SUBSTITUTE FOR

SENATE BILL NO. 889

A bill to create the lawful Internet gaming act; to require the licensing and certification of persons to engage in Internet gaming; to create the division of Internet gaming; to provide for the powers and duties of the division of Internet gaming and other state governmental officers and entities; to impose fees; to impose a tax on the conduct of Internet gaming; to create the Internet gaming fund; to prohibit certain acts in relation to applications for licenses and certification and in relation to Internet gaming and to prescribe penalties for those violations; to require the promulgation of rules; and to provide remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 1. This act shall be known and may be cited as the
- 2 "lawful Internet gaming act".
- 3 Sec. 2. (1) The legislature finds that the Internet has become

- 1 an integral part of everyday life for a significant number of
- 2 residents of this state, not only in regard to their professional
- 3 lives, but also in regard to personal business and communication.
- 4 Internet wagering on games of chance and games of skill is a core
- 5 form of entertainment for millions of individuals worldwide. In
- 6 multiple jurisdictions across the world, Internet gaming is legal,
- 7 regulated, and taxed, generating billions of dollars in revenue for
- 8 governments.
- 9 (2) In an opinion dated September 20, 2011, the United States
- 10 Department of Justice reversed its previous interpretation of 18
- 11 USC 1084, commonly referred to as the federal wire act, allowing
- 12 states, subject to certain restrictions, to legalize and regulate
- 13 Internet gaming and capture the revenue for the benefit of state
- 14 governments.
- 15 (3) In order to protect residents of this state who wager on
- 16 games of chance and skill through the Internet and to capture
- 17 revenues and create jobs generated from Internet gaming, it is in
- 18 the best interest of this state and its citizens to regulate this
- 19 activity by authorizing and establishing a secure, responsible,
- 20 fair, and legal system of Internet gaming that complies with the
- 21 United States Department of Justice's September 2011 opinion
- 22 concerning 18 USC 1084.
- 23 (4) The legislature additionally finds that this act is
- 24 consistent and complies with the unlawful Internet gambling
- enforcement act of 2006, 31 USC 5361 to 5367, and specifically
- 26 authorizes use of the Internet to place, receive, or otherwise
- 27 knowingly transmit a bet or wager if that use complies with this

- 1 act and rules promulgated under this act.
- 2 Sec. 3. As used in this act:
- 3 (a) "Authorized participant" means an individual who has a
- 4 valid Internet wagering account with an Internet gaming licensee
- 5 and is at least 21 years of age.
- 6 (b) "Board" means the Michigan gaming control board created
- 7 under section 4 of the Michigan gaming control and revenue act,
- 8 1996 IL 1, MCL 432.204.
- 9 (c) "Division" means the division of Internet gaming
- 10 established under section 5.
- 11 (d) "Fund" means the Internet gaming fund created under
- **12** section 14.
- (e) "Gross gaming revenue" means the total of all money
- 14 actually received by an Internet gaming licensee from Internet
- 15 gaming operations, less only the total of all money paid out as
- 16 winnings to patrons. As used in this subdivision:
- 17 (i) "Prizes" includes both cash and noncash prizes. The value
- 18 of noncash prizes is the actual cost of the prize if the prize is
- 19 purchased from an unrelated party or, if purchased from a related
- 20 party, the amount the prize would have cost if purchased from an
- 21 unrelated party.
- 22 (ii) "Winnings" includes all of the following:
- 23 (A) The total amount players receive as prizes during the
- 24 accounting period.
- 25 (B) Stakes returned to players.
- (C) Other amounts credited to players' accounts, including the
- 27 cash value of loyalty points and similar incentives granted to

