

LAWFUL INTERNET GAMING ACT (EXCERPT)
Act 152 of 2019

432.307 Internet gaming operator license; issuance and renewal; compliance requirements; Indian tribe compacts.

Sec. 7.

(1) The board shall condition the issuance, maintenance, and renewal of an internet gaming operator license to a person described in section 6(1)(b) on the person's compliance with all of the following conditions:

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

(i) The types of and rules for playing internet games that internet gaming operators may offer under this act.

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

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

(iv) The requirements set forth in section 11.

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

(c) The person maintains 1 or more mechanisms on the internet gaming platform that are designed to reasonably verify that an authorized participant is 21 years of age or older and that internet wagering is limited to transactions that are initiated and received or otherwise made by an authorized participant located in this state or, if the board authorizes multijurisdictional internet gaming for poker as provided in this act, another jurisdiction in the United States authorized by the multijurisdictional agreement.

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

(e) The person continues to maintain and operate in this state a casino offering class III gaming and the casino contains not less than 50% of the gaming positions that were in place on December 20, 2019.

(f) The person, within the time period described in section 14(3), makes payments, to be allocated as outlined in section 15a, based on a graduated percentage schedule on the adjusted gross receipts received each calendar year by the person from all internet gaming it conducts under this act as an internet gaming operator, as set forth below:

(i) For adjusted gross receipts less than \$4,000,000.00, 20%.

(ii) For adjusted gross receipts of \$4,000,000.00 or more but less than \$8,000,000.00, 22%.

(iii) For adjusted gross receipts of \$8,000,000.00 or more but less than \$10,000,000.00, 24%.

(iv) For adjusted gross receipts of \$10,000,000.00 or more but less than \$12,000,000.00, 26%.

(v) For adjusted gross receipts of \$12,000,000.00 or more, 28%.

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

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

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

(A) Issue, renew, and revoke the person's internet gaming license.

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

(C) Regulate the person under and enforce sections 10(a), (b), (d) to (g), 11, 12(4) and (5), 13, 19, and 21.

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

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

(F) Enforce the payment of internet gaming license fees described in section 6(9).

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

(2) This state, acting through the governor, at the request of any Indian tribe, is authorized to negotiate and conclude and execute any amendments to an Indian tribe's compact necessary to effectuate internet gaming by the

Indian tribe under this act and to ensure internet gaming conducted by the Indian tribe is in compliance with this act and any applicable federal laws. If the governor fails to enter into negotiations with the Indian tribe, or fails to negotiate in good faith with respect to the request, this state waives its sovereign immunity to permit the Indian tribe to initiate an action against the governor in his or her official capacity in either state court or in federal court and obtain those remedies as authorized in 25 USC 2710(d)(7).

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

History: 2019, Act 152, Imd. Eff. Dec. 20, 2019 ;-- Am. 2020, Act 327, Eff. Mar. 24, 2021