



HOUSE BILL No. 5997

December 14, 1994 Introduced by Reps Murphy Saunders Agee Kilpatrick and Parks
and referred to the Committee on Tourism and Recreation

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 15 U S C 78l, or is an issuer subject to section 15(d)
22 of title I of the securities exchange act of 1934, 15
23 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

1 (b) A permanently docked boat or barge

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

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

6 (3) Rule means a rule promulgated under the administrative
7 procedures act of 1969, Act No 306 of the Public Acts of 1969
8 being sections 24 201 to 24 328 of the Michigan Compiled Laws

9 Sec 108 (1) Security means an instrument evidencing a
10 direct or indirect beneficial ownership or creditor interest in a
11 corporation, including common or preferred stock, bonds, mort-
12 gages, debentures, security agreements, notes, warrants, options,
13 or rights

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

24 (3) "State gaming commission" means the state gaming commis-
25 sion established in chapter 2

26 (4) Subsidiary' means a corporation more than 5% in value
27 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, including 1 for the city of Detroit, for the conduct of
25 riverboat casino gaming in this state A license shall not be
26 granted if the proposed riverboat casino is 50 miles or less in

1 distance from another riverboat casino or a proposed riverboat
2 casino that has been granted a license

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

5 (a) The McCauley-Traxler-Law-Bowman-McNeely lottery act, Act
6 No 239 of the Public Acts of 1972, being sections 432 1 to
7 432 47 of the Michigan Compiled Laws

8 (b) The Traxler-McCauley-Law-Bowman bingo act, Act No 382
9 of the Public Acts of 1972, being sections 432 101 to 432 120 of
10 the Michigan Compiled Laws

11 (c) The racing law of 1980, Act No 327 of the Public Acts
12 of 1980, being sections 431 61 to 431 88 of the Michigan Compiled
13 Laws

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

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

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

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

1 (5) The governor shall appoint a chairperson from the
2 membership of the state gaming commission A member shall not
3 serve more than 2 consecutive years as chairperson

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

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

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

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

1 personnel and consultants as may be necessary for the performance
2 of its duties under this act

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

8 Sec 205 The state gaming commission shall do the
9 following

10 (a) Administer and enforce this act

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

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

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

26 (2) The state gaming commission may conduct investigative
27 hearings concerning the conduct of riverboat casino gaming

1 operations as well as the development and well-being of the
2 industries controlled by this act

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

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

1 perjury in an investigation, proceeding or trial against him or
2 her for contempt or in a manner consonant with state law and
3 constitutional provisions

4 Sec 208 (1) The state gaming commission shall promulgate
5 rules pursuant to the administrative procedures act of 1969, Act
6 No 306 of the Public Acts of 1969, being sections 24 201 to
7 24 328 of the Michigan Compiled Laws, for the administration of
8 this act

9 (2) The rules of the state gaming commission shall prescribe
10 all of the following

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

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

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

23 (d) The manner and procedure for all hearings conducted by
24 the director or a hearing examiner including special rules of
25 evidence applicable to the hearings, and the requirements for
26 notices of hearings

1 (e) The manner and method of collection of payments of
2 taxes, fees, fines, and penalties

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

7 (g) The procedure and forms for the accounting systems and
8 record keeping for negotiable transactions involving patrons

9 (h) Grounds and procedures for the revocation or suspension
10 of the certificate and license issued pursuant to section 226

11 (i) The governing of the manufacture, distribution, sale,
12 and servicing of gaming devices

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

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

24 (l) A minimum uniform standard of accountancy methods, pro-
25 cedures, and forms a uniform code of accounts and accounting
26 classifications and other standard operating procedures,
27 including those controls listed in section 229, as may be

1 necessary to assure consistency, comparability, and effective
2 disclosure of all financial information, including calculations
3 of percentages of profit by game, table, gaming device, and slot
4 machines

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

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

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

1 alcoholic beverages during all hours the riverboat casino is open
2 to the public