- 1 patrons.
- 2 (f) "Institutional investor" means that term as defined in
- 3 section 2 of the Michigan gaming control and revenue act, 1996 IL
- 4 1, MCL 432.202.
- 5 (g) "Internet" means the international computer network of
- 6 interoperable packet-switched data networks, inclusive of such
- 7 additional technological platforms as mobile, satellite, and other
- 8 electronic distribution channels approved by the division.
- 9 (h) "Internet game" means a game of skill or chance that is
- 10 offered by an Internet gaming licensee, as authorized by the
- 11 division. Internet game includes gaming tournaments conducted via
- 12 the Internet in which players compete against one another in 1 or
- 13 more of the games authorized by the division or in approved
- 14 variations or composites as authorized by the division.
- 15 (i) "Internet gaming licensee" means a person that is issued
- 16 an Internet gaming license from the division to conduct Internet
- 17 wagering.
- 18 (j) "Internet gaming platform" means an interactive set of
- 19 related data networks used to provide Internet wagering to
- 20 authorized participants.
- 21 (k) "Internet gaming vendor" means a person that is certified
- 22 by the division to provide or offer to provide goods, software, or
- 23 services to an Internet gaming licensee, including goods, software,
- 24 or services related to or supporting the acceptance, testing,
- 25 auditing, management, operation, support, administration, or
- 26 control of Internet wagering, Internet games, Internet wagering
- 27 accounts, or Internet gaming platforms.

- 1 (l) "Internet wagering" means the acceptance of a wager by an
- 2 Internet gaming licensee from an individual who is either
- 3 physically present in this state when placing the wager or
- 4 otherwise permitted to place the wager by law. For purposes of this
- 5 subdivision, the intermediate routing of electronic data in
- 6 connection with Internet wagering, including across state lines,
- 7 does not determine the location or locations in which the wager is
- 8 initiated, received, or otherwise made.
- 9 (m) "Internet wagering account" means an electronic ledger in
- 10 which all of the following types of transactions relative to the
- 11 Internet gaming platform are recorded:
- 12 (i) Deposits.
- 13 (ii) Withdrawals.
- 14 (iii) Amounts wagered.
- 15 (iv) Amounts paid on winning wagers.
- 16 (v) Service or other transaction-related charges authorized by
- 17 the patron, if any.
- 18 (vi) Adjustments to the account.
- 19 (vii) Any other information required by the division.
- (n) "Person" means an individual, partnership, corporation,
- 21 association, or other legal entity.
- 22 Sec. 4. (1) Internet wagering is authorized to the extent that
- 23 it is carried out in accordance with this act.
- 24 (2) A wager under this act initiated by an individual in this
- 25 state and received in a casino in this state, whether a casino in a
- 26 city and operated under the Michigan gaming control and revenue
- 27 act, 1996 IL 1, MCL 432.201 to 432.226, or a casino operated by an

- 1 Indian tribe, is considered to be gambling or gaming in the casino.
- 2 Sec. 5. (1) The division of Internet gaming is established in
- 3 the board. The division has the powers and duties specified in this
- 4 act and all other powers necessary and proper to enable it to fully
- 5 and effectively execute this act to administer, regulate, and
- 6 enforce the system of Internet gaming established by this act.
- 7 (2) The division has jurisdiction over every person involved
- 8 in Internet gaming operations.
- 9 (3) The division may enter into agreements with other gaming
- 10 entities, including foreign entities, to facilitate, administer,
- 11 and regulate multijurisdiction Internet gaming to the extent
- 12 consistent with state and federal laws and the laws of any foreign
- 13 jurisdiction. For this purpose, the division may enter into
- 14 multijurisdictional agreements with other states and foreign
- 15 jurisdictions.
- 16 (4) The division shall not authorize, administer, or otherwise
- 17 maintain a system for offering wagering on any amateur or
- 18 professional sporting event or contest, unless doing so is
- 19 consistent with state and federal laws.
- 20 (5) Notwithstanding anything else in this act, a wager may be
- 21 accepted from an individual who is not physically present in this
- 22 state if the division determines that the wager is not inconsistent
- 23 with federal law or the law of the jurisdiction, including any
- 24 foreign nation, in which the individual is located or that the
- 25 wagering is conducted under a multijurisdictional agreement to
- 26 which this state is a party that is not inconsistent with federal
- 27 law.

