

MICHIGAN GAMING CONTROL AND REVENUE ACT (EXCERPT)
Initiated Law 1 of 1996

432.207a Supplier's license.

Sec. 7a.

(1) The board may issue a supplier's license to a person who applies for a license and pays a nonrefundable application fee set by the board, if the board determines that the applicant is eligible and suitable for a supplier's license and the applicant pays a \$5,000.00 annual license fee. It is the burden of the applicant to establish by clear and convincing evidence its suitability as to integrity, moral character, and reputation; personal and business probity; financial ability and experience; responsibility; and other criteria considered appropriate by the board. All applications of a director or managerial employee of the applicant who performs the function of principal executive officer, principal operations officer, or principal accounting officer must be made under oath.

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

(3) Gambling supplies and equipment must not be distributed unless supplies and equipment conform to standards adopted in rules promulgated by the board.

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

(a) The applicant has been convicted of a felony under the laws of this state, any other state, or the United States. The board may waive the requirements in this subdivision if the conviction occurred more than 10 years before the applicant applies for a license under this section and the board is convinced of both of the following:

(i) That the applicant does not pose a threat to the integrity of gaming.

(ii) That the applicant otherwise meets the requirements of this section.

(b) The applicant has been convicted of a misdemeanor involving gambling, theft, fraud, or dishonesty in any state or a local ordinance in any state involving gambling, dishonesty, theft, or fraud that substantially corresponds to a misdemeanor in that state. The board may waive the requirements in this subdivision if the conviction occurred more than 5 years before the applicant applies for a license under this section and the board is convinced of both of the following:

(i) That the applicant does not pose a threat to the integrity of gaming.

(ii) That the applicant otherwise meets the requirements of this section.

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

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

(e) The applicant holds an elective office in the city or county where the casino is located, state elective office, or federal elective office, or is employed by a city or county where the casino is located or by a gaming regulatory body of a governmental unit in this state, another state, or the federal government. This subdivision does not apply to an elected officer of or an employee of a federally recognized Indian tribe or to a precinct delegate. As used in this subdivision, "state elective office" means that term as defined in section 12 of the Michigan campaign finance act, 1976 PA 388, MCL 169.212.

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

(g) The applicant fails to meet other criteria considered appropriate by the board. The board shall not apply criteria that are arbitrary, capricious, or contradictory to the expressed provisions of this act.

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

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

(b) The integrity, moral character, and reputation; personal and business probity; financial ability and experience; and responsibility of the applicant.

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

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

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

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

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

other jurisdiction.

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

(i) Whether awarding a license to the applicant would undermine the public's confidence in the gaming industry in this state.

(j) Whether the applicant meets other standards for issuing a supplier's license contained in a rule promulgated by the board. The board shall not promulgate a rule under this subdivision that is arbitrary, capricious, or contradictory to the expressed provisions of this act.

(6) A supplier that supplies equipment, devices, supplies, or services to a licensed casino shall first obtain a supplier's license. A supplier shall furnish to the board a list of all equipment, devices, and supplies offered for sale or lease to casino licensees licensed under this act.

(7) A supplier shall keep books and records of its business activities with a casino operator, including its furnishing of equipment, devices, supplies, and services to gambling operations separate and distinct from any other business that the supplier operates. A supplier shall permanently affix its name to all its equipment, devices, and supplies for gambling operations. Any supplier's equipment, devices, or supplies that are used by any person in an unauthorized gambling operation are forfeited to this state.

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

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

(10) A supplier license issued under this section is valid for 1 year. All licenses are renewable annually upon payment of the license fee and the transmittal to the board of an annual report to include information required under rules promulgated by the board.

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

(12) Applicants and licensees have a continuing duty to provide information requested by the board and to cooperate in any investigation, inquiry, or hearing conducted by the board.

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

History: Add. 1997, Act 69, Imd. Eff. July 17, 1997;-- Am. 2019, Act 158, Imd. Eff. Dec. 20, 2019

Popular Name: Proposal E