

SUBSTITUTE FOR
HOUSE BILL NO. 5509

A bill to amend 1996 IL 1, entitled
"Michigan gaming control and revenue act,"
by amending the title and section 3 (MCL 432.203), as amended by
1997 PA 69, and by adding section 9e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act to provide for the licensing, regulation, and control
of casino gaming operations, manufacturers and distributors of
gaming devices and gaming related equipment and supplies, and
persons who participate in gaming; to provide **FOR** the distribution
of revenue for public education, public safety, and economic
development; ~~authorizing~~ **TO AUTHORIZE** limited casino operations
~~within the~~ **IN THIS** state; ~~of Michigan,~~ to **CREATE AND** vest authority

1 for the licensing, regulation, and control of casino gaming in the
 2 Michigan gaming control board; **TO PROVIDE FOR THE PROMULGATION OF**
 3 **RULES; TO PROVIDE FOR THE POWERS AND DUTIES OF CERTAIN STATE AND**
 4 **LOCAL GOVERNMENTAL OFFICERS AND ENTITIES;** to restrict certain
 5 political contributions; to establish a code of ethics for **AND**
 6 **LICENSE** certain persons involved in gaming; to create ~~certain~~
 7 funds; to impose and authorize certain taxes and fees; to impose
 8 penalties; to authorize conservators under certain circumstances;
 9 and to make an appropriation.

10 Sec. 3. (1) Casino gaming is authorized to the extent that it
 11 is conducted in accordance with this act.

12 (2) Except as provided in subsection (5) **AND SECTION 9E**, this
 13 act does not apply to any of the following:

14 (a) The pari-mutuel system of wagering used or intended to be
 15 used in connection with race meetings as authorized under the horse
 16 racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

17 (b) Lottery games authorized under the McCauley-Traxler-Law-
 18 Bowman-McNeely lottery act, 1972 PA 239, MCL 432.1 to 432.47.

19 (c) Bingo, ~~or~~ millionaire parties, or any other activities
 20 authorized under the Traxler-McCauley-Law-Bowman bingo act, 1972 PA
 21 382, MCL 432.101 to 432.120.

22 (d) Gambling on Native American land and land held in trust by
 23 the United States for a federally recognized Indian tribe on which
 24 gaming may be conducted under the Indian gaming regulatory act,
 25 Public Law 100-497, 102 Stat. 2467.

26 (e) Recreational card playing, bowling, redemption games, and
 27 occasional promotional activities under sections 303a, 310a, 310b,

1 372, and 375 of the Michigan penal code, 1931 PA 328, MCL 750.303a,
2 750.310a, 750.310b, 750.372, and 750.375.

3 (3) Any other law that is inconsistent with this act does not
4 apply to casino gaming as provided for by this act.

5 (4) This act and rules promulgated by the board ~~shall~~ apply to
6 all persons who are licensed or otherwise participate in gaming
7 under this act.

8 (5) If a federal court or agency rules or federal legislation
9 is enacted that allows a state to regulate gambling on Native
10 American land or land held in trust by the United States for a
11 federally recognized Indian tribe, the legislature shall enact
12 legislation creating a new act consistent with this act to regulate
13 casinos that are operated on Native American land or land held in
14 trust by the United States for a federally recognized Indian tribe.
15 The legislation shall be passed by a simple majority of members
16 elected to and serving in each house.

17 **SEC. 9E. (1) A LICENSEE SHALL INTERCEPT WINNINGS TO PAY PAST-**
18 **DUE SUPPORT AS REQUIRED BY THIS SECTION. THIS SECTION DOES NOT**
19 **APPLY UNLESS THE WINNINGS ARE IN AN AMOUNT EQUAL TO OR GREATER THAN**
20 **THE AMOUNT FOR WHICH THE LICENSEE IS REQUIRED TO FILE A FORM W-2G**
21 **OR SUBSTANTIALLY EQUIVALENT FORM WITH THE UNITED STATES INTERNAL**
22 **REVENUE SERVICE. THE LICENSEE SHALL EXCLUDE FROM THE AMOUNT**
23 **INTERCEPTED ANY AMOUNT REQUIRED TO BE WITHHELD FROM THE WINNINGS**
24 **FOR TAXES UNDER ANY APPLICABLE STATE OR FEDERAL LAW.**

