



# HOUSE BILL No. 4561

March 8, 1995, Introduced by Reps. Murphy, Vaughn, Agee, Scott, Saunders, Kilpatrick, Stallworth, Wetters and Hanley and referred to the Committee on House Oversight and Ethics.

A bill to allow, regulate, and license riverboat casino gaming in certain waters of this state under certain conditions; to provide for certain powers and duties of certain state agencies and local units of government; to create a gaming commission and prescribe its powers and duties; to provide for the issuance, denial, suspension, and revocation of riverboat casino licenses, and work permits and licenses for the manufacturers, sellers, distributors, and purveyors of gaming devices, equipment, material, and services to riverboat casinos; to provide for regulation of financial interest in certain corporations and holding companies or partnerships; to limit liability under certain circumstances; to require certain bonds; to provide for the imposition of a tax and certain fees and the collection and disposition of such revenue; to provide for certain referenda; and to prescribe certain remedies and penalties.

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

## CHAPTER 1

1

2       Sec. 101. This act shall be known and may be cited as the  
3 "riverboat casino gaming act".

4       Sec. 102. For the purposes of this act, the words and  
5 phrases defined in sections 103 to 108 have the meanings ascribed  
6 to them in those sections.

7       Sec. 103. (1) "Authorized game" means any game approved by  
8 the director.

9       (2) "Casino employee" means an individual employed in the  
10 operation of the licensed riverboat casino. Casino employee  
11 includes boxman, dealer, croupier, floorman, machine mechanic,  
12 casino security employee, bartender, waiter, waitress, or other  
13 individual whose employment duties require or authorize access to  
14 the casino.

15       (3) "Casino key employee" means an individual employed in  
16 the operation of a licensed riverboat casino in a supervisory  
17 capacity or who is empowered to make discretionary decisions that  
18 regulate gaming operations. Casino key employee includes, but is  
19 not limited to, a pit boss, shift boss, casino manager, assistant  
20 manager, manager, or supervisor of casino security employees or  
21 any other employee designated as a casino key employee by the  
22 director who is not a casino employee, casino hotel employee,  
23 principal employee, or casino security employee.

24       (4) "Casino security employee" means an individual employed  
25 by a licensed riverboat casino or its agent to provide physical  
26 or operational security.

1       (5) "Casino service industry" means any form of enterprise  
2 that provides the riverboat casino with goods or services on a  
3 regular or continuing basis. Casino service industry includes,  
4 whether or not directly related to gaming operations, a supplier  
5 of alcoholic beverages, nonalcoholic beverages, and food; garbage  
6 hauler; vending machine provider; maintenance company; limousine  
7 service contracting with riverboat casino licensees; a security  
8 business; gaming school; manufacturer, distributor, or servicer  
9 of gaming devices or equipment; or any other similar enterprise  
10 that does business with a licensed casino or riverboat casino on  
11 a regular or continuing basis.

12       (6) "Certificate" means a certificate of operations pursuant  
13 to section 226.

14       Sec. 104. (1) "Director" means the director of the state  
15 gaming commission.

16       (2) "Equity security" means 1 or more of the following:

17       (a) Voting stock of a corporation, general partnership  
18 interest, or similar security.

19       (b) Security convertible, with or without consideration,  
20 into a voting security, or a security carrying a warrant or right  
21 to subscribe to or purchase a voting security.

22       (c) A warrant, right, or option to purchase a security  
23 referred to in this subsection.

24       (3) "Family" means spouse, parent, grandparent, child,  
25 grandchild, sibling, uncle, aunt, nephew, niece, father-in-law,  
26 mother-in-law, daughter-in-law, son-in-law, brother-in-law, or

1 sister-in-law, whether by whole or half blood, by marriage,  
2 adoption, or natural relationship.

3       Sec. 105. (1) "Game" means roulette, baccarat,  
4 mini-baccarat, poker, blackjack, craps, big six wheel, keno, slot  
5 machines, or any similar game located on the riverboat casino  
6 played for money, property, token, or other item of value or an  
7 item representative of value.

8       (2) "Gaming" means the dealing, operating, carrying on, con-  
9 ducting, or maintaining of a game, or exposing a game for pay.

10       (3) "Gaming device" means a mechanical or electrical con-  
11 trivance or machine used in connection with gaming or a game.  
12 Gaming device does not include chips or tokens used in gaming.

13       (4) "Gross revenue", for any accounting or reporting period,  
14 means the total of all cash collected by the licensee from gaming  
15 operations plus all cash recovered from gaming receivables, less  
16 the total of all cash paid out as winnings to patrons.

17       Sec. 106. (1) "Holding company" means a corporation, asso-  
18 ciation, firm, partnership, trust, or other form of business  
19 organization other than an individual which, directly or indi-  
20 rectly, owns, has the power or right to control, or has the power  
21 to vote a majority of the outstanding voting securities of a cor-  
22 poration or other entity that holds or applies for the riverboat  
23 casino license. A holding company is considered to indirectly  
24 have, hold, or own a power, right, or security if it does so  
25 through an interest in a subsidiary or successive subsidiary,  
26 regardless of the number of entities intervening between the  
27 holding company and the licensee or applicant.

1       (2) "Intermediary company" means a corporation, association,  
2 firm, partnership, trust, or other form of business organization,  
3 other than an individual, that is a holding company with respect  
4 to a corporation or other entity that holds or applies for the  
5 riverboat casino license and that is a subsidiary with respect to  
6 another holding company.

7       (3) "Person" means an individual, corporation, limited  
8 liability company, association, sole proprietorship, partnership,  
9 trust, or other form of business entity.

10       (4) "Principal employee" means an employee of a riverboat  
11 casino licensee who, by reason of remuneration or of a manage-  
12 ment, supervisory, or policymaking position or other criterion as  
13 may be established by the director by rule, holds or exercises  
14 authority that, in the judgment of the director, is sufficiently  
15 related to the operation of the riverboat casino licensee so as  
16 to require approval by the director in the protection of the  
17 public interest.

18       (5) "Publicly traded corporation" means a person, other than  
19 an individual, who has at least 1 class of security registered  
20 pursuant to section 12 of title I of the securities exchange act  
21 of 1934, chapter 404, 48 Stat. 892, 15 U.S.C. 78l, or is an  
22 issuer subject to section 15(d) of title I of the securities  
23 exchange act of 1934, chapter 404, 48 Stat. 895, 15 U.S.C. 78o.

24       Sec. 107. (1) "Riverboat" means any of the following on  
25 which lawful gaming is authorized:

26       (a) A seaworthy boat or barge.

(b) A permanently docked boat or barge.

(c) A permanent structure located at the waters edge of a navigable stream or lake.

(2) "Riverboat casino" means a room or group of rooms on a riverboat in which gaming is conducted.

(3) "Rule" means a rule promulgated under the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

Sec. 108. (1) "Security" means an instrument evidencing a direct or indirect beneficial ownership or creditor interest in a corporation, including common or preferred stock, bonds, mortgages, debentures, security agreements, notes, warrants, options, or rights.

(2) "Slot machine" means a mechanical, electrical, or other device, contrivance, or machine that, upon insertion of a coin, token, or similar object, or upon payment of any consideration, is available to play or operate, the play or operation of which, by reason of the application of the element of chance, may deliver or entitle the person playing or operating the machine to receive cash or tokens to be exchanged for cash, whether the payoff is made automatically from the machine or in any other manner. Slot machine includes video poker and blackjack machines.

