

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4916**

A bill to create the lawful sports betting act; to require licensing of persons to engage in sports betting via the internet, including through mobile applications; to impose requirements for such sports betting; to impose tax and other payment obligations on the conduct of licensed sports betting; to create the internet sports betting fund; to prohibit certain acts in relation to sports betting and to prescribe penalties for those violations; to require the promulgation of rules; and to provide remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

3 Sec. 2. The legislature finds and declares all of the
4 following:



1 (a) Operating, conducting, and offering for play sports
2 betting on the internet, including through mobile application,
3 involves gaming activity that already occurs in this state
4 illegally.

5 (b) This act is consistent and complies with the unlawful
6 internet gambling enforcement act of 2006, 31 USC 5361 to 5367, and
7 with 18 USC 1084, and permits the use of the internet, including
8 through mobile application, to place, receive, or otherwise
9 knowingly transmit a sports bet or wager if that use complies with
10 this act and rules promulgated under this act.

11 (c) This act is consistent and complies with the state
12 constitution of 1963 by ensuring that internet sports betting may
13 only be offered by licensed sports betting operators who are
14 lawfully operating casinos in this state.

15 (d) In order to protect residents of this state who wager on
16 sports through the internet, including through mobile application,
17 and to capture revenues generated from such sports betting, it is
18 in the best interest of this state and its citizens to regulate
19 this activity establishing a secure, responsible, fair, and legal
20 system of internet sports betting.

21 Sec. 3. As used in this act:

22 (a) "Adjusted gross sports betting receipts" means gross
23 sports betting receipts less a deduction for the monetary value of
24 free play wagered by authorized participants as an incentive to
25 place or as a result of their having placed internet sports betting
26 wagers.

27 (b) "Affiliate" means a person that, directly or indirectly,
28 through 1 or more intermediaries, controls or is controlled by a
29 sports betting operator.



1 (c) "Applicant" means a person that applies for a license or
2 for registration under this act. Unless otherwise prescribed by the
3 board, as used in sections 6(2), 8, and 19 applicant includes an
4 affiliate, director, or managerial employee of the applicant that
5 performs the function of principal executive officer, principal
6 operations officer, or principal accounting officer, or a person
7 who holds more than 5% ownership interest in the applicant. As used
8 in this subdivision, affiliate does not include a partnership, a
9 joint venture, a co-shareholder of a corporation, a co-member of a
10 limited liability company, or a co-partner in a limited liability
11 partnership that has 5% or less ownership interest in the applicant
12 and is not involved in the internet sports betting operation.

13 (d) "Athletic event" means a sports activity that involves the
14 athletic skill of 1 or more players or participants. Athletic event
15 does not include any of the following:

16 (i) Horse racing if sports betting on that race is pari-mutuel.

17 (ii) Any sport or athletic event played by individuals that are
18 at the high school level or below unless the majority of
19 participants in the sport or athletic event are 18 years of age or
20 older.

21 (iii) Roulette, poker, blackjack, a card game, a dice game, or
22 any other game or contest typically offered in a casino other than
23 sports betting.

24 (iv) A fantasy contest.

25 (e) "Authorized participant" means an individual who has a
26 valid internet sports betting account with a sports betting
27 operator and is at least 21 years of age.

28 (f) "Board" means the Michigan gaming control board created
29 under section 4 of the Michigan Gaming Control and Revenue Act,



1 1996 IL 1, MCL 432.204.

2 (g) "Casino" means a building or buildings in which gaming is
3 lawfully conducted under the Michigan Gaming Control and Revenue
4 Act, 1996 IL 1, MCL 432.201 to 432.226, or in which class III
5 gaming is lawfully conducted by an Indian tribe in this state under
6 a facility license issued in accordance with a tribal gaming
7 ordinance approved by the chair of the National Indian Gaming
8 Commission.

9 (h) "Class III gaming" means that term as defined in 25 USC
10 2703.

11 (i) "Compact" means a tribal-state compact governing the
12 conduct of gaming activities in this state that is negotiated under
13 the Indian gaming regulatory act, Public Law 100-497, 102 Stat
14 2467.

15 (j) "Fantasy contest" means a simulated game or contest with
16 an entry fee that meets all of the following conditions:

17 (i) No fantasy contest team is composed of the entire roster of
18 a real-world sports team.

19 (ii) No fantasy contest team is composed entirely of individual
20 athletes who are members of the same real-world sports team.

21 (iii) Each prize and award or the value of all prizes and awards
22 offered to winning fantasy contest players is made known to the
23 fantasy contest players in advance of the fantasy contest.

24 (iv) Each winning outcome reflects the relative knowledge and
25 skill of the fantasy contest players and is determined by the
26 aggregated statistical results of the performance of multiple
27 individual athletes selected by the fantasy contest player to form
28 the fantasy contest team, whose individual performances in the
29 fantasy contest directly correspond with the actual performance of



1 those athletes in the athletic event in which those individual
2 athletes participated.

3 (v) A winning outcome is not based on randomized or historical
4 events, or on the score, point spread, or performance in an
5 athletic event of a single real-world sports team, a single
6 athlete, or any combination of real-world sports teams.

7 (vi) The fantasy contest does not constitute or involve and is
8 not based on any of the following:

9 (A) Racing involving animals.

10 (B) A game or contest ordinarily offered by a horse track or
11 casino for money, credit, or any representative of value, including
12 any races, games, or contests involving horses, or that are played
13 with cards or dice.

14 (C) A slot machine or other mechanical, electromechanical, or
15 electric device, equipment, or machine, including computers and
16 other cashless wagering systems.

17 (D) Any other game or device authorized by the board under the
18 Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.201 to
19 432.226.

20 (k) "Fund" means the internet sports betting fund created
21 under section 16.

22 (l) "Gaming equipment" or "sports betting equipment" means any
23 mechanical, electronic, or other device, mechanism, or equipment
24 used in the operation of internet sports betting that directly
25 affects the wagering and results of internet sports betting offered
26 under this act. Gaming equipment does not include a personal
27 computer, mobile phone, or other device that is owned and used by
28 an individual to place an internet sports betting wager.

29 (m) "Gross sports betting receipts" means the total of all



1 sums, including, but not limited to, valid or invalid checks, valid
2 or invalid credit or debit card deposits, valid or invalid ACH
3 deposits, currency, coupons, free play or promotional credits,
4 redeemable credits, vouchers, entry fees assessed for tournaments
5 or other contests, or instruments of monetary value whether
6 collected or uncollected, in each case actually wagered by an
7 authorized participant at or with a sports betting operator on
8 sports betting, less all of the following:

9 (i) Winnings.

