved in the casino  
2 or casino enterprise application as defined in rules promulgated by  
3 the board.

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

6 (g) "Casino" means a building in which gaming is conducted.

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

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

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

16 (k) "Cheat" means to alter the selection of criteria ~~which~~  
17 **THAT** determine the result of a gambling game or the amount or  
18 frequency of payment in a gambling game, in violation of this act  
19 or rules promulgated under this act.

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

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

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

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

1 (m) "Company" means a sole proprietorship, corporation,  
2 partnership, limited liability partnership, limited liability  
3 company, trust, association, joint stock company, joint venture,  
4 tribal corporation, or other form of business organization.

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

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

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

17 (ii) Acceptance of any form of compensation other than from  
18 the board for any services rendered as part of the official duties  
19 of the member, employee, or agent for the board.

20 (iii) Participation in any business being transacted with or  
21 before the board in which the member, employee, or agent of the  
22 board or his or her parent, spouse, or child has a financial  
23 interest.

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

27 (v) Demonstration, through work or other action in the

1 performance of the official duties of the member, employee, or  
 2 agent of the board, of any preferential attitude or treatment of  
 3 any person.

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

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

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

12 (i) **APPROVAL** by the city of the location of the casino. ~~+~~  
 13 ~~certification~~

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

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

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

19 (v) **INFRASTRUCTURE** improvements. ~~+~~ ~~requirements~~

20 (vi) **REQUIREMENTS** to utilize local businesses and small  
 21 businesses as suppliers. ~~+~~ ~~employment~~

22 (vii) **EMPLOYMENT** issues. ~~+~~ ~~compulsive~~

23 (viii) **COMPULSIVE** gambling programs. ~~+~~ ~~insurance~~

24 (ix) **INSURANCE** requirements. ~~+~~ ~~conceptual~~

25 (x) **CONCEPTUAL** design approval. ~~+~~ ~~reimbursement~~

26 (xi) **REIMBURSEMENT** for predevelopment and infrastructure  
 27 costs, traffic engineering, and other transportation costs. ~~+~~ ~~plans~~

1           (xii) **PLANS** for completion of destination attractions either  
2 within or outside the casino facility and ancillary development  
3 rights.

4           (s) "Disciplinary action" ~~is~~ **MEANS** an action by the board  
5 suspending or revoking a license ~~, OR~~ fining, excluding,  
6 reprimanding, or otherwise penalizing a person for violating this  
7 act or rules promulgated by the board.

8           (t) "Ex parte communication" means any communication, direct  
9 or indirect, regarding a licensing application, disciplinary  
10 action, or a contested case under this act other than communication  
11 that takes place during a meeting or hearing conducted under this  
12 act.

13           (u) "Financial interest" or "financially interested" means any  
14 interest in investments, awarding of contracts, grants, loans,  
15 purchases, leases, sales, or similar matters under consideration or  
16 consummated by the board. A member, employee, or agent of the board  
17 ~~will be~~ **IS** considered to have a financial interest in a matter  
18 under consideration if ~~any~~ **EITHER** of the following circumstances  
19 ~~exist:~~ **EXISTS:**

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

23           (ii) He or she is employed by or is an independent contractor  
24 for a party to the matter under consideration or consummated by the  
25 board.

26           (v) "Gambling game" means any game played with cards, dice,  
27 equipment or a machine, including any mechanical, electromechanical

1 or electronic device ~~which shall include~~ **INCLUDING** computers and  
2 cashless wagering systems, for money, credit, or any representative  
3 of value, including, but not limited to, faro, monte, roulette,  
4 keno, bingo, fan tan, twenty one, blackjack, seven and a half,  
5 klondike, craps, poker, chuck a luck, Chinese chuck a luck (dai  
6 shu), wheel of fortune, chemin de fer, baccarat, pai gow, beat the  
7 banker, panguingui, slot machine, any banking or percentage game,  
8 or any other game or device approved by the board. ~~, but~~ **GAMBLING**  
9 **GAME** does not include games played with cards in private homes or  
10 residences in which no person makes money for operating the game,  
11 except as a player.

12 (w) "Gambling operation" means the conduct of authorized  
13 gambling games in a casino.

14 (x) "Gaming" means to deal, operate, carry on, conduct,  
15 maintain or expose or offer for play any gambling game or gambling  
16 operation.

17 (y) "Gross receipts" means the total of all ~~sums~~ **MONEY**  
18 including valid or invalid checks, currency, tokens, coupons,  
19 vouchers, or instruments of monetary value whether collected or  
20 uncollected, received by a casino licensee from gaming, including  
21 all entry fees assessed for tournaments or other contests, less a  
22 deduction for uncollectible gaming receivables not to exceed the  
23 uncollectible amounts owed as a result of wagers placed at or  
24 through a gambling game or 4% of the total gross receipts,  
25 whichever is less. ~~The~~ **A** licensee shall not receive the deduction  
26 unless the licensee provides written proof to the state treasurer  
27 of the uncollected gaming receivables and ~~had~~ complied with all

1 rules promulgated by the board regarding the issuance of credit and  
2 the collection of amounts due under a credit extension.

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

19 (aa) "Investigative hearing" means any hearing conducted by  
20 the board or its authorized representative to investigate and  
21 gather information or evidence regarding pending license  
22 applications, applicants, licensees, or alleged or apparent  
23 violations of this act or rules promulgated by the board.

24 (bb) "Junket enterprise" means any person other than a casino  
25 licensee or applicant who employs or otherwise engages in the  
26 procurement or referral of persons who may participate in a junket  
27 to a casino licensed under this act or casino enterprise whether or



1 not those activities occur ~~within the~~ **IN THIS** state.

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

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

8 (ee) "Occupational license" means a license issued by the  
9 board to a person to perform an occupation in a casino or casino  
10 enterprise ~~which~~ **THAT** the board has identified as requiring a  
11 license to engage in casino gaming in ~~Michigan~~ **THIS STATE**.

12 (ff) "Person" means an individual, corporation, limited  
13 liability company, association, partnership, limited liability  
14 partnership, trust, entity, or other legal entity.

15 (gg) "Supplier" means a person who the board has identified  
16 under rules promulgated by the board as requiring a license to  
17 provide casino licensees or casino enterprises with goods or  
18 services regarding the realty, construction, maintenance, or  
19 business of a proposed or existing casino, casino enterprise, or  
20 related facility on a regular or continuing basis, including, but  
21 not limited to, junket enterprises, security businesses,  
22 manufacturers, distributors, persons who service gaming devices or  
23 equipment, garbage haulers, maintenance companies, food purveyors,  
24 and construction companies.