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

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

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

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

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

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

1 on of illegal gambling or other criminal activities and ensure
2 that this act and the rules promulgated under this act are in a
3 form and are administered so as to implement the purposes of this
4 act

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

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

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

24 Sec 211 (1) Except as otherwise provided in this section
25 or section 212, information regarding the operation of the state
26 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) A person may apply for the riverboat casino license if,
11 in addition to agreeing to comply in all respects with this act
12 and rules, the person agrees to satisfy either of the following
13 requirements

14 (a) Owns 100% of the riverboat casino and has access to
15 docking facilities

16 (b) Leases 100% of the riverboat casino from the owner and
17 has access to docking facilities

18 Sec 222 A corporation shall not apply for a riverboat
19 casino license unless the corporation satisfies all of the fol-
20 lowing eligibility requirements

21 (a) Is incorporated in this state, although the corporation
22 may be a wholly or partially owned subsidiary of a corporation
23 that is chartered in another state

24 (b) Agrees to maintain an office of the corporation in this
25 state

26 (c) Complies with the requirements of the laws of this state
27 pertaining to corporations

1 (d) Maintains a ledger in the principal office of the
2 corporation in this state that reflects the current ownership of
3 every class of security issued by the corporation and that is
4 available for inspection by the director at all reasonable times
5 without notice

6 (e) Maintains an account in a financial institution in this
7 state

8 (f) Includes among the purposes stated in its articles of
9 incorporation the conduct of riverboat casino gaming

10 (g) If it is not a publicly traded corporation, adopts and
11 files with the director the corporate charter or bylaws contain-
12 ing provisions establishing the right of the director to approve
13 future transfers of corporate securities, shares, and other
14 interests in the applicant corporation and in any holding com-
15 pany, intermediary company, or subsidiary company of the appli-
16 cant corporation If it is a publicly traded corporation, the
17 corporation shall provide in its corporate charter or bylaws that
18 securities of the corporation are held subject to the condition
19 that if a holder of securities of the corporation is found to be
20 disqualified by the director pursuant to this act, the holder
21 shall dispose of his or her security interest in the
22 corporation This section does not require that a security of
23 the corporation bear a legend to this effect except as otherwise
24 provided in section 233(2)

25 (h) If it is not a publicly traded corporation, establishes
26 to the satisfaction of the director that appropriate charter or
27 bylaw provisions create the absolute right of the corporation to

1 repurchase, before another purchase at the market price or the
2 purchase price whichever is less, any security share, or other
3 interest in the corporation if the director disapproves a trans-
4 fer pursuant to this act

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

16 (2) Application for renewal shall be filed with the director
17 not later than 180 days before the expiration of the current
18 license, and license fees and taxes as required by law shall be
19 paid to the director before the date of expiration of the current
20 license

21 (3) Upon renewal of a license, the director shall issue an
22 appropriate renewal certificate or validating device or sticker
23 which shall be attached to the license

24 Sec 224 (1) A person shall not begin employment as a
25 casino employee, casino security employee, or casino key employee
26 unless the person is the holder of a temporary or permanent valid
27 work permit issued by the director. The director may authorize

1 Michigan state police to act on his or her behalf to issue
2 temporary or permanent work permits Before the effective date
3 of the appointment or employment, the casino licensee shall apply
4 for a temporary or permanent work permit for the employee The
5 casino licensee shall return the permanent work permit to the
6 director within 5 days after the termination or cessation of the
7 appointment or employment for any cause A work permit shall be
8 renewed annually in accordance with rules adopted by the state
9 gaming commission

10 (2) The director shall issue a temporary work permit to a
11 casino employee for a period of 60 days if the person has submit-
12 ted an application for the issuance of a work permit to the
13 director The director shall grant or deny an application for a
14 temporary work permit within 7 days after receipt of the
15 application