10 (ii) Amounts returned to an authorized participant because of a
11 game, platform, or system malfunction or because the sports bet
12 must be voided because of concerns regarding integrity of the wager
13 or game.

14 (iii) Uncollectible markers or successfully disputed credit or
15 debit card charges that were previously included in the computation
16 of gross sports betting receipts.

17 (n) "Indian lands" means that term as defined in 25 USC 2703.

18 (o) "Indian tribe" means that term as defined in 25 USC 2703
19 and any instrumentality, political subdivision, or other legal
20 entity through which an Indian tribe operates its casino in this
21 state.

22 (p) "In-game betting" means placing an internet sports betting
23 wager after an athletic event has started.

24 (q) "Institutional investor" means a person that is any of the
25 following:

26 (i) A retirement fund administered by a public agency for the
27 exclusive benefit of federal, state, or local public employees.

28 (ii) An employee benefit plan or pension fund that is subject
29 to the employee retirement income security act of 1974, Public Law



1 93-406.

2 (iii) An investment company registered under the investment
3 company act of 1940, 15 USC 80a-1 to 80a-64.

4 (iv) A collective investment trust organized by a bank under 12
5 CFR part 9.

6 (v) A closed end investment trust.

7 (vi) A chartered or licensed life insurance company or
8 property and casualty insurance company.

9 (vii) A chartered or licensed financial institution.

10 (viii) An investment advisor registered under the investment
11 advisers act of 1940, 15 USC 80b-1 to 80b-21.

12 (ix) Any other person that the board determines through
13 rulemaking should be considered to be an institutional investor for
14 reasons consistent with this act.

15 (r) "Internet" means the international computer network of
16 interoperable packet-switched data networks, inclusive of
17 additional technological platforms, such as mobile, satellite, and
18 other electronic distribution channels.

19 (s) "Internet sports betting" means operating, conducting, or
20 offering for play sports betting through the internet.

21 (t) "Internet sports betting account" means an electronic
22 ledger in which all of the following types of transactions relative
23 to an authorized participant are recorded:

24 (i) Deposits and credits.

25 (ii) Withdrawals.

26 (iii) Internet sports betting wagers.

27 (iv) Monetary value of winnings.

28 (v) Service or other transaction-related charges authorized by



1 the authorized participant, if any.

2 (vi) Adjustments to the account.

3 (u) "Internet sports betting platform" means an integrated
4 system of hardware, software, or applications, including mobile
5 applications and servers, through which a sports betting operator
6 operates, conducts, or offers sports betting through the internet.

7 (v) "Internet sports betting platform provider" means a sports
8 betting supplier that contracts with a sports betting operator to
9 provide an internet sports betting platform.

10 (w) "Internet sports betting wager" means the cash, or cash
11 equivalent, including free play, loyalty points, and other
12 redeemable sports betting credits, risked by an authorized
13 participant on sports betting through the internet.

14 (x) "Mobile application" means an application on a mobile
15 phone or other device through which an individual is able to place
16 an internet sports betting wager.

17 (y) "Occupational license" means a license issued by the board
18 to a person to perform an occupation that directly impacts the
19 integrity of internet sports betting and that the board has
20 identified as requiring a license to perform the occupation.

21 (z) "Official league data" means statistics, results,
22 outcomes, and other data relating to an athletic event obtained by
23 a sports betting operator under an agreement with a sports
24 governing body, or an entity expressly authorized by the sports
25 governing body for determining the outcome of tier 2 sports bets.

26 (aa) "Person" means an individual, partnership, corporation,
27 association, limited liability company, federally recognized Indian
28 tribe, or other legal entity.

29 (bb) "Sports betting" means to operate, conduct, or offer for



1 play wagering conducted under this act on athletic events and other
2 events approved by the board. Sports betting includes, but is not
3 limited to, single-game bets, teaser bets, parlays, over-under,
4 moneyline, pools, exchange betting, in-game betting, proposition
5 bets, and straight bets. Sports betting does not include a fantasy
6 contest.

7 (cc) "Sports betting operator" means a person that is issued a
8 sports betting operator license.

9 (dd) "Sports betting operator license" means a license issued
10 by the board to a person to operate, conduct, or offer internet
11 sports betting.

12 (ee) "Sports betting supplier" means a person that the board
13 has identified under rules promulgated by the board as requiring a
14 license to provide a sports betting operator goods or services
15 regarding the operation of internet sports betting. Sports betting
16 supplier includes, but is not limited to, internet sports betting
17 platform providers.

18 (ff) "Sports betting supplier license" means a license issued
19 by the board to a sports betting supplier.

20 (gg) "Sports betting wagering device" means a mechanical,
21 electrical, or computerized terminal, device, apparatus, or piece
22 of equipment used to place an internet sports betting wager. Sports
23 betting wagering device does not include a personal computer,
24 mobile phone, or other device owned and used by an individual to
25 place an internet sports betting wager.

26 (hh) "Sports governing body" means an organization that
27 prescribes final rules and enforces codes of conduct for an
28 athletic event and the participants in the athletic event.

29 (ii) "Tier 1 sports bet" means an internet sports betting



1 wager that is not a tier 2 sports bet.

2 (jj) "Tier 2 sports bet" means an internet sports betting
3 wager that is placed after an athletic event has started.

4 (kk) "Vendor" means a person that is not licensed under this
5 act that supplies any goods or services to a sports betting
6 operator or sports betting supplier.

7 (ll) "Winnings" means the total cash value of all property or
8 sums including currency or instruments of monetary value paid to an
9 authorized participant by a sports betting operator as a direct
10 result of a winning sports betting wager.

11 Sec. 4. (1) Internet sports betting may be conducted only to
12 the extent that it is conducted in accordance with this act.

13 (2) An internet sports betting wager received by a sports
14 betting operator or its internet sports betting platform provider
15 is considered to be gambling or gaming that is conducted in the
16 sports betting operator's casino located in this state, regardless
17 of the authorized participant's location at the time the
18 participant initiates or otherwise places the internet sports
19 betting wager.

20 (3) A law that is inconsistent with this act does not apply to
21 internet sports betting as provided for by this act.

22 (4) This act does not apply to internet sports betting
23 conducted exclusively on Indian lands by an Indian tribe under a
24 facility license issued in accordance with a tribal gaming
25 ordinance approved by the chair of the National Indian Gaming
26 Commission. For purposes of this act, internet sports betting is
27 conducted exclusively on Indian lands only if the individual who
28 places the internet sports betting wager is physically present on
29 Indian lands when the internet sports betting wager is initiated



1 and the internet sports betting wager is received or otherwise made
2 on equipment that is physically located on Indian lands, and the
3 internet sports betting wager is initiated, received, or otherwise
4 made in conformity with the safe harbor requirements described in
5 31 USC 5362(10)(C).