(3) "State gaming commission" means the state gaming commission established in chapter 2.

(4) "Subsidiary" means a corporation, more than 5% in value of whose outstanding equity securities are owned, subject to a

1 power or right of control, or held with power to vote by a  
2 holding company or an intermediary company; or a sole proprietor-  
3 ship, association, partnership, trust, or other form of business  
4 entity, other than an individual, or an interest therein, more  
5 than 5% in value of which is owned, subject to a power or right  
6 of control, or held with power to vote, by a holding company or  
7 an intermediary company.

8 (5) "Voting stock" means a security to which there are  
9 attached voting rights, either pursuant to the business corpora-  
10 tion act, Act No. 284 of the Public Acts of 1972, being sections  
11 450.1101 to 450.2098 of the Michigan Compiled Laws, or as pro-  
12 vided in the corporation's articles of incorporation, except  
13 stock entitled to voting rights only on matters involving the  
14 rights of that class of stock.

15 CHAPTER 2

16 Sec. 201. (1) Riverboat casino gaming is authorized to the  
17 extent it is carried out pursuant to this act.

18 (2) Riverboat casino gaming may occur on the premises of a  
19 riverboat, licensed pursuant to this act, and located on any  
20 navigable stream or lake in this state in a location approved by  
21 the state gaming commission subject to the prescriptions of  
22 subsection (3).

23 (3) The state gaming commission may issue not more than 10  
24 licenses for the conduct of riverboat casino gaming in this  
25 state. The state gaming commission shall at least issue 4  
26 licenses to conduct riverboat casino gaming in cities that have a  
27 population of not less than 900,000. A license shall not be

1 granted if the proposed riverboat casino is 50 miles or less in  
2 distance from another riverboat casino or a proposed riverboat  
3 casino that has been granted a license.

4 (4) This act does not apply to gaming conducted pursuant to  
5 the following:

6 (a) The McCauley-Traxler-Law-Bowman-McNeely lottery act, Act  
7 No. 239 of the Public Acts of 1972, being sections 432.1 to  
8 432.47 of the Michigan Compiled Laws.

9 (b) The Traxler-McCauley-Law-Bowman bingo act, Act No. 382  
10 of the Public Acts of 1972, being sections 432.101 to 432.120 of  
11 the Michigan Compiled Laws.

12 (c) The racing law of 1980, Act No. 327 of the Public Acts  
13 of 1980, being sections 431.61 to 431.88 of the Michigan Compiled  
14 Laws.

15 Sec. 202. (1) There is created a state gaming commission as  
16 an independent and autonomous entity within the department of  
17 treasury.

18 (2) The state gaming commission shall be composed of 5 mem-  
19 bers appointed by the governor with the advice and consent of the  
20 senate. The terms of office shall be 4 years. The state gaming  
21 commission shall meet monthly.

22 (3) Before nomination, the governor shall cause an inquiry  
23 to be conducted by the attorney general of the nominee's back-  
24 ground, with particular regard to the nominee's financial stabil-  
25 ity, integrity, responsibility, and his or her reputation for  
26 good character, honesty, and integrity.



1 (4) A vacancy shall be filled in the same manner as the  
2 original appointment for the balance of the unexpired term.

3 (5) The governor shall appoint a chairperson from the mem-  
4 bership of the state gaming commission. A member shall not serve  
5 more than 2 consecutive years as chairperson.

6 (6) The state gaming commission shall elect annually, by a  
7 majority of the full commission, 1 of its members other than the  
8 chairperson, to serve as vice-chairperson for the ensuing year.  
9 The vice-chairperson shall perform all of the duties of the  
10 chairperson as prescribed in this act during the chairperson's  
11 absence or inability to serve.

12 (7) Each member shall receive compensation and reimbursement  
13 for expenses actually and necessarily incurred in the performance  
14 of his or her duties as determined annually by the legislature.

15 Sec. 203. (1) The state gaming commission shall appoint a  
16 director who shall serve at its pleasure and shall be responsible  
17 for the conduct of the commission's administrative affairs. A  
18 person shall not be appointed as director unless he or she has  
19 had at least 5 years of responsible experience in public or busi-  
20 ness administration or possesses broad management skills.

21 (2) The state gaming commission may employ other personnel  
22 as it considers necessary, subject to rules of the department of  
23 civil service. The state gaming commission may employ legal  
24 counsel or utilize the services of the attorney general who shall  
25 represent the commission in any proceeding to which it is a  
26 party, and who shall render legal advice to the commission upon  
27 its request. The state gaming commission may contract for the

1 services of other professional, technical, and operational  
2 personnel and consultants as may be necessary for the performance  
3 of its duties under this act.

4       Sec. 204. A member of the state gaming commission shall not  
5 hold or acquire a direct or indirect interest in, or accept  
6 employment with, an applicant or a person licensed by or regis-  
7 tered with the commission for 4 years after terminating member-  
8 ship on the commission.

9       Sec. 205. The state gaming commission shall do the  
10 following:

11       (a) Administer and enforce this act.

12       (b) Investigate any alleged violations of this act or the  
13 violation of any law, which violation would adversely affect the  
14 integrity of riverboat casino gaming in this state.

15       (c) Ensure that the public interest in riverboat casino  
16 gaming is protected.

17       Sec. 206. (1) The state gaming commission may issue subpoe-  
18 nas and compel the attendance of witnesses at any place within  
19 this state, administer oaths, and require testimony under oath.  
20 The state gaming commission shall serve its process or notices in  
21 a manner provided for the service of process and notice in civil  
22 actions by the rules of the supreme court. The state gaming com-  
23 mission may propound written interrogatories and appoint hearing  
24 examiners, to whom may be delegated the power and authority to  
25 administer oaths, issue subpoenas, propound written interrogato-  
26 ries, and require testimony under oath.

1       (2) The state gaming commission may conduct investigative  
2 hearings concerning the conduct of riverboat casino gaming  
3 operations as well as the development and well-being of the  
4 industries controlled by this act.

5       Sec. 207. (1) The state gaming commission may order a  
6 person to answer questions or produce evidence of any kind and  
7 confer immunity as provided in this section. If, in the course  
8 of an investigation or hearing conducted under this act, a person  
9 refuses to answer a question or produce evidence on the ground  
10 that he or she will be exposed to criminal prosecution in answer-  
11 ing the question or producing the evidence, then in addition to  
12 any other remedies or sanctions provided for by this act, the  
13 state gaming commission may, by resolution approved by 3 of its  
14 members and after the written approval of the attorney general,  
15 issue an order to answer or to produce evidence with immunity.

16       (2) If the person complies with an order issued with immu-  
17 nity pursuant to this section, the person shall be immune from  
18 having a responsive answer given by him or her or responsive evi-  
19 dence produced by him or her, or evidence derived from the answer  
20 or evidence, used to expose the person to criminal prosecution.  
21 However, the person may nevertheless be prosecuted for perjury  
22 committed in giving the answer or producing evidence, or for con-  
23 tempt for failing to give an answer or produce evidence in  
24 accordance with the order of the state gaming commission.  
25 Incarceration for contempt for failing to give an answer or  
26 produce evidence when immunity has been granted shall not exceed  
27 18 months in duration. An answer given or evidence produced

1 shall be admissible against the person in a criminal  
2 investigation, proceeding, or trial against him or her for the  
3 perjury; in an investigation, proceeding, or trial against him or  
4 her for contempt; or in a manner consonant with state law and  
5 constitutional provisions.