16 (3) Before the issuance of a permanent work permit an
17 applicant for a casino employee, casino security employee, or
18 casino key employee work permit shall provide sufficient informa-
19 tion, documentation and assurances to meet the suitability cri-
20 teria, as promulgated by the director The director shall grant
21 or deny an application for a permanent work permit within 21 days
22 after receipt of the application If the applicant is the holder
23 of a temporary work permit, the temporary permit shall remain in
24 full force and effect until a decision has been made by the
25 director as to the issuance of a permanent work permit

26 (4) Within 24 hours after receipt from the director of a
27 written notice, a riverboat casino licensee shall terminate the

1 appointment or employment of a person whose temporary or
2 permanent work permit has been revoked or has expired A
3 licensee shall comply in all respects with an order of the direc-
4 tor imposing limitations or restrictions upon the terms of
5 employment or appointment of the employee in the course of an
6 investigation or hearing

7 (5) A casino employee, casino security employee, or casino
8 key employee, by the effective date of employment pursuant to a
9 permanent work permit, shall establish to the satisfaction of the
10 director that he or she is a resident of the city within which
11 gaming is conducted pursuant to this act However, this act does
12 not require city residency for any contractor or employee of a
13 contractor involved in the construction of a facility connected
14 with riverboat casino gaming operations

15 Sec 225 (1) A casino service industry offering goods or
16 services on a regular basis that directly relate to riverboat
17 casino or gaming activity, including gaming equipment manufactur-
18 ers, suppliers, and repairers schools teaching gaming and either
19 playing or dealing techniques, and casino security services shall
20 be licensed in accordance with this act before conducting busi-
21 ness with a riverboat casino licensee, its employees, or agents,
22 and, in the case of a school in this state, before the enrollment
23 of pupils or the offering of courses to the public, whether or
24 not for compensation This act does not limit the riverboat
25 casino licensee from operating a school to train casino employees
26 or prospective casino employees

1 (2) A casino service industry described in subsection (1),
2 as well as its owners, management, supervisory personnel, and
3 other principal employees, in order to be licensed shall qualify
4 under the standards established in rules

5 (3) A casino service industry not included in subsection (1)
6 shall be licensed in accordance with rules of the gaming commis-
7 sion within 60 days after commencement or continuation of busi-
8 ness with a riverboat casino licensee or its agents. The direc-
9 tor may exempt any person or field of commerce from the licensing
10 requirements of this subsection if he or she finds that the
11 person or field of commerce is regulated by a public or govern-
12 mental agency and that licensure under this act is not necessary
13 to protect the public interest or to accomplish the policies
14 established by this act

15 (4) Licensure of a casino service industry pursuant to sub-
16 section (3) may be denied to an applicant disqualified on the
17 basis of the criteria established by the state gaming
18 commission

19 Sec 226 (1) A riverboat casino shall not be opened or
20 remain open to the public, and gaming activity, except for test
21 purposes, shall not be conducted unless a riverboat casino
22 license and certificate of operations have been issued to the
23 licensee by the director. The director shall issue the certifi-
24 cate upon a finding that the riverboat casino complies in all
25 respects with the requirements of this act and the rules promul-
26 gated under this act, including all of the following

1 (a) That the licensee has implemented necessary management
2 controls and security precautions

3 (b) That personnel are properly trained and issued temporary
4 or permanent work permits

5 (c) That the riverboat casino is prepared in all respects to
6 receive only those members of the public who are 21 years of age
7 or older

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

12 (2) The certificate shall include a statement of the
13 licensee's compliance with subsection (1) and an itemized list by
14 category and number of the authorized games permitted in the riv-
15 erboat casino

16 (3) The licensee shall notify the director at least 30 days
17 before a proposed change in the number of authorized games to be
18 played in the riverboat casino, and shall request the issuance of
19 a certificate that permits the changes The director may waive
20 the 30-day notice described in this subsection upon request of
21 the licensee The director shall issue a revised certificate
22 unless he or she finds that the planned change in authorized
23 games does not conform to 1 or more requirements of this act or
24 rules promulgated under this act or that there has been a change
25 of circumstances in the gaming facility or the licensee materi-
26 ally affecting compliance with subsection (1)