25 (2) THE DEPARTMENT OF HUMAN SERVICES SHALL CREATE AND
26 MAINTAIN, OR SHALL CONTRACT WITH A PRIVATE OR PUBLIC ENTITY TO
27 CREATE AND MAINTAIN, A SECURE, ELECTRONICALLY ACCESSIBLE REGISTRY

1 CONTAINING INFORMATION REGARDING INDIVIDUALS WHO HAVE PAST-DUE
2 SUPPORT. THE REGISTRY MUST BE CAPABLE OF PERFORMING THE FOLLOWING
3 FUNCTIONS:

4 (A) ON RECEIPT OF INFORMATION UNDER SUBSECTION (5) (A), IF THE
5 WAGERER IS LISTED IN THE REGISTRY, INFORMING THE PERSON THAT
6 SUBMITTED THE INFORMATION OF THE WAGERER'S PAST-DUE SUPPORT AND THE
7 ACCOUNT NUMBER OR IDENTIFIER ASSIGNED TO THE PAST-DUE SUPPORT.

8 (B) PROVIDING A PERSON THAT SUBMITS INFORMATION UNDER
9 SUBSECTION (5) (A) WITH A NOTICE OF INTERCEPT FORM IN A STANDARD
10 FORMAT DEVELOPED BY THE DEPARTMENT OF HUMAN SERVICES THAT INFORMS A
11 WAGERER IDENTIFIED UNDER SUBDIVISION (A) OF THE RIGHT TO A REVIEW
12 BY THE DEPARTMENT OF HUMAN SERVICES AS PROVIDED IN THIS SECTION.

13 (3) THE DEPARTMENT OF HUMAN SERVICES SHALL REGULARLY ENTER
14 INFORMATION INTO THE REGISTRY, INCLUDING AT LEAST ALL OF THE
15 FOLLOWING:

16 (A) THE NAME AND SOCIAL SECURITY NUMBER OF EACH INDIVIDUAL WHO
17 HAS PAST-DUE SUPPORT.

18 (B) THE ACCOUNT NUMBER OR IDENTIFIER ASSIGNED BY THE
19 DEPARTMENT OF HUMAN SERVICES TO THE PAST-DUE SUPPORT.

20 (C) THE AMOUNT OF THE PAST-DUE SUPPORT.

21 (D) ANY OTHER INFORMATION NECESSARY TO EFFECTUATE THE PURPOSES
22 OF THIS SECTION.

23 (4) THE DEPARTMENT SHALL ASSIST THE DEPARTMENT OF HUMAN
24 SERVICES TO THE EXTENT NECESSARY TO EFFECTUATE THE PURPOSES OF THIS
25 SECTION.

26 (5) BEFORE PAYING WINNINGS REQUIRED TO BE INTERCEPTED UNDER
27 SUBSECTION (1), A LICENSEE SHALL FOLLOW THE FOLLOWING PROCEDURE:

1 (A) THE LICENSEE SHALL OBTAIN THE NAME, ADDRESS, DATE OF
2 BIRTH, AND SOCIAL SECURITY NUMBER OF THE WAGERER AND ELECTRONICALLY
3 SUBMIT THE INFORMATION TO THE REGISTRY.

4 (B) IF THE REGISTRY INFORMS THE LICENSEE THAT THE WAGERER IS
5 NOT LISTED IN THE REGISTRY OR IF THE LICENSEE IS NOT ABLE TO OBTAIN
6 INFORMATION FROM THE REGISTRY ON A REAL-TIME BASIS AFTER ATTEMPTING
7 IN GOOD FAITH TO DO SO, THE LICENSEE MAY PAY THE WINNINGS TO THE
8 WAGERER.

9 (C) IF THE REGISTRY INFORMS THE LICENSEE THAT THE WAGERER IS
10 LISTED IN THE REGISTRY, THE LICENSEE SHALL NOT PAY THE WINNINGS TO
11 THE WAGERER UNLESS THE AMOUNT OF THE PAYMENT EXCEEDS THE AMOUNT OF
12 PAST-DUE SUPPORT AND THE FEE IMPOSED UNDER SUBSECTION (8), IN WHICH
13 CASE THE LICENSEE MAY PAY THE WAGERER THE AMOUNT OF THE WINNINGS
14 THAT EXCEEDS THE AMOUNT OF THE PAST-DUE SUPPORT AND THE FEE.