6 (5) A person shall not provide or make available sports
7 betting wagering devices in a place of public accommodation in this
8 state, including a club or other association, to enable individuals
9 to place internet sports betting wagers. This subsection does not
10 apply to a sports betting operator aggregating, providing, or
11 making available sports betting wagering devices within its own
12 casino.

13 (6) For purposes of this act, the intermediate routing of
14 electronic data in connection with internet sports betting,
15 including routing across state lines, does not determine the
16 location or locations in which the internet sports betting wager is
17 initiated, received, or otherwise made.

18 (7) A sports betting operator may use no more than 1 internet
19 sports betting platform to offer, conduct, or operate internet
20 sports betting. Only a sports betting operator or its internet
21 sports betting platform provider may process, accept, offer, or
22 solicit internet sports betting wagers. The sports betting operator
23 must clearly display its own brand or that of an affiliate on the
24 internet sports betting platform that it utilizes. The sports
25 betting operator may also elect, in its sole discretion, to have
26 the brand of the internet sports betting platform that it utilizes
27 be the name and logos of no more than 1 internet sports betting
28 platform provider if the internet sports betting platform also
29 clearly displays the sports betting operator's own trademarks and



1 logos or those of an affiliate. A sports betting operator is
 2 responsible for the conduct of its internet sports betting platform
 3 provider.

4 Sec. 5. (1) The board has the powers and duties specified in
 5 this act and all other powers necessary to enable it to fully and
 6 effectively execute this act to administer, regulate, and enforce
 7 internet sports betting under this act.

8 (2) The board has jurisdiction over every person licensed by
 9 the board and may take enforcement action against a person that is
 10 not licensed by the board that offers internet sports betting in
 11 this state.

12 (3) The board may enter into agreements with other
 13 jurisdictions, including Indian tribes, to facilitate, administer,
 14 and regulate multijurisdictional sports betting by sports betting
 15 operators to the extent that entering into the agreement is
 16 consistent with state and federal laws and if the sports betting
 17 under the agreement is conducted only in the United States.

18 (4) The board may permit sports betting operators licensed by
 19 the board to accept internet sports betting wagers under this act
 20 on any amateur or professional athletic event or other event that
 21 is not prohibited by state or federal law and is approved by the
 22 board.

23 Sec. 6. (1) The board may issue a sports betting operator
 24 license only to an applicant that is either of the following:

25 (a) A person that holds a casino license under the Michigan
 26 Gaming Control and Revenue Act, 1996 IL 1, MCL 432.201 to 432.226.

27 (b) An Indian tribe that lawfully conducts class III gaming in
 28 a casino located in this state under a facility license issued in
 29 accordance with a tribal gaming ordinance approved by the chair of



1 the National Indian Gaming Commission.

2 (2) The board shall issue a sports betting operator license to
3 an applicant described in subsection (1) after receiving the
4 application described in subsection (4) or (5), as applicable, and
5 the application fee, if the board determines that the internet
6 sports betting proposed by the applicant complies with this act and
7 the applicant is otherwise eligible and suitable. An applicant is
8 eligible if it meets the requirements set forth in subsection
9 (1) (a) or (b). Each casino licensee described in subsection (1) (a)
10 and each Indian tribe described in subsection (1) (b) is eligible
11 for not more than 1 sports betting operator license. It is the
12 burden of the applicant to establish by clear and convincing
13 evidence its suitability as to character, reputation, integrity,
14 business probity, and financial ability. The application or
15 enforcement of this subsection by the board must not be arbitrary,
16 capricious, or contradictory to the express provisions of this act.
17 In evaluating the eligibility and suitability of an applicant under
18 the standards provided in this act, the board shall establish and
19 apply the standards to each applicant in a consistent and uniform
20 manner. In determining whether to grant a sports betting operator
21 license to an applicant, the board may request from the applicant
22 and consider as a factor in the determination any or all of the
23 following information:

24 (a) Whether the applicant has adequate capitalization and the
25 financial ability and the means to develop, construct, operate, and
26 maintain the applicant's casino and proposed internet sports
27 betting platforms in accordance with this act and the rules
28 promulgated by the board.

29 (b) Whether the applicant has the financial ability to



1 purchase and maintain adequate liability and casualty insurance and
2 to provide an adequate surety bond.

3 (c) Whether the applicant has adequate capitalization and the
4 financial ability to responsibly pay its secured and unsecured
5 debts in accordance with its financing agreements and other
6 contractual obligations.

7 (d) Whether the applicant has a history of material
8 noncompliance with casino or casino-related licensing requirements
9 or compacts with this state or any other jurisdiction, where the
10 noncompliance resulted in enforcement action by the person with
11 jurisdiction over the applicant.

12 (e) Whether the applicant has been indicted for, charged with,
13 arrested for, or convicted of, pleaded guilty or nolo contendere
14 to, forfeited bail concerning, or had expunged any criminal offense
15 under the laws of any jurisdiction, either felony or misdemeanor,
16 not including traffic violations, regardless of whether the offense
17 has been expunged, pardoned, or reversed on appeal or otherwise.
18 The board may consider mitigating factors, and, for an applicant
19 described in subsection (1)(b), shall give deference to whether the
20 applicant has otherwise met the requirements of the applicant's
21 gaming compact for licensure, as applicable.

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

26 (g) Whether the applicant has a history of material
27 noncompliance with any regulatory requirements in this state or any
28 other jurisdiction where the noncompliance resulted in an
29 enforcement action by the regulatory agency with jurisdiction over



1 the applicant.

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

5 (3) A sports betting operator license issued under this act is
6 valid for the 5-year period after the date of issuance and, if the
7 board determines that the sports betting operator licensee
8 continues to meet the eligibility and suitability standards under
9 this act, is renewable for additional 5-year periods.

10 (4) A person described in subsection (1)(a) may apply to the
11 board for a sports betting operator license to offer internet
12 sports betting as provided in this act. The application must be
13 made on forms provided by the board and include the information
14 required by the board.

15 (5) A person described in subsection (1)(b) may apply to the
16 board for a sports betting operator license to offer internet
17 sports betting as provided in this act. The application must be
18 made on forms provided by the board that require only the following
19 information:

20 (a) The name and location of any of the applicant's casinos.

21 (b) The tribal law, charter, or any other organizational
22 document of the applicant and other governing documents under which
23 the applicant operates each of its casinos.