25 (hh) "Vendor" means a person who is not licensed under this  
26 act who supplies any goods or services to a casino licensee or  
27 supplier licensee.

1 (ii) "Wagerer" means a person who plays a gambling game  
2 authorized under this act.

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

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

13 (2) The board ~~shall consist~~ **CONSISTS** of 5 members, not more  
14 than 3 of whom ~~shall~~ **MAY** be members of the same political party, to  
15 be appointed by the governor with the advice and consent of the  
16 senate. ~~1 of whom~~ **THE GOVERNOR** shall be designated by the  
17 ~~governor to be~~ **DESIGNATE 1 OF THE MEMBERS AS** chairperson. Each  
18 member ~~shall~~ **MUST** be a resident of this state.

19 (3) The members shall be appointed for terms of 4 years,  
20 except of those who are first appointed, 1 member shall be  
21 appointed for a term of 2 years, 2 members shall be appointed for a  
22 term of 3 years, and 2 members shall be appointed for a term of 4  
23 years. A member's term ~~shall expire~~ **EXPIRES** on December 31 of the  
24 last year of the member's term. ~~In the event of~~ **IF THERE IS** a  
25 vacancy on the board, the governor shall appoint in like manner a  
26 successor to fill the unexpired term.

27 (4) Each member ~~of the board shall~~ **MUST** be reimbursed for all

1 actual and necessary expenses and disbursements incurred in the  
2 execution of official duties.

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

6 (6) A person who is not of good moral character or who has  
7 been indicted or charged with, convicted of, pled guilty or nolo  
8 ~~contendere~~ **CONTENDERE** to, or forfeited bail concerning a felony or a  
9 misdemeanor involving gambling, theft, dishonesty, or fraud under  
10 the laws of this state, any other state, or the United States or a  
11 local ordinance in any state involving gambling, dishonesty, theft,  
12 or fraud that substantially corresponds to a misdemeanor in that  
13 state ~~shall~~ **MUST** not be appointed or remain as a member. ~~of the~~  
14 ~~board.~~

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

18 (8) The governor shall appoint the executive director of the  
19 board to serve a 6-year term. ~~After the effective date of the act~~  
20 ~~that added this subsection, the~~ **THE** appointment of the executive  
21 director ~~shall require~~ **REQUIRES** the approval of the senate by a  
22 record roll call vote. The executive director shall perform any and  
23 all duties that the board ~~shall assign~~ **ASSIGNS TO** him or her. The  
24 executive director ~~shall~~ **MUST** be reimbursed for all actual and  
25 necessary expenses incurred by him or her in discharge of his or  
26 her official duties. The executive director shall keep records of  
27 all proceedings of the board and shall preserve all records, books,

1 documents, and other papers belonging to the board or entrusted to  
2 its care. The executive director shall devote his or her full time  
3 to the duties of the office and shall not hold any other office or  
4 employment. A vacancy in the position of executive director ~~shall~~  
5 **MUST** be filled as provided in this subsection for a new 6-year  
6 term.

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

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

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

25 (b) The person or his or her spouse, parent, child, child's  
26 spouse, sibling, or spouse of a sibling is a member of the board of  
27 directors of or a person financially interested in any person

1 licensed as a casino licensee or casino supplier, any person who  
2 has an application for a license pending before the board, or a  
3 casino enterprise.

4 (11) Each member, ~~of the board,~~ the executive director, and  
5 each ~~key employee as~~ determined by the board **TO BE A KEY EMPLOYEE**  
6 shall file with the governor a financial disclosure statement  
7 listing all assets and liabilities, property and business  
8 interests, and sources of income of the member, executive director,  
9 and each key employee and any of their spouses affirming that **THE**  
10 **CIRCUMSTANCES DESCRIBED IN SUBSECTION (10) DO NOT APPLY TO** the  
11 member, executive director, and key employee. ~~are in compliance~~  
12 ~~with subsection (10) (a) and (b) of this act.~~ The financial  
13 disclosure statement ~~shall~~ **MUST** be under oath and ~~shall~~ be filed at  
14 the time of employment and annually thereafter.

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

20 (13) A member, ~~of the board,~~ executive director, or key  
21 employee shall not hold any direct or indirect interest in, be  
22 employed by, or enter into a contract for services with an  
23 applicant, a person licensed by or registered with the board, or a  
24 casino enterprise for a period of 4 years after the date his or her  
25 membership on the board terminates.

26 (14) An employee of the board shall not acquire any direct or  
27 indirect interest in, be employed by, or enter into a contract for

1 services with any applicant, person licensed by the board, or  
2 casino enterprise for a period of 2 years after the date his or her  
3 employment with the board is terminated.

4 (15) A ~~board~~ member or a person employed by the board shall  
5 not represent any person or party other than ~~the~~ **THIS** state before  
6 or against the board for a period of 2 years after the termination  
7 of his or her office or employment with the board.

8 (16) A business entity in which a former ~~board~~ member or  
9 employee or agent **OF THE BOARD** has an interest, or any partner,  
10 officer, or employee of the business entity shall not make any  
11 appearance or representation that is prohibited to that former  
12 member, employee, or agent. As used in this subsection, "business  
13 entity" means a corporation, limited liability company,  
14 partnership, limited liability partnership, association, trust, or  
15 other form of legal entity.

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

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

1           (b) ~~To decide~~ **DECIDING** in reasonable order all license  
2 applications. Except for casino license applicants granted a  
3 hearing under section 6(7), any party aggrieved by an action of the  
4 board denying, suspending, revoking, restricting, or refusing to  
5 renew a license, or imposing a fine, may request a hearing before  
6 the board. A request for a hearing ~~shall~~ **MUST** be made to the board  
7 in writing within 21 days after service of notice of the action of  
8 the board. Notice of the action of the board ~~shall~~ **MUST** be served  
9 either by personal delivery or by certified mail, postage prepaid,  
10 to the aggrieved party. Notice served by certified mail ~~shall be~~ **IS**  
11 considered complete on the business day following the date of the  
12 mailing.

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

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

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

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

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

26           (e) Providing for the establishment and collection of all  
27 license and registration fees and taxes imposed by this act and the

1 rules promulgated by the board.

2 (f) Providing for the levy and collection of penalties and  
3 fines for the violation of this act and the rules promulgated by  
4 the board.

5 (g) Being present through its inspectors, agents, auditors,  
6 and the ~~Michigan~~**DEPARTMENT OF** state police or **DEPARTMENT OF**  
7 attorney general at any time in any casino and related casino  
8 enterprise for the purpose of certifying the revenue ~~thereof,~~**OF**  
9 **THE LICENSEE**, receiving complaints from the public, and conducting  
10 other investigations into the conduct of the gambling games and the  
11 maintenance of the equipment as ~~from time to time~~ the board ~~may~~  
12 ~~consider~~**CONSIDERS** necessary and proper to assure compliance with  
13 this act and the rules promulgated by the board and to protect and  
14 promote the overall safety, security, and integrity of casino  
15 gaming authorized in this act.

