



SENATE BILL No. 1049

May 22, 1996, Introduced by Senators VAUGHN, V. SMITH, O'BRIEN, CONROY, CHERRY, BERRYMAN, STALLINGS, A. SMITH, PETERS and KOIVISTO and referred to the Committee on Government Operations.

A bill to create a casino control commission as an autonomous entity in the department of commerce and to prescribe its powers and duties; to provide for the creation of a division of gaming enforcement; to provide for the control, regulation, and licensing of casino gaming and related occupations in cities having a population of more than 900,000; to prescribe duties for certain state departments and officers with respect thereto; to provide for the issuance, denial, suspension, and revocation of casino licenses, occupational licenses, and licenses of manufacturers, sellers, and distributors of gaming devices, equipment, and material; to provide for regulation of financial interest in certain corporations and holding companies; to regulate securities; to provide for certain powers of peace officers; to limit liability under certain circumstances; to require certain bonds; to provide for the imposition, collection, and disposition of

fees, assessments, and revenues; to create certain funds; to make appropriations; and to prescribe remedies and penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "casino gaming act".

3 Sec. 2. For the purposes of this act, the words and phrases
4 defined in sections 3 to 13 have the meanings ascribed to them in
5 those sections.

6 Sec. 3. (1) "Authorized game" means roulette, baccarat,
7 blackjack, craps, big six wheel, or slot machine.

8 (2) "Casino" means a single room of at least 15,000 square
9 feet in which casino gaming is conducted pursuant to this act.

10 (3) "Casino employee" means an individual employed in the
11 operation of a licensed casino. Casino employee includes boxman,
12 dealer, croupier, floorman, machine mechanic, casino security
13 employee, bartender, waiter, waitress, or other person whose
14 employment duties require or authorize access to the casino.
15 Casino employee does not include a casino hotel employee, casino
16 key employee, or principal employee.

17 (4) "Casino hotel employee" means an individual employed by
18 a casino hotel licensed under this act to perform service or cus-
19 todial duties not directly related to operations of the casino.
20 Casino hotel employee includes a bartender, waiter, waitress,
21 maintenance personnel, kitchen staff, or other person whose
22 employment duties do not require or authorize access to the
23 casino.

1 (5) "Casino key employee" means an individual employed in
2 the operation of a licensed casino in a supervisory capacity or
3 who is empowered to make discretionary decisions which regulate
4 casino operations, including but not limited to a pit boss, shift
5 boss, supervisor, cashier, casino manager, assistant manager,
6 manager, or supervisor of casino security employees; any other
7 employee designated as a casino key employee by the commission,
8 and who is not a casino employee, casino hotel employee, princi-
9 pal employee, or casino security employee.

10 (6) "Casino security employee" means an individual employed
11 by a licensed casino or its agent to provide physical security in
12 a casino hotel.

13 (7) "Casino service industry" means any form of enterprise
14 which provides casinos with goods or services on a regular or
15 continuing basis, including security businesses, gaming schools,
16 manufacturers, distributors and servicers of gaming devices or
17 equipment, garbage haulers, maintenance companies, food purvey-
18 ors, or any other similar enterprise which does business with
19 licensed casinos on a regular or continuing basis.

20 (8) "Commission" means the casino control commission created
21 by section 15.

22 Sec. 5. (1) "Director" means the director of the division
23 of gaming enforcement.

24 (2) "Division" means the division of gaming enforcement cre-
25 ated pursuant to section 19.

26 (3) "Equity security" means 1 or more of the following:

1 (a) Voting stock of a corporation, or similar security.

2 (b) Security convertible, with or without consideration,
3 into a voting security, or a security carrying a warrant or right
4 to subscribe to or purchase a voting security.

5 (c) A warrant or right.

6 (d) A security having a direct or indirect participation in
7 the profits of the issuer.

8 (4) "Establishment" means premises where gaming is
9 conducted.

10 (5) "Family" means spouse, parent, grandparent, child,
11 grandchild, sibling, uncle, aunt, nephew, niece, father-in-law,
12 mother-in-law, daughter-in-law, son-in-law, brother-in-law, or
13 sister-in-law, whether by the whole or half blood, by marriage,
14 adoption, or natural relationship.

15 Sec. 7. (1) "Game" means a banking or percentage game
16 located exclusively within a casino played with cards, dice, or a
17 mechanical or electrical device or machine for money, property,
18 token, or other item of value or an item representative of
19 value.

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

22 (3) "Gaming device" means a mechanical or electrical con-
23 trivance or machine used in connection with gaming or a game.

24 (4) "Gross revenue" means the total of all sums, including
25 checks received pursuant to section 127, whether collected or
26 not, actually received by a licensee from gaming operations, less
27 the total of all sums paid out as winnings to patrons and an

1 allowance for uncollected gaming receivables not to exceed the
2 lesser of the receivables actually uncollected or 4% of the total
3 of all sums including checks, whether collected or not.

4 Sec. 9. (1) "Holding company" means a corporation, associa-
5 tion, firm, partnership, trust, or other form of business organi-
6 zation other than an individual which, directly or indirectly,
7 owns, has the power or right to control, or has the power to vote
8 all or a majority of the outstanding voting securities of a cor-
9 poration which holds or applies for a casino license. A holding
10 company shall be considered to indirectly have, hold, or own a
11 power, right, or security if it does so through an interest in a
12 subsidiary or successive subsidiaries, regardless of the number
13 of entities intervening between the holding company and the
14 licensee or applicant.

15 (2) "Hotel" means a single building or physically connected
16 buildings having a common lobby and common facilities and which
17 meets the following requirements:

18 (a) Is located in a city which currently imposes a city
19 income tax on its residents, or in a city which has an interna-
20 tional airport located within its city limits.

21 (b) Contains not less than 300 sleeping units having private
22 bathroom facilities available and regularly used for the lodging
23 of tourists and convention guests.

24 (3) "Intermediary company" means a corporation, association,
25 firm, partnership, trust, or other form of business organization
26 other than an individual, which is a holding company with respect

1 to a corporation which holds or applies for a casino license, and
2 which is a subsidiary with respect to another holding company.

3 (4) "Junket" means an arrangement the primary purpose of
4 which is to induce a person to gamble at a licensed casino and
5 pursuant to which, and as consideration for which, over \$200.00
6 of the cost of transportation, food, lodging, or entertainment
7 for the person is directly or indirectly paid by a casino
8 licensee or employee or agent of the casino licensee. The fur-
9 nishing of transportation, food, lodging, or entertainment on a
10 complimentary basis shall constitute an indirect payment for the
11 food or lodging in the amount of the retail price normally
12 charged by the licensee.

13 Sec. 11. (1) "Person" means an individual, or a corpora-
14 tion, association, operation, sole proprietorship, partnership,
15 trust, or other form of business entity.

16 (2) "Principal employee" means an employee who, by reason of
17 remuneration or of a management, supervisory, or policymaking
18 position or other criteria as may be established by the commis-
19 sion by rule, holds or exercises authority which, in the judgment
20 of the commission, is sufficiently related to the operation of a
21 licensee so as to require approval by the commission in the pro-
22 tection of the public interest.

23 (3) "Publicly traded corporation" means a person, other than
24 an individual, which has at least 1 class of security registered
25 pursuant to section 12 of title I of the securities exchange act
26 of 1934, chapter 404, 48 Stat. 892, 15 U.S.C. 78f, or is an

1 issuer subject to section 15(d) of title I of the securities
2 exchange act of 1934, chapter 404, 48 Stat. 895, 15 U.S.C. 78o.

3 Sec. 13. (1) "Regulated complimentary service account"
4 means an account maintained by a casino licensee on a regular
5 basis which itemizes complimentary services and includes a list-
6 ing of the cost of junket activities and other service provided
7 without cost or at a reduced price.

8 (2) "Security" means an instrument evidencing a direct or
9 indirect beneficial ownership or creditor interest in a corpora-
10 tion, including common or preferred stock, bonds, mortgages,
11 debentures, security agreements, notes, warrants, options, or
12 rights.

13 (3) "Slot machine" means a mechanical, electrical, or other
14 device, contrivance, or machine which, upon insertion of a coin,
15 token, or similar object, or upon payment of any consideration
16 whatsoever, is available to play or operate, the play or opera-
17 tion of which, whether by reason of the skill of the operator or
18 application of the element of chance, or both, may deliver or
19 entitle the person playing or operating the machine to receive
20 cash or tokens to be exchanged for cash, whether the payoff is
21 made automatically from the machine or in any other manner
22 whatsoever.

23 (4) "Subsidiary" means a corporation, all or any part of
24 whose outstanding equity securities are owned, subject to a power
25 or right of control, or held with power to vote by a holding com-
26 pany or an intermediary company; or a sole proprietorship,
27 association, partnership, trust, or other form of business

1 entity, other than an individual, or an interest therein, which
2 is owned, subject to a power or right of control, or held with
3 power to vote, by a holding company or an intermediary company.