6       Sec. 208. (1) The state gaming commission shall promulgate  
7 rules pursuant to the administrative procedures act of 1969, Act  
8 No. 306 of the Public Acts of 1969, being sections 24.201 to  
9 24.328 of the Michigan Compiled Laws, for the administration of  
10 this act.

11       (2) The rules of the state gaming commission shall prescribe  
12 all of the following:

13       (a) The methods and application forms that an applicant for  
14 a riverboat casino license shall follow and complete before con-  
15 sideration of the application by the director.

16       (b) The methods, procedures, and forms for delivery of  
17 information concerning a person's family, habits, character,  
18 associates, criminal record, business activities, and financial  
19 affairs.

20       (c) Procedures for the fingerprinting or other methods of  
21 identification of an applicant or employee of the licensee that  
22 may be necessary in the judgment of the director to effectively  
23 enforce restrictions on access to the casino floor and other  
24 restricted areas of a riverboat casino.

25       (d) The manner and procedure for all hearings conducted by  
26 the director or a hearing examiner, including special rules of

1 evidence applicable to the hearings, and the requirements for  
2 notices of hearings.

3 (e) The manner and method of collection of payments of  
4 taxes, fees, fines, and penalties.

5 (f) Definitions and limits of the areas of operation; the  
6 rules that are customary and reasonable of authorized games,  
7 odds, and devices permitted; and the method of operation of games  
8 and gaming devices.

9 (g) The procedure and forms for the accounting systems and  
10 record keeping for negotiable transactions involving patrons.

11 (h) Grounds and procedures for the revocation or suspension  
12 of the certificate and license issued pursuant to section 226.

13 (i) The governing of the manufacture, distribution, sale,  
14 and servicing of gaming devices.

15 (j) Minimum procedures, forms, and methods of management  
16 controls, including employee and supervisory tables of organiza-  
17 tion and responsibility; and minimum security standards, includ-  
18 ing security personnel, structure, alarm, and other electrical or  
19 visual security measures.

20 (k) Minimum procedures for the exercise of effective control  
21 over the internal fiscal affairs of the riverboat casino, includ-  
22 ing provisions for the safeguarding of assets and revenues, the  
23 recording of cash and evidence of indebtedness, and the mainte-  
24 nance of reliable records, accounts, and reports of transactions,  
25 operations, and events, including reports to the director.

26 (l) A minimum uniform standard of accountancy methods,  
27 procedures, and forms; a uniform code of accounts and accounting

1 classifications; and other standard operating procedures,  
2 including those controls listed in section 229, as may be neces-  
3 sary to assure consistency, comparability, and effective disclo-  
4 sure of all financial information, including calculations of per-  
5 centages of profit by game, table, gaming device, and slot  
6 machines.

7 (m) The contents and form of periodic financial reports  
8 including an annual audit prepared by a certified public accoun-  
9 tant who is a member of the American institute of certified  
10 public accountants or the Michigan institute of certified accoun-  
11 tants attesting to the financial condition of a licensee and dis-  
12 closing whether the accounts, records, and control procedures  
13 examined are maintained by the licensee as required by this act  
14 and the rules promulgated under this act.

15 (n) The governing of advertising of the riverboat casino  
16 licensee, its employees, and agents in order to assure that  
17 gaming is portrayed as an activity for adults conducted in an  
18 atmosphere of social graciousness and to ensure that the adver-  
19 tisements are not deceptive. The resolution or ordinance shall  
20 not prohibit the advertisement of the riverboat casino location,  
21 hours of operation, or types of games and other amenities  
22 offered.

23 (o) The distribution and consumption of alcoholic beverages  
24 on the riverboat casino premises, which rules shall apply only  
25 insofar as necessary because of the unique character of the  
26 premises and operations and shall not contravene a rule or law of  
27 this state regarding the distribution and consumption of

1 alcoholic beverages, except that the riverboat casino may sell  
2 alcoholic beverages during all hours the riverboat casino is open  
3 to the public.

4 (p) Limitations on persons to be excluded or the determina-  
5 tion of who shall be ejected from the riverboat casino and the  
6 riverboat. The rules shall define the standards for exclusion  
7 and shall include uniform standards relating to these standards  
8 or procedures.

9 (q) Reasonable suitability standards for casino key employ-  
10 ees, casino employees, and casino security employees.

11 (r) System of internal procedures and administration and  
12 accounting controls.

13 (s) The regulation of promotional inducements so long as the  
14 inducements are not limited in a manner that results in a river-  
15 boat casino licensed under this act being at a competitive disad-  
16 vantage with casinos located elsewhere in the United States.

17 (t) Requirements of deposits by the licensee to the gaming  
18 control fund of revenue received under sections 301 to 303.

19 Sec. 209. (1) The director shall conduct a continuous study  
20 of the operation and administration of riverboat casino control  
21 laws in effect in other jurisdictions, the literature on this  
22 subject, federal laws that may affect the operation of casino  
23 gaming in this state, and the reaction of citizens of this state  
24 to existing and potential features of riverboat casino gaming  
25 under this act. The director shall ascertain defects in this act  
26 or in the rules promulgated under this act; formulate  
27 recommendations for changes in this act to prevent abuses of this

1 act, guarding against the use of this act as a cloak for the  
2 carrying on of illegal gambling or other criminal activities; and  
3 ensure that this act and the rules promulgated under this act are  
4 in a form and are administered so as to implement the purposes of  
5 this act.

6 (2) The director shall make an annual report to the governor  
7 and the legislature of all revenues, expenses, and disbursements,  
8 and shall include in this report recommendations for changes in  
9 this act the director considers necessary or desirable. The  
10 director shall report immediately to the governor and the legis-  
11 lature matters that in the director's judgment require an immedi-  
12 ate change in the law of this state to prevent abuses and eva-  
13 sions of this act or of rules promulgated under this act, or to  
14 rectify undesirable conditions in connection with the operation  
15 and regulation of riverboat casino gaming.

16 Sec. 210. (1) The director shall keep and maintain a list  
17 of all applicants for a riverboat casino license under this act  
18 together with a record of all actions taken with respect to the  
19 applicants, which file and record shall be open to public  
20 inspection. The information regarding an applicant whose license  
21 has been denied, revoked, or not renewed shall be removed from  
22 the list not later than 5 years after the date of the action.

23 (2) The director shall maintain any other files and records  
24 that he or she considers necessary or desirable.

25 Sec. 211. (1) Except as otherwise provided in this section  
26 or section 212, information regarding the operation of the state  
27 gaming commission is subject to disclosure under the freedom of



1 information act, Act No. 442 of the Public Acts of 1976, being  
2 sections 15.231 to 15.246 of the Michigan Compiled Laws.

3 (2) Except as provided in section 212, all information  
4 required by the director to be furnished under this act or that  
5 may otherwise be obtained relative to the internal controls spec-  
6 ified in section 229 or to the earnings or revenue of an appli-  
7 cant or licensee shall be considered to be confidential and shall  
8 not be disclosed, in whole or in part, except in the course of  
9 the necessary administration of this act, upon the lawful order  
10 of a court of competent jurisdiction, or, with the approval of  
11 the attorney general, to an authorized law enforcement agency.

12 (3) Information pertaining to an applicant's criminal  
13 record, family, and background furnished to, or obtained by, the  
14 director from any source is considered confidential and shall not  
15 be released, in whole or in part, except that any information  
16 shall be released upon the lawful order of a court of competent  
17 jurisdiction or, with the approval of the attorney general, to an  
18 authorized law enforcement agency.