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

24 (i) Holding at least 1 public meeting each quarter of the  
25 fiscal year. In addition, special meetings may be called by the  
26 chairperson or any 2 ~~board~~ members upon 72 hours' written notice to  
27 each member. Three members ~~of the board~~ shall constitute a quorum,



1 except ~~when~~ **THAT IN** making determinations on applications for  
2 casino licenses, ~~when~~ 4 members ~~shall~~ constitute a quorum. Three  
3 votes ~~shall be~~ **ARE** required in support of final determinations of  
4 the board on applications for casino licenses. The board shall keep  
5 a complete and accurate record of all its meetings and hearings.  
6 Upon order of the board, 1 of the board members or a hearing  
7 officer designated by the board may conduct any hearing provided  
8 for under this act or by the rules promulgated by the board and may  
9 recommend findings and decisions to the board. The board member or  
10 hearing officer conducting the hearing ~~shall have~~ **HAS** all powers  
11 and rights regarding the conduct of hearings granted to the board  
12 under this act. The record made at the time of the hearing ~~shall~~  
13 **MUST** be reviewed by the board, or a majority of the board, and the  
14 findings and decision of the majority of the board ~~shall~~ constitute  
15 the order of the board. ~~in the case.~~

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

21 (k) Reviewing the patterns of wagering and wins and losses by  
22 persons in casinos under this act and ~~make~~ **MAKING** recommendations  
23 to the governor and the legislature in a written annual report to  
24 the governor and the legislature and additional reports as  
25 **REQUESTED BY** the governor. ~~may request.~~ The annual report ~~shall~~  
26 **MUST** include a statement of receipts and disbursements by the  
27 board, actions taken by the board, and any additional information

1 and recommendations that the board considers appropriate or that  
2 the governor ~~may request~~. **REQUESTS**.

3 Sec. 4a. (1) The board ~~shall have~~ **HAS** jurisdiction over and  
4 shall supervise all gambling operations governed by this act. The  
5 board ~~shall have~~ **HAS** all powers necessary and proper to fully and  
6 effectively execute this act, including, but not limited to, the  
7 authority to do all of the following:

8 (a) Investigate applicants and determine the eligibility of  
9 applicants for licenses or registration and to grant licenses to  
10 applicants in accordance with this act and the rules promulgated  
11 under this act.

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

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

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

25 (ii) To inspect, examine, audit, impound, seize, or assume  
26 physical control of, or summarily remove from the premises all  
27 books, ledgers, documents, writings, photocopies, correspondence,

1 records, videotapes, including electronically stored records, money  
2 receptacles, other containers and their contents, equipment in  
3 which the records are stored, or other gaming related equipment and  
4 supplies on or around the premises, including counting rooms.

5 (iii) To inspect the person, and inspect, examine, and seize  
6 personal effects present in a casino facility licensed under this  
7 act, of any holder of a license or registration issued ~~pursuant to~~  
8 **UNDER** this act while that person is present in a licensed casino  
9 facility.

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

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

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

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

22 (f) Adopt appropriate standards for all casino gaming  
23 facilities and equipment.

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

1           (h) Require that each casino licensee involved in the  
2 ownership or management of gambling operations submit to the board  
3 an annual balance sheet, profit and loss statement, and a list of  
4 the stockholders or other persons having a 1% or greater beneficial  
5 interest in the gambling activities of ~~each~~**THE** licensee in  
6 addition to any other information the board considers necessary in  
7 order to effectively administer this act and all rules promulgated  
8 by the board and orders and final decisions made under this act.

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

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

21           (k) Revoke or suspend licenses, impose fines and penalties as  
22 the board considers necessary and in compliance with applicable  
23 laws of ~~the~~**THIS** state regarding administrative procedures, and  
24 review and decide applications for the renewal of licenses. The  
25 board may suspend a casino license, without notice or hearing upon  
26 a determination that the safety or health of patrons or employees  
27 is jeopardized by continuing a casino's operation. If the board

1 suspends a license under this subdivision without notice or  
2 hearing, a prompt postsuspension hearing ~~shall~~**MUST** be held to  
3 determine if the suspension should remain in effect. The suspension  
4 may remain in effect until the board determines that the cause for  
5 suspension has been abated. The board may revoke the casino license  
6 upon a determination that the owner has not made satisfactory  
7 progress toward abating the hazard.

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

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

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

2 (o) In addition to the authority provided under subdivision  
3 (m), revoke or suspend a casino license or impose any other  
4 disciplinary action for any of the following reasons:

5 (i) The casino licensee has violated the Michigan liquor  
6 control act, ~~1933 (Ex Sess) PA 8, MCL 436.1 to 436.57a, CODE OF~~  
7 **1998, 1998 PA 58, MCL 436.1101 TO 436.2303**, or rules promulgated  
8 under that act.

9 (ii) At any time the licensee no longer meets the eligibility  
10 requirements or suitability determination by the board for a casino  
11 license under this act.

12 (iii) The failure to revoke or suspend the license would  
13 undermine the public's confidence in the ~~Michigan~~ gaming industry  
14 **IN THIS STATE.**

15 (p) Conduct periodic audits of casinos authorized under this  
16 act.

17 (q) Establish minimum levels of insurance to be maintained by  
18 licensees.

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

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

26 (t) Review the business practices of a casino licensee  
27 including, but not limited to, the price and quality of goods and

1 services offered to patrons and take disciplinary action as the  
2 board considers appropriate to prevent practices that undermine the  
3 public's confidence in the Michigan gaming industry **IN THIS STATE.**

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

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

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

14 Sec. 4c. (1) Except as otherwise provided in this section, all  
15 information, records, interviews, reports, statements, memoranda,  
16 or other data supplied to or used by the board ~~shall be~~ **ARE** subject  
17 to the freedom of information act, 1976 PA 442, MCL 15.231 to  
18 15.246, except for the following:

19 (a) Unless presented during a public hearing, all the  
20 information, records, interviews, reports, statements, memoranda,  
21 or other data supplied to, created by, or used by the board related  
22 to background investigation of applicants or licensees and to trade  
23 secrets, internal controls, and security measures of the licensees  
24 or applicants.

25 (b) All information, records, interviews, reports, statements,  
26 memoranda, or other data supplied to or used by the board that have  
27 been received from another jurisdiction or local, state, or federal

1 agency under a promise of confidentiality or if the release of the  
2 information is otherwise barred by the statutes, rules, or  
3 regulations of that jurisdiction or agency or by an  
4 intergovernmental agreement.