- 1 Sec. 6. (1) The division may issue an Internet gaming license
- 2 to a person that applies for the license if the division determines
- 3 that the applicant is eligible for an Internet gaming license under
- 4 this act and the rules promulgated under this act.
- 5 (2) An Internet gaming license issued under this act is valid
- 6 for 5 years after the date of issuance and, if the division
- 7 determines that the licensee continues to meet all the requirements
- 8 of this act and the rules promulgated under this act, is renewable
- 9 as follows:
- 10 (a) For the first 3 renewals, for additional 2-year periods.
- 11 (b) After the first 3 renewals, for additional 5-year periods.
- 12 (3) An assignment or transfer of an interest in an Internet
- 13 gaming license, or a greater than 10% interest, whether direct or
- 14 indirect, in an Internet gaming licensee, is subject to written
- 15 approval by the division. An approved transferee is subject to a
- 16 \$100,000.00 nonrefundable application fee.
- 17 (4) The division shall only issue an Internet gaming license
- 18 to a person that is 1 of the following:
- 19 (a) A casino licensee under the Michigan gaming control and
- 20 revenue act, 1996 IL 1, MCL 432.201 to 432.226.
- 21 (b) A federally recognized Michigan Indian tribe as provided
- 22 in section 7.
- 23 (5) The division shall not issue an Internet gaming license
- 24 under subsection (4)(a) if the issuance would allow more than 3
- 25 Internet gaming licensees to conduct Internet gaming under this
- 26 act.
- 27 (6) A qualified applicant may apply to the division for an

- 1 Internet gaming license to offer wagering on Internet games as
- 2 provided in this act. The application must be made on forms
- 3 provided by the division and contain the information required by
- 4 the division, including, but not limited to, detailed information
- 5 regarding the ownership and management of the applicant, detailed
- 6 personal information regarding the applicant, financial information
- 7 regarding the applicant, and the gaming history and experience of
- 8 the applicant in the United States and other jurisdictions.
- 9 (7) An application for a license under subsection (4)(a) must
- 10 be accompanied by a nonrefundable application fee of \$100,000.00.
- 11 The rules promulgated under section 10 may include provisions for
- 12 the refund of an application fee, or for the portion of an
- 13 application fee that has not been expended by the division in
- 14 processing the application, and the circumstances under which the
- 15 fee will be refunded.
- 16 (8) The division shall keep all information, records,
- 17 interviews, reports, statements, memoranda, or other data supplied
- 18 to or used by the division in the course of its review or
- 19 investigation of an application for an Internet gaming license or a
- 20 renewal of an Internet gaming license strictly confidential and
- 21 shall use that material only to evaluate an applicant for a license
- 22 or renewal. The materials described in this subsection are exempt
- 23 from disclosure under section 13 of the freedom of information act,
- 24 1976 PA 442, MCL 15.243.
- 25 (9) A person that does any of the following is guilty of a
- 26 misdemeanor punishable by imprisonment for up to 93 days or a fine
- 27 of up to \$500.00, or both:

- 1 (a) Knowingly makes materially false statements to obtain an
- 2 Internet gaming license.
- 3 (b) Knowingly advertises in this state any game, product, or
- 4 feature that is not authorized by the person's license.
- 5 (c) Violates any other provision of this act or of a rule
- 6 promulgated under this act.
- 7 (10) A person that commits a second or subsequent violation
- 8 under subsection (9) is guilty of a misdemeanor punishable by
- 9 imprisonment for up to 1 year or a fine of up to \$1,000.00, or
- **10** both.
- 11 (11) If a person that is not an individual commits a violation
- 12 under subsection (9) or (10), imprisonment may be imposed on the
- 13 partners, officers, or members who knowingly participated in the
- 14 violation.
- 15 (12) An application under this section must be filed and
- 16 considered in accordance with the rules promulgated under this act.
- 17 The division shall promulgate rules to effectuate this section
- 18 within 60 days after the effective date of this act.
- 19 (13) An institutional investor that holds less than 30% of the
- 20 equity of an applicant under this section is exempt from the
- 21 consideration process under subsection (12).
- 22 (14) An Internet gaming licensee licensed under subsection
- 23 (4)(a) shall pay a license fee of \$5,000,000.00 to the division at
- 24 the time the license is issued. The division shall deposit all
- 25 application and license fees paid under this act into the fund. A
- 26 license fee imposed by this section is an advance payment of
- 27 Internet wagering taxes owed by the Internet gaming licensee under