19 (4) Notice of the contents of information released, except  
20 to an authorized law enforcement agency pursuant to this section,  
21 shall be given in advance to an applicant or licensee in a manner  
22 prescribed by the rules promulgated by the director.

23 Sec. 212. The following information to be reported periodi-  
24 cally to the director is not considered confidential and shall be  
25 made available for public disclosure:

26 (a) A licensee's operating revenues and expenses from the  
27 authorized games.

1 (b) The amount of revenue collected as annual taxes under  
2 section 301.

3 (c) A list of the premises and the nature of improvements,  
4 costs of improvements, and the payees for the improvements, which  
5 were the subject of an investment in the riverboat casino.

6 Sec. 213. (1) The director shall provide that gaming on a  
7 riverboat casino be restricted to persons of least 21 years of  
8 age.

9 (2) The director shall provide that the individual desig-  
10 nated as captain of the riverboat is empowered to decide, at his  
11 or her discretion, whether the riverboat shall sail or remain at  
12 the docking facilities.

13 Sec. 214. The director shall promptly and in reasonable  
14 order investigate all applications, enforce this act and any  
15 rules, and prosecute all violations of this act and rules promul-  
16 gated under this act.

17 Sec. 215. (1) The director shall do all of the following:

18 (a) Investigate the suitability of each applicant before a  
19 license, certificate, or permit is issued pursuant to section  
20 220.

21 (b) Investigate the circumstances surrounding an act or  
22 transaction for which the director's approval is required.

23 (c) Investigate alleged violations of this act and of rules  
24 promulgated under this act.

25 (d) Conduct continuing reviews of riverboat casino opera-  
26 tions through on-site observation and other reasonable means to  
27 ensure compliance with this act and rules.

1 (e) Conduct audits of casino operations, including reviews  
2 of accounting, administrative, and financial records, management  
3 control systems, and procedures and records utilized by a river-  
4 boat casino licensee.

5 (2) In order to perform duties required by this act, the  
6 director may request information, materials, and other data from  
7 the licensee or applicant for the license. The licensee or  
8 applicant, as a condition of acquiring or retaining a license,  
9 shall supply the requested information.

10 Sec. 216. (1) The director may do 1 or more of the  
11 following:

12 (a) Inspect and examine the premises where riverboat casino  
13 gaming is conducted; where gaming devices are manufactured, sold,  
14 distributed, or serviced; or where records of these activities  
15 are prepared or maintained.

16 (b) Inspect all equipment and supplies in, about, upon, or  
17 around premises relative to subdivision (a).

18 (c) Inspect, examine, and audit all books, records, and doc-  
19 uments pertaining to the riverboat casino licensee's operation.

20 (2) Except as provided in section 218, subsection (1) shall  
21 not be construed to authorize warrantless inspections, seizures,  
22 examinations, or impoundments, except in compliance with consti-  
23 tutional requirements. The director shall establish uniform and  
24 reasonable notice requirements for the seizure or impoundment of  
25 the casino equipment.

26 (3) To carry out the purposes of this act, the director may  
27 obtain an administrative inspection warrant for the inspection of

1 property used in the conduct of a riverboat casino licensee's  
2 casino business and possessed, controlled, bailed, or otherwise  
3 held by the applicant, licensee, intermediary company, or holding  
4 company.

5       Sec. 217. The director may make administrative inspections  
6 to check for compliance by an applicant, licensee, intermediary  
7 company, or holding company with this act or rules, and may  
8 investigate any alleged violation of this act or rules.

9       Sec. 218. Sections 216 and 217 do not permit entries and  
10 administrative inspections, including seizures of property, with-  
11 out a warrant except under 1 or more of the following  
12 circumstances:

13       (a) When the consent of the owner, operator, or agent in  
14 charge of the controlled premises is given.

15       (b) If there is imminent danger to health or safety.

16       (c) In all other situations where a warrant is not constitu-  
17 tionally required.

18       Sec. 219. (1) The state gaming commission shall promulgate  
19 rules establishing standards for the financial suitability of an  
20 applicant for a riverboat casino license.

21       (2) The applicant shall establish by clear and convincing  
22 evidence the person's financial suitability for a riverboat  
23 casino license. The applicant for the license shall produce  
24 information and documentation concerning financial background and  
25 resources and shall establish the person's financial stability  
26 and integrity.

1       (3) The director shall not issue a riverboat casino license  
2 under this act to any person to which any of the following  
3 apply:

4       (a) The person during the immediately preceding 10 years has  
5 been convicted in a state or federal court of a felony for which  
6 he or she has not been pardoned.

7       (b) The person is or has been connected with or engaged in  
8 any business that is prohibited under the laws of this or another  
9 state or of the United States.

10       (c) The person has been convicted of fraud or misrepresenta-  
11 tion in connection with gaming.

12       (d) The person has been convicted of a violation of any law  
13 of this or another state or of the United States related to  
14 gaming.

15       (e) The person has been convicted of knowingly violating  
16 this act or a rule.

17       (4) The applicant, licensee, or any other person who is  
18 required to be approved or licensed under this act shall provide  
19 all information required by this act and satisfy all requests for  
20 information pertaining to financial suitability and in the form  
21 specified by the director. The applicant and licensee are con-  
22 sidered to have waived any right of privacy with respect to  
23 information furnished for qualification under this act, and this  
24 state, its instrumentalities, or agents are not liable for dam-  
25 ages resulting from lawful or unintentional disclosure or publi-  
26 cation in any manner of material or information acquired during  
27 inquiries, investigations, or hearings.

1 (5) The applicant, licensee, intermediary company, and  
2 holding company shall consent to inspections, searches and sei-  
3 zures, and the supplying of handwriting exemplars as authorized  
4 by this act or rules.

5 (6) The applicant, licensee, and any other person who is  
6 required to be found financially suitable or approved under this  
7 act shall provide assistance or information required by the  
8 director and shall cooperate in an inquiry, investigation, or  
9 hearing conducted by the director. If, upon issuance of a formal  
10 request to answer or produce information, evidence, or testimony,  
11 the applicant, licensee, or any other person who is required to  
12 be approved under this act refuses to comply with the request,  
13 the director may deny or revoke the person's application for  
14 license.

15 (7) An applicant or licensee shall not give or provide, or  
16 offer to give or provide, directly or indirectly, compensation, a  
17 reward, or a percentage or share of the money or property played  
18 or received through gaming activities, except as authorized by  
19 this act, in consideration for obtaining a license, authoriza-  
20 tion, permission, or privilege to participate in any way in  
21 gaming operations.

22 (8) An applicant or person who applies under this act may be  
23 photographed and fingerprinted for identification and investiga-  
24 tion purposes pursuant to procedures established by the  
25 director.

26 Sec. 220. (1) Upon the filing of an application and  
27 supplemental information as the director requires and pursuant to

1 section 219, the director shall conduct an investigation into the  
2 background and financial suitability of the applicant, and the  
3 director may conduct hearings concerning the background and  
4 financial suitability of the applicant pursuant to its resolu-  
5 tions or ordinances as may be necessary.

6 (2) After the investigation, the director may deny the  
7 application, reserve the riverboat casino license to an applicant  
8 whom it determines to be eligible to hold the license, or grant  
9 the license to an applicant whom it determines to be eligible to  
10 hold the license. Once an application for a license is received  
11 by the director and has met the requirements of section 219(2),  
12 the director shall conduct an investigation and reserve, grant,  
13 or deny the riverboat casino license for that applicant before  
14 considering any other applicant for the license.

