

HOUSE BILL No. 5537

December 13, 2001, Introduced by Rep. Kolb and referred to the Committee on Appropriations.

A bill to amend the Initiated Law of 1996, entitled
"Michigan gaming control and revenue act,"
by amending section 12 (MCL 432.212), as amended by 1997 PA 69.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12. (1) A wagering tax is imposed on the adjusted
2 gross receipts received by the licensee from gaming authorized
3 under this act at the rate of 18%. If a city does either of the
4 options in subsection (4), the tax rate under this subsection
5 shall be 8.1% and deposited in A SEPARATE ACCOUNT IN the state
6 school aid fund to provide additional funds for K-12 ~~classroom~~
7 ~~education~~ INFRASTRUCTURE. If the city rescinds or is otherwise
8 unable to exercise 1 of the options in subsection (4), the tax
9 rate under this subsection shall be 18%. A tax rate of 18%
10 imposed under this subsection shall cover any period for which

1 the city does not or is unable to exercise 1 of the options in
2 subsection (4).

3 (2) The state casino gaming fund is created in the depart-
4 ment of treasury. The fund is to be administered by the depart-
5 ment in accordance with this act. Except as provided in
6 sections 12a and 13, the wagering tax plus all other fees, fines,
7 and charges imposed by the state shall be deposited into the
8 state casino gaming fund. The wagering tax ~~is to~~ SHALL be
9 remitted daily by the holder of a casino license to the depart-
10 ment of treasury by electronic wire transfer of funds. The state
11 shall remit the city's portion of the wagering tax to the city
12 daily by electronic wire transfer of funds as provided by this
13 act.

14 (3) If the state imposes a wagering tax equal to 18% of
15 adjusted gross receipts, the state casino gaming fund shall be
16 allocated as follows:

17 (a) 55% to the city in which a casino is located for use in
18 connection with the following:

19 (i) The hiring, training, and deployment of street patrol
20 officers.

21 (ii) Neighborhood and downtown economic development programs
22 designed to create local jobs.

23 (iii) Public safety programs such as emergency medical serv-
24 ices, fire department programs, and street lighting.

25 (iv) Anti-gang and youth development programs.

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

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

3 (vii) The costs of capital improvements.

4 (viii) Road repairs and improvements.

5 (b) 45% to the state to be deposited in A SEPARATE ACCOUNT
6 IN the state school aid fund to provide additional funds for K-12
7 ~~classroom education~~ INFRASTRUCTURE.

8 (4) A city in which a licensee is located may do 1 of the
9 following:

10 (a) In the development agreement into which the city is
11 entitled to enter, include a provision that requires the licensee
12 located in the city to pay the city a payment equal to 9.9% of
13 the adjusted gross receipts received by the licensee from gaming
14 authorized under this act.

15 (b) By ordinance, levy, assess, and collect an excise tax
16 upon licensees located in the city at a rate of 9.9% of the
17 adjusted gross receipts received by the licensee from gaming
18 authorized under this act.

19 (5) Payments of any amount required to a city under
20 subsection (4) shall be made in a manner, at those times, and
21 subject to reporting requirements and penalties and interest for
22 delinquent payment as may be provided for in the development
23 agreement, if the payment is required under a development agree-
24 ment, or by ordinance if the payment is required for a tax levied
25 by the city. Payments required under subsection (4)(a) may be in
26 addition to any other payments ~~which~~ THAT may be required in
27 the development agreement for the conveyance of any interest in

1 property, the purchase of services, or the reimbursement of
2 expenses. Payments to a city under subsection (4) shall be used
3 by the city for the purposes listed in subsection (3)(a).

4 (6) Approval by the city of a development agreement or an
5 ordinance approving either casino gaming or the levy of a local
6 excise tax shall not be considered the granting of a franchise or
7 license by the city for purposes of any statutory, charter, or
8 constitutional provision.

9 (7) The wagering tax imposed under subsection (1) and any
10 tax imposed under section 13(2) shall be administered by the
11 department of treasury in accordance with 1941 PA 122, MCL 205.1
12 to 205.31, and this act. In case of conflict between the provi-
13 sions of 1941 PA 122, MCL 205.1 to 205.31, and this act, the pro-
14 visions of this act shall prevail.

15 (8) Funds from this act shall not be used to supplant exist-
16 ing state appropriations or local expenditures.