- 1 section 13. If a court issues a final judgment or order finding
- 2 this act or any portion of this act to be invalid, the division
- 3 shall refund to the licensees the license fees paid under this
- 4 subsection.
- 5 Sec. 7. (1) Subject to the requirements of this section, the
- 6 division may issue an Internet gaming license to a federally
- 7 recognized Michigan Indian tribe that operates a gaming facility
- 8 under a facility license issued in accordance with a tribal gaming
- 9 ordinance approved by the chair of the National Indian Gaming
- 10 Commission.
- 11 (2) The division shall not issue an Internet gaming license
- 12 under this section unless the Indian tribe has entered into a
- 13 compact with this state under the Indian gaming regulatory act,
- 14 Public Law 100-497, that has been approved by the legislature, and
- 15 that includes provisions relating to all of the following:
- 16 (a) The amount and manner of concessions to be paid to
- 17 this state by the Indian tribe in consideration for an Internet
- 18 gaming license.
- 19 (b) The waiver of sovereign immunity by the Indian tribe with
- 20 respect to conducting gaming under this act and paying the
- 21 concessions referred to under subdivision (a).
- 22 (3) The division shall not issue an Internet gaming license
- 23 under this section unless the Indian tribe, in connection with its
- 24 application to conduct gaming under this act, waives its sovereign
- 25 immunity in accordance with the provisions of the compact referred
- 26 to under subsection (2)(b).
- 27 (4) This section does not limit the additional terms that this

- 1 state and an Indian tribe may negotiate and include in a compact
- 2 under the Indian gaming regulatory act, Public Law 100-497.
- 3 Sec. 8. (1) The division may certify Internet gaming vendors
- 4 to provide goods, software, or services to Internet gaming
- 5 licensees.
- 6 (2) The division shall certify an Internet gaming vendor for 5
- 7 years. A certification under this section is renewable after the
- 8 initial 5-year period for an additional 5 years if the division
- 9 determines that the Internet gaming vendor continues to meet all
- 10 the requirements of this act and rules promulgated under this act.
- 11 (3) A person may apply to the division to become an Internet
- 12 gaming vendor as provided in this act and the rules promulgated
- 13 under this act.
- 14 (4) An application under this section must be made on forms
- 15 provided by the division and contain any information required by
- 16 the division, including, but not limited to, detailed information
- 17 regarding the ownership and management of the applicant, detailed
- 18 personal information regarding the applicant, financial information
- 19 regarding the applicant, and the gaming history and experience of
- 20 the applicant in the United States and other jurisdictions.
- 21 (5) An application under this section must be accompanied by a
- 22 nonrefundable application fee in an amount to be determined by the
- 23 division, not to exceed \$100,000.00.
- 24 (6) The division shall keep all information, records,
- 25 interviews, reports, statements, memoranda, or other data supplied
- 26 to or used by the division in the course of its review or
- 27 investigation of an application for certification as an Internet

- 1 gaming vendor strictly confidential and use the materials only to
- 2 evaluate an applicant for a certification. The materials described
- 3 in this subsection are exempt from disclosure under section 13 of
- 4 the freedom of information act, 1976 PA 442, MCL 15.243.
- 5 (7) A person that does any of the following is guilty of a
- 6 misdemeanor punishable by imprisonment for up to 93 days or a fine
- 7 of up to \$500.00, or both:
- 8 (a) Knowingly makes materially false statements to obtain
- 9 certification as an Internet gaming vendor.
- 10 (b) Violates any other provision of this act or of a rule
- 11 promulgated under this act.
- 12 (8) A person that commits a second or subsequent violation
- 13 under subsection (7) is guilty of a misdemeanor punishable by
- 14 imprisonment for up to 1 year or a fine of up to \$1,000.00, or
- **15** both.
- 16 (9) If a person that is not an individual commits a violation
- 17 under subsection (7) or (8), imprisonment may be imposed on the
- 18 partners, officers, or members who knowingly participated in the
- 19 violation.
- 20 Sec. 9. The division may do anything necessary or desirable to
- 21 effectuate this act, including, but not limited to, all of the
- 22 following:
- 23 (a) Develop qualifications, standards, and procedures for
- 24 approval and licensure of Internet gaming licensees and
- 25 certification of Internet gaming vendors.
- 26 (b) Decide promptly and in reasonable order all license
- 27 applications and approve, deny, suspend, revoke, restrict, or