15 (3) The director may deny an application. When an applica-  
16 tion is denied, the director shall prepare and file an order  
17 denying the application with the reasons for the denial. If  
18 requested by the applicant, the director shall prepare and file a  
19 statement of the reasons for the denial, including the specific  
20 findings of facts.

21 (4) After an application is submitted to the director, final  
22 action of the director shall be taken within 120 days after the  
23 date the application is received or the license will be consid-  
24 ered reserved pursuant to subsection (5).

25 (5) The director shall reserve a riverboat casino license  
26 for an eligible applicant for a period of not more than 3 years.  
27 The director may grant an applicant a 1-year extension for

1 eligibility to be granted the riverboat casino license. Once the  
2 director reserves the license for the applicant, the applicant  
3 shall arrange for the lease or purchase of appropriate facilities  
4 within 12 months after the date the license is reserved. The  
5 director shall grant a license pursuant to subsection (6) to the  
6 applicant for whom the director reserves a license when the  
7 applicant satisfies all of the following requirements:

8 (a) The applicant is not in violation of this act or rules.

9 (b) The applicant qualifies for a certificate pursuant to  
10 section 226.

11 (c) The applicant complies with other reasonable conditions  
12 the director imposes, including, but not limited to, any applica-  
13 ble city ordinance relating to the construction or operation of a  
14 facility authorized under this act.

15 (6) If the director is satisfied that an applicant is eligi-  
16 ble to receive a riverboat casino license, and upon tender of all  
17 license fees and taxes required by the director and of bonds that  
18 the director requires for the faithful performance of the  
19 requirements imposed by law or rule and upon receiving a valid  
20 certificate pursuant to section 226, the director shall issue the  
21 initial license that is valid for a period of 5 years.

22 (7) The director shall fix the amount of the bond to be  
23 required under this section in an amount which is reasonable and  
24 customary. The bonds furnished may be applied by the director to  
25 the payment of any unpaid tax or fee liability of the licensee  
26 under this act. The bond shall be furnished in cash or  
27 negotiable securities by a surety bond guaranteed by a



1 satisfactory guarantor or by an irrevocable letter of credit  
2 issued by a banking institution acceptable to the director. If  
3 furnished in cash or negotiable securities, the principal shall  
4 be prudently invested by the director and any income shall inure  
5 to the benefit of the licensee if the amount of the bond is not  
6 more than \$250,000.00.

7       Sec. 221. (1) The riverboat casino shall not operate unless  
8 all necessary licenses and approvals are obtained pursuant to  
9 law.

10       (2) An individual may apply for a riverboat casino license  
11 if, in addition to agreeing to comply in all respects with this  
12 act and rules promulgated under this act, the person is a resi-  
13 dent of the city in which the riverboat casino will operate and  
14 the person agrees to satisfy either of the following  
15 requirements:

16       (a) Owns 100% of the riverboat casino and has access to  
17 docking facilities.

18       (b) Leases 100% of the riverboat casino from the owner and  
19 has access to docking facilities.

20       (3) A person who is not an individual may apply for a river-  
21 boat casino license if, in addition to agreeing to comply in all  
22 respects with this act and rules promulgated under this act, the  
23 person agrees to satisfy both the following:

24       (a) Has access to docking facilities.

25       (b) Provides that 1 or more residents of the city in which  
26 the riverboat casino proposes to operate owns not less than a 20%  
27 interest in the riverboat casino.

1       Sec. 222. A corporation shall not apply for a riverboat  
2 casino license unless the corporation satisfies all of the fol-  
3 lowing eligibility requirements:

4       (a) Is incorporated in this state, although the corporation  
5 may be a wholly or partially owned subsidiary of a corporation  
6 that is chartered in another state.

7       (b) Agrees to maintain an office of the corporation in this  
8 state.

9       (c) Complies with the requirements of the laws of this state  
10 pertaining to corporations.

11       (d) Maintains a ledger in the principal office of the corpo-  
12 ration in this state that reflects the current ownership of every  
13 class of security issued by the corporation and that is available  
14 for inspection by the director at all reasonable times without  
15 notice.

16       (e) Maintains an account in a financial institution in this  
17 state.

18       (f) Includes among the purposes stated in its articles of  
19 incorporation the conduct of riverboat casino gaming.

20       (g) If it is not a publicly traded corporation, adopts and  
21 files with the director the corporate charter or bylaws contain-  
22 ing provisions establishing the right of the director to approve  
23 future transfers of corporate securities, shares, and other  
24 interests in the applicant corporation and in any holding com-  
25 pany, intermediary company, or subsidiary company of the appli-  
26 cant corporation. If it is a publicly traded corporation, the  
27 corporation shall provide in its corporate charter or bylaws that

1 securities of the corporation are held subject to the condition  
2 that if a holder of securities of the corporation is found to be  
3 disqualified by the director pursuant to this act, the holder  
4 shall dispose of his or her security interest in the  
5 corporation. This section does not require that a security of  
6 the corporation bear a legend to this effect except as otherwise  
7 provided in section 233(2).

8 (h) If it is not a publicly traded corporation, establishes  
9 to the satisfaction of the director that appropriate charter or  
10 bylaw provisions create the absolute right of the corporation to  
11 repurchase, before another purchase, at the market price or the  
12 purchase price, whichever is less, any security, share, or other  
13 interest in the corporation if the director disapproves a trans-  
14 fer pursuant to this act.

15 Sec. 223. (1) Subject to the power of the director to deny,  
16 revoke, or suspend a license for cause, a riverboat casino  
17 license in force shall be renewed by the director for the next  
18 succeeding 5-year term pursuant to section 220(6) upon proper  
19 application for renewal and payment of license fees and taxes  
20 required by law and rules of the director. The director shall  
21 act upon an application for renewal not later than 120 days  
22 before the date of expiration of the current license. If the  
23 director does not act within the prescribed time allotted, the  
24 application for renewal is approved and the license shall be  
25 automatically issued for an additional 5-year period.

26 (2) Application for renewal shall be filed with the director  
27 not later than 180 days before the expiration of the current

1 license, and license fees and taxes as required by law shall be  
2 paid to the director before the date of expiration of the current  
3 license.

4 (3) Upon renewal of a license, the director shall issue an  
5 appropriate renewal certificate or validating device or sticker  
6 which shall be attached to the license.

7 Sec. 224. (1) A person shall not begin employment as a  
8 casino employee, casino security employee, or casino key employee  
9 unless the person is the holder of a temporary or permanent valid  
10 work permit issued by the director. The director may authorize  
11 Michigan state police to act on his or her behalf to issue tempo-  
12 rary or permanent work permits. Before the effective date of the  
13 appointment or employment, the casino licensee shall apply for a  
14 temporary or permanent work permit for the employee. The casino  
15 licensee shall return the permanent work permit to the director  
16 within 5 days after the termination or cessation of the appoint-  
17 ment or employment for any cause. A work permit shall be renewed  
18 annually in accordance with rules adopted by the state gaming  
19 commission.

20 (2) The director shall issue a temporary work permit to a  
21 casino employee for a period of 60 days if the person has submit-  
22 ted an application for the issuance of a work permit to the  
23 director. The director shall grant or deny an application for a  
24 temporary work permit within 7 days after receipt of the  
25 application.