15 (6) IF THE REGISTRY INFORMS A LICENSEE THAT A WAGERER IS
16 LISTED IN THE REGISTRY, THE DEPARTMENT OF HUMAN SERVICES HAS A
17 VALID CLAIM AGAINST THE WINNINGS IN THE AMOUNT OF THE WAGERER'S
18 PAST-DUE SUPPORT.

19 (7) A LICENSEE SHALL INTERCEPT FROM ANY WINNINGS AN AMOUNT
20 EQUAL TO THE AMOUNT OF A CLAIM CREATED UNDER SUBSECTION (6) AND
21 SHALL PROVIDE THE NOTICE OF INTERCEPT PROVIDED TO THE LICENSEE
22 UNDER SUBSECTION (2) (B) TO THE WAGERER. WITHIN 3 BUSINESS DAYS
23 AFTER INTERCEPTING AN AMOUNT UNDER THIS SUBSECTION, THE LICENSEE
24 SHALL TRANSMIT THE AMOUNT INTERCEPTED TO THE STATE DISBURSEMENT
25 UNIT WITH A COPY OF THE NOTICE OF INTERCEPT AND A REPORT OF THE
26 NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF THE WAGERER, THE
27 ACCOUNT NUMBER OR IDENTIFIER ASSIGNED TO THE PAST-DUE SUPPORT, THE

1 AMOUNT INTERCEPTED, THE DATE OF INTERCEPTION, AND THE NAME AND
2 LOCATION OF THE LICENSEE.

3 (8) A LICENSEE MAY RETAIN \$25.00 FROM ANY AMOUNT OF WINNINGS
4 THAT EXCEEDS THE AMOUNT OF THE WAGERER'S PAST-DUE SUPPORT TO COVER
5 THE COST OF THE LICENSEE'S COMPLIANCE WITH THIS SECTION.

6 (9) A WAGERER FROM WHOSE WINNINGS AN AMOUNT WAS WITHHELD UNDER
7 THIS SECTION MAY, WITHIN 15 CALENDAR DAYS AFTER RECEIPT OF A NOTICE
8 OF INTERCEPT UNDER SUBSECTION (7), REQUEST, IN WRITING, THAT THE
9 DEPARTMENT OF HUMAN SERVICES REVIEW THE INTERCEPT. THE WAGERER
10 SHALL INCLUDE A COPY OF THE NOTICE OF INTERCEPT WITH THE WRITTEN
11 REVIEW REQUEST. A CHALLENGE TO AN INTERCEPT IS GOVERNED BY THIS ACT
12 AND IS NOT SUBJECT TO CHAPTER 4 OF THE ADMINISTRATIVE PROCEDURES
13 ACT OF 1969, 1969 PA 306, MCL 24.271 TO 24.287.

14 (10) THE STATE DISBURSEMENT UNIT SHALL HOLD AN AMOUNT THAT A
15 LICENSEE TRANSMITS UNDER SUBSECTION (7) UNTIL AFTER THE TIME THAT
16 THE WAGERER HAS TO REQUEST A REVIEW UNDER SUBSECTION (9).

17 (11) WITHIN 15 CALENDAR DAYS AFTER RECEIVING A WRITTEN REQUEST
18 FOR A REVIEW UNDER SUBSECTION (7), THE DEPARTMENT OF HUMAN SERVICES
19 SHALL CONDUCT A REVIEW TO DETERMINE WHETHER THERE WAS A MISTAKE IN
20 THE WAGERER'S IDENTITY OR IN THE AMOUNT OF THE PAST-DUE SUPPORT AND
21 ISSUE A DECISION. THE REVIEW DECISION IS FINAL AGENCY ACTION.