4 (5) "Voting stock" means a security to which there are
5 attached voting rights, either pursuant to the business corpora-
6 tion act, Act No. 284 of the Public Acts of 1972, being sections
7 450.1101 to 450.2099 of the Michigan Compiled Laws, or as pro-
8 vided in the corporation's articles of incorporation, except
9 stock entitled to voting rights only on matters involving the
10 rights of that class of stock.

11 Sec. 15. (1) The casino control commission is created as an
12 autonomous entity within the department of commerce.

13 (2) The commission shall consist of 5 members appointed by
14 the governor with the advice and consent of the senate. Each
15 member of the commission shall be a citizen of the United States
16 and a resident of this state.

17 (3) A member of the legislature, or a person holding an
18 elected or appointed office in federal, state, or local govern-
19 ment shall not be eligible to serve as a member of the
20 commission. Not more than 3 members of the commission shall be
21 of the same political affiliation.

22 (4) The term of the members shall be 4 years, except that of
23 the members first appointed, 3 shall be appointed for a term of 4
24 years, and 2 shall be appointed for a term of 2 years. A member
25 of the commission shall qualify by taking and filing the consti-
26 tutional oath of office and shall hold office until the
27 appointment and qualification of his or her successor.

1 (5) Before nomination, the governor shall cause an inquiry
2 to be conducted by the attorney general of the nominee's
3 background, with particular regard to the nominee's financial
4 stability, integrity, responsibility, and his or her reputation
5 for good character, honesty, and integrity.

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

8 (7) The governor shall appoint a chairperson from the mem-
9 bership of the commission. A member shall not serve more than 4
10 consecutive years as chairperson. The chairperson shall be the
11 chief executive officer of the commission, shall devote full time
12 to the duties of his or her office, and shall not pursue or be
13 engaged in any other business, occupation, or other employment,
14 whether or not gainful.

15 (8) The commission shall elect annually, by a majority of
16 the full commission, 1 of its members other than the chairperson,
17 to serve as vice-chairperson for the ensuing year. The
18 vice-chairperson shall perform all of the duties of the chair-
19 person as prescribed in this act during the chairperson's absence
20 or inability to serve.

21 (9) Each member shall receive compensation and reimbursement
22 for expenses actually and necessarily incurred in the performance
23 of his or her duties as determined annually by the legislature.

24 Sec. 17. (1) The commission shall appoint an executive sec-
25 retary who shall serve at its pleasure and shall be responsible
26 for the conduct of the commission's administrative affairs. A
27 person shall not be appointed as executive secretary unless he or

1 she has had at least 5 years of responsible experience in public
2 or business administration or possesses broad management skills.

3 (2) The commission may employ other personnel as it consid-
4 ers necessary, subject to rules of the department of civil
5 service. The commission may employ legal counsel who shall rep-
6 resent the commission in any proceeding to which it is a party,
7 and who shall render legal advice to the commission upon its
8 request. The commission may contract for the services of other
9 professional, technical, and operational personnel and consul-
10 tants as may be necessary for the performance of its duties under
11 this act.

12 Sec. 19. (1) The commission shall provide for the creation
13 of and administer the division of gaming enforcement. However,
14 the division shall be under the immediate supervision of the
15 director who shall work under the direction and supervision of
16 the commission.

17 (2) The commission shall organize the division into bureaus
18 and other organizational units as the commission considers neces-
19 sary for efficient and effective operation and shall cooperate
20 with the department of state police and the attorney general.

21 Sec. 21. (1) A person shall not be appointed to and shall
22 not be employed by the commission if, during the 3 years immedi-
23 ately preceding the appointment or employment, the person held a
24 direct or indirect interest in, or was employed by, a person
25 engaged in gaming; a manufacturer, distributor, or servicer of
26 gaming equipment; or an operator of licensed pari-mutuel
27 betting.

1 (2) A person shall not be appointed to or employed by the
2 commission or division if, during 3 years immediately preceding
3 the appointment or employment, the person held a direct or indi-
4 rect interest in, or was employed by, a person which is licensed
5 by or has an application for a license pending before, or is reg-
6 istered with the commission.

7 (3) Before appointment or employment, each member of the
8 commission, each employee of the commission, the director, and
9 each employee and agent of the division shall swear or affirm
10 that he or she does not possess a direct or indirect interest in
11 and is not employed by a business or organization licensed by, or
12 registered with the commission.

13 Sec. 23. (1) The commission shall promulgate rules pursuant
14 to the administrative procedures act of 1969, Act No. 306 of the
15 Public Acts of 1969, being sections 24.201 to 24.328 of the
16 Michigan Compiled Laws, which prescribe a code of ethics govern-
17 ing its members and employees. The code shall include rules sub-
18 stantially similar to the following:

19 (a) A commission member, employee, or agent shall not gamble
20 in an establishment licensed by the commission except in the
21 course of his or her duties.

22 (b) A commission member, employee, or agent shall not
23 solicit or accept employment from a person licensed by or regis-
24 tered with the commission, or from any applicant for a license,
25 except as provided in section 25.

26 (2) A commission member, employee, or agent shall not have
27 an interest, direct or indirect, in an applicant or a person

1 licensed by or registered with the commission during his or her
2 term of office or employment.

3 (3) A commission member shall not be employed in any capac-
4 ity by any person licensed by or registered with the commission.

5 (4) An employee of the commission, including legal counsel
6 and hearing examiners, shall devote his or her entire time and
7 attention to duties and shall not pursue any other business,
8 occupation, or other employment, whether or not gainful, except
9 that secretarial and clerical personnel may engage in other gain-
10 ful employment which does not interfere with performance of
11 duties for the commission or division, unless otherwise
12 directed.

13 (5) A member of the commission or employee of the commission
14 shall not do any of the following:

15 (a) Use his or her official authority or influence for the
16 purpose of interfering with or affecting the result of an elec-
17 tion or a nomination for office.

18 (b) Directly or indirectly coerce, attempt to coerce, com-
19 mand, or advise a person to pay, lend, or contribute anything of
20 value to a party, committee, organization, agency, or person for
21 political purposes.

22 Sec. 25. (1) A member of the commission shall not hold or
23 acquire a direct or indirect interest in, or accept employment
24 with, an applicant or a person licensed by or registered with the
25 commission for 4 years after terminating membership on the
26 commission.

1 (2) An employee or agent of the commission shall not hold or
2 acquire a direct or indirect interest in, or accept employment
3 with, an applicant or a person licensed by or registered with the
4 commission, for 2 years after terminating employment with the
5 commission. At the end of 2 years, the former employee or agent
6 may acquire an interest in, or accept employment with, an appli-
7 cant or person licensed by or registered with the commission upon
8 application to and with the approval of the commission, if the
9 commission finds that the interest to be acquired or the employ-
10 ment will not create the appearance of a conflict of interest and
11 does not evidence a conflict of interest in fact.

12 (3) A commission member or person employed by the commission
13 shall not represent a person or party other than the state before
14 or against the commission for 2 years after the office or employ-
15 ment is terminated with the commission.

16 (4) A partnership, firm, or corporation in which a former
17 commission member, employee, or agent has an interest, or a part-
18 ner, officer, or employee of a partnership, firm, or corporation
19 shall not make an appearance or representation which is prohib-
20 ited to the former member, employee, or agent.

21 Sec. 27. (1) An applicant or person or organization
22 licensed by or registered with the commission shall not employ or
23 offer to employ; or provide, transfer, or sell; or offer to pro-
24 vide, transfer, or sell an interest, direct or indirect, in a
25 person licensed by, or registered with the commission to a person
26 restricted from the transactions by sections 23 and 25.

1 (2) The commission shall impose sanctions upon an applicant
2 or a licensed or registered person for a violation of this
3 section as authorized by this act.

4 Sec. 29. The commission shall implement this act and per-
5 form the following duties:

6 (a) Hear and decide promptly and in reasonable order all
7 license, certificate, and permit applications and causes affect-
8 ing the granting, suspension, revocation, or renewal of a
9 license, certificate, or permit.

10 (b) Conduct hearings pertaining to violations of this act or
11 rules promulgated pursuant to this act.

12 (c) Promulgate rules pursuant to the administrative proce-
13 dures act of 1969, Act No. 306 of the Public Acts of 1969, being
14 sections 24.201 to 24.328 of the Michigan Compiled Laws, as in
15 its judgment may be necessary to implement the policies of this
16 act.

17 (d) Collect license fees and taxes imposed by this act and
18 rules promulgated pursuant to this act.

19 (e) Levy and collect penalties for the violation of this act
20 and the rules promulgated pursuant to this act.

21 (f) Be present through its inspectors and agents at all
22 times during the operation of a casino for the purpose of certi-
23 fying the revenue of the casino, receiving complaints from the
24 public, and conducting other investigations into the conduct of
25 the games and maintenance of the equipment as the commission con-
26 siders necessary and proper.