26 (3) Before the issuance of a permanent work permit, an  
27 applicant for a casino employee, casino security employee, or

1 casino key employee work permit shall provide sufficient  
2 information, documentation, and assurances to meet the suitability  
3 criteria, as promulgated by the director. The director shall  
4 grant or deny an application for a permanent work permit within  
5 21 days after receipt of the application. If the applicant is  
6 the holder of a temporary work permit, the temporary permit shall  
7 remain in full force and effect until a decision has been made by  
8 the director as to the issuance of a permanent work permit.

9 (4) Within 24 hours after receipt from the director of a  
10 written notice, a riverboat casino licensee shall terminate the  
11 appointment or employment of a person whose temporary or per-  
12 manent work permit has been revoked or has expired. A licensee  
13 shall comply in all respects with an order of the director impos-  
14 ing limitations or restrictions upon the terms of employment or  
15 appointment of the employee in the course of an investigation or  
16 hearing.

17 (5) A casino employee, casino security employee, or casino  
18 key employee, by the effective date of employment pursuant to a  
19 permanent work permit, shall establish to the satisfaction of the  
20 director that he or she is a resident of the city within which  
21 gaming is conducted pursuant to this act. The residency require-  
22 ment also applies to any contractor or employee of a contractor  
23 involved in the construction of a facility connected with river-  
24 boat casino gaming operations.

25 Sec. 225. (1) A casino service industry offering goods or  
26 services on a regular basis that directly relate to riverboat  
27 casino or gaming activity, including gaming equipment

1 manufacturers, suppliers, and repairers, schools teaching gaming  
2 and either playing or dealing techniques, and casino security  
3 services shall be licensed in accordance with this act before  
4 conducting business with a riverboat casino licensee, its employ-  
5 ees, or agents, and, in the case of a school in this state,  
6 before the enrollment of pupils or the offering of courses to the  
7 public, whether or not for compensation. This act does not limit  
8 the riverboat casino licensee from operating a school to train  
9 casino employees or prospective casino employees.

10       (2) A casino service industry described in subsection (1),  
11 as well as its owners, management, supervisory personnel, and  
12 other principal employees, in order to be licensed, shall qualify  
13 under the standards established in rules. A casino service  
14 industry shall establish to the satisfaction of the director that  
15 its owners, management, supervisory personnel, and other employ-  
16 ees are residents of the city within which the riverboat casino  
17 proposes to operate.

18       (3) A casino service industry not included in subsection (1)  
19 shall be licensed in accordance with rules of the gaming commis-  
20 sion within 60 days after commencement or continuation of busi-  
21 ness with a riverboat casino licensee or its agents. The direc-  
22 tor may exempt any person or field of commerce from the licensing  
23 requirements of this subsection if he or she finds that the  
24 person or field of commerce is regulated by a public or govern-  
25 mental agency and that licensure under this act is not necessary  
26 to protect the public interest or to accomplish the policies  
27 established by this act.

1       (4) Licensure of a casino service industry pursuant to  
2 subsection (3) may be denied to an applicant disqualified on the  
3 basis of the criteria established by the state gaming  
4 commission.

5       Sec. 226. (1) A riverboat casino shall not be opened or  
6 remain open to the public, and gaming activity, except for test  
7 purposes, shall not be conducted unless a riverboat casino  
8 license and certificate of operations have been issued to the  
9 licensee by the director. The director shall issue the certifi-  
10 cate upon a finding that the riverboat casino complies in all  
11 respects with the requirements of this act and the rules promul-  
12 gated under this act, including all of the following:

13       (a) That the licensee has implemented necessary management  
14 controls and security precautions.

15       (b) That personnel are properly trained and issued temporary  
16 or permanent work permits.

17       (c) That the riverboat casino is prepared in all respects to  
18 receive only those members of the public who are 21 years of age  
19 or older.

20       (d) That signs are posted in prominent locations throughout  
21 the facility that state that persons less than 21 years of age  
22 are not allowed to remain in the designated gaming area or to  
23 participate in any game as a player.

24       (2) The certificate shall include a statement of the  
25 licensee's compliance with subsection (1) and an itemized list by  
26 category and number of the authorized games permitted in the  
27 riverboat casino.

1       (3) The licensee shall notify the director at least 30 days  
2 before a proposed change in the number of authorized games to be  
3 played in the riverboat casino, and shall request the issuance of  
4 a certificate that permits the changes. The director may waive  
5 the 30-day notice described in this subsection upon request of  
6 the licensee. The director shall issue a revised certificate  
7 unless he or she finds that the planned change in authorized  
8 games does not conform to 1 or more requirements of this act or  
9 rules promulgated under this act or that there has been a change  
10 of circumstances in the gaming facility or the licensee materi-  
11 ally affecting compliance with subsection (1).

12       (4) A certificate shall remain in effect unless altered in  
13 accordance with subsection (3), or revoked, suspended, limited,  
14 or otherwise altered by the director pursuant to this act. A  
15 revocation, suspension, or limitation of the certificate is final  
16 unless the licensee, within 30 days after receiving the notice of  
17 suspension, revocation, or limitation of the certificate, applies  
18 to the gaming commission for a hearing. After the hearing the  
19 gaming commission shall give notice of its determination to the  
20 licensee. The licensee may seek judicial review. The licensee  
21 may continue to operate until the revocation, suspension, or lim-  
22 itation of the certificate becomes final.

23       (5) As a condition of continued operation of a riverboat  
24 casino under this act, a licensee shall maintain all books,  
25 records, and documents pertaining to the licensee's operations on  
26 the licensed premises and have them immediately available for  
27 inspection during all normal business hours of operation. The



1 books, records, and documents shall be maintained for a period of  
2 not less than 3 years.

3       Sec. 227. The riverboat casino licensee shall file with the  
4 director a schedule of hours of gaming operations before the  
5 issuance of an initial certificate. If the licensee proposes a  
6 change in scheduled hours, the proposed change shall not take  
7 effect until the licensee files a notice of the new schedule of  
8 hours with the director. A filing shall be made not less than 30  
9 days before the effective date of the proposed change in hours  
10 unless waived by the director.

11       Sec. 228. (1) The riverboat casino licensee shall arrange  
12 the gaming facilities in a manner that promotes maximum comfort  
13 for the patrons and optimum security for the gaming operation,  
14 and shall comply in all respects with the rules of the director  
15 pertaining to the facilities.

16       (2) The licensee shall install a closed circuit television  
17 system that meets reasonable and customary security standards for  
18 a casino according to specifications approved by the director,  
19 and provide access on the licensed premises to the system or its  
20 signal by the director, in accordance with rules of the state  
21 gaming commission. This subsection does not require that the  
22 signal be transmitted to a remote location.

23       Sec. 229. The riverboat casino licensee shall submit to the  
24 director a description of its system of internal procedures and  
25 administrative and accounting controls. The submission shall be  
26 made at least 60 days before gaming operations are to commence or  
27 before changes in previously submitted administrative and

1 accounting controls are to become effective, unless otherwise  
2 directed by the director. A submission shall contain both narra-  
3 tive and diagrammatic representations of the internal control  
4 system to be utilized and required by rules promulgated by the  
5 director.