24 (c) Detailed information about the primary management
25 officials of the applicant's casinos who will have management
26 responsibility for the applicant's internet sports betting
27 operations. As used in this subdivision, "primary management
28 official" does not include an elected or appointed representative
29 of the applicant unless the representative is also a full-time



1 employee of the applicant's sports betting operations.

2 (d) The current facility license for the applicant's casinos.

3 (e) The applicant's current tribal gaming ordinance.

4 (f) The gaming history and experience of the applicant in the
5 United States and other jurisdictions.

6 (g) Financial information, including copies of the last
7 independent audit and management letter submitted by the applicant
8 to the National Indian Gaming Commission under 25 USC 2710(b)(2)(C)
9 and (D) and 25 CFR parts 271.12 and 271.13.

10 (h) The total number of gaming positions, including, but not
11 limited to, electronic gaming devices and table games, at each of
12 the applicant's casinos.

13 (6) An initial application for a sports betting operator
14 license must be accompanied by an application fee of \$50,000.00.
15 The rules promulgated under section 10 may include provisions for
16 the refund of an application fee, or the portion of an application
17 fee that has not been expended by the board in processing the
18 application, and the circumstances under which the fee will be
19 refunded. The board may assess additional fees for the costs
20 related to the licensure investigation.

21 (7) The board shall keep all information, records, interviews,
22 reports, statements, memoranda, or other data supplied to or used
23 by the board in the course of its review or investigation of an
24 application for a sports betting operator license or renewal of a
25 sports betting operator license confidential. The materials
26 described in this subsection are exempt from disclosure under
27 section 13 of the freedom of information act, 1976 PA 442, MCL
28 15.243.

29 (8) An application under this section must be submitted and



1 considered in accordance with this act and any rules promulgated
2 under this act.

3 (9) A sports betting operator shall pay a license fee of
4 \$100,000.00 to the board at the time the initial sports betting
5 operator license is issued and \$50,000.00 each year after the
6 initial license is issued.

7 (10) The board shall deposit all application and license fees
8 paid under this section into the fund.

9 (11) A sports betting operator shall not offer internet sports
10 betting until both of the following conditions are met:

11 (a) The board has issued a license to at least 1 person under
12 subsection (1)(a) and 1 person under subsection (1)(b).

13 (b) The governor agrees to add sports betting under the
14 tribal-state gaming compact for any tribe in this state whose
15 tribal-state gaming compact requires agreement by the governor for
16 the addition of each new class III gaming game if those tribes
17 request an agreement under section 3(B) of the tribe's tribal-state
18 gaming compact as described in this subdivision within 60 days
19 after the effective date of this act and the request is in
20 compliance with the requirements of section 3 of the tribe's
21 compact.

22 (12) A person described in subsection (1)(b) that offers
23 gaming in this state under a compact that requires agreement by the
24 governor for the addition of any new class III gaming games may
25 request the addition of sports betting as an allowable class III
26 gaming game. A tribe that receives the addition of sports betting
27 under this subsection shall not offer internet sports betting until
28 licensed under this act as a sports betting operator and the
29 requirements of subsection (11) are satisfied.



1 (13) An institutional investor that holds for investment
2 purposes only less than 25% of the equity of an applicant under
3 this section is exempt from the licensure requirements of this act.

4 Sec. 7. (1) The board shall condition the issuance,
5 maintenance, and renewal of a sports betting operator license to a
6 person described in section 6(1)(b) on the person's compliance with
7 all of the following conditions:

8 (a) The person complies with this act, rules promulgated by
9 the board, and minimum internal controls pertaining to all of the
10 following:

11 (i) The types of and rules for internet sports betting offered
12 under this act.

13 (ii) Technical standards, procedures, and requirements for the
14 acceptance, by the person, of internet sports betting wagers
15 initiated or otherwise made by individuals located in this state
16 who are not physically present on the person's Indian lands in this
17 state at the time the internet sports betting wager is initiated or
18 otherwise made.

19 (iii) Procedures and requirements for the acceptance of internet
20 sports betting wagers initiated or otherwise made by individuals
21 located in other jurisdictions, if the board authorizes
22 multijurisdictional sports betting as provided in this act.

23 (iv) The requirements set forth in sections 10a and 11.

24 (b) The person adopts and maintains technical standards for
25 internet sports betting platforms, systems, and software that are
26 consistent with the standards adopted by the board under section
27 10.

28 (c) The person maintains 1 or more mechanisms on the internet
29 sports betting platform that are designed to reasonably verify that



1 an authorized participant is 21 years of age or older and that
2 internet sports betting is limited to transactions that are
3 initiated and received or otherwise made by an authorized
4 participant located in this state or, if the board authorizes
5 multijurisdictional sports betting as provided in this act, another
6 jurisdiction in the United States authorized by the
7 multijurisdictional agreement.

8 (d) The person adopts and maintains responsible gaming
9 measures consistent with those described in section 12.

10 (e) The person continues to maintain and operate in this state
11 a casino offering class III gaming and the casino contains not less
12 than 50% of the gaming positions that were in place on the
13 effective date of this act.

14 (f) The person pays to this state within the time period
15 described in section 14(3), 8.4% of the adjusted gross sports
16 betting receipts received by that person from all internet sports
17 betting conducted under this act. All payments made under this
18 subdivision must be allocated according to section 15a.

19 (g) The person agrees to provide and timely provides, on
20 written request of the board, books and records directly related to
21 its internet sports betting for the purpose of permitting the board
22 to verify the calculation of the payments under subdivision (f).

23 (h) The person provides a waiver of sovereign immunity to the
24 board for the sole and limited purpose of consenting to both of the
25 following:

26 (i) The jurisdiction of the board to the extent necessary and
27 for the limited purpose of providing a mechanism for the board to
28 do all of the following:

29 (A) Issue, renew, and revoke the person's sports betting



1 operator license.

2 (B) Enforce the payment obligations set forth in this section
3 and section 14.

4 (C) Regulate the person under and enforce sections 10(1)(a),
5 (b), (d) to (g), 10a, 11, 12(4) and (5), 13, and 16a.

6 (D) Inspect the person's internet sports betting operation and
7 records to verify that the person is conducting its internet sports
8 betting in conformity with this act.

9 (E) Assess fines or monetary penalties for violations referred
10 to in sub-subparagraph (C).

11 (F) Enforce the payment of sports betting operator license
12 fees described in section 6(9).

13 (ii) The jurisdiction of the courts of this state, and
14 expressly waiving the exhaustion of tribal remedies, with the
15 circuit court for Ingham County, and any courts to which appeals
16 from that court may be taken, having exclusive jurisdiction to
17 permit this state to enforce administrative orders of the board,
18 the person's obligation to make payments required under subdivision
19 (f), and to enforce collection of any judgment. Any monetary award
20 under this subparagraph is deemed limited recourse obligations of
21 the person and does not impair any trust or restricted income or
22 assets of the person.