22 (12) IF A WAGERER DISAGREES WITH A REVIEW DECISION ISSUED
23 UNDER SUBSECTION (11), THE WAGERER MAY CHALLENGE THE INTERCEPT BY
24 FILING AN ACTION IN THE CIRCUIT COURT THAT ISSUED A SUPPORT ORDER
25 THAT IS AN UNDERLYING BASIS FOR THE INTERCEPT. THE WAGERER MUST
26 FILE AN ACTION UNDER THIS SUBSECTION WITHIN 21 DAYS AFTER THE
27 DEPARTMENT OF HUMAN SERVICES SENDS THE WAGERER NOTICE OF ITS REVIEW

1 DECISION AND SHALL GIVE THE DEPARTMENT OF HUMAN SERVICES NOTICE OF
2 FILING THE ACTION.

3 (13) A LICENSEE MAY PROVIDE TO THE DEPARTMENT, THE DEPARTMENT
4 OF HUMAN SERVICES, OR THE REGISTRY OPERATOR ANY INFORMATION
5 NECESSARY TO EFFECTUATE THE INTENT OF THIS SECTION AND THE
6 DEPARTMENT, THE DEPARTMENT OF HUMAN SERVICES, OR THE REGISTRY
7 OPERATOR MAY PROVIDE TO THE LICENSEE ANY INFORMATION NECESSARY TO
8 EFFECTUATE THE INTENT OF THIS SECTION.

9 (14) INFORMATION OBTAINED BY THE DEPARTMENT, THE DEPARTMENT OF
10 HUMAN SERVICES, THE BOARD, OR THE REGISTRY OPERATOR FROM A LICENSEE
11 UNDER THIS SECTION, INFORMATION OBTAINED BY A LICENSEE OR THE BOARD
12 FROM THE DEPARTMENT, THE DEPARTMENT OF HUMAN SERVICES, OR THE
13 REGISTRY OPERATOR, AND INFORMATION CREATED BY A LICENSEE UNDER THIS
14 SECTION IS CONFIDENTIAL AND MAY BE USED ONLY FOR THE PURPOSES SET
15 FORTH IN THIS SECTION.

16 (15) A RECORD THAT CONTAINS INFORMATION DESCRIBED IN
17 SUBSECTION (14) THAT IS IN THE POSSESSION OF THE DEPARTMENT, THE
18 DEPARTMENT OF HUMAN SERVICES, OR THE BOARD IS EXEMPT FROM
19 DISCLOSURE UNDER SECTION 13 OF THE FREEDOM OF INFORMATION ACT, 1976
20 PA 442, MCL 15.243, AND IS NOT A RECORD REQUIRED TO BE AVAILABLE
21 FOR PUBLIC INSPECTION UNDER SECTION 4(17)(J).

22 (16) AN EMPLOYEE OR FORMER EMPLOYEE OF THE DEPARTMENT, THE
23 DEPARTMENT OF HUMAN SERVICES, THE BOARD, THE REGISTRY OPERATOR, OR
24 A LICENSEE WHO KNOWINGLY OR INTENTIONALLY DISCLOSES ANY INFORMATION
25 DESCRIBED IN SUBSECTION (14) IS GUILTY OF A MISDEMEANOR PUNISHABLE
26 BY IMPRISONMENT FOR NOT MORE THAN 180 DAYS OR A FINE OF NOT MORE
27 THAN \$1,000.00, OR BOTH.

1 (17) A LICENSEE, THE DEPARTMENT, THE DEPARTMENT OF HUMAN
2 SERVICES, AND THE REGISTRY OPERATOR ARE NOT LIABLE FOR ANY ACTION
3 TAKEN IN GOOD FAITH TO COMPLY WITH THIS SECTION. A LICENSEE THAT
4 DOES NOT MAKE A GOOD FAITH EFFORT TO OBTAIN INFORMATION FROM THE
5 REGISTRY AS REQUIRED BY THIS SECTION OR INTERCEPT AND TRANSMIT THE
6 AMOUNT OF A CLAIM CREATED UNDER SUBSECTION (6) IS LIABLE TO THE
7 DEPARTMENT OF HUMAN SERVICES FOR THE AMOUNT THE LICENSEE WAS
8 REQUIRED TO INTERCEPT AND TRANSMIT TO THE DEPARTMENT OF HUMAN
9 SERVICES UNDER THIS SECTION AND ANY COURT COSTS, INTEREST, AND
10 REASONABLE ATTORNEY FEES.