6       Sec. 230. The director shall review each submission  
7 required by section 229 and shall determine whether it conforms  
8 to the requirements of this act or rules promulgated under this  
9 act and whether the system described in the submission provides  
10 adequate and effective controls for the operation of the river-  
11 boat casino submitting it. If the director finds an insufficien-  
12 cy, the director shall specify the insufficiency in writing to  
13 the licensee who shall make appropriate alterations. If the  
14 director fails to notify the licensee of an insufficiency within  
15 30 days after receipt of the submission, the submission shall be  
16 considered adequate in all respects. The licensee may begin  
17 gaming operations or alter its internal controls unless the  
18 director determines that the system of controls is inadequate as  
19 provided in this section.

20       Sec. 231. (1) This act permits only the conduct of games  
21 authorized under this act and the rules promulgated under this  
22 act.

23       (2) A gaming device shall not be possessed, maintained, or  
24 exhibited by a person on the premises of the riverboat or docking  
25 facilities of a riverboat casino except in the casino room and in  
26 secure areas used for the inspection, repair, or storage of the  
27 equipment and specifically designated for the purpose by the

1 licensee with the approval of the director. A gaming device  
2 shall not be possessed, maintained, exhibited, brought into, or  
3 removed from the riverboat casino premises by a person unless the  
4 gaming device is necessary to the conduct of an authorized game,  
5 has permanently affixed, imprinted, impressed, or engraved on it  
6 an identification number or symbol authorized by the director and  
7 is under the exclusive control of the licensee or its employees.

8       (3) The riverboat and docking facilities shall contain a  
9 count room and other secure facilities as required by the direc-  
10 tor for the counting and storage of cash, tokens, and checks  
11 received in the conduct of gaming and for the inspection, count-  
12 ing, and storage of dice, cards, chips, and other representatives  
13 of value. Drop boxes and other devices in which cash or tokens  
14 are deposited at the gaming tables or in slot machines and all  
15 areas in which the boxes and devices are kept while in use shall  
16 be equipped with 2 locking devices. The drop boxes and other  
17 devices shall not be brought into or removed from the casino  
18 room, locked, or unlocked except at times, places, and pursuant  
19 to procedures the director approves. Cash shall be counted daily  
20 at times the licensee reasonably requires.

21       (4) Chips used in gaming in the riverboat casinos shall be  
22 of a uniform size and color by denomination as the director  
23 approves. Chips and tokens are not considered gaming devices.

24       (5) Gaming shall be conducted according to reasonable and  
25 customary rules. All wagers and payoffs of winning wagers at  
26 table games shall be made according to reasonable and customary  
27 rules. A slot machine shall have a minimum payout of 80%.

1       (6) The licensee shall make available in printed form to the  
2 casino patron upon request the complete text of the rules regard-  
3 ing games and the conduct of gaming, payoffs of winning wagers,  
4 and containing other advice to the player as the director  
5 requires. The licensee shall prominently post within the casino  
6 room pursuant to rules of the director information about gaming  
7 rules, payoffs of winning wagers, and other advice to the player  
8 that the director requires.

9       (7) A gaming table shall be equipped with a sign indicating  
10 the permissible minimum and maximum wagers for that table. A  
11 person shall not conduct gaming activity at a table in a manner  
12 inconsistent with the information stated upon the sign required  
13 by this subsection.

14       Sec. 232. A slot machine shall not be used to conduct  
15 gaming unless it is identical in all electrical, mechanical, and  
16 other aspects to a model that has been tested and licensed.

17       Sec. 233. (1) The sale, assignment, transfer, pledge, or  
18 other disposition of a security issued by a corporation that  
19 holds the riverboat casino license is conditional and is ineffec-  
20 tive if disapproved by the director within a reasonable time.  
21 The director shall withhold his or her consent only upon a show-  
22 ing of good cause.

23       (2) A security issued by a corporation that holds the river-  
24 boat casino license shall bear on both sides of the certificate  
25 evidencing the security a statement of the restrictions imposed  
26 by this section. However, in the case of a publicly traded  
27 corporation incorporated before the effective date of this act, a

1 statement of restriction is necessary only insofar as  
2 certificates are issued by the corporation after the effective  
3 date of this act.

4 (3) Articles of incorporation of a corporation that include  
5 as a stated purpose the conduct of riverboat casino gaming or an  
6 amendment that adds that purpose to the corporation's previously  
7 filed articles of incorporation shall be approved by the director  
8 and a copy of the approval shall be annexed to the articles of  
9 incorporation upon filing with the corporations and securities  
10 bureau of the department of commerce. This subsection does not  
11 apply to corporations whose articles of incorporation at the time  
12 of enactment of this act contain as a stated purpose the conduct  
13 of riverboat casino gaming.

14 Sec. 234. A nonrefundable deposit of at least \$50,000.00  
15 shall be posted with the application for the riverboat casino  
16 license and shall be applied to the first annual license fee if  
17 the license is granted. A nonrefundable deposit of \$20,000.00  
18 shall be posted when the director reserves a riverboat casino  
19 license pursuant to section 220(5), and the \$20,000.00 shall be  
20 applied to the first annual license fee when the license is  
21 granted.

22 Sec. 235. The state gaming commission shall establish, by  
23 rules, customary and reasonable annual fees for the issuance and  
24 renewal of work permits for the various classes of employees.  
25 The fees shall be paid by the employer licensee.

## CHAPTER 3

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Sec. 301. There is imposed an annual tax on the gross revenue of each riverboat casino licensed under this act for the fiscal year of the licensee and shall be based on 14% of the gross revenue.

Sec. 302. (1) Ten percent of the revenue derived from the tax imposed by section 301 shall be credited to the gaming control fund.

(2) Forty-five percent of the revenue derived from the tax imposed by section 301 shall be paid to the local governmental unit conducting riverboat casino gambling to be used for fire protection, law enforcement, and any infrastructure costs connected with or accountable to the presence of riverboat casino gaming operations within the city.

(3) Forty-five percent of the revenue derived from the tax imposed by section 301 shall be paid to the state for deposit in the general fund.

Sec. 303. (1) A gaming control fund shall be created in the state treasury to be administered by the state gaming commission.

(2) Money in a gaming control fund shall be used by the state gaming commission for the administration and enforcement of this act.

Sec. 304. (1) The director may require at least monthly deposits by the licensee of the revenue received under section 301 at times, conditions, and in depositories as prescribed by the state treasurer. The director may require that a monthly

1 report and reconciliation statement be filed before the tenth day  
2 of each month with respect to gross revenues and deposits  
3 received and made, respectively, during the immediately preceding  
4 month.

5 (2) Except as the director may require under subsection (1),  
6 the tax imposed under section 301 is due and payable annually on  
7 or before each March 15. A licensee shall file his or her first  
8 return and shall report gross revenue from the time his or her  
9 riverboat casino commenced operations and ending on the last day  
10 of the calendar year. The report shall be filed with the direc-  
11 tor on or before the following March 15. Subsequent reporting  
12 periods shall be calendar years and reports of activity for sub-  
13 sequent periods shall similarly be filed with the director on or  
14 before the following March 15.

15 Sec. 305. This state shall have a lien on the real and per-  
16 sonal property owned by the person or persons named on a river-  
17 boat casino license. The lien shall be in the amount of any  
18 taxes or fees due and unpaid that are authorized to be collected  
19 under this act and for amounts expended for collecting those  
20 taxes. The lien shall be enforced as a tax lien is enforced pur-  
21 suant to the general property tax act, Act No. 206 of the Public  
22 Acts of 1893, being sections 211.1 to 211.157 of the Michigan  
23 Compiled Laws.

24 Sec. 306. (1) The director shall make an annual report to  
25 the state legislature within 120 days after the end of the fiscal  
26 year of the state which shall include full disclosure of receipts

1 and disbursements and all actions taken and recommendations made  
2 relative to better control of casino gaming.