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

7 (2) Notwithstanding subsection (1)(a) or (c), the board shall,  
8 upon written request from any person, provide the following  
9 information concerning ~~the~~**AN** applicant or licensee, his or her  
10 products, services or gambling enterprises, and his or her business  
11 holdings if the board has the information in its possession:

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

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

21 (c) An identification of any business, including, if  
22 applicable, the state of incorporation or registration, in which ~~an~~  
23 **THE** applicant or licensee or ~~an~~**THE** applicant's or licensee's  
24 spouse, parent, or child has equity interest of more than 5%.

25 (d) Whether ~~an~~**THE** applicant or licensee has been indicted,  
26 convicted, pleaded guilty or nolo contendere, or forfeited bail  
27 concerning any criminal offense under the laws of any jurisdiction,



1 either felony or misdemeanor, not including traffic violations,  
2 including the name and location of the court, the date, and **THE**  
3 disposition of the offense.

4 (e) Whether ~~an~~**THE** applicant or licensee has had any license  
5 or certification issued by a licensing authority in ~~Michigan~~**THIS**  
6 **STATE** or any other jurisdiction denied, restricted, suspended,  
7 revoked, or not renewed and, if known by the board, a statement  
8 describing the facts and circumstances concerning the denial,  
9 restriction, suspension, revocation, or nonrenewal, including the  
10 name of the licensing authority, the date each action was taken,  
11 and the reason for each action.

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

18 (g) Whether ~~an~~**THE** applicant or licensee has filed, or been  
19 served with, a complaint or other notice filed with any public body  
20 regarding the delinquent payment of any tax required under federal,  
21 state, or local law, including the amount of the tax, type of tax,  
22 ~~the~~ taxing agency, and time periods involved.

23 (h) A statement listing the names and titles of all public  
24 officials or officers of any city, state, or federal body, agency,  
25 or entity and relatives of the officials who, directly or  
26 indirectly, own any financial interest in, have any beneficial  
27 interest in, are the creditors of, or hold or have any other

1 interest in, or any contractual or service relationship with, ~~an~~  
2 **THE** applicant or licensee. ~~under this act.~~

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

12 (j) The name and business telephone number of any attorney,  
13 counsel, lobbyist agent as **THAT TERM IS** defined in section 5 of  
14 1978 PA 472, MCL 4.415, or any other person representing ~~an~~**THE**  
15 applicant or licensee in matters before the board.

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

25 (l) A description of the product or service to be supplied by,  
26 or occupation to be engaged in by, ~~a~~**THE** licensee.

27 (3) Except as otherwise provided in this subsection, all

1 information, records, interviews, reports, statements, memoranda,  
2 or other data provided in a response to a request for proposals for  
3 development agreements issued by ~~the~~**A** city and all draft  
4 development agreements being negotiated by the city ~~shall be~~**ARE**  
5 exempt from disclosure under the freedom of information act, 1976  
6 PA 442, MCL 15.231 to 15.246, including but not limited to any of  
7 the following:

8 (a) Unless presented during a public hearing, all records,  
9 interviews, reports, statements, memoranda, or other information  
10 supplied to, created by, or used by the city related to background  
11 investigation of applicants for a development agreement and to  
12 trade secrets, internal controls, and security measures of the  
13 licensees or applicants.

14 (b) All records, interviews, reports, statements, memoranda,  
15 or other information supplied to or used by the city that have been  
16 received from another jurisdiction or local, state, or federal  
17 agency under a promise of confidentiality or if the release of the  
18 information is otherwise barred by the statutes, rules, or  
19 regulations of that jurisdiction or agency or by an  
20 intergovernmental agreement.

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

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

27 (a) The name, business address, and business telephone number

1 of the person filing the response.

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

11 (c) An identification of any business, including, if  
12 applicable, the state of incorporation or registration, in which ~~a~~  
13 **THE** person filing a response or his or her spouse, parent, or child  
14 has equity interest of more than 5%.

15 (d) Whether ~~a~~**THE** person filing a response has been indicted,  
16 convicted, pleaded guilty or nolo contendere, or forfeited bail  
17 concerning any criminal offense under the laws of any jurisdiction,  
18 either felony or misdemeanor, not including traffic violations,  
19 including the name and location of the court, the date, and **THE**  
20 disposition of the offense.

21 (e) Whether ~~a~~**THE** person filing a response has had any license  
22 or certification issued by a licensing authority in ~~Michigan~~**THIS**  
23 **STATE** or any other jurisdiction denied, restricted, suspended,  
24 revoked, or not renewed and, if known by the city, a statement  
25 describing the facts and circumstances concerning the denial,  
26 restriction, suspension, revocation, or nonrenewal, including the  
27 name of the licensing authority, the date each action was taken,

1 and the reason for each action.

2 (f) Whether a ~~THE~~ person filing a response has ever filed, or  
3 had filed against it, a proceeding for bankruptcy or has ever been  
4 involved in any formal process to adjust, defer, suspend, or  
5 otherwise work out the payment of any debt, including the date of  
6 filing, the name and location of the court, the case, and number of  
7 the disposition.

8 (g) Whether a ~~THE~~ person filing a response has filed, or been  
9 served with, a complaint or other notice filed with any public body  
10 regarding the delinquency in the payment of any tax required under  
11 federal, state, or local law, including the amount, type of tax,  
12 ~~the~~ taxing agency, and time periods involved.

13 (h) A statement listing the names and titles of all public  
14 officials or officers of any city, state, or federal body, agency,  
15 or entity and relatives of the officials who, directly or  
16 indirectly, own any financial interest in, have any beneficial  
17 interest in, are the creditors of, or hold or have any interest in  
18 or have any contractual or service relationship with, a ~~THE~~ person  
19 filing a response.

20 (i) Whether a ~~THE~~ person filing a response or the spouse,  
21 parent, child, or spouse of a child of a ~~THE~~ person filing a  
22 response has made, directly or indirectly, any political  
23 contributions, or any loans, gifts, or other payments to any board  
24 member or any candidate as **THAT TERM IS** defined in section 7b or  
25 officeholder elected in this state or to a committee established  
26 under the Michigan campaign finance act, 1976 PA 388, MCL 169.201  
27 to 169.282, within 5 years before the date of filing the

1 application, including the amount and the method of payment.

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

4 (k) A summary of the development agreement proposal with the  
5 city, including the ~~applicant's~~ proposed location, the square  
6 footage of ~~any~~**THE** proposed casino, the type of additional  
7 facilities, restaurants, or hotels proposed by the person filing a  
8 response, the expected economic benefit to the city, **THE**  
9 anticipated or actual number of employees, any statement from the  
10 applicant regarding compliance with federal and state affirmative  
11 action guidelines, **THE** projected or actual admissions, and **THE**  
12 projected or actual adjusted gross receipts.