- 1 refuse to renew Internet gaming licenses and Internet gaming vendor
- 2 certifications. A party aggrieved by an action of the division
- 3 denying, suspending, revoking, restricting, or refusing to renew a
- 4 license or certification may request a hearing before the division.
- 5 A request for hearing under this subdivision must be made to the
- 6 division in writing within 5 days after service of notice of the
- 7 action by the division. The division shall serve notice of action
- 8 under this subdivision either by personal delivery or certified
- 9 mail, postage prepaid, to the aggrieved party. Notice served by
- 10 certified mail is considered complete on the business day following
- 11 the date of mailing. The division shall conduct a hearing requested
- 12 under this subdivision in reasonable order.
- 13 (c) Conduct all hearings pertaining to civil violations of
- 14 this act or rules promulgated under this act. The division shall
- 15 promulgate rules that contain procedures for conducting hearings
- 16 under this subdivision. In a hearing under this subdivision or in a
- 17 court action, a reproduced copy of a record of the division
- 18 relating to an Internet gaming licensee or Internet gaming vendor,
- 19 including, but not limited to, a notice prepared in the ordinary
- 20 course of business of the division or a book, record, or other
- 21 document offered in the name of the division under certificate of
- 22 the executive director of the board or of any officer or employee
- 23 of the division designated in writing by the executive director
- 24 must be admitted into evidence and is prima facie proof of the
- 25 information contained in the record. The attorney general shall
- 26 prosecute a violation of this act or a rule promulgated under this
- 27 act.

- 1 (d) Provide for the establishment and collection of all
- 2 license and certification fees and taxes imposed by this act and
- 3 the rules promulgated under this act and the deposit of the fees
- 4 and taxes into the fund.
- 5 (e) Develop and enforce testing, audit, and certification
- 6 requirements and schedules for Internet gaming platforms, Internet
- 7 wagering, and Internet wagering accounts, including, but not
- 8 limited to, age and identification verification software,
- 9 geolocation software, Internet games, and gaming hub software.
- 10 (f) Develop and enforce requirements for responsible gaming
- 11 and player protection, including privacy and confidentiality
- 12 standards and duties.
- 13 (g) Develop and enforce requirements for accepting Internet
- 14 wagers, Internet wagering accounts, and authorized participants and
- 15 minimum insurance requirements.
- 16 (h) Develop and promote standards governing contracts between
- 17 Internet gaming licensees and the payments industry.
- 18 (i) Develop and enforce standards and requirements regarding
- 19 antifraud, anti-money-laundering, and anticollusion methods.
- (j) Develop protocols related to the security of and disputes
- 21 arising over Internet wagers and Internet wagering accounts.
- (k) Adopt by rule a code of conduct governing division
- 23 employees that ensures, to the maximum extent possible, that
- 24 persons subject to this act avoid situations, relationships, or
- 25 associations that may represent or lead to an actual or perceived
- 26 conflict of interest.
- 27 (l) Develop and administer civil penalties for Internet gaming