1 (4) A certificate shall remain in effect unless altered in
2 accordance with subsection (3), or revoked, suspended, limited,
3 or otherwise altered by the director pursuant to this act. A
4 revocation, suspension, or limitation of the certificate is final
5 unless the licensee, within 30 days after receiving the notice of
6 suspension, revocation, or limitation of the certificate, applies
7 to the gaming commission for a hearing. After the hearing, the
8 gaming commission shall give notice of its determination to the
9 licensee. The licensee may seek judicial review. The licensee
10 may continue to operate until the revocation, suspension, or lim-
11 itation of the certificate becomes final.

12 (5) As a condition of continued operation of a riverboat
13 casino under this act, a licensee shall maintain all books,
14 records, and documents pertaining to the licensee's operations on
15 the licensed premises and have them immediately available for
16 inspection during all normal business hours of operation. The
17 books, records, and documents shall be maintained for a period of
18 not less than 3 years.

19 Sec 227. The riverboat casino licensee shall file with the
20 director a schedule of hours of gaming operations before the
21 issuance of an initial certificate. If the licensee proposes a
22 change in scheduled hours, the proposed change shall not take
23 effect until the licensee files a notice of the new schedule of
24 hours with the director. A filing shall be made not less than 30
25 days before the effective date of the proposed change in hours
26 unless waived by the director.

1 Sec 228 (1) The riverboat casino licensee shall arrange
2 the gaming facilities in a manner that promotes maximum comfort
3 for the patrons and optimum security for the gaming operation,
4 and shall comply in all respects with the rules of the director
5 pertaining to the facilities

6 (2) The licensee shall install a closed circuit television
7 system that meets reasonable and customary security standards for
8 a casino according to specifications approved by the director,
9 and provide access on the licensed premises to the system or its
10 signal by the director, in accordance with rules of the state
11 gaming commission This subsection does not require that the
12 signal be transmitted to a remote location

13 Sec 229 The riverboat casino licensee shall submit to the
14 director a description of its system of internal procedures and
15 administrative and accounting controls The submission shall be
16 made at least 60 days before gaming operations are to commence or
17 before changes in previously submitted administrative and
18 accounting controls are to become effective, unless otherwise
19 directed by the director A submission shall contain both narra-
20 tive and diagrammatic representations of the internal control
21 system to be utilized and required by rules promulgated by the
22 director

23 Sec 230 The director shall review each submission
24 required by section 229 and shall determine whether it conforms
25 to the requirements of this act or rules promulgated under this
26 act and whether the system described in the submission provides
27 adequate and effective controls for the operation of the

1 riverboat casino submitting it If the director finds an
2 insufficiency, the director shall specify the insufficiency in
3 writing to the licensee who shall make appropriate alterations
4 If the director fails to notify the licensee of an insufficiency
5 within 30 days after receipt of the submission, the submission
6 shall be considered adequate in all respects The licensee may
7 begin gaming operations or alter its internal controls unless the
8 director determines that the system of controls is inadequate as
9 provided in this section

10 Sec 231 (1) This act permits only the conduct of games
11 authorized under this act and the rules promulgated under this
12 act

13 (2) A gaming device shall not be possessed, maintained, or
14 exhibited by a person on the premises of the riverboat or docking
15 facilities of a riverboat casino except in the casino room and in
16 secure areas used for the inspection, repair, or storage of the
17 equipment and specifically designated for the purpose by the
18 licensee with the approval of the director A gaming device
19 shall not be possessed, maintained, exhibited, brought into, or
20 removed from the riverboat casino premises by a person unless the
21 gaming device is necessary to the conduct of an authorized game,
22 has permanently affixed, imprinted, impressed, or engraved on it
23 an identification number or symbol authorized by the director and
24 is under the exclusive control of the licensee or its employees

25 (3) The riverboat and docking facilities shall contain a
26 count room and other secure facilities as required by the
27 director for the counting and storage of cash, tokens, and checks