23 (2) This state, acting through the governor, at the request of
24 any Indian tribe, is authorized to negotiate and conclude and
25 execute any amendments to an Indian tribe's compact necessary to
26 effectuate internet sports betting by the Indian tribe under this
27 act and to ensure internet sports betting conducted by the Indian
28 tribe is in compliance with this act. If the governor fails to
29 enter into negotiations with the Indian tribe, or fails to



1 negotiate in good faith with respect to any request, this state
2 waives its sovereign immunity to permit the Indian tribe to
3 initiate an action against the governor in his or her official
4 capacity in either state court or in federal court and obtain those
5 remedies as authorized in 25 USC 2710(d)(7).

6 (3) Notwithstanding anything in this act to the contrary, this
7 act only regulates internet sports betting as provided in this act
8 and does not extend to the board, or any other agency of this
9 state, any jurisdiction or regulatory authority over any other
10 aspect of any gaming operations of an Indian tribe described in
11 section 4(4) beyond those rights granted to this state under this
12 act and the compact with the Indian tribe.

13 Sec. 8. (1) The board may issue a sports betting supplier
14 license to a sports betting supplier. A person that is not licensed
15 under this section shall not provide goods, software, or services
16 as a sports betting supplier to a sports betting operator.

17 (2) On application by an interested person, the board may
18 issue a provisional sports betting supplier license to an applicant
19 for a sports betting supplier license. A provisional license issued
20 under this subsection allows the applicant for the sports betting
21 supplier license to conduct business with a sports betting operator
22 before the sports betting supplier license is issued to the
23 applicant. A provisional license issued under this subsection
24 expires on the date provided by the board. The board shall not
25 issue a provisional internet sports betting supplier license to an
26 internet sports betting platform provider under this subsection.

27 (3) A sports betting supplier license issued under subsection
28 (1) is valid for the 5-year period after the date of issuance. A
29 sports betting supplier license is renewable after the initial 5-



1 year period for additional 5-year periods if the board determines
2 that the sports betting supplier continues to meet the eligibility
3 and suitability standards under this act.

4 (4) A person may apply to the board for a sports betting
5 supplier license as provided in this act and the rules promulgated
6 under this act.

7 (5) Except as otherwise provided in this section, an
8 application under this section must be made on forms provided by
9 the board and include the information required by the board.

10 (6) An application under this section must be accompanied by a
11 nonrefundable application fee in an amount to be determined by the
12 board, not to exceed \$5,000.00. The board may assess additional
13 fees for the cost related to the licensure investigation.

14 (7) The board shall keep all information, records, interviews,
15 reports, statements, memoranda, or other data supplied to or used
16 by the board in the course of its review or investigation of an
17 application for a sports betting supplier license or renewal of a
18 sports betting supplier license confidential. The materials
19 described in this subsection are exempt from disclosure under
20 section 13 of the freedom of information act, 1976 PA 442, MCL
21 15.243.

22 (8) A sports betting supplier shall pay a license fee of
23 \$5,000.00 to the board at the time an initial sports betting
24 supplier license is issued to the sports betting supplier and
25 \$2,500.00 each year after the initial license is issued.

26 (9) The board shall deposit all application and license fees
27 paid under this act into the fund.

28 (10) An institutional investor that holds for investment
29 purposes only less than 25% of the equity of an applicant under



1 this section is exempt from the licensure requirements of this act.

2 Sec. 9. (1) The board has jurisdiction over and shall
3 supervise all internet sports betting operations governed by this
4 act. The board may do anything necessary or desirable to effectuate
5 this act, including, but not limited to, all of the following:

6 (a) Develop qualifications, standards, and procedures for
7 approval and licensure by the board of sports betting operators and
8 sports betting suppliers.

9 (b) Decide promptly and in reasonable order all license
10 applications and approve, deny, suspend, revoke, restrict, or
11 refuse to renew sports betting operator licenses and sports betting
12 supplier licenses. A party aggrieved by an action of the board
13 denying, suspending, revoking, restricting, or refusing to renew a
14 license may request a contested case hearing before the board under
15 the administrative procedures act of 1969, 1969 PA 306, MCL 24.201
16 to 24.328. A request for hearing under this subdivision must be
17 made to the board in writing within 21 days after service of notice
18 of the action by the board.

19 (c) Conduct all hearings pertaining to violations of this act
20 or rules promulgated under this act.

21 (d) Provide for the establishment and collection of all
22 applicable license fees, taxes, and payments imposed by this act
23 and the rules promulgated under this act and the deposit of the
24 applicable fees, taxes, and payments into the fund.

25 (e) Develop and enforce testing and auditing requirements for
26 internet sports betting platforms, internet sports betting
27 wagering, and internet sports betting accounts.

28 (f) Develop and enforce requirements for responsible gaming
29 and player protection, including privacy and confidentiality



1 standards and duties.

2 (g) Develop and enforce requirements for accepting internet
3 sports betting wagers.

4 (h) Adopt by rule a code of conduct governing board employees
5 that ensures, to the maximum extent possible, that persons subject
6 to this act avoid situations, relationships, or associations that
7 may represent or lead to an actual or perceived conflict of
8 interest.

9 (i) Develop and administer civil fines for sports betting
10 operators and sports betting suppliers that violate this act or the
11 rules promulgated under this act.

12 (j) Audit and inspect books, records, and facilities relevant
13 to internet sports betting operations, internet sports betting
14 wagers, and internet sports betting accounts, including, but not
15 limited to, the books and records regarding financing and
16 accounting materials held by or in the custody of a sports betting
17 operator or sports betting supplier.

18 (k) Acquire by lease or by purchase personal property,
19 including, but not limited to, any of the following:

20 (i) Computer hardware.

21 (ii) Mechanical, electronic, and online equipment and
22 terminals.

23 (iii) Intangible property, including, but not limited to,
24 computer programs, software, and systems.

25 (2) The board may investigate and may issue cease and desist
26 orders and obtain injunctive relief against a person that is not
27 licensed by the board that offers internet sports betting in this
28 state.

29 (3) The board shall keep all information, records, interviews,



1 reports, statements, memoranda, and other data supplied to or used
2 by the board in the course of any investigation of a person
3 licensed under this act confidential. The materials described in
4 this subsection are exempt from disclosure under section 13 of the
5 freedom of information act, 1976 PA 442, MCL 15.243.