- 1 licensees and Internet gaming vendors that violate this act or the
- 2 rules promulgated under this act.
- 3 (m) Audit and inspect, on reasonable notice, books and records
- 4 relevant to Internet gaming operations, Internet wagers, Internet
- 5 wagering accounts, Internet games, or Internet gaming platforms,
- 6 including, but not limited to, the books and records regarding
- 7 financing or accounting, marketing or operational materials, or any
- 8 other similar materials held by or in the custody of an Internet
- 9 gaming licensee or Internet gaming vendor. The division may assert
- 10 its authority under this subdivision by an administrative subpoena,
- 11 which may also contain a request for relevant documents or
- 12 interrogatories, and which is enforceable in the circuit court.
- 13 (n) Acquire or lease real property and make improvements to
- 14 the property and acquire by lease or by purchase personal property,
- including, but not limited to, any of the following:
- 16 (i) Computer hardware.
- 17 (ii) Mechanical, electronic, and online equipment and
- 18 terminals.
- 19 (iii) Intangible property, including, but not limited to,
- 20 computer programs, software, and systems.
- 21 Sec. 10. The division shall promulgate and enforce rules
- 22 governing the administration and conduct of Internet gaming as it
- 23 considers necessary to carry out this act. The division shall
- 24 promulgate the rules pursuant to the administrative procedures act
- 25 of 1969, 1969 PA 306, MCL 24.201 to 24.328. The rules may include
- 26 all of the following:
- 27 (a) The types of Internet games to be offered, including

- 1 poker.
- 2 (b) Forms of payment accepted for Internet games.
- 3 (c) Responsible gaming.
- 4 (d) Technical and financial standards for Internet wagering,
- 5 Internet wagering accounts, and Internet gaming platforms, systems,
- 6 and software or other electronic components for Internet gaming.
- 7 (e) Anything else necessary or desirable for the efficient and
- 8 economical operation and administration of Internet gaming and for
- 9 the convenience of authorized participants, Internet gaming
- 10 licensees, and Internet gaming vendors.
- 11 Sec. 11. (1) An Internet gaming licensee's Internet gaming
- 12 platform must provide 1 or more mechanisms to reasonably verify
- 13 that an authorized participant is 21 years of age or older and that
- 14 Internet wagering is limited to transactions that are initiated and
- 15 received or otherwise made exclusively within this state.
- 16 (2) An individual who wishes to place a wager over the
- 17 Internet under this act must satisfy the verification requirements
- 18 under subsection (1) before he or she may establish an Internet
- 19 gaming account or wager on an Internet game offered by an Internet
- 20 gaming licensee.
- 21 (3) When a legally compliant mechanism is established to
- 22 permit wagering on Internet games by individuals physically located
- 23 outside of this state, the division may promulgate rules and adopt
- 24 procedures to allow and govern wagering by those individuals and
- 25 may enter into multijurisdictional agreements and related and
- 26 ancillary agreements to effectuate the wagering.
- 27 (4) An Internet gaming licensee's Internet gaming platform

- 1 must also provide mechanisms designed to detect and prevent the
- 2 unauthorized use of Internet wagering accounts and to detect and
- 3 prevent fraud, money laundering, and collusion.
- 4 (5) If a participant in Internet gaming violates this act or a
- 5 rule promulgated under this act, the participant's winnings are
- 6 forfeited. An Internet gaming licensee shall deposit forfeited
- 7 winnings into the fund.
- 8 (6) An Internet gaming licensee shall not authorize any of the
- 9 following individuals to establish an Internet gaming account or
- 10 allow them to wager on Internet games offered by the Internet
- 11 gaming licensee, except if required and authorized by the division
- 12 for testing purposes or to otherwise fulfill the purposes of this
- **13** act:
- 14 (a) An individual less than 21 years old.
- 15 (b) A partner, officer, or member or an individual employed by
- 16 an Internet gaming licensee or Internet gaming vendor.
- 17 (c) A spouse, civil union partner, child, brother, sister, or
- 18 parent residing as a member of the same household in the principal
- 19 place of abode of an individual described in subdivision (b).
- 20 (d) An individual whose name appears in the division's
- 21 responsible gaming database.
- 22 Sec. 12. (1) The division shall develop responsible gaming
- 23 measures, including a statewide responsible gaming database
- 24 identifying individuals who are prohibited from establishing an
- 25 Internet wagering account or participating in Internet gaming
- 26 offered by an Internet gaming licensee. The executive director of
- 27 the board may place an individual's name in the responsible gaming