1 received in the conduct of gaming and for the inspection,
2 counting, and storage of dice, cards chips, and other represen-
3,tatives of value Drop boxes and other devices in which cash or
4 tokens are deposited at the gaming tables or in slot machines and
5 all areas in which the boxes and devices are kept while in use
6 shall be equipped with 2 locking devices The drop boxes and
7 other devices shall not be brought into or removed from the
8 casino room, locked or unlocked except at times, places, and
9 pursuant to procedures the director approves Cash shall be
10 counted daily at times the licensee reasonably requires

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

14 (5) Gaming shall be conducted according to reasonable and
15 customary rules All wagers and payoffs of winning wagers at
16 table games shall be made according to reasonable and customary
17 rules A slot machine shall have a minimum payout of 80%

18 (6) The licensee shall make available in printed form to the
19 casino patron upon request the complete text of the rules regard-
20 ing games and the conduct of gaming payoffs of winning wagers,
21 and containing other advice to the player as the director
22 requires The licensee shall prominently post within the casino
23 room pursuant to rules of the director information about gaming
24 rules, payoffs of winning wagers, and other advice to the player
25 that the director requires

26 (7) A gaming table shall be equipped with a sign indicating
27 the permissible minimum and maximum wagers for that table A

1 person shall not conduct gaming activity at a table in a manner
2 inconsistent with the information stated upon the sign required
3 by this subsection

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

7 Sec 233 (1) The sale, assignment, transfer, pledge, or
8 other disposition of a security issued by a corporation that
9 holds the riverboat casino license is conditional and is ineffec-
10 tive if disapproved by the director within a reasonable time
11 The director shall withhold his or her consent only upon a show-
12 ing of good cause

13 (2) A security issued by a corporation that holds the river-
14 boat casino license shall bear on both sides of the certificate
15 evidencing the security a statement of the restrictions imposed
16 by this section However, in the case of a publicly traded cor-
17 poration incorporated before the effective date of this act, a
18 statement of restriction is necessary only insofar as certifi-
19 cates are issued by the corporation after the effective date of
20 this act

21 (3) Articles of incorporation of a corporation that include
22 as a stated purpose the conduct of riverboat casino gaming or an
23 amendment that adds that purpose to the corporation's previously
24 filed articles of incorporation shall be approved by the director
25 and a copy of the approval shall be annexed to the articles of
26 incorporation upon filing with the corporations and securities
27 bureau of the department of commerce This subsection does not

1 apply to corporations whose articles of incorporation at the time
2 of enactment of this act contain as a stated purpose the conduct
3 of riverboat casino gaming

4 Sec 234 A nonrefundable deposit of at least \$50,000 00
5 shall be posted with the application for the riverboat casino
6 license and shall be applied to the first annual license fee if
7 the license is granted A nonrefundable deposit of \$20,000 00
8 shall be posted when the director reserves a riverboat casino
9 license pursuant to section 220(5), and the \$20,000 00 shall be
10 applied to the first annual license fee when the license is
11 granted

12 Sec 235 The state gaming commission shall establish, by
13 rules, customary and reasonable annual fees for the issuance and
14 renewal of work permits for the various classes of employees
15 The fees shall be paid by the employer licensee

16 CHAPTER 3

17 Sec 301 There is imposed an annual tax on the gross reve-
18 nue of each riverboat casino licensed under this act for the
19 fiscal year of the licensee and shall be based on 14% of the
20 gross revenue

21 Sec 302 (1) Ten percent of the revenue derived from the
22 tax imposed by section 301 shall be credited to the gaming con-
23 trol fund

24 (2) Forty-five percent of the revenue derived from the tax
25 imposed by section 301 shall be paid to the local governmental
26 unit conducting riverboat casino gambling to be used for fire
27 protection, law enforcement, and any infrastructure costs

1 connected with or accountable to the presence of riverboat casino
2 gaming operations within the city