3 (2) The director or his or her designee shall have free and  
4 full access to all parts of a riverboat casino and the books,  
5 records, gaming equipment, and counting rooms of the riverboat  
6 casino.

7 (3) Not more than 3 years after the issuance of the initial  
8 riverboat casino license, the director shall conduct and report  
9 his or her findings on a study of the social and economic effects  
10 of casino gaming to the chief executive officer and the legisla-  
11 tive body of the city in which the riverboat casino is located  
12 and the state legislature.

13 Sec. 307. (1) The question of establishing riverboat casino  
14 gaming in a local unit of government within which riverboat  
15 casino gaming has been proposed shall be submitted to the quali-  
16 fied electors of the local unit of government at a regular or  
17 special election and shall be approved by a majority of the elec-  
18 tors voting on the question. Notice of submission of the ques-  
19 tion shall be given in the same manner as the notice required by  
20 law for local elections, and shall be submitted in substantially  
21 the following form:

22 "Shall riverboat casino gaming be allowed in \_\_\_\_\_ pur-  
23 suant to the provisions of the riverboat casino gaming act?

24 Yes ( )

25 No ( )".

26 (2) The result of the vote shall be canvassed by the board  
27 of state canvassers.



## CHAPTER 4

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Sec. 401. (1) A person shall not play or participate in gaming by doing any of the following:

(a) Using bogus or counterfeit chips or tokens.

(b) Substituting or using game cards or dice that are marked or loaded or have been tampered with.

(c) Cheating, or using or having on his or her person a device to facilitate cheating in casino gaming.

(2) A person shall not play or use a gaming device, slot machine, vending machine, coin box, or other receptacle designed to receive or be operated by lawful coin of the United States in furtherance of, or in connection with, the sale, use, or enjoyment of property or service located in a riverboat casino in any of the following manners:

(a) By using other than a lawful coin, legal tender of the United States, or a coin not of the same denomination or value as the coin intended to be used in the device, except using a token, chip, or similar object that is issued and sold by the casino and approved by the director for use in a slot machine.

(b) By using or having on his or her person a cheating device to facilitate removing from a gaming device, slot machine, lawful vending machine, coin box, telephone, or other receptacle any part of its contents.

(3) A person shall not conduct, carry on, operate, deal, or allow to be conducted, carried on, operated, or dealt in a casino a cheating or thieving game or device; or deal, carry on, operate, or expose for play games of chance played with cards,

1 dice, or a mechanical or electrical device, or a combination of  
2 those games or devices, that are marked in any manner, tampered  
3 with, placed in a condition, or operated in a manner, the result  
4 of which tends to deceive the public, or tends to alter the  
5 normal random selection of criteria that determine the results of  
6 casino gaming.

7       (4) Property, the use or possession of which is prohibited  
8 by this section, may be summarily seized and confiscated by the  
9 director or the director's agents.

10       (5) A person who violates this section is guilty of a felony  
11 punishable by imprisonment for not more than 10 years, or a fine  
12 of not more than \$50,000.00, or both.

13       Sec. 402. (1) The riverboat casino licensee or the officers  
14 or employees of the licensee may question an individual in the  
15 riverboat casino who is suspected of violating section 401. The  
16 licensee or the officers, employees, or agents of the licensee  
17 shall not be criminally or civilly liable for questioning con-  
18 ducted under this subsection if the questioning is conducted in a  
19 reasonable manner.

20       (2) A licensee or the officers or employees of the licensee  
21 who have probable cause for believing that there was a violation  
22 of section 401 in the casino by a person may take the person into  
23 custody and detain that person in the riverboat casino in a rea-  
24 sonable manner and for a reasonable length of time. The taking  
25 into custody and detention shall not render the riverboat casino  
26 or the officers or employees of the casino criminally or civilly  
27 liable for false arrest, false imprisonment, slander, or unlawful

1 detention unless the taking into custody and detention are  
2 unreasonable under all the circumstances.

3 (3) The riverboat casino or the officers, employees, or  
4 agents of the licensee are immune from liability as provided for  
5 in this section if a notice of acts prohibited by section 401 and  
6 of the rights granted under this section is displayed in a con-  
7 spicuous place in the riverboat casino and the notice is in bold-  
8 faced type.

9 (4) The licensee or the officers or employees of the  
10 licensee who have probable cause for believing that a person vio-  
11 lated section 401 by cheating in gaming may detain the person in  
12 or near the riverboat casino for the purpose of notifying a peace  
13 officer.

14 Sec. 403. (1) Pursuant to section 2 of chapter 1194, 64  
15 Stat. 1134, 15 U.S.C. 1172, this state exempts itself from that  
16 act to the extent necessary for the operation of this act.

17 (2) Shipments of gambling devices, including slot machines,  
18 into this state, the registering, recording, and labeling of  
19 which were made by the manufacturer or dealer in accordance with  
20 chapter 1194, 64 Stat. 1134, 15 U.S.C. 1171 to 1178, for the use  
21 of the riverboat casino licensed pursuant to this act are consid-  
22 ered legal shipments into this state.

23 Sec. 404. (1) The director shall conduct investigations  
24 from time to time for the following purposes:

25 (a) To determine whether this act or a rule promulgated  
26 under this act was violated.

1 (b) To determine a fact, condition, practice, or matter, as  
2 he or she considers necessary or proper, to aid in the  
3 enforcement of this act or the rules promulgated by the state  
4 gaming commission.

5 (c) To secure information as a basis for recommending legis-  
6 lation relating to this act.

7 (2) The director shall study the laws and reports of other  
8 states and the United States relative to gaming.

9 Sec. 405. The Michigan penal code, Act No. 328 of the  
10 Public Acts of 1931, being sections 750.1 to 750.568 of the  
11 Michigan Compiled Laws, and all other acts and parts of acts  
12 inconsistent with this act do not apply to riverboat casino  
13 gaming as provided for by this act at the riverboat casino  
14 licensed to hold or conduct the gaming operation as provided by  
15 this act.

16 Sec. 406. In addition to a criminal penalty that may be  
17 imposed under this act, the director may assess and collect an  
18 administrative fine of not more than \$10,000.00 from a riverboat  
19 casino licensee who violates this act.

20 Sec. 407. The director may issue subpoenas, summon wit-  
21 nesses, and administer oaths or affirmations when in his or her  
22 judgment it is necessary for the effective discharge of his or  
23 her duties. A person failing to appear before the director at  
24 the time and place specified, without just cause, in answer to a  
25 summons, or a person refusing to testify or testifying falsely,  
26 is guilty of a misdemeanor punishable by imprisonment for not

1 more than 6 months, or a fine of not more than \$5,000.00, or  
2 both.

3       Sec. 408. Except as otherwise provided in section 401, a  
4 person who violates this act is guilty of a misdemeanor punish-  
5 able by imprisonment for not more than 1 year, or by a fine of  
6 not more than \$5,000.00, or both.

7       Sec. 409. This act shall not take effect unless all of the  
8 following bills of the 88th Legislature are enacted into law:

9       (a) Senate Bill No. \_\_\_\_\_ or House Bill No. \_\_\_\_\_ (request  
10 no. 00929'95 a \*\*\*).

11       (b) Senate Bill No. \_\_\_\_\_ or House Bill No. \_\_\_\_\_ (request  
12 no. 00929'95 b \*\*\*).