13 (l) A description of the product or service to be supplied by,  
14 or occupation to be engaged in by, a person filing a response.

15 (5) Notwithstanding the provisions of this section, the board  
16 or ~~the~~**A** city may cooperate with and provide all information,  
17 records, interviews, reports, statements, memoranda, or other data  
18 supplied to or used by the board to other jurisdictions or law  
19 enforcement agencies.

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

23 (a) Affirms that the member or the member's spouse, parent,  
24 child, or child's spouse is not a member of the board of directors  
25 of, financially interested in, or employed by a licensee or  
26 applicant.

27 (b) Affirms that the member continues to meet any other

1 criteria for board membership under this act or the rules  
2 promulgated by the board.

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

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

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

11 (a) Affirms the absence of financial interests prohibited by  
12 this act.

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

16 (c) Discloses whether the employee or the employee's spouse,  
17 parent, child, or child's spouse is financially interested in or  
18 employed by a supplier licensee or an applicant for a supplier's  
19 license under this act.

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

22 (3) A member, employee, or agent of the board who becomes  
23 aware that the member, employee, or agent of the board or his or  
24 her spouse, parent, or child is a member of the board of directors  
25 of, financially interested in, or employed by a licensee or an  
26 applicant shall immediately provide detailed written notice ~~thereof~~  
27 **OF THE MEMBERSHIP, FINANCIAL INTEREST, OR EMPLOYMENT** to the

1 chairperson.

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

12 (5) Any member, employee, or agent of the board who is  
13 negotiating for, or acquires by any means, any interest in any  
14 person who is a licensee or an applicant, or any person affiliated  
15 with such a person, shall immediately provide written notice of the  
16 details of the interest to the chairperson. The member, employee,  
17 or agent of the board shall not act on behalf of the board with  
18 respect to that person.

19 (6) A member, employee, or agent of the board may not enter  
20 into any negotiations for employment with any person or affiliate  
21 of any person who is a licensee or an applicant, and shall  
22 immediately provide written notice of the details of any such  
23 negotiations or discussions to the chairperson. The member,  
24 employee, or agent of the board shall not take any action on behalf  
25 of the board with respect to that person.

26 (7) Any member, employee, or agent of the board who receives  
27 an invitation, written or oral, to initiate a discussion concerning



1 employment or the possibility of employment with a person or  
2 affiliate of a person who is a licensee or an applicant shall  
3 immediately report that he or she received the invitation to the  
4 chairperson. The member, employee, or agent of the board shall not  
5 take action on behalf of the board with respect to the person.

6 (8) A licensee or applicant shall not knowingly initiate a  
7 negotiation for or discussion of employment with a member,  
8 employee, or agent of the board. A licensee or applicant who  
9 initiates a negotiation or discussion about employment shall  
10 immediately provide written notice of the details of the  
11 negotiation or discussion to the chairperson as soon as he or she  
12 becomes aware that the negotiation or discussion has been initiated  
13 with a member, employee, or agent of the board.

14 (9) A member, employee, or agent of the board, or former  
15 member, employee, or agent of the board, shall not disseminate or  
16 otherwise disclose any material or information in the possession of  
17 the board that the board considers confidential unless specifically  
18 authorized to do so by the chairperson or the board.

19 (10) A member, employee, or agent of the board or a parent,  
20 spouse, sibling, spouse of a sibling, child, or spouse of a child  
21 of a member, employee, or agent of the board may not accept any  
22 gift, gratuity, compensation, travel, lodging, or anything of  
23 value, directly or indirectly, from any licensee or any applicant  
24 or affiliate or representative of an applicant or licensee, unless  
25 the acceptance conforms to a written policy or directive that is  
26 issued by the chairperson or the board. Any member, employee, or  
27 agent of the board who is offered or receives any gift, gratuity,

1 compensation, travel, lodging, or anything of value, directly or  
2 indirectly, from any licensee or any applicant or affiliate or  
3 representative of an applicant or licensee shall immediately  
4 provide written notification of the details to the chairperson.

5 (11) A licensee or applicant, or affiliate or representative  
6 of an applicant or licensee, may not, directly or indirectly, give  
7 or offer to give any gift, gratuity, compensation, travel, lodging,  
8 or anything of value to any member, employee, or agent of the board  
9 which the member, employee, or agent of the board is prohibited  
10 from accepting under subsection (10).

11 (12) A member, employee, or agent of the board shall not  
12 engage in any conduct that constitutes a conflict of interest, and  
13 shall immediately advise the chairperson in writing of the details  
14 of any incident or circumstances that would present the existence  
15 of a conflict of interest with respect to the performance of the  
16 board-related work or duty of the member, employee, or agent of the  
17 board.

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

24 (14) A member, employee, or agent of the board shall disclose  
25 his or her past involvement with any casino interest in the past 5  
26 years and shall not engage in political activity or politically  
27 related activity during the duration of his or her appointment or

1 employment.

2 (15) A former member, employee, or agent of the board may  
3 appear before the board as a fact witness about matters or actions  
4 handled by the member, employee, or agent during his or her tenure  
5 as a member, employee, or agent of the board. The member, employee,  
6 or agent of the board shall not receive compensation for such an  
7 appearance other than a standard witness fee and reimbursement for  
8 travel expenses as established by statute or court rule.

9 (16) A licensee or applicant or any affiliate or  
10 representative of an applicant or licensee shall not engage in ex  
11 parte communications with a member of the board. A member of the  
12 board shall not engage in any ex parte communications with a  
13 licensee or an applicant or with any affiliate or representative of  
14 an applicant or licensee.

15 (17) Any board member, licensee, or applicant or affiliate or  
16 representative of a board member, licensee, or applicant who  
17 receives any ex parte communication in violation of subsection  
18 (16), or who is aware of an attempted communication in violation of  
19 subsection (16), shall immediately report details of the  
20 communication or attempted communication in writing to the  
21 chairperson.

22 (18) Any member of the board who receives an ex parte  
23 communication ~~which~~ **THAT** attempts to influence that member's  
24 official action shall disclose the source and content of the  
25 communication to the chairperson. The chairperson may investigate  
26 or initiate an investigation of the matter with the assistance of  
27 the attorney general and **THE DEPARTMENT OF** state police to

1 determine if the communication violates subsection (16) or  
2 subsection (17) or other state law. The disclosure under this  
3 section and the investigation shall remain confidential. Following  
4 an investigation, the chairperson shall advise the governor or the  
5 board, or both, of the results of the investigation and may  
6 recommend action as the chairperson considers appropriate.