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

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

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

12 Sec 304 (1) The director may require at least monthly
13 deposits by the licensee of the revenue received under section
14 301 at times, conditions, and in depositories as prescribed by
15 the state treasurer The director may require that a monthly
16 report and reconciliation statement be filed before the tenth day
17 of each month with respect to gross revenues and deposits
18 received and made respectively during the immediately preceding
19 month

20 (2) Except as the director may require under subsection (1),
21 the tax imposed under section 301 is due and payable annually on
22 or before each March 15 A licensee shall file his or her first
23 return and shall report gross revenue from the time his or her
24 riverboat casino commenced operations and ending on the last day
25 of the calendar year The report shall be filed with the direc-
26 tor on or before the following March 15 Subsequent reporting
27 periods shall be calendar years and reports of activity for

1 subsequent periods shall similarly be filed with the director on
2 or before the following March 15

3 Sec 305 This state shall have a lien on the real and per-
4 sonal property owned by the person or persons named on a river-
5 boat casino license The lien shall be in the amount of any
6 taxes or fees due and unpaid that are authorized to be collected
7 under this act and for amounts expended for collecting those
8 taxes The lien shall be enforced as a tax lien is enforced pur-
9 suant to the general property tax act, Act No 206 of the Public
10 Acts of 1893, being sections 211 1 to 211 157 of the Michigan
11 Compiled Laws

12 Sec 306 (1) The director shall make an annual report to
13 the state legislature within 120 days after the end of the fiscal
14 year of the state which shall include full disclosure of receipts
15 and disbursements and all actions taken and recommendations made
16 relative to better control of casino gaming

17 (2) The director or his or her designee shall have free and
18 full access to all parts of a riverboat casino and the books
19 records, gaming equipment, and counting rooms of the riverboat
20 casino

21 (3) Not more than 3 years after the issuance of the initial
22 riverboat casino license, the director shall conduct and report
23 his or her findings on a study of the social and economic effects
24 of casino gaming to the chief executive officer and the legisla-
25 tive body of the city in which the riverboat casino is located
26 and the state legislature

1 Sec 307 (1) The question of establishing riverboat casino
2 gaming in a local unit of government within which riverboat
3 casino gaming has been proposed shall be submitted to the quali-
4 fied electors of the local unit of government at a regular or
5 special election and shall be approved by a majority of the elec-
6 tors voting on the question Notice of submission of the ques-
7 tion shall be given in the same manner as the notice required by
8 law for local elections, and shall be submitted in substantially
9 the following form

10 "Shall riverboat casino gaming be allowed in _____ pur-
11 suant to the provisions of the riverboat casino gaming act?

12 Yes ()

13 No ()"

14 (2) The result of the vote shall be canvassed by the board
15 of state canvassers

16 CHAPTER 4

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

19 (a) Using bogus or counterfeit chips or tokens

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

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

24 (2) A person shall not play or use a gaming device, slot
25 machine, vending machine, coin box, or other receptacle designed
26 to receive or be operated by lawful coin of the United States in
27 furtherance of, or in connection with, the sale, use, or

1 enjoyment of property or service located in a riverboat casino in
2 any of the following manners

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

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

12 (3) A person shall not conduct, carry on, operate, deal, or
13 allow to be conducted, carried on, operated, or dealt in a casino
14 a cheating or thieving game or device or deal, carry on, oper-
15 ate, or expose for play games of chance played with cards, dice,
16 or a mechanical or electrical device, or a combination of those
17 games or devices, that are marked in any manner, tampered with,
18 placed in a condition, or operated in a manner, the result of
19 which tends to deceive the public, or tends to alter the normal
20 random selection of criteria that determine the results of casino
21 gaming

22 (4) Property, the use or possession of which is prohibited
23 by this section, may be summarily seized and confiscated by the
24 director or the director's agents

25 (5) A person who violates this section is guilty of a felony
26 punishable by imprisonment for not more than 10 years, or a fine
27 of not more than \$50,000 00, or both