1 (g) Review and rule upon a complaint by a casino licensee
2 regarding an investigative procedure of the division which is
3 unnecessarily disruptive of casino operations. The need to
4 inspect and investigate shall be presumed at all times. The dis-
5 ruption of a licensee's operations shall be proved by clear and
6 convincing evidence, and establishment of the following:

7 (i) The procedures did not have a reasonable law enforcement
8 purpose.

9 (ii) The procedures were so disruptive as to inhibit reason-
10 able casino operations.

11 Sec. 31. (1) The commission shall assure that a license,
12 certificate, or permit shall not be issued to or held by, and
13 there shall not be any material involvement, directly or indi-
14 rectly, with a licensed casino operation or ownership of a casino
15 by an unsuitable person, or a person whose operations are con-
16 ducted in a manner inconsistent with this act.

17 (2) As used in this section, "unsuitable person" means a
18 person who is found by the commission to be disqualified pursuant
19 to the criteria set forth in section 89(c), (e), (f), and (g), or
20 to lack the financial responsibility and capability specified in
21 section 83. In enforcing this act, the commission may deny an
22 application; limit or restrict any certificate, permit, or
23 approval; suspend or revoke a license, certificate, permit, or
24 approval; and impose a penalty on any person licensed or previ-
25 ously approved for any cause considered reasonable by the commis-
26 sion pursuant to rules promulgated by the commission. However, a
27 denial, limitation, suspension, or revocation shall not be issued

1 solely because an applicant or licensee holds an interest in, or
2 is associated with, a licensed casino enterprise in another
3 jurisdiction.

4 Sec. 33. The commission may issue subpoenas and compel the
5 attendance of witnesses at any place within this state, adminis-
6 ter oaths, and require testimony under oath. The commission
7 shall serve its process or notices in a manner provided for the
8 service of process and notice in civil actions by the rules of
9 the supreme court. The commission may propound written interrog-
10 atories and appoint hearing examiners, to whom may be delegated
11 the power and authority to administer oaths, issue subpoenas,
12 propound written interrogatories, and require testimony under
13 oath.

14 Sec. 35. The commission may conduct investigative hearings
15 concerning the conduct of gaming and gaming operations as well as
16 the development and well-being of the industries controlled by
17 this act.

18 Sec. 37. (1) The commission may order a person to answer
19 questions or produce evidence of any kind and confer immunity as
20 provided in this section. If, in the course of an investigation
21 or hearing conducted under this act, a person refuses to answer a
22 question or produce evidence on the ground that he or she will be
23 exposed to criminal prosecution in answering the question or
24 producing the evidence, then in addition to any other remedies or
25 sanctions provided for by this act, the commission may, by reso-
26 lution approved by 4 of its members and after the written

1 approval of the attorney general, issue an order to answer or to
2 produce evidence with immunity.

3 (2) If the person complies with an order issued with immu-
4 nity pursuant to this section, the person shall be immune from
5 having a responsive answer given by him or her or responsive evi-
6 dence produced by him or her, or evidence derived from the answer
7 or evidence, used to expose the person to criminal prosecution.
8 However, the person may nevertheless be prosecuted for perjury
9 committed in giving the answer or producing evidence, or for con-
10 tempt for failing to give an answer or produce evidence in
11 accordance with the order of the commission. Incarceration for
12 contempt for failing to give an answer or produce evidence when
13 immunity has been granted shall not exceed 18 months in
14 duration. An answer given or evidence produced shall be admissi-
15 ble against the person in a criminal investigation, proceeding,
16 or trial against him or her for the perjury; in an investigation,
17 proceeding, or trial against him or her for contempt; or in a
18 manner consonant with state law and constitutional provisions.

19 Sec. 39. (1) Within 5 years after a fee, interest, penalty,
20 or tax required to be collected pursuant to this act becomes due
21 and payable, the commission may bring an action to collect the
22 amount delinquent, together with penalties and interest. An
23 action may be brought regardless of whether the person owing the
24 amount is a licensee under this act. If the action is brought in
25 this state, a writ of attachment may be issued and a bond or
26 affidavit before the issuance of the writ shall not be required.

1 (2) In an action in this state, the records of the
2 commission shall be prima facie evidence of the determination of
3 the tax or the amount of the delinquency.

4 Sec. 41. (1) The commission shall promulgate rules consis-
5 tent with the policy and objectives of this act, as it considers
6 necessary or desirable for the public interest in carrying out
7 this act, pursuant to the administrative procedures act of 1969,
8 Act No. 306 of the Public Acts of 1969, being sections 24.201 to
9 24.328 of the Michigan Compiled Laws.

10 (2) An interested person may file a petition with the com-
11 mission requesting the adoption, amendment, or repeal of a rule.
12 The petition shall state clearly and concisely all of the
13 following:

14 (a) The substance and nature of the rule, amendment, or
15 repeal requested.

16 (b) The reason for the request.

17 (c) Reference to the authority of the commission to take the
18 action requested.

19 (3) Within 90 days after receipt of a petition filed pursu-
20 ant to subsection (2), the commission shall schedule the matter
21 for hearing and shall render a decision within 30 days after the
22 completion of the hearing.

23 Sec. 43. The rules promulgated by the commission shall pre-
24 scribe all of the following:

25 (a) The methods and forms of application which an applicant
26 shall follow and complete before consideration of the application
27 by the commission.

1 (b) The methods, procedures, and form for delivery of
2 information concerning a person's family, habits, character,
3 associates, criminal record, business activities, and financial
4 affairs.

5 (c) Procedures for the fingerprinting of an applicant,
6 employee of a licensee, or registrant, or other methods of iden-
7 tification which may be necessary in the judgment of the commis-
8 sion to accomplish effective enforcement of restrictions on
9 access to the casino floor and other restricted areas of the
10 casino hotel complex.

11 (d) The manner and procedure for all hearings conducted by
12 the commission or a hearing examiner, including special rules of
13 evidence applicable to the hearings and notices of hearings.

14 (e) The manner and method of collection of payments of
15 taxes, fees, and penalties.

16 (f) Definitions and limits of the areas of operation; the
17 rules of authorized games, odds, and devices permitted; and the
18 method of operation of games and gaming devices.

19 (g) The practice and procedures for negotiable transactions
20 involving patrons, including limitations on the circumstances and
21 amounts of the transactions; and the establishment of forms and
22 procedures for negotiable instrument transactions, redemptions,
23 and consolidations.

24 (h) Grounds and procedures for the revocation or suspension
25 of certificates of operation and licenses.

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

1 (j) Procedures, forms, and methods of management controls,
2 including employee and supervisory tables of organization and
3 responsibility; and minimum security standards, including secur-
4 ity personnel structure, alarm, and other electrical or visual
5 security measures.

6 (k) The qualifications required of engineers, accountants,
7 and others to practice before the commission or to submit materi-
8 als on behalf of an applicant or licensee, and the conditions
9 pursuant to which this practice and submission of materials shall
10 be permitted.

11 (l) Minimum procedures for the exercise of effective control
12 over the internal fiscal affairs of a licensee, including provi-
13 sions for the safeguarding of assets and revenues, the recording
14 of cash and evidence of indebtedness, and the maintenance of
15 reliable records, accounts, and reports of transactions, opera-
16 tions, and events, including reports to the commission.

17 (m) A minimum uniform standard of accountancy methods, pro-
18 cedures, and forms; a uniform code of accounts and accounting
19 classifications; and other standard operating procedures, includ-
20 ing those controls listed in section 115, as may be necessary to
21 assure consistency, comparability, and effective disclosure of
22 all financial information, including calculations of percentages
23 of profit by game, table, gaming device, and slot machines.

24 (n) The contents and form of periodic financial reports
25 including an annual audit prepared by a certified public accoun-
26 tant licensed to do business in this state attesting to the
27 financial condition of a licensee and disclosing whether the

1 accounts, records, and control procedures examined are maintained
2 by the licensee as required by this act and the rules promulgated
3 under this act.

4 (o) The governing of advertising of casino licensees, their
5 employees, and agents, in order to assure that gaming is por-
6 trayed as an activity for adults conducted in an atmosphere of
7 social graciousness, and to assure that the advertisements are
8 not deceptive. The rules shall not prohibit the advertisement of
9 casino location, hours of operation, or types of games and other
10 amenities offered. The rules shall not permit the advertisement
11 of information about odds, the number of games, the size of the
12 casino, or of other information which may unduly influence or
13 mislead the public.

14 (p) The governing of entertainment presented by casino
15 licensees pursuant to the prevailing community standards as
16 determined by the commission. Entertainment shall not be permit-
17 ted within a casino which would constitute a violation of laws or
18 rules of this state relative to the sale of alcoholic liquor.

19 (q) The distribution and consumption of alcoholic liquor on
20 the premises of the licensee, which rules shall apply only inso-
21 far as necessary because of the unique character of the hotel
22 casino premises and operations and shall not contravene a rule or
23 law of this state regarding the distribution and consumption of
24 alcoholic liquor.

25 (r) Limitations on signs and other on-sight advertising, in
26 order to minimize solicitation for gaming purposes on or near
27 public thoroughfares or domination or despoliation of the

1 architecture or environment of cities, villages, and townships in
2 this state.

3 Sec. 45. (1) The commission shall, by rule promulgated pur-
4 suant to the administrative procedures act of 1969, Act No. 306
5 of the Public Acts of 1969, being sections 24.201 to 24.328 of
6 the Michigan Compiled Laws, provide for the establishment of a
7 list of persons who are to be excluded or who shall be ejected
8 from a licensed casino establishment. The rules shall define the
9 standards for exclusion, and shall include standards relating to
10 persons:

11 (a) Who are career or professional offenders as defined by
12 rule of the commission.

13 (b) Who were convicted of a criminal offense under the laws
14 of this state or of the United States, which is punishable by
15 more than 6 months in prison, or a crime or offense involving
16 moral turpitude.

17 (c) Whose presence in a licensed casino, in the opinion of
18 the commission, would be inimical to the interest of the state or
19 of a licensed game.

20 (2) The commission shall by rule prescribe definitions
21 establishing those categories of persons to be excluded pursuant
22 to this section, including cheats and persons whose privileges
23 for licensure were revoked.

24 (3) The commission may impose sanctions upon a licensed
25 casino or individual licensee pursuant to this act if the casino
26 or individual licensee knowingly fails to exclude or eject from
27 the premises of a licensed casino a person placed by the

1 commission on the list of persons who are to be excluded or
2 ejected.

3 (4) A list compiled by the commission of persons to be
4 excluded or ejected shall not be considered an all-inclusive
5 list, and licensees shall keep from licensed casino establish-
6 ments those persons known to them to be within the classifica-
7 tions prescribed in subsection (1) and the rules promulgated
8 under this section.

9 (5) When the name or description of a person is placed on a
10 list pursuant to this section, the commission shall serve notice
11 of this fact on the person by personal service, by certified mail
12 at the last known address of the person, or by publication daily
13 for 1 week in a newspaper of general circulation in the county in
14 which the person was last known to reside.

15 (6) Within 30 days after service by mail or in person, or
16 within 60 days after the time of last publication, the person
17 named for exclusion or ejection may demand a hearing before the
18 commission and show cause why he or she should have his or her
19 name removed from the list. Failure to demand a hearing within
20 the time prescribed in this section shall preclude a person from
21 having an administrative hearing, but shall not affect judicial
22 review as provided for in chapter 6 of the administrative proce-
23 dures act of 1969, Act No. 306 of the Public Acts of 1969, being
24 sections 24.301 to 24.306 of the Michigan Compiled Laws.

25 (7) Upon receipt of a demand for a hearing, the commission
26 shall set a time and place for the hearing. Unless otherwise
27 agreed by the commission and the named person, the hearing shall

1 not be later than 30 days after the receipt of a demand for the
2 hearing.

3 (8) Upon completion of the hearing, if the commission deter-
4 mines that the rule does not or should not apply to the person so
5 listed, the commission shall notify casino licensees of the
6 determination and expunge the person's name from the exclusionary
7 list.

8 (9) Upon completion of a hearing, if the commission deter-
9 mines that the placement of the name of the person on the exclu-
10 sionary list was appropriate, the commission shall make and enter
11 an order to that effect.

12 Sec. 47. (1) The commission shall conduct a continuous
13 study of the operation and administration of casino control laws
14 in effect in other jurisdictions, literature on this subject,
15 federal laws which may affect the operation of casino gaming in
16 this state, and the reaction of citizens of this state to exist-
17 ing and potential features of casino gaming under this act. The
18 commission shall ascertain defects in this act, or in the rules
19 issued under this act; formulate recommendations for changes in
20 this act to prevent abuses of this act, guarding against the use
21 of this act as a cloak for the carrying on of illegal gambling or
22 other criminal activities; and insure that this act and the rules
23 promulgated under this act shall be in a form and be administered
24 so as to implement the purposes of this act.

25 (2) The commission shall make an annual report to the gover-
26 nor and the legislature of all revenues, expenses, and
27 disbursements, and shall include in this report recommendations

1 for changes in this act the commission considers necessary or
2 desirable. The commission shall report immediately to the gover-
3 nor and the legislature matters which in its judgment require an
4 immediate change in the law of this state to prevent abuses and
5 evasions of this act or of rules promulgated under this act, or
6 to rectify undesirable conditions in connection with the opera-
7 tion and regulation of casino gaming.

8 Sec. 49. (1) Meetings of the commission shall be held at
9 the discretion of the chairperson at times and places as he or
10 she considers necessary and convenient, or at the call of 3 mem-
11 bers of the commission.

12 (2) Action of the commission shall be by a majority of the
13 members serving on the commission, except that a casino license
14 shall not be issued unless approved by 4 members. If a vacancy
15 has existed on the commission for more than 60 days, a majority
16 of the members then serving on the commission may act with
17 respect to any matter, including the issuance of a casino
18 license.

19 (3) The business which the commission performs shall be con-
20 ducted at a public meeting of the commission held in compliance
21 with the open meetings act, Act No. 267 of the Public Acts of
22 1976, being sections 15.261 to 15.275 of the Michigan Compiled
23 Laws. Public notice of the time, date, and place of a meeting of
24 the commission shall be given in the manner required by Act
25 No. 267 of the Public Acts of 1976.

1 Sec. 51. (1) The commission shall cause to be made and kept
2 a verbatim record of all proceedings held at public meetings of
3 the commission, which record shall be open to public inspection.

4 (2) A true copy of the minutes of every meeting of the com-
5 mission and of any rule finally adopted by the commission shall
6 be forthwith delivered, by and under the certification of the
7 executive secretary, to the governor and the legislature.

8 (3) The commission shall keep and maintain a list of all
9 applicants for licenses under this act together with a record of
10 all actions taken with respect to the applicants, which file and
11 record shall be open to public inspection. The information
12 regarding an applicant whose license has been denied, revoked, or
13 not renewed shall be removed from the list after 5 years after
14 the date of the action.

15 (4) The commission shall maintain such other files and
16 records as considered necessary or desirable by the commission.

17 Sec. 53. (1) Except as provided in section 55, all informa-
18 tion and data required by the commission to be furnished under
19 this act or which may otherwise be obtained relative to the
20 internal controls specified in section 115 or to the earnings or
21 revenue of an applicant or licensee, shall be considered to be
22 confidential and shall not be revealed in whole or in part except
23 in the course of the necessary administration of this act; or
24 upon the lawful order of a court of competent jurisdiction; or,
25 with the approval of the attorney general, to an authorized law
26 enforcement agency.

1 (2) Information and data pertaining to an applicant's
2 criminal record, family, and background furnished to, or obtained
3 by, the commission from any source shall be considered confiden-
4 tial and may be withheld in whole or in part, except that any
5 information shall be released upon the lawful order of a court of
6 competent jurisdiction or, with the approval of the attorney gen-
7 eral, to an authorized law enforcement agency.

8 (3) Notice of the contents of information or data released,
9 except to an authorized law enforcement agency pursuant to this
10 section, shall be given to an applicant or licensee in a manner
11 prescribed by the rules promulgated by the commission.

12 (4) Files, records, reports, and other information in the
13 possession of the department of treasury pertaining to licensees
14 shall be made available to the commission and the division as may
15 be necessary to effectively administer this act.

16 Sec. 55. The following information to be reported periodi-
17 cally to the commission shall not be considered confidential and
18 shall be made available for public inspection:

19 (a) A licensee's operating revenues and expenses from all
20 authorized games as defined in this act.

21 (b) The amount of gross revenue tax actually paid pursuant
22 to section 153, and the amount of investment, if any, required
23 and allowed.

24 (c) A list of the premises and the nature of improvements,
25 costs of improvements, and the payees for the improvements, which
26 were the subject of an investment.

1 (d) All information and data submitted to the commission
2 relating to the licensee's annual revenues and expenditures,
3 including annual audits.

4 Sec. 57. The commission may exercise any proper power or
5 authority necessary to perform the duties assigned to it by law.
6 A specific enumeration of powers in this act shall not be con-
7 strued to limit the authority of the commission to administer
8 this act.

9 Sec. 59. The division shall promptly and in reasonable
10 order investigate all applications, enforce this act and any rule
11 promulgated under this act, and prosecute before the commission
12 all proceedings for violations of this act or rules promulgated
13 under this act. The division shall provide the commission with
14 all information necessary for performance of the duties of the
15 commission under this act and for all proceedings involving
16 enforcement of this act or rules promulgated under this act.

17 Sec. 61. (1) The division shall do all of the following:

18 (a) Investigate the qualifications of each applicant before
19 a license, certificate, or permit is issued pursuant to this
20 act.

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

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

25 (d) Initiate, prosecute, and defend proceedings before the
26 commission, or appeals from the commission, as the division
27 considers appropriate.

1 (e) Provide assistance upon request by the commission in the
2 consideration and promulgation of rules.

3 (f) Conduct continuing reviews of casino operations through
4 on-site observation and other reasonable means to assure compli-
5 ance with this act and rules promulgated under this act, subject
6 to section 29(g).

7 (g) Conduct audits of casino operations, including reviews
8 of accounting, administrative, and financial records, management
9 control systems, and procedures and records utilized by a casino
10 licensee.

11 (2) In order to perform duties under this act, the commis-
12 sion or the division may request information, materials, and
13 other data from a licensee or registrant, or applicant for a
14 license or registration under this act, and the licensee, regis-
15 trant, or applicant, as a condition of acquiring or retaining a
16 license or registration shall supply the requested information.

17 Sec. 63. A licensee, registrant, or applicant for a license
18 or registration under this act shall cooperate with the division
19 in the performance of its duties.

20 Sec. 65. (1) Upon approval of the director, the division
21 may do any or all of the following:

22 (a) Inspect and examine all premises where casino gaming is
23 conducted; where gaming devices are manufactured, sold, distrib-
24 uted, or serviced; or where records of these activities are pre-
25 pared or maintained.

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

1 (c) Seize summarily, remove from premises, and impound
2 equipment or supplies described in subdivisions (a) and (b), for
3 purposes of examination and inspection.

4 (d) Inspect, examine, and audit all books, records, and doc-
5 uments pertaining to a casino licensee's operation.

6 (e) Seize, impound, or assume physical control of any book,
7 record, ledger, game, device, cash box and its contents, counting
8 room or its equipment, or casino operations.

9 (f) Inspect the person, and personal effects present in a
10 casino facility licensed under this act, of a holder of a license
11 issued pursuant to this act while that person is present in a
12 licensed casino facility.

13 (2) Subsection (1) shall not be construed to authorize war-
14 rantless inspections except in compliance with constitutional
15 requirements.

16 (3) To carry out the purposes of this act, the division may
17 obtain administrative inspection warrants for the inspection and
18 seizure of property possessed, controlled, bailed, or otherwise
19 held by an applicant, licensee, registrant, intermediary company,
20 or holding company.

21 Sec. 67. (1) A judge of a court having jurisdiction in the
22 locality where the inspection or seizure is to be conducted, upon
23 proper oath or affirmation showing probable cause, may issue war-
24 rants for the purpose of conducting administrative inspections
25 authorized by this act or rules promulgated under this act and to
26 authorize seizures of property appropriate to the inspections.

1 (2) A warrant shall issue only upon an affidavit of a person
2 designated in the affidavit and having knowledge of the facts
3 alleged, which is sworn to before the judge, and which estab-
4 lishes the grounds for issuing the warrant. If the judge is sat-
5 isfied that grounds for the application exist or that there is
6 probable cause to believe they exist, the judge shall issue a
7 warrant identifying the area, premises, building, or conveyance
8 to be inspected; the purpose of the inspection; and, where appro-
9 priate, the type of property to be inspected, if any. The war-
10 rant shall identify the item or types of property to be seized,
11 if any. The warrant shall be directed to a person authorized to
12 execute it. The warrant shall state the grounds for its issuance
13 and the name of the person or persons whose affidavit has been
14 taken in support thereof. It shall command the person to whom it
15 is directed to inspect the area, premises, building, or convey-
16 ance identified for the purpose specified, and where appropriate,
17 shall direct the seizure of the property specified. The warrant
18 shall direct that it be served during normal business hours of
19 the licensee. It shall designate the judge to whom it shall be
20 returned.

21 (3) A warrant issued pursuant to this section shall be exe-
22 cuted and returned within 10 days after its date. If property is
23 seized pursuant to a warrant, the person executing the warrant
24 shall give to the person from whom or from whose premises the
25 property was taken a copy of the warrant and a receipt for the
26 property taken or shall leave the copy and receipt at the place
27 from which the property was taken. The return of the warrant

1 shall be made promptly and shall be accompanied by a written
2 inventory of any property taken. The inventory shall be made in
3 the presence of the person executing the warrant and of the
4 person from whose possession or premises the property was taken,
5 if they are present, or if the person from whose possession or
6 premises the property was taken is absent, in the presence of at
7 least 1 credible person other than the person executing the
8 warrant.

9 (4) The judge who has issued a warrant under this section
10 shall attach to the warrant a copy of the return and all papers
11 filed in connection with the warrant and shall cause them to be
12 filed with the court which issued the warrant. The clerk of the
13 court, upon request, shall deliver a copy of the inventory to the
14 person from whom or from whose premises the property was taken
15 and to the applicant for the warrant.

16 (5) For purposes of this section, "probable cause" means a
17 valid public interest in the effective enforcement of this act or
18 rules promulgated under this act sufficient to justify adminis-
19 trative inspection of the area, premises, building, or conveyance
20 in the circumstances specified in the application for the
21 warrant.

22 Sec. 69. The division may make administrative inspections
23 to check for compliance by an applicant, licensee, registrant,
24 intermediary company, or holding company with this act or rules
25 promulgated under this act, and investigate any violations of
26 this act or rules promulgated under this act.

1 Sec. 71. Sections 65 to 69 shall not be construed to
2 prevent entries and administrative inspections, including
3 seizures of property, without a warrant under 1 or more of the
4 following circumstances:

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

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

8 (c) In a situation involving inspection of conveyances if
9 there is reasonable cause to believe that the mobility of the
10 conveyance makes it impracticable to obtain a warrant, or in any
11 other exceptional or emergency circumstance where time or oppor-
12 tunity to apply for a warrant is lacking.

13 (d) In accordance with the provisions of this act.

14 (e) In all other situations where a warrant is not constitu-
15 tionally required.

16 Sec. 73. (1) An applicant or licensee shall establish by
17 clear and convincing evidence his or her individual qualifica-
18 tions for a license. A casino licensee shall establish the qual-
19 ifications of each person who is required to be qualified under
20 this act as well as the qualifications of the facility in which
21 the casino is to be located.

22 (2) An applicant, licensee, or any other person who is
23 required to be qualified under this act shall provide all infor-
24 mation required by this act and satisfy all requests for informa-
25 tion pertaining to qualification and in the form specified by the
26 commission. The applicants and licensees shall be considered to
27 have waived any right of privacy with respect to information

1 furnished for qualification under this act, and there shall not
2 be liability on the part of this state, its instrumentalities, or
3 agents for damages resulting from lawful or unintentional disclo-
4 sure or publication in any manner of material or information
5 acquired during inquiries, investigations, or hearings.

6 (3) An applicant, licensee, registrant, intermediary com-
7 pany, and holding company shall consent to inspections, searches
8 and seizures, and the supplying of handwriting exemplars as
9 authorized by this act or rules promulgated under this act.

10 (4) An applicant, licensee, registrant, and any other person
11 who is required to be qualified under this act shall provide
12 assistance or information required by the commission or division,
13 and shall cooperate in an inquiry or investigation conducted by
14 the division or in an inquiry, investigation, or hearing con-
15 ducted by the commission. If, upon issuance of a formal request
16 to answer or produce information, evidence, or testimony, an
17 applicant, licensee, registrant, or any other person who is
18 required to be qualified under this act refuses to comply with
19 the request, the application, license, registration, or qualifi-
20 cation of the person may be denied or revoked by the commission.

21 (5) An applicant or licensee shall not give or provide, or
22 offer to give or provide, directly or indirectly, compensation, a
23 reward, or a percentage or share of the money or property played
24 or received through gaming activities, except as authorized by
25 this act, in consideration for obtaining a license, authoriza-
26 tion, permission, or privilege to participate in any way in
27 gaming operations.

1 (6) An applicant or person who is required to be qualified
2 under this act shall be photographed and fingerprinted for iden-
3 tification and investigation purposes pursuant to procedures
4 established by the commission.

5 Sec. 75. (1) The commission may issue a statement of com-
6 pliance to an applicant for a license under this act when the
7 commission is satisfied that at least 1 particular eligibility
8 criteria is satisfied by an applicant.

9 (2) The statement shall specify the eligibility criterion
10 satisfied and the date of the satisfaction, and shall contain a
11 reservation to the commission to revoke the statement of compli-
12 ance when based upon a change of circumstances affecting the
13 compliance.

14 (3) A statement of compliance certifying satisfaction of all
15 of the eligibility requirements with respect to a specific casino
16 hotel submitted by an eligible applicant may be accompanied by a
17 written commitment from the commission that a casino license will
18 be reserved for the eligible applicant for not more than 18
19 months. The license shall be issued to an eligible applicant
20 with respect to the specific casino hotel if the applicant satis-
21 fies all of the following requirements:

22 (a) Complies in all respects with this act.

23 (b) Qualifies for a casino license within 18 months after
24 the date of the commitment.

25 (c) Complies with other conditions as the commission
26 imposes.

1 (4) The commission may revoke reservation of a license if it
2 finds that the applicant is disqualified from receiving or
3 holding a casino license or has failed to comply with any condi-
4 tion imposed by the commission. A license reservation shall be
5 automatically revoked if the applicant does not qualify for a
6 casino license within the period of the commitment.

7 (5) The commission shall not issue a certificate of opera-
8 tion pursuant to section 109 unless the casino has conformed to
9 the requirements of this act and applicable rules promulgated
10 under this act, and unless the casino is operational and ade-
11 quately staffed by trained personnel so as to be able to serve
12 the public.

13 Sec. 77. (1) A casino shall not operate unless all neces-
14 sary licenses and approvals are obtained pursuant to law.

15 (2) A person may apply for a casino license if the person
16 agrees to comply in all respects with this act and the rules
17 promulgated under this act, and if the person satisfies 1 or more
18 of the following requirements:

19 (a) Owns 100% of a hotel approved for a casino.

20 (b) Leases 100% of a hotel approved for a casino pursuant to
21 section 133.

22 (c) Owns or has a contract to purchase or construct a hotel,
23 or leases or has an agreement to lease pursuant to section 133,
24 100% of a hotel, which, in the judgment of the commission, can
25 become an approved hotel within 18 months.

26 (d) Has a written agreement with a casino licensee or with
27 an eligible applicant for a casino license for the complete

1 management of a casino in accordance with section 133, and owns
2 100% of or controls an approved hotel, including the approved
3 hotel which is the subject of the management agreement.

4 (3) For purposes of this section, "control of an approved
5 hotel" means the ownership of at least 10% of all outstanding
6 equity securities of a casino licensee or of an eligible appli-
7 cant for a casino license, and the sole and unrestricted power to
8 direct the operations of the casino licensee or eligible
9 applicant.

10 (4) A casino license shall not be issued to a person leasing
11 a hotel pursuant to section 133 unless a separate casino license
12 is first issued to the owner of the casino hotel facility which
13 is the subject of the lease.

14 Sec. 79. A corporation shall not apply for a casino license
15 unless the corporation satisfies all of the following eligibility
16 requirements:

17 (a) Is incorporated in this state, although the corporation
18 may be a wholly or partially owned subsidiary of a corporation
19 which is chartered in another state.

20 (b) Maintains an office of the corporation in the premises
21 licensed or to be licensed.

22 (c) Complies with the requirements of the laws of this state
23 pertaining to corporations.

24 (d) Maintains a ledger in the principal office of the corpo-
25 ration in this state which reflects the current ownership of
26 every class of security issued by the corporation and which is

1 available for inspection by the commission or the division at all
2 reasonable times without notice.

3 (e) Maintains operating accounts required by the commission
4 in a bank in this state.

5 (f) Includes among the purposes stated in its articles of
6 incorporation the conduct of casino gaming.

7 (g) If it is not a publicly traded corporation, adopts and
8 files with the commission the corporate charter or bylaws estab-
9 lishing the right of the commission to approve future transfers
10 of corporate securities, shares, and other interests in the
11 applicant corporation and in any holding company, intermediary
12 company, or subsidiary company of the applicant corporation. If
13 it is a publicly traded corporation, the corporation shall pro-
14 vide in its corporate charter or bylaws that securities of the
15 corporation are held subject to the condition that if a holder of
16 securities of the corporation is found to be disqualified by the
17 commission pursuant to this act, the holder shall dispose of his
18 or her security interest in the corporation. This section shall
19 not be construed to require that a security of the corporation
20 bear a legend to this effect.

21 (h) If it is not a publicly traded corporation, establishes
22 to the satisfaction of the commission that appropriate charter or
23 bylaws create the absolute right of the corporations and com-
24 panies to repurchase, prior to another purchase, at the market
25 price or the purchase price, whichever is the lesser, any securi-
26 ty, share, or other interest in the corporation if the commission
27 disapproves a transfer in accordance with this act.

1 Sec. 81. A person shall not be issued or be the holder of
2 more than 3 casino licenses. For purposes of this section, a
3 person shall be considered the holder of a casino license if the
4 license is issued to the person or if the license is held by a
5 holding, intermediary, or subsidiary company of the person, or by
6 an officer, director, casino key employee, or principal employee
7 of the person or of a holding, intermediary, or subsidiary com-
8 pany of the person.

9 Sec. 83. (1) An applicant for a casino license shall
10 produce information, documentation, and assurances concerning
11 financial background and resources as may be required to estab-
12 lish by clear and convincing evidence the financial stability,
13 integrity, and responsibility of the applicant, including bank
14 references, business and personal income and disbursement sched-
15 ules, tax returns and other reports filed with governmental agen-
16 cies, and business and personal accounting and check records and
17 ledgers. An applicant shall, in writing, authorize the examina-
18 tion of bank accounts and records as considered necessary by the
19 commission or the division.

20 (2) An applicant shall produce information, documentation,
21 and assurances as may be necessary to establish by clear and con-
22 vincing evidence the integrity and reputation of all financial
23 backers, investors, mortgagees, bondholders, and holders of
24 indentures, notes, or other evidences of indebtedness, either in
25 effect or proposed, which bear any relation to the casino pro-
26 posal submitted by the applicant. The reputation and integrity
27 of financial sources shall be judged upon the same standards as

1 the applicant. The applicant shall produce whatever information,
2 documentation, or assurance may be required to establish by clear
3 and convincing evidence the adequacy of financial resources both
4 as to the completion of a casino proposal and the operation of
5 the casino.

6 (3) An applicant shall produce information, documentation,
7 and assurances of good character as may be required to establish
8 by clear and convincing evidence the applicant's reputation for
9 honesty and integrity. The information shall include information
10 pertaining to family, habits, character, criminal and arrest
11 records, business activities, financial affairs, and business,
12 professional, and personal associates, for the 10-year period
13 immediately preceding the filing of the application. An appli-
14 cant shall notify the commission of any civil judgments obtained
15 against the applicant based upon antitrust or security regulation
16 laws of the federal government, of this state, or of any other
17 state, jurisdiction, province, or country. An applicant shall
18 produce letters of reference from law enforcement agencies having
19 jurisdiction in the applicant's place of residence and principal
20 place of business, indicating that the law enforcement agencies
21 do not have pertinent information concerning the applicant. If a
22 law enforcement agency does have information pertaining to the
23 applicant, the law enforcement agency shall specify that informa-
24 tion in a letter to the commission. If the applicant has con-
25 ducted gaming operations in a jurisdiction which permits the
26 activity, the applicant shall produce letters of reference from
27 the gaming or casino enforcement or control agency which shall

1 specify the experiences of the agency with the applicant, the
2 applicant's associates, and the applicant's gaming operation. If
3 letters of reference required from other gaming or casino
4 enforcement or control agencies are not received within 60 days
5 after request, the applicant may submit a statement under oath
6 that he or she is or was, during the period the activities were
7 conducted, in good standing with the gaming or casino enforcement
8 or control agency.

9 (4) An applicant shall produce information, documentation,
10 and assurances as required to establish by clear and convincing
11 evidence that the applicant has sufficient business ability and
12 casino experience so that there is a substantial likelihood of
13 creation and maintenance of a successful and efficient casino
14 operation. The applicant shall produce the names of all proposed
15 casino key employees as they become known, a description of their
16 respective or proposed responsibilities, and a full description
17 of security systems and management controls proposed for the
18 casino and related facilities.

19 (5) An applicant shall produce information, documentation,
20 and assurances to establish to the satisfaction of the commission
21 the suitability of the casino, related facilities, and its pro-
22 posed location, and to establish that the proposal will not
23 adversely affect other casino operations or environmental condi-
24 tions in the locality of the casino. An applicant shall submit
25 an impact statement which shall include architectural and site
26 plans which establish that the proposed facilities comply in all
27 respects to the requirements of this act.

1 Sec. 85. (1) A corporation applying for a casino license
2 shall provide the following information:

3 (a) The organization, financial structure, and nature of all
4 businesses operated by the corporation and its holding, interme-
5 diary, and subsidiary companies, including names, personal
6 employment, and criminal histories of all officers, directors,
7 and principal employees of the applicant corporation and its
8 holding, intermediary, and subsidiary companies.

9 (b) The rights and privileges acquired by the holders of
10 different classes of authorized securities of the applicant cor-
11 poration and its holding, intermediary, and subsidiary companies,
12 including the names, addresses, and amounts held by all holders
13 of the securities.

14 (c) The terms upon which securities were or are to be
15 offered.

16 (d) The terms and conditions of all outstanding loans, mort-
17 gages, trust deeds, pledges, or other evidences of indebtedness,
18 or security devices utilized by the corporation.

19 (e) The extent of the equity security holdings in the corpo-
20 ration of all officers, directors, and underwriters, and their
21 remuneration in the form of salary, wages, fees, or otherwise.

22 (f) Names of persons other than directors and officers whose
23 compensation exceeds \$25,000.00 per annum, and the amount of com-
24 pensation each person receives.

25 (g) A description of bonus and profit sharing arrangements.

26 (h) Copies of management and service contracts.

1 (i) A listing of stock options existing or to be created.

2 (2) If a corporation applying for a casino license is, or if
3 a corporation holding a casino license is to become, a subsid-
4 iary, each holding company and each intermediary company shall do
5 all the following, as a condition of acquiring or retaining a
6 license:

7 (a) Qualify to do business in this state.

8 (b) If it is a corporation, register with the commission and
9 furnish the commission with all the information required of a
10 corporate licensee as specified in subsection (1); or, if it is
11 not a corporation, register with the commission and furnish the
12 commission with such information as the commission prescribes.
13 The commission may, in its discretion, make such investigations
14 concerning the officers, directors, underwriters, security hold-
15 ers, partners, principals, trustees, or persons owning or benefi-
16 cially holding an interest in a holding company or intermediary
17 company as it considers necessary, either at the time of initial
18 registration or at any time after the initial registration.

19 Sec. 87. (1) A corporation shall not hold a casino license
20 unless each officer, director, person who directly or indirectly
21 holds a beneficial interest or ownership of the securities issued
22 by the corporation; each person who in the opinion of the commis-
23 sion has the ability to control the corporation or elect a major-
24 ity of the board of directors of that corporation, other than a
25 banking or other licensed lending institution which holds a mort-
26 gage or other lien acquired in the ordinary course of business;
27 each principal employee; and each lender, underwriter, agent, or

1 employee of the corporation whom the commission considers
2 appropriate for approval or qualification would, but for resi-
3 dence, individually be qualified for approval as a casino key
4 employee pursuant to this act.

5 (2) A corporation which is a subsidiary shall not receive or
6 hold a casino license unless each holding and intermediary com-
7 pany satisfies 1 or more of the following:

8 (a) If it is a corporation, complies with subsection (1) as
9 if the holding or intermediary company were itself applying for a
10 casino license. The commission with the concurrence of the
11 director may waive compliance with subsection (1) for an officer,
12 director, lender, underwriter, agent, or employee of a
13 publicly-traded corporation which is a holding company, or for a
14 person directly or indirectly holding a beneficial interest or
15 ownership of the securities of a publicly-traded corporation
16 which is a holding company, if the commission and the director
17 are satisfied that the officer, director, lender, underwriter,
18 agent, or employee is not significantly involved in the activi-
19 ties of the corporate licensee, and in the case of security hold-
20 ers, does not have the ability to control or elect a director of
21 the publicly-traded corporation or elect a director.

22 (b) If it is not a corporation, complies with subsection (3)
23 as if the company were itself applying for a casino license.

24 (3) A noncorporate applicant for a casino license shall pro-
25 vide the information required in section 85(2)(b) in a form as
26 required by the commission or the division. The noncorporate
27 applicant shall not hold a casino license unless each person who

1 directly or indirectly holds a beneficial interest or ownership
2 in the applicant, or who in the opinion of the commission has the
3 ability to control the applicant, or whom the commission consid-
4 ers appropriate for approval or qualification, would, but for
5 residence, individually be qualified for approval as a casino key
6 employee pursuant to this act.

7 Sec. 89. The commission shall deny a casino license to an
8 applicant who is disqualified on the basis of 1 or more of the
9 following:

10 (a) Failure of the applicant to prove by clear and convinc-
11 ing evidence that the applicant is qualified in accordance with
12 this act.

13 (b) Failure of the applicant to provide information, docu-
14 mentation, or assurances required by this act or requested by the
15 commission, or failure of the applicant to reveal a fact material
16 to qualification, or the supplying of information which is untrue
17 or misleading as to a material fact pertaining to the
18 qualification.

19 (c) The applicant or person required to be qualified under
20 this act was convicted of a felony or a misdemeanor having maxi-
21 mum imprisonment of 2 years or more.

22 (d) Current prosecution or pending charges in any jurisdic-
23 tion of the applicant or of a person who is required to be quali-
24 fied under this act as a condition of a casino license, for an
25 offense encompassed by subdivision (c). At the request of the
26 applicant or the person charged, the commission shall defer
27 decision upon the application during the pendency of the charge.

1 (e) The pursuit by the applicant, or by a person who is
2 required to be qualified under this act as a condition of a
3 casino license, of economic gain in an occupational manner or
4 context which is in violation of the criminal or civil laws of
5 this state, if the pursuit creates a reasonable belief that the
6 participation of the person in casino operations would be inimi-
7 cal to the policies of this act or to legalized gaming in this
8 state.

9 (f) The identification of the applicant or a person who is
10 required to be qualified under this act as a condition of a
11 casino license as a career offender, as a member of a career
12 offender cartel, or as an associate of a career offender or
13 career offender cartel in a manner which creates a reasonable
14 belief that the association is of such a nature as to be inimical
15 to the policy of this act and to gaming operations. For purposes
16 of this subdivision, "career offender" means a person whose
17 behavior is pursued in an occupational manner or context for the
18 purpose of economic gain, utilizing methods which are considered
19 criminal violations of the laws of this state. A "career
20 offender cartel" means a group of persons who operate together as
21 career offenders.

22 (g) Unjustified defiance by the applicant or a person who is
23 required to be qualified under this act of a legislative investi-
24 gatory body or other official investigatory body of this state or
25 of the United States when the body is engaged in the investiga-
26 tion of crimes relating to gaming, official corruption, or
27 organized crime activity.

1 Sec. 91. (1) Upon the filing of an application and
2 supplemental information as the commission requires, the commis-
3 sion shall request the division to conduct an investigation into
4 the qualification of the applicant, and the commission shall con-
5 duct hearings, concerning the qualification of the applicant and
6 pursuant to its rules, as may be necessary to determine qualifi-
7 cations for casino license.

8 (2) After the investigation, the commission may either deny
9 the application or grant a casino license to an applicant whom it
10 determines to be qualified to hold the license.

11 (3) The commission may deny an application pursuant to this
12 act. When an application is denied, the commission shall prepare
13 and file an order denying the application with the reasons for
14 the denial. If requested by the applicant, the commission shall
15 prepare and file a statement of the reasons for the denial,
16 including the specific findings of facts.

17 (4) After an application is submitted to the commission,
18 final action of the commission shall be taken within 90 days
19 after completion of hearings and investigations and the receipt
20 of information required by the commission.

21 (5) If satisfied that an applicant is qualified to receive a
22 casino license, and upon tender of all license fees and taxes
23 required by law and rules of the commission, and of bonds which
24 the commission requires for the faithful performance of the
25 requirements imposed by law or rules, the commission shall issue
26 a casino license for 1 year.

1 (6) The commission shall fix the amount of the bond to be
2 required under this section in an amount it considers
3 appropriate, by rules of uniform application. The bonds fur-
4 nished may be applied by the commission to the payment of any
5 unpaid liability of the licensee under this act. The bond shall
6 be furnished in cash or negotiable securities, by a surety bond
7 guaranteed by a satisfactory guarantor, or by an irrevocable
8 letter of credit issued by a banking institution of this state
9 acceptable to the commission. If furnished in cash or negotiable
10 securities, the principal shall be placed without restriction at
11 the disposal of the commission, but any income shall inure to the
12 benefit of the licensee.

13 (7) Not more than 1 casino license may be issued with
14 respect to any approved hotel, except that each party to a lease
15 agreement or management contract approved pursuant to sections
16 133 and 135 may be issued a casino license.

17 Sec. 93. (1) Subject to the power of the commission to
18 deny, revoke, or suspend licenses, a casino license in force
19 shall be renewed by the commission for the next succeeding
20 license period upon proper application for renewal and payment of
21 license fees and taxes required by law and the rules of the
22 commission. The commission shall act upon an application for
23 renewal not later than 30 days before the date of expiration of
24 the current license.

25 (2) Application for renewal shall be filed with the commis-
26 sion not later than 90 days before the expiration of the current
27 license, and license fees and taxes as required by law shall be

1 paid to the commission before the date of expiration of the
2 current license.

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

6 Sec. 95. (1) A person shall not be employed as a casino key
7 employee unless the person is the holder of a valid casino key
8 employee license issued by the commission.

9 (2) Before the issuance of a casino key employee license, an
10 applicant shall produce information, documentation, and assur-
11 ances so as to establish by clear and convincing evidence, all of
12 the following qualifications:

13 (a) The financial stability, integrity, and responsibility
14 of the applicant, including bank references, business and per-
15 sonal income and disbursement schedules, tax returns and other
16 reports filed with governmental agencies, and business and per-
17 sonal accounting and check records and ledgers. An applicant
18 shall, in writing, authorize the examination of all bank accounts
19 and records as considered necessary by the commission or the
20 division.

21 (b) The applicant's reputation for good character, honesty,
22 and integrity. The information shall include data pertaining to
23 family, habits, character, criminal and arrest record, business
24 activities, financial affairs, and business, professional, and
25 personal associates, for the 10-year period immediately preceding
26 the filing of the application. An applicant shall notify the
27 commission of any civil judgments obtained against the applicant

1 based upon antitrust or security regulation laws of the federal
2 government, of this state, or of any other state, jurisdiction,
3 province, or country. An applicant shall produce letters of ref-
4 erence from law enforcement agencies having jurisdiction in the
5 applicant's place of residence and principal place of business,
6 which letters of reference shall indicate that the law enforce-
7 ment agencies do not have any pertinent information concerning
8 the applicant. If the law enforcement agency does have informa-
9 tion pertaining to the applicant, the law enforcement agency
10 shall specify that information in a letter to the commission. If
11 the applicant has been associated with gaming or casino opera-
12 tions in any capacity, position, or employment in a jurisdiction
13 which permits the activity, the applicant shall produce letters
14 of reference from the gaming or casino enforcement or control
15 agency which shall specify the experiences of the agency with the
16 applicant, the applicant's associates, and the applicant's par-
17 ticipation in the gaming operations of that jurisdiction. If
18 letters of reference required from other gaming or casino
19 enforcement or control agencies are not received within 60 days
20 after their request, the applicant may submit a statement under
21 oath that the person is, or was during the period the activities
22 were conducted, in good standing with the gaming or casino
23 enforcement or control agency.

24 (c) Sufficient business ability and casino experience so
25 that there is a reasonable likelihood of success and efficiency
26 in the particular position involved.

1 (d) That the applicant is a resident of this state.

2 (3) The commission shall endorse upon any license issued
3 under this section the particular positions as defined by this
4 act or by rule which the licensee is qualified to hold.

5 (4) The commission shall deny a casino key employee license
6 to an applicant who is disqualified on the basis of the criteria
7 contained in section 89.

8 Sec. 97. (1) A person shall not commence employment as a
9 casino employee unless the person is the holder of a valid casino
10 employee license issued by the commission.

11 (2) Before the issuance of a license, an applicant for a
12 casino employee license shall produce sufficient information,
13 documentation, and assurances to meet the qualification criteria,
14 including residency, contained in section 95(2), except that the
15 standards for business ability and casino experience may be sat-
16 isfied by a showing of casino job experience and knowledge of
17 this act and rules pertaining to the particular position
18 involved, or by successful completion of a course of study at a
19 licensed school in an approved curriculum of casino gaming.

20 (3) The commission shall endorse upon a license issued under
21 this section the particular positions as defined by rule which
22 the licensee is qualified to hold.

23 (4) The commission shall deny a casino employee license to
24 an applicant who is disqualified on the basis of the criteria
25 contained in section 89.

1 (5) For purposes of this section, casino security employees
2 shall be considered casino employees and, in addition to other
3 requirements of law, shall be licensed under this act.

4 Sec. 99. (1) A person shall not commence employment as a
5 casino hotel employee unless the person is the holder of a valid
6 casino hotel employee license issued by the commission.

7 (2) Before the issuance of a license, an applicant for a
8 casino hotel employee license shall produce sufficient informa-
9 tion, documentation, and assurances to meet the qualification
10 criteria contained in section 95(2)(a), (b), and (d). A casino
11 hotel employee license shall not be issued to a person disquali-
12 fied on the basis of the criteria contained in section 89.

13 (3) An applicant shall not be denied a casino hotel employee
14 license on the basis of a conviction of any of the offenses enu-
15 merated in this act as disqualification criteria, if the appli-
16 cant has demonstrated rehabilitation or can produce a certificate
17 of rehabilitation, or if the offense for which the applicant was
18 convicted is not reasonably related to the duties for which the
19 applicant will be employed in the casino hotel.

20 (4) The commission may waive a disqualification criterion
21 for a casino hotel employee consistent with this act upon a find-
22 ing that the interests of justice require a waiver.

23 (5) A temporary 5-day casino hotel employee license may be
24 issued by the commission if in its judgment the issuance of a
25 permanent license will be restricted by necessary investigations
26 and the temporary licensing of the applicant is necessary for the
27 continuing operation of the hotel.

1 Sec. 101. (1) A casino service industry offering goods or
2 services on a regular basis which directly relate to casino or
3 gaming activity, including gaming equipment manufacturers, sup-
4 pliers and repairers, schools teaching gaming and either playing
5 or dealing techniques, and casino security services, shall be
6 licensed in accordance with this act before conducting business
7 with a casino licensee, its employees, or agents, and in the case
8 of a school, before enrollment of students or offering of courses
9 to the public whether for compensation or not.

10 (2) A casino service industry prescribed in subsection (1),
11 as well as its owners, management, supervisory personnel, and
12 other principal employees shall qualify under the standards,
13 except residency, established for qualification of a casino key
14 employee under this act. If the business or enterprise is a
15 school teaching gaming and either playing or dealing techniques,
16 each employee of the school shall qualify under the standards
17 established for qualification of a casino employee under this
18 act. This subsection does not require, in the case of a public
19 school district or public institution of higher education, the
20 licensure or qualification of any individuals except those
21 instructors and other principal employees responsible for the
22 teaching of playing or dealing techniques.

23 (3) A casino service industry not prescribed in subsection
24 (1) shall be licensed in accordance with rules of the commission
25 before commencement or continuation of a business with a casino
26 licensee or its agents. The casino service industries, whether
27 or not directly related to gaming operations, includes suppliers

1 of alcoholic liquor, food, and nonalcoholic beverages; garbage
2 handlers; vending machine providers; linen suppliers; maintenance
3 companies; shopkeepers located within the approved hotel; and
4 limousine services contracting with casino licensees. The com-
5 mission may exempt any person or field of commerce from the
6 licensing requirements of this subsection if it finds that the
7 person or field of commerce is regulated by a public agency and
8 that licensure under this act is not necessary to protect the
9 public interest or to accomplish the policies established by this
10 act.

11 (4) Licensure of a casino service industry pursuant to sub-
12 section (3) may be denied to an applicant disqualified on the
13 basis of the criteria contained in section 89.

14 Sec. 103. (1) A labor organization, union, or affiliate
15 seeking to represent employees licensed under this act and
16 employed by a casino hotel or a casino licensee shall register
17 with the commission annually, and shall disclose information to
18 the commission as the commission requires, including the names of
19 all affiliated organizations, pension and welfare systems, and
20 all officers and agents of the organizations and systems. A
21 labor organization, union, or affiliate shall not be required to
22 furnish this information to the extent the information is
23 included in a report filed by any labor organization, union, or
24 affiliate with the secretary of labor pursuant to section
25 201(a)-(c) of title II of the labor-management reporting and dis-
26 closure act of 1959, 29 U.S.C. 431, or section 101 of title I,
27 subtitle B, part 1, of the employee retirement income security

1 act of 1974, 29 U.S.C. 1021 if a copy of the report, or of the
2 portion of the report containing the information, is furnished to
3 the commission pursuant to the federal law. The commission may
4 in its discretion exempt a labor organization, union, or affili-
5 ate from the registration requirements of this subsection if the
6 commission finds that the organization, union, or affiliate is
7 not the certified bargaining representative of any employee
8 licensed under this act, is not involved actively, directly, or
9 substantially in the control or direction of the representation
10 of the employee, and is not seeking to be the certified bargain-
11 ing representative or be involved in the control or direction of
12 the employee's representation.

13 (2) A labor organization, union, or affiliate registered or
14 required to be registered under this section which represents or
15 seeks to represent employees licensed under this act shall not
16 receive any dues from an employee licensed under this act who is
17 employed by a casino licensee or its agent, or administer any
18 pension or welfare funds, if an officer, agent, or principal
19 employee of the labor organization, union, or affiliate is dis-
20 qualified on the basis of criteria contained in section 89. The
21 commission may, for the purposes of this subsection, waive any
22 disqualification criterion consistent with this act upon a find-
23 ing that the interests of justice require a waiver.

24 (3) A labor organization, union, or affiliate or its offi-
25 cers and agents not otherwise individually licensed under this
26 act and employed by a casino licensee shall not hold a financial

1 interest in the casino hotel or casino whose employees they
2 represent.

3 Sec. 105. (1) Upon the filing of an application for a
4 license or registration required by this act for other than a
5 casino license, and after submission of any supplemental informa-
6 tion which the commission requires, the commission shall request
7 the division to conduct an investigation into the qualification
8 of the