11 (18) THE CHAIRPERSON SHALL ATTEMPT TO ENTER INTO AN AGREEMENT
12 WITH EACH INDIAN TRIBE THAT CONDUCTS GAMBLING GAMES IN THIS STATE
13 FOR THE TRIBE TO VOLUNTARILY INTERCEPT WINNINGS TO PAY PAST-DUE
14 SUPPORT. A VOLUNTARY AGREEMENT ENTERED INTO UNDER THIS SUBSECTION
15 MUST REQUIRE THE INTERCEPT AND PAYMENT OF MONEY INTERCEPTED TO BE
16 PERFORMED IN THE SAME MANNER AS IS REQUIRED FOR THE INTERCEPT AND
17 PAYMENT OF MONEY INTERCEPTED BY A LICENSEE UNDER THIS SECTION.

18 (19) BY JANUARY 31, 2016 AND JANUARY 31 OF EACH EVEN-NUMBERED
19 YEAR AFTER 2016, THE DEPARTMENT OF HUMAN SERVICES SHALL REPORT TO
20 THE LEGISLATURE AND THE GOVERNOR ON ALL OF THE FOLLOWING:

21 (A) THE NUMBER OF NAMES OF WAGERERS SUBMITTED BY LICENSEES TO
22 THE REGISTRY UNDER THIS SECTION IN EACH OF THE PRECEDING 2 CALENDAR
23 YEARS.

24 (B) THE NUMBER OF WAGERERS WHO WERE FOUND TO BE LISTED IN THE
25 REGISTRY AFTER THE SUBMISSION OF THEIR NAMES IN EACH OF THE
26 PRECEDING 2 CALENDAR YEARS.

27 (C) THE AMOUNT OF WINNINGS WITHHELD BY LICENSEES UNDER THIS

1 SECTION IN EACH OF THE PRECEDING 2 CALENDAR YEARS.

2 (20) THE DEPARTMENT OF HUMAN SERVICES, THE DEPARTMENT, AND THE
3 LICENSEES SHALL COOPERATE WITH EACH OTHER TO CREATE THE REGISTRY
4 AND MAKE IT CAPABLE OF PERFORMING THE FUNCTIONS DESCRIBED IN
5 SUBSECTION (2) AND TO CREATE ANY OTHER SYSTEMS NECESSARY TO
6 IMPLEMENT THIS SECTION. THE DEPARTMENT OF HUMAN SERVICES SHALL HAVE
7 THE REGISTRY FULLY OPERATIONAL BY JANUARY 1, 2016. OTHER THAN THE
8 PROVISIONS RELATING TO THE CREATION OF THE REGISTRY, THIS SECTION
9 APPLIES 90 DAYS AFTER THE DEPARTMENT OF HUMAN SERVICES NOTIFIES THE
10 LICENSEES THAT THE REGISTRY IS FULLY OPERABLE.

11 (21) ANY AMOUNT INTERCEPTED BY A LICENSEE UNDER THIS SECTION
12 CONTINUES TO BE WINNINGS FOR PURPOSES OF CALCULATING THE LICENSEE'S
13 ADJUSTED GROSS RECEIPTS AND THE WAGERING TAX IMPOSED UNDER SECTION
14 12.

15 (22) THIS SECTION DOES NOT APPLY TO WINNINGS THAT ARE
16 CONFISCATED BY THE BOARD UNDER SECTION 25.

17 (23) AS USED IN THIS SECTION:

18 (A) "LICENSEE" MEANS THE HOLDER OF A CASINO LICENSE ISSUED
19 UNDER SECTION 6.

20 (B) "REGISTRY" MEANS THE REGISTRY CREATED AND MAINTAINED UNDER
21 SUBSECTION (2).

22 (C) "REGISTRY OPERATOR" MEANS THE DEPARTMENT OF HUMAN SERVICES
23 OR A PUBLIC OR PRIVATE ENTITY WITH WHOM THE DEPARTMENT OF HUMAN
24 SERVICES ENTERS INTO A CONTRACT TO MAINTAIN THE REGISTRY UNDER
25 SUBSECTION (2).

26 (D) "STATE DISBURSEMENT UNIT" MEANS THAT TERM AS DEFINED IN
27 SECTION 2A OF THE FRIEND OF THE COURT ACT, 1982 PA 294, MCL

1 552.502A.

2 (E) "SUPPORT" MEANS THAT TERM AS DEFINED IN SECTION 2A OF THE
3 FRIEND OF THE COURT ACT, 1982 PA 294, MCL 552.502A.