6 Sec. 10. (1) The board shall promulgate the rules pursuant to
7 the administrative procedures act of 1969, 1969 PA 306, MCL 24.201
8 to 24.328. The rules may include anything necessary and proper to
9 govern internet sports betting, including, but not limited to, all
10 of the following:

11 (a) The acceptance of internet sports betting wagers.

12 (b) The development and posting of house rules regarding
13 internet sports betting.

14 (c) The method of reporting to be used by licensees.

15 (d) The types of records that must be kept.

16 (e) The ways in which an authorized participant may fund his
17 or her internet sports betting account, that must include, at a
18 minimum, the use of cash, cash equivalents, automated clearing
19 house, debit cards, credit cards, and any other form of payment
20 authorized by the board. As used in this subdivision, "automated
21 clearing house" means a national or governmental organization that
22 has authority to process electronic payments, including, but not
23 limited to, the National Automated Clearing House Association and
24 the Federal Reserve System.

25 (f) Protections for authorized participants placing internet
26 sports betting wagers.

27 (g) The qualifications, standards, and procedures for approval
28 and licensure by the board for sports betting operators and sports
29 betting suppliers consistent with this act.



1 (h) Requirements to ensure responsible gaming.

2 (i) Technical and financial standards for internet sports
3 betting platforms.

4 (j) Procedures for a contested case hearing under this act
5 consistent with the administrative procedures act of 1969, 1969 PA
6 306, MCL 24.201 to 24.328.

7 (k) Requirements for occupational licensing for vendors.

8 (l) Requirements for vendors and vendor registration.

9 (2) The board may audit and inspect books and records relating
10 to internet sports betting operations, internet sports betting
11 wagers, internet sports betting accounts, or internet sports
12 betting platforms, including, but not limited to, the books and
13 records regarding financing and accounting materials held by, or in
14 the custody of, a licensee.

15 (3) Subject to the procedures under subsection (4), the board
16 may use information received from a sports governing body to
17 determine whether to allow either of the following:

18 (a) Internet sports betting wagering on a particular event.

19 (b) Authorized participants to make internet sports betting
20 wagers of a particular type.

21 (4) If a sports governing body requests internet sports
22 betting wagering information or requests the board to prohibit
23 internet sports betting wagering on a particular event or making
24 internet sports betting wagers of a particular type, the board
25 shall notify, in writing, all sports betting operators, which must
26 be allowed to respond to the sports governing body's request, in
27 writing, in the time prescribed by the board. After reviewing the
28 request, any response, and any other information available to the
29 board, the board may grant the request or part of the request if it



1 determines that it is necessary to protect the integrity of the
2 event or public confidence in the integrity of the event on which
3 the internet sports betting wagers are being placed.

4 Sec. 10a. (1) Except as provided in subsection (2), a sports
5 betting operator may use any data source for determining the
6 results of all tier 2 sports bets.

7 (2) A sports governing body headquartered in the United States
8 may notify the board that it desires sports betting operators to
9 use official league data to settle tier 2 sports bets under this
10 act. A notification under this subsection must be made in the form
11 and manner as the board may require. The board shall notify each
12 sports betting operator of the sports governing body's notification
13 within 5 days after the board's receipt of the notification. If a
14 sports governing body does not notify the board of its desire to
15 supply official league data, a sports betting operator may use any
16 data source approved by the board for determining the results of
17 any tier 2 sports bets on athletic events of that sports governing
18 body.

19 (3) Within 60 days after the board notifying each sports
20 betting operator of a sports governing body notification to the
21 board under subsection (2), sports betting operators shall use only
22 official league data to determine the results of tier 2 sports bets
23 as described in this act on athletic events sanctioned by that
24 sports governing body unless any of the following apply:

25 (a) The sports governing body or designee cannot provide a
26 feed of official league data to determine the results of a
27 particular type of tier 2 sports bet as described in this act, in
28 which case sports betting operators may use any data source
29 approved by the board for determining the results of the applicable



1 tier 2 sports bet until the data feed becomes available on
2 commercially reasonable terms.

3 (b) A sports betting operator can demonstrate to the board
4 that the sports governing body or its designee will not provide a
5 feed of official league data to the sports betting operator on
6 commercially reasonable terms. The following is a nonexclusive list
7 of other factors the board may consider in evaluating whether
8 official league data is being offered on commercially reasonable
9 terms:

10 (i) The availability of a sports governing body's tier 2 sports
11 bet official league data to a sports betting operator from more
12 than 1 authorized source.

13 (ii) Market information regarding the purchase by operators of
14 data from any authorized source including sports governing bodies
15 or their designees for the purpose of settling sports wagers, for
16 use in this state or other jurisdictions.

17 (iii) The nature and quantity of data, including the quality and
18 complexity of the process used for collecting the data.

19 (iv) The extent to which sports governing bodies or their
20 designees have made data used to settle tier 2 sports bets
21 available to operators.

22 (c) The sports governing body or other designee does not
23 obtain a sports betting supplier license to the extent required by
24 law or other approval as required by the board.

25 (4) While the board is determining whether official league
26 data is commercially reasonable under subsection (3), a sports
27 betting operator may use any data source approved by the board for
28 determining the results of any tier 2 sports bets. The board shall
29 make a determination under subsection (3) within 120 days after the



1 sports betting operator notifies the board that it desires to
 2 demonstrate that the sports governing body or its designee will not
 3 provide a feed of official league data to the operator on
 4 commercially reasonable terms.

5 Sec. 11. (1) A sports betting operator shall provide, or shall
 6 require the sports betting supplier providing an internet sports
 7 betting platform to provide, 1 or more mechanisms on the internet
 8 sports betting platform that are designed to reasonably verify that
 9 an authorized participant is 21 years of age or older and that
 10 internet sports betting is limited to transactions that are
 11 initiated and received or otherwise made by an authorized
 12 participant located in this state or, if the board authorizes
 13 multijurisdictional internet sports betting as provided in this
 14 act, another jurisdiction in the United States authorized by the
 15 multijurisdictional agreement.

16 (2) An individual who wishes to place an internet sports
 17 betting wager under this act must satisfy the verification
 18 requirements under subsection (1) before the individual may
 19 establish an internet sports betting account or make an internet
 20 sports betting wager on an internet sports bet offered by a sports
 21 betting operator.

22 (3) A sports betting operator shall include, or shall require
 23 the sports betting supplier providing an internet sports betting
 24 platform to include, mechanisms on its internet sports betting
 25 platform that are designed to detect and prevent the unauthorized
 26 use of internet sports betting accounts and to detect and prevent
 27 fraud, money laundering, and collusion.