7 (19) A new or current employee or agent of the board shall  
8 obtain written permission from the executive director before  
9 continuing outside employment held at the time the employee begins  
10 to work for the board. ~~Permission~~**THE EXECUTIVE DIRECTOR** shall be  
11 ~~denied,~~**DENY PERMISSION**, or **REVOKE** permission previously granted,  
12 ~~will be revoked,~~ if the nature of the work is considered to or ~~does~~  
13 ~~create~~**CREATES** a possible conflict of interest or otherwise  
14 interferes with the duties of the employee or agent for the board.

15 (20) An employee or agent of the board granted permission for  
16 outside employment shall not conduct any business or perform any  
17 activities, including solicitation, related to outside employment  
18 on premises used by the board or during the employee's working  
19 hours for the board.

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

25 (22) The chairperson shall report any action he or she has  
26 taken or contemplates taking under this section with respect to an  
27 employee or agent or former employee or former agent to the board

1 at the next meeting of the board. The board may direct the  
2 executive director to take additional or different action.

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

8 (a) A member, employee, or agent of the board may participate  
9 in and wager on a gambling game conducted by a licensee under this  
10 act, to the extent authorized by the chairperson or board as part  
11 of the person's surveillance, security, or other official duties  
12 for the board.

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

19 (24) Violation of this section by a licensee or applicant, or  
20 affiliate or representative of a licensee or applicant, may result  
21 in denial of the application of licensure or revocation or  
22 suspension of license or other disciplinary action by the board.

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

27 (26) A violation of this section by an employee or agent of

1 the board will not result in termination of employment if the board  
2 determines that the conduct involved does not violate the purpose  
3 of this act, or require other disciplinary action, including  
4 termination of employment. However, employment will be terminated  
5 as follows:

6 (a) If, after being offered employment or beginning employment  
7 with the board, the employee or agent intentionally acquires a  
8 financial interest in a licensee or an applicant, or affiliate or  
9 representative of a licensee or applicant, employment with the  
10 board ~~shall~~**MUST** be terminated.

11 (b) If a financial interest in a licensee or an applicant, or  
12 affiliate or representative of a licensee or applicant, is acquired  
13 by an employee or agent that has been offered employment with the  
14 board, an employee of the board, or the employee's or agent's  
15 spouse, parent, or child, through no intentional action of the  
16 employee or agent, the individual ~~shall have~~**HAS** up to 30 days to  
17 divest or terminate the financial interest. Employment may be  
18 terminated if the interest has not been divested after 30 days.

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

22 (27) Violation of this section does not create a civil cause  
23 of action.

24 (28) As used in this section:

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

27 (i) Operation of a proprietorship.

1           (ii) Participation in a partnership or group business  
2 enterprise.

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

5           (b) "Political activity" or "politically related activity"  
6 includes all of the following:

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

9           (ii) Knowingly soliciting, accepting, or receiving a political  
10 contribution from any person.

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

13           (iv) Knowingly soliciting or discouraging the participation in  
14 any political activity of any person who is either of the  
15 following:

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

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

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

26           (a) The name, business address, business telephone number,  
27 ~~social security~~**SOCIAL SECURITY** number, and, where applicable, the

1 federal tax identification number of any applicant.

2 (b) The identity of every person having a greater than 1%  
3 direct or indirect pecuniary interest in the applicant with respect  
4 to which the license is sought. If the disclosed entity is a trust,  
5 the application ~~shall~~**MUST** disclose the names and addresses of the  
6 beneficiaries; if a corporation, the names and addresses of all  
7 stockholders and directors; if a partnership, the names and  
8 addresses of all partners, both general and limited; if a limited  
9 liability company, the names and addresses of all members.

10 (c) An identification of any business, including, if  
11 applicable, the state of incorporation or registration, in which an  
12 applicant or an applicant's spouse, parent, or child has an equity  
13 interest of more than 5%. If an applicant is a corporation,  
14 partnership, or other business entity, the applicant shall identify  
15 any other corporation, partnership, or other business entity in  
16 which it has an equity interest of 5% or more, including, if  
17 applicable, the state of incorporation or registration. An  
18 applicant ~~can~~**MAY** comply with this subdivision by filing a copy of  
19 the applicant's registration with the securities exchange  
20 commission if the registration contains the information required by  
21 this subdivision.

22 (d) Whether an applicant has been indicted, charged, arrested,  
23 convicted, pleaded guilty or nolo contendere, forfeited bail  
24 concerning, or had expunged any criminal offense under the laws of  
25 any jurisdiction, either felony or misdemeanor, not including  
26 traffic violations, regardless of whether the offense has been  
27 expunged, pardoned, or reversed on appeal or otherwise, including



1 the date, the name and location of the court, arresting agency and  
2 prosecuting agency, the case caption, the docket number, the  
3 offense, the disposition, and the location and length of  
4 incarceration.

5 (e) Whether an applicant has ever applied for or has been  
6 granted any license or certificate issued by a licensing authority  
7 in ~~Michigan~~ **THIS STATE** or any other jurisdiction that has been  
8 denied, restricted, suspended, revoked, or not renewed and a  
9 statement describing the facts and circumstances concerning the  
10 application, denial, restriction, suspension, revocation, or  
11 nonrenewal, including the licensing authority, the date each action  
12 was taken, and the reason for each action.

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

19 (g) Whether an applicant has filed, or been served with, a  
20 complaint or other notice filed with any public body, regarding the  
21 delinquency in the payment of, or a dispute over the filings  
22 concerning the payment of, any tax required under federal, state,  
23 or local law, including the amount, type of tax, the taxing agency,  
24 and time periods involved.

25 (h) A statement listing the names and titles of all public  
26 officials or officers of any unit of government, and the spouses,  
27 parents, and children of those public officials or officers who,

1 directly or indirectly, own any financial interest in, have any  
2 beneficial interest in, are the creditors of or hold any debt  
3 instrument issued by, or hold or have any interest in any  
4 contractual or service relationship with, an applicant. As used in  
5 this subdivision, "public official or officer" does not include a  
6 person who would have to be listed solely because of his or her  
7 state or federal military service.

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

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

21 (k) A description of any proposed or approved casino gaming  
22 operation and related casino enterprises, including the economic  
23 benefit to the community, anticipated or actual number of  
24 employees, any statement from an applicant regarding compliance  
25 with federal and state affirmative action guidelines, projected or  
26 actual admissions, projected or actual gross receipts, and  
27 scientific market research.

1           (1) Financial information in the manner and form prescribed by  
2 the board.

