

LAWFUL SPORTS BETTING ACT (EXCERPT)
Act 149 of 2019

432.407 Sports betting operator license; issuance and renewal; compliance requirements; Indian tribe compacts.

Sec. 7.

(1) The board shall condition the issuance, maintenance, and renewal of a sports betting 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 internet sports betting offered under this act.

(ii) Technical standards, procedures, and requirements for the acceptance, by the person, of internet sports betting 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 sports betting wager is initiated or otherwise made.

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

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

(b) The person adopts and maintains technical standards for internet sports betting 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 sports betting platform that are designed to reasonably verify that an authorized participant is 21 years of age or older and that internet sports betting 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 sports betting 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 the effective date of this act.

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

(g) The person agrees to provide and timely provides, on written request of the board, books and records directly related to its internet sports betting 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 sports betting operator license.

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

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

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

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

(F) Enforce the payment of sports betting operator 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, and any courts to which appeals from that court may be taken, having exclusive jurisdiction to permit this state to enforce administrative orders of the board, the person's obligation to make payments required under subdivision (f), and to enforce 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 sports betting by the Indian tribe under this act and to ensure internet sports betting conducted by the Indian tribe is in compliance with this act. If the governor fails to enter into negotiations with the Indian tribe, or fails to negotiate in good faith with respect to any 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 sports betting 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 other aspect of any gaming operations of an Indian tribe described in section 4(4) beyond those rights granted to this state under this act and the compact with the Indian tribe.

History: 2019, Act 149, Imd. Eff. Dec. 20, 2019