28 (4) A sports betting operator, or a sports betting supplier
 29 providing its internet sports betting platform, shall not knowingly



1 authorize any of the following individuals to establish an internet
 2 sports betting account or knowingly allow them to place an internet
 3 sports betting wager, except if required and authorized by the
 4 board for testing purposes or to otherwise fulfill the purposes of
 5 this act:

6 (a) An individual who is less than 21 years old.

7 (b) An individual whose name appears in the board's
 8 responsible gaming database.

9 (5) A sports betting operator shall display, or shall require
 10 its internet sports betting platform provider to display, in a
 11 clear, conspicuous, and accessible manner, evidence of the sports
 12 betting operator's license issued under this act.

13 Sec. 12. (1) The board may develop responsible gaming
 14 measures, including a statewide responsible gaming database
 15 identifying individuals who are prohibited from establishing an
 16 internet sports betting account or participating in internet sports
 17 betting offered by a sports betting operator. The executive
 18 director of the board may place an individual's name in the
 19 responsible gaming database if any of the following apply:

20 (a) The individual has been convicted in any jurisdiction of a
 21 felony, a crime of moral turpitude, or a crime involving gaming.

22 (b) The individual has violated this act or another gaming-
 23 related law.

24 (c) The individual has performed an act or has a notorious or
 25 unsavory reputation such that the individual's participation in
 26 sports betting under this act would adversely affect public
 27 confidence and trust in sports betting.

28 (d) The individual's name is on a valid and current exclusion
 29 list maintained by this state or another jurisdiction in the United



1 States.

2 (e) Any other reason the board considers appropriate to
3 protect the integrity of internet sports betting under this act.

4 (2) The board may promulgate rules for the establishment and
5 maintenance of the responsible gaming database.

6 (3) A sports betting operator, in a format specified by the
7 board, may provide the board with names of individuals to be
8 included in the responsible gaming database.

9 (4) A sports betting operator shall display or require its
10 internet sports betting platform provider to display, on the
11 internet sports betting platform used by the sports betting
12 operator, in a clear, conspicuous, and accessible manner the number
13 of the toll-free compulsive gambling hotline maintained by this
14 state and offer responsible gambling services and technical
15 controls to authorized participants, consisting of both temporary
16 and permanent self-exclusion for all internet sports betting
17 offered and the ability for authorized participants to establish
18 their own periodic deposit and internet sports betting wagering
19 limits and maximum playing times.

20 (5) An authorized participant may voluntarily prohibit himself
21 or herself from establishing an internet sports betting account
22 with a sports betting operator. The board may incorporate the
23 voluntary self-exclusion list into the responsible gaming database
24 and maintain both the self-exclusion list and the responsible
25 gaming database in a confidential manner.

26 (6) The self-exclusion list and responsible gaming database
27 established under this section and all information and records used
28 by the board in the administration of the self-exclusion list and
29 responsible gaming database are exempt from disclosure under



1 section 13 of the freedom of information act, 1976 PA 442, MCL
2 15.243.

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

4 (a) Offer internet sports betting in this state if the person
5 is not a sports betting operator unless this act does not apply to
6 internet sports betting under section 4(4).

7 (b) Knowingly make a false statement on an application for a
8 license to be issued under this act.

9 (c) Knowingly provide false information to the board or an
10 authorized representative of the board.

11 (d) Willfully fail to report, pay, or truthfully account for
12 any license fee, tax, or payment imposed by this act, or willfully
13 attempt in any way to evade or defeat the license fee, tax, or
14 payment.

15 (e) Knowingly, with the intent to cheat, alter, tamper with,
16 or manipulate any game, platform, equipment, software, hardware,
17 devices, or supplies used to conduct internet sports betting, in
18 order to alter the odds or the payout, or to disable the game,
19 platform, equipment, software, hardware, devices, or supplies from
20 operating in the manner authorized by the board, or knowingly, with
21 the intent to cheat, offer or allow to be offered, with the intent
22 to cheat, any game, platform, equipment, software, hardware,
23 devices, or supplies that have been altered, tampered with, or
24 manipulated in such a manner.

25 (f) Open, maintain, or use in any way an internet sports
26 betting account or make or attempt to make an internet sports
27 betting wager if the individual is under the age of 21, or
28 knowingly allow an individual under the age of 21 to open,
29 maintain, or use in any way an internet sports betting account or



1 make or attempt to make an internet sports betting wager.

2 (g) Claim, collect, or take, or attempt to claim, collect, or
3 take, money or anything of value from an internet sports betting
4 operator with the intent to defraud, or to claim, collect, or take
5 an amount greater than the amount won.

6 (h) Offer, promise, or give anything of value to a person for
7 the purpose of influencing the outcome of a sporting or athletic
8 event, contest, or game on which an internet sports betting wager
9 may be made, or place, increase, or decrease an internet sports
10 betting wager after acquiring knowledge, not available to the
11 general public, that anyone has been offered, promised, or given
12 anything of value for the purpose of influencing the outcome of the
13 sporting or athletic event on which the internet sports betting
14 wager is placed, increased, or decreased.

15 (i) Place, increase, or decrease an internet sports betting
16 wager or determine the course of play after acquiring knowledge,
17 not available to all players, of the outcome of the athletic event
18 or any event that affects the outcome of the athletic event or that
19 is the subject of the internet sports bet or aid a person in
20 acquiring the knowledge described in this subdivision for the
21 purpose of placing, increasing, or decreasing an internet sports
22 betting wager or determining the course of play contingent on that
23 event or outcome.

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

27 (3) A person that violates subsection (1)(b) to (i) is guilty
28 of a misdemeanor punishable by imprisonment for not more than 1
29 year or a \$10,000.00 fine.



1 (4) The board may consider a person's violation of subsection
2 (1) in determining whether to issue a license under this act to the
3 person.

4 (5) The attorney general or a county prosecuting attorney may
5 bring an action to prosecute a violation of subsection (1)(a) in
6 the county in which the violation occurred or in Ingham County.

7 Sec. 14. (1) Except for a sports betting operator that is an
8 Indian tribe, a sports betting operator is subject to a tax of 8.4%
9 on its adjusted gross sports betting receipts received by the
10 sports betting operator.

11 (2) A sports betting operator that is an Indian tribe is
12 subject to the payment requirements under section 7(1)(f).

13 (3) A sports betting operator shall pay the tax or payment, as
14 applicable, under subsection (1) or (2) on a monthly basis. The
15 payment for each monthly accounting period is due on the tenth day
16 of the following month.

17 (4) A sports betting operator is not subject to any excise
18 tax, license tax, privilege tax, occupation tax, or other tax,
19 payment, or fee imposed exclusively on a sports betting operator or
20 sports betting operators by the state or any political subdivision
21 of this state, except as provided in this act. This subsection does
22 not impair the contractual rights under an existing development
23 agreement between a city and a sports betting operator that holds a
24 casino license under the Michigan Gaming Control and Revenue Act,
25 1996 IL 1, MCL 432.201 to 432.226.