- 1 database if any of the following apply:
- 2 (a) The individual has been convicted in any jurisdiction of a
- 3 felony, a crime of moral turpitude, or a crime involving gaming.
- 4 (b) The individual has violated this act or another gaming-
- 5 related act.
- 6 (c) The individual has performed an act or has a notorious or
- 7 unsavory reputation such that the individual's participation in
- 8 Internet gaming under this act would adversely affect public
- 9 confidence and trust in gaming.
- 10 (d) The individual's name is on a valid and current exclusion
- 11 list from another jurisdiction in the United States or a foreign
- 12 jurisdiction.
- 13 (2) The division shall promulgate rules for the establishment
- 14 and maintenance of the responsible gaming database.
- 15 (3) An Internet gaming licensee, in a format specified by the
- 16 division, shall provide the division with names of individuals to
- 17 be included in the responsible gaming database.
- 18 (4) The division may impose reasonable fees on persons
- 19 authorized to access and use the responsible gaming database.
- 20 (5) An Internet gaming licensee's Internet gaming platform
- 21 must offer in a clear, conspicuous, and accessible manner
- 22 responsible gambling services and technical controls to
- 23 participants, including both temporary and permanent self-exclusion
- 24 for all games offered; the ability for participants to establish
- 25 their own periodic deposit and wagering limits and maximum playing
- 26 times; referrals to crisis counseling and referral services for
- 27 individuals and families experiencing difficulty as a result of

- 1 problem or compulsive gambling; and other services as the division
- 2 reasonably determines are necessary or appropriate to reduce and
- 3 prevent problem gambling.
- 4 (6) Any authorized participant may voluntarily prohibit
- 5 himself or herself from establishing an Internet gaming account.
- 6 The division shall incorporate the voluntary self-exclusion list
- 7 into the responsible gaming database and maintain both the self-
- 8 exclusion list and the responsible gaming database in a
- 9 confidential manner.
- 10 (7) The self-exclusion list and responsible gaming database
- 11 established under this section are exempt from disclosure under
- 12 section 13 of the freedom of information act, 1976 PA 442, MCL
- **13** 15.243.
- 14 Sec. 13. (1) A person that is eligible for an Internet gaming
- 15 license under section 6(4)(a) and that receives an Internet gaming
- 16 license is subject to a tax of 10% on the gross gaming revenue
- 17 received by the Internet gaming licensee from Internet games
- 18 authorized under this act.
- 19 (2) An Internet gaming licensee that is subject to subsection
- 20 (1) shall pay the tax under subsection (1) on a monthly basis. The
- 21 payment for a month is due on the tenth day of the following month.
- Sec. 14. (1) The Internet gaming fund is created in the state
- 23 treasury.
- 24 (2) The state treasurer may receive money or other assets
- 25 required to be paid into the fund under this act or from any other
- 26 source for deposit into the fund. The state treasurer shall direct
- 27 the investment of the fund. The state treasurer shall credit to the

- 1 fund interest and earnings from fund investments.
- 2 (3) Money in the fund at the close of the fiscal year must
- 3 remain in the fund and not lapse to the general fund.
- 4 (4) The board is the administrator of the fund for auditing
- 5 purposes.
- 6 (5) The board shall expend money from the fund, on
- 7 appropriation, for all of the following:
- 8 (a) Each year, \$5,000,000.00 to the first responder presumed
- 9 coverage fund created in section 405 of the worker's disability
- 10 compensation act of 1969, 1969 PA 317, MCL 418.405.
- 11 (b) The board's costs of regulating Internet gaming under this
- **12** act.
- 13 (c) For the purposes specified by the legislature in the
- **14** appropriation.
- 15 Sec. 15. If a court enters a final judgment or order finding
- 16 any portion of this act to be invalid, this entire act is
- inoperable and of no effect.
- 18 Enacting section 1. This act takes effect 90 days after the
- 19 date it is enacted into law.
- 20 Enacting section 2. This act does not take effect unless
- 21 Senate Bill No. 890 of the 98th Legislature is enacted into law.