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

7           (3) Applicants ~~shall~~**MUST** submit with their application all  
8 required development agreements and documents, certifications,  
9 resolutions, and letters of support from the governing body that  
10 represents the municipality in which the applicant proposes to  
11 operate a casino.

12           (4) Applicants ~~shall~~**MUST** consent in writing to being subject  
13 to the inspections, searches, and seizures provided for in section  
14 4a(1)(c)(i) to (v) and to disclosure to the board and its agents of  
15 otherwise confidential records, including tax records held by any  
16 federal, state, or local agency, or credit bureau or financial  
17 institution, while applying for or holding a license under this  
18 act.

19           (5) A nonrefundable application fee of \$50,000.00 ~~shall~~**MUST**  
20 be paid at the time of filing to defray the costs associated with  
21 the background investigation conducted by the board. If the costs  
22 of the investigation exceed \$50,000.00, the applicant shall pay the  
23 additional amount to the board. All information, records,  
24 interviews, reports, statements, memoranda, or other data supplied  
25 to or used by the board in the course of its review or  
26 investigation of an application for a license under this act ~~shall~~  
27 **MUST** only be disclosed in accordance with this act. The

1 information, records, interviews, reports, statements, memoranda,  
2 or other data ~~shall~~**ARE** not ~~be~~ admissible as evidence, nor  
3 discoverable in any action of any kind in any court or before any  
4 tribunal, board, agency, or person, except for any action  
5 considered necessary by the board.

6 Sec. 6. (1) The board shall issue a casino license to a person  
7 who applies for a license, who pays the nonrefundable application  
8 fee required under section 5(5) and a \$25,000.00 license fee for  
9 the first year of operation, and who the board determines is  
10 eligible and suitable to receive a casino license under this act  
11 and the rules promulgated by the board. It is the burden of the  
12 applicant to establish by clear and convincing evidence its  
13 suitability as to character, reputation, integrity, business  
14 probity, experience, and ability, financial ability and  
15 responsibility, and other criteria ~~as may be~~ considered appropriate  
16 by the board. The criteria considered appropriate by the board  
17 ~~shall~~**MUST** not be arbitrary, capricious, or contradictory to the  
18 expressed provisions of this act. A person is eligible to apply for  
19 a casino license if all of the following criteria are met:

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

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

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

4 (2) A city shall not certify or submit and have pending before  
5 the board more than 3 certified development agreements. If an  
6 applicant is denied a casino license by the board, the city may  
7 then certify a development agreement with another applicant and  
8 submit the certified development agreement to the board. Nothing in  
9 this act ~~shall be construed to prevent~~ **PREVENTS** the city from  
10 entering into more than 3 development agreements.

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

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

1 (a) The applicant has been convicted of a felony under the  
2 laws of this state, any other state, or the United States.

3 (b) The applicant has been convicted of a misdemeanor  
4 involving gambling, theft, dishonesty, or fraud in any state or a  
5 local ordinance in any state involving gambling, dishonesty, theft,  
6 or fraud that substantially corresponds to a misdemeanor in that  
7 state.

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

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

11 (e) The applicant fails to demonstrate the applicant's ability  
12 to maintain adequate liability and casualty insurance for its  
13 proposed casino.

14 (f) The applicant holds an elective office of a governmental  
15 unit of this state, another state, or the federal government, or is  
16 a member of or employed by a gaming regulatory body of a  
17 governmental unit in this state, another state, or the federal  
18 government, or is employed by a governmental unit of this state.  
19 This section does not apply to an elected officer of or employee of  
20 a federally recognized Indian tribe or to an elected precinct  
21 delegate.

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

25 (h) The board concludes that the applicant lacks the requisite  
26 suitability as to integrity, moral character, and reputation;  
27 personal and business probity; financial ability and experience;

1 responsibility; or means to develop, construct, operate, or  
2 maintain the casino proposed in the certified development  
3 agreement.

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

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

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

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

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

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

19 (c) The financial ability of the applicant to purchase and  
20 maintain adequate liability and casualty insurance and to provide  
21 an adequate surety bond.

22 (d) The sources and total amount of the applicant's  
23 capitalization to develop, construct, maintain, and operate the  
24 proposed casino.

25 (e) Whether the applicant has adequate capitalization to  
26 develop, construct, maintain, and operate for the duration of a  
27 license the proposed casino in accordance with the requirements of

1 this act and rules promulgated by the board and to responsibly pay  
2 off its secured and unsecured debts in accordance with its  
3 financing agreement and other contractual obligations.

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

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

10 (h) Whether the applicant has been indicted, charged,  
11 arrested, convicted, pleaded guilty or nolo contendere, forfeited  
12 bail concerning, or had expunged any criminal offense under the  
13 laws of any jurisdiction, either felony or misdemeanor, not  
14 including traffic violations, regardless of whether the offense has  
15 been expunged, pardoned, or reversed on appeal or otherwise.

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

20 (j) Whether the applicant has been served with a complaint or  
21 other notice filed with any public body regarding a payment of any  
22 tax required under federal, state, or local law that has been  
23 delinquent for 1 **YEAR** or more. ~~years.~~

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

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



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

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

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

11 (6) Each applicant ~~shall~~ **MUST** submit with its application, on  
12 forms provided by the board, a photograph and 2 sets of  
13 fingerprints for each person having a greater than 1% direct or  
14 indirect pecuniary interest in the casino, and each person who is  
15 an officer, director, or managerial employee of the applicant.

16 (7) The board shall review all applications for casino  
17 licenses and shall inform each applicant of the board's decision.  
18 ~~Prior to~~ **BEFORE** rendering its decision, the board shall provide a  
19 public investigative hearing at which the applicant for a license  
20 ~~shall have~~ **HAS** the opportunity to present testimony and evidence to  
21 establish its suitability for a casino license. Other testimony and  
22 evidence may be presented at the hearing, but the board's decision  
23 ~~shall~~ **MUST** be based on the whole record before the board and is not  
24 limited to testimony and evidence submitted at the public  
25 investigative hearing.

26 (8) A license ~~shall be~~ **IS** issued for a 1-year period. All  
27 licenses are renewable annually upon payment of the license fee and

1 upon the transmittal to the board of an annual report to include  
2 information required under rules promulgated by the board.