1 Sec 402 (1) The riverboat casino licensee or the officers
2 or employees of the licensee may question an individual in the
3 riverboat casino who is suspected of violating section 401 The
4 licensee or the officers employees, or agents of the licensee
5 shall not be criminally or civilly liable for questioning con-
6 ducted under this subsection if the questioning is conducted in a
7 reasonable manner

8 (2) A licensee or the officers or employees of the licensee
9 who have probable cause for believing that there was a violation
10 of section 401 in the casino by a person may take the person into
11 custody and detain that person in the riverboat casino in a rea-
12 sonable manner and for a reasonable length of time The taking
13 into custody and detention shall not render the riverboat casino
14 or the officers or employees of the casino criminally or civilly
15 liable for false arrest false imprisonment, slander, or unlawful
16 detention unless the taking into custody and detention are unrea-
17 sonable under all the circumstances

18 (3) The riverboat casino or the officers employees or
19 agents of the licensee are immune from liability as provided for
20 in this section if a notice of acts prohibited by section 401 and
21 of the rights granted under this section is displayed in a con-
22 spicuous place in the riverboat casino and the notice is in bold-
23 faced type

24 (4) The licensee or the officers or employees of the
25 licensee who have probable cause for believing that a person vio-
26 lated section 401 by cheating in gaming may detain the person in

1 or near the riverboat casino for the purpose of notifying a peace
2 officer

3 Sec 403 (1) Pursuant to section 2 of the gambling devices
4 act of 1962, chapter 1194, 64 Stat 1134, 15 U S C 1172, this
5 state exempts itself from that act to the extent necessary for
6 the operation of this act

7 (2) Shipments of gambling devices, including slot machines,
8 into this state, the registering, recording, and labeling of
9 which were made by the manufacturer or dealer in accordance with
10 the gambling devices act of 1962, chapter 1194, 64 Stat 1134 15
11 U S C 1171 to 1178, for the use of the riverboat casino licensed
12 pursuant to this act are considered legal shipments into this
13 state

14 Sec 404 (1) The director shall conduct investigations
15 from time to time for the following purposes

16 (a) To determine whether this act or a rule promulgated
17 under this act was violated

18 (b) To determine a fact, condition, practice, or matter, as
19 he or she considers necessary or proper, to aid in the enforce-
20 ment of this act or the rules promulgated by the state gaming
21 commission

22 (c) To secure information as a basis for recommending legis-
23 lation relating to this act

24 (2) The director shall study the laws and reports of other
25 states and the United States relative to gaming

26 Sec 405 The Michigan penal code, Act No 328 of the
27 Public Acts of 1931, being sections 750 1 to 750 568 of the

1 Michigan Compiled Laws, and all other acts and parts of acts
2 inconsistent with this act do not apply to riverboat casino
3 gaming as provided for by this act at the riverboat casino
4 licensed to hold or conduct the gaming operation as provided by
5 this act

6 Sec 406 In addition to a criminal penalty that may be
7 imposed under this act, the director may assess and collect an
8 administrative fine of not more than \$10,000 00 from a riverboat
9 casino licensee who violates this act

10 Sec 407 The director may issue subpoenas, summon wit-
11 nesses, and administer oaths or affirmations when in his or her
12 judgment it is necessary for the effective discharge of his or
13 her duties A person failing to appear before the director at
14 the time and place specified, without just cause, in answer to a
15 summons, or a person refusing to testify or testifying falsely,
16 is guilty of a misdemeanor punishable by imprisonment for not
17 more than 6 months, or a fine of not more than \$5,000 00, or
18 both

19 Sec 408 Except as otherwise provided in section 401, a
20 person who violates this act is guilty of a misdemeanor punish-
21 able by imprisonment for not more than 1 year, or by a fine of
22 not more than \$5,000 00, or both

23 Sec 409 This act shall not take effect unless all of the
24 following bills of the 87th Legislature are enacted into law

25 (a) Senate Bill No _____ or House Bill No 5999 (request
26 no 03178'93 a ****)

1 (b) Senate Bill No _____ or House Bill No 5998 (request
2 no 03178'93 b ****)