26 (5) In addition to payment of the tax and other fees as
27 provided in this act, and to any payment required pursuant to an
28 existing development agreement described in subsection (4), if a
29 city has imposed a municipal services fee equal to 1.25% on a



1 casino licensee, the city may charge a 1.25% fee on the adjusted
 2 gross sports betting receipts of a sports betting operator that
 3 holds a casino license under the Michigan Gaming Control and
 4 Revenue Act, 1996 IL 1, MCL 432.201 to 432.226, whose casino is in
 5 that city.

6 Sec. 15. The tax imposed under section 14(1) must be allocated
 7 as follows:

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

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

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

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

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

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

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

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

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

24 (b) Sixty-five percent to this state to be deposited into the
 25 fund.

26 (c) Five percent to the Michigan agriculture equine industry
 27 development fund created under section 20 of the horse racing law
 28 of 1995, 1995 PA 279, MCL 431.320. However, if the 5% allocated
 29 under this subdivision to the Michigan agriculture equine industry



1 development fund created under section 20 of the horse racing law
2 of 1995, 1995 PA 279, MCL 431.320, exceeds \$3,000,000.00 in a
3 fiscal year, the amount in excess of \$3,000,000.00 must be
4 allocated and deposited in the fund created under section 16.

5 Sec. 15a. Any payments under section 7(1)(f) must be allocated
6 as follows:

7 (a) Ninety percent to this state to be deposited in the fund.

8 (b) Ten percent to the Michigan strategic fund created under
9 section 5 of the Michigan strategic fund act, 1984 PA 270, MCL
10 125.2005.

11 Sec. 16. (1) The internet sports betting fund is created in
12 the state treasury.

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

18 (3) The board is the administrator of the fund for auditing
19 purposes.

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

22 (a) The board's costs of regulating and enforcing internet
23 sports betting under this act.

24 (b) After the expenditure under subdivision (a), each year,
25 \$500,000.00 to the compulsive gaming prevention fund created in
26 section 3 of the compulsive gaming prevention act, 1997 PA 70, MCL
27 432.253.

28 (c) After the expenditures under subdivisions (a) and (b),
29 each year, \$2,000,000.00 to the first responder presumed coverage



1 fund created in section 405 of the worker's disability compensation
2 act of 1969, 1969 PA 317, MCL 418.405.

3 (d) All money remaining in the fund after the expenditures
4 under subdivisions (a) to (c) is to be deposited into the state
5 school aid fund established under section 11 of article IX of the
6 state constitution of 1963.

7 Sec. 16a. (1) A sports betting operator shall provide to the
8 board a monthly report to include all of the following regarding
9 its internet sports betting operations, by sport and type of
10 internet sports betting wager:

11 (a) Total amount of internet sports betting wagers received.

12 (b) Winnings.

13 (c) Free play redeemed.

14 (d) Deductions.

15 (e) Adjusted gross sports betting receipts.

16 (2) The board shall provide the report under subsection (1) to
17 the department of treasury, state budget office, and house and
18 senate fiscal agencies on request. In addition, the department of
19 treasury and the state budget office may request additional
20 information from the sports betting operator that is directly
21 related to, and for the purposes of verification of, the financial
22 data provided under subsection (1) (a) and (b), which must be
23 provided within 60 days after the request. Any information provided
24 under this section is confidential and proprietary and is exempt
25 from disclosure under the freedom of information act, 1976 PA 442,
26 MCL 15.231 to 15.246.

27 Sec. 17. To the extent that sports betting equipment used to
28 offer internet sports betting under this act is a gambling device
29 as that term is defined in 15 USC 1171, a shipment of sports



1 betting equipment, the registering, recording, and labeling of
2 which has been completed by the manufacturer or the manufacturer's
3 dealer in accordance with 15 USC 1171 to 1178, is a legal shipment
4 of a gambling device into this state.

5 Sec. 18. This act does not authorize the construction or
6 operation of a casino that was not constructed or operating before
7 the effective date of this act.

8 Sec. 19. (1) An applicant must submit with its application, on
9 forms provided by the board, a photograph and 2 sets of
10 fingerprints for each individual that is subject to licensure.

11 (2) An applicant and licensee shall consent to inspections,
12 criminal history background checks, searches and seizures, and the
13 providing of handwriting exemplars, fingerprints, photographs, and
14 information as authorized in this act and in rules promulgated by
15 the board.

16 (3) The board may collect fingerprints from, and conduct
17 criminal history investigations on, a board employee or prospective
18 board employee.

19 (4) The board may conduct criminal history investigations on
20 applicants, licensees, board employees, prospective board
21 employees, and other persons including board agents and contractors
22 working for the board for the purpose of carrying out its statutory
23 powers and responsibilities under this act and rules promulgated
24 under this act.

25 (5) For the purpose of carrying out its statutory powers and
26 responsibilities, the board shall require the persons identified in
27 subsection (4) to submit his or her fingerprints for review by the
28 department of state police and the Federal Bureau of Investigation
29 for the criminal history record check, in the form and manner



1 required by the department of state police and the Federal Bureau
2 of Investigation to obtain any information currently or
3 subsequently contained in the files of the department of state
4 police or the Federal Bureau of Investigation. The department of
5 state police shall provide all criminal history record checks
6 requested by the board under this act and rules promulgated under
7 this act. The department of state police may charge the board a fee
8 for a criminal history record check required under this section.
9 The board shall not share the criminal history record check with a
10 private entity.

11 (6) The department of state police shall store and retain all
12 fingerprints submitted under this act in an automated fingerprint
13 identification system that provides for an automatic notification
14 if new criminal arrest information matches fingerprints previously
15 submitted under this act. Upon the notification described in this
16 subsection, the department of state police shall immediately notify
17 the board. The fingerprints retained under this act may be searched
18 against future fingerprint submissions, and any relevant results
19 will be shared with the board.

20 (7) If the department of state police is able to participate
21 in the Federal Bureau of Investigation's automatic notification
22 system, all fingerprints submitted to the Federal Bureau of
23 Investigation may be stored and retained by the Federal Bureau of
24 Investigation in its automatic notification system. The automatic
25 notification system provides for automatic notification if new
26 criminal arrest information matches fingerprints previously
27 submitted to the Federal Bureau of Investigation under this act. If
28 the department of state police receives a notification from the
29 Federal Bureau of Investigation under this act, the department of



1 state police shall immediately notify the board.