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

7 (10) Applicants and licensees ~~shall be~~**ARE** under 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 (11) 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. 6a. (1) If in the review of an application submitted  
16 under this act the board identifies a deficiency that would require  
17 denial, the board shall ~~notify~~**GIVE WRITTEN NOTICE OF THE**  
18 **DEFICIENCY TO** the applicant and the city in ~~writing of the~~  
19 ~~deficiency.~~**WHICH THE CASINO IS OR IS PROPOSED TO BE LOCATED.**

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

22 Sec. 6c. (1) Unless the board determines that an institutional  
23 investor ~~may be found~~**IS** unqualified, an institutional investor  
24 holding either under 10% of the equity securities or debt  
25 securities of a casino licensee's affiliate or affiliated company  
26 ~~which~~**THAT** is related in any way to the financing of the casino  
27 licensee, if the securities represent a percentage of the

1 outstanding debt of the affiliate or affiliated company not  
2 exceeding 20%, or a percentage of any issue of the outstanding debt  
3 of the affiliate or affiliated company not exceeding 50%, shall be  
4 granted a waiver of the eligibility and suitability requirements of  
5 section 6 if ~~such~~**THOSE** securities are those of a publicly traded  
6 corporation and its holdings of ~~such~~**THOSE** securities were  
7 purchased for investment purposes only and, if requested by the  
8 board, **THE INVESTOR** files with the board a certified statement that  
9 it has no intention of influencing or affecting the affairs of the  
10 issuer, the casino licensee, or its affiliate or affiliated  
11 company.

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

16 (3) An institutional investor granted a waiver under this  
17 section that subsequently intends to influence or affect the  
18 affairs of the issuer ~~shall~~**MUST** provide notice to the board and  
19 file an application for a determination of eligibility and  
20 suitability before taking any action that may influence or affect  
21 the affairs of the issuer.

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

25 (5) If an institutional investor changes its investment intent  
26 or if the board finds that the institutional investor ~~may be found~~  
27 **IS** unqualified, no action other than divestiture of the security

1 holdings shall be taken until there has been compliance with this  
2 act.

3 (6) The casino licensee or an affiliate or affiliated company  
4 of the casino licensee shall immediately notify the board of any  
5 information concerning an institutional investor holding its equity  
6 or debt securities ~~which~~**THAT** may impact the eligibility and  
7 suitability of the institutional investor for a waiver under this  
8 section.

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

20 Sec. 7a. (1) The board may issue a supplier's license to a  
21 person who applies for a license and pays a nonrefundable  
22 application fee set by the board, if the board determines that the  
23 applicant is eligible and suitable for a supplier's license and the  
24 applicant pays a \$5,000.00 annual license fee. It is the burden of  
25 the applicant to establish by clear and convincing evidence its  
26 suitability as to integrity, moral character, and reputation;  
27 personal and business probity; financial ability and experience;

1 responsibility; and other criteria considered appropriate by the  
2 board. All applications ~~shall~~**MUST** be made under oath.

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

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

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

12 (a) The applicant has been convicted of a felony under the  
13 laws of this state, any other state, or the United States. **THE**  
14 **BOARD MAY, IN ITS SOLE DISCRETION, WAIVE THE REQUIREMENTS IN THIS**  
15 **SUBDIVISION IF THE CONVICTION OCCURRED MORE THAN 10 YEARS BEFORE**  
16 **THE APPLICANT APPLIES FOR A LICENSE UNDER THIS SECTION AND THE**  
17 **BOARD IS CONVINCED OF BOTH OF THE FOLLOWING:**

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

20 (ii) **THAT THE APPLICANT OTHERWISE MEETS THE REQUIREMENTS OF**  
21 **THIS SECTION.**

22 (b) The applicant has been convicted of a misdemeanor  
23 involving gambling, theft, fraud, or dishonesty in any state or a  
24 local ordinance in any state involving gambling, dishonesty, theft,  
25 or fraud that substantially corresponds to a misdemeanor in that  
26 state. **THE BOARD MAY, IN ITS SOLE DISCRETION, WAIVE THE**  
27 **REQUIREMENTS IN THIS SUBDIVISION IF THE CONVICTION OCCURRED MORE**

1 THAN 5 YEARS BEFORE THE APPLICANT APPLIES FOR A LICENSE UNDER THIS  
2 SECTION AND THE BOARD IS CONVINCED OF BOTH OF THE FOLLOWING:

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

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

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

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

10 (e) The applicant holds an elective office of a governmental  
11 unit of this state, another state, or the federal government, or is  
12 a member of or employed by a gaming regulatory body of a  
13 governmental unit in this state, another state, or the federal  
14 government, or is employed by a governmental unit of this state.  
15 This subdivision does not apply to an elected officer of or  
16 employee of a federally recognized Indian tribe or an elected  
17 precinct delegate.

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

20 (g) The board concludes that the applicant lacks the requisite  
21 suitability as to integrity, moral character, and reputation;  
22 personal and business probity; financial ability and experience;  
23 and responsibility.

24 (h) The applicant fails to meet other criteria considered  
25 appropriate by the board. The **BOARD SHALL NOT APPLY** criteria  
26 ~~considered appropriate by the board shall not be~~ **THAT ARE**  
27 arbitrary, capricious, or contradictory to the expressed provisions

1 of this act.

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

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

7 (b) The integrity, moral character, and reputation; personal  
8 and business probity; financial ability and experience; and  
9 responsibility of the applicant or an affiliate of the applicant.

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

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

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

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

26 (g) Whether the applicant has a history of noncompliance with  
27 any regulatory requirements in this state or any other

1 jurisdiction.

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

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

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

13 (6) Any person, including a junket enterprise, that supplies  
14 equipment, devices, supplies, or services to a licensed casino  
15 shall first obtain a supplier's license. A supplier shall furnish  
16 to the board a list of all equipment, devices, and supplies offered  
17 for sale or lease to casino licensees licensed under this act.

18 (7) A supplier shall keep books and records of its business  
19 activities with a casino operator, including its furnishing of  
20 equipment, devices, supplies, and services to gambling operations  
21 separate and distinct from any other business that the supplier  
22 ~~might operate.~~**OPERATES.** A supplier shall file a quarterly return  
23 with the board listing all sales, leases, and services. A supplier  
24 shall permanently affix its name to all its equipment, devices, and  
25 supplies for gambling operations. Any supplier's equipment,  
26 devices, or supplies that are used by any person in an unauthorized  
27 gambling operation ~~shall be~~**ARE** forfeited to ~~the~~**THIS** state.



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

3 (9) Any gambling equipment, devices, and supplies provided by  
4 any licensed supplier may be either repaired in the casino or  
5 removed from the casino to a licensed area.

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

11 (11) All applicants and licensees ~~shall~~ **MUST** consent to  
12 inspections, searches, and seizures provided for in section  
13 4a(1)(c)(i) to (v) and to the disclosure to the board and its  
14 agents of confidential records, including tax records, held by any  
15 federal, state, or local agency, credit bureau, or financial  
16 institution and to provide handwriting exemplars, photographs,  
17 fingerprints, and information as authorized in this act and in  
18 rules promulgated by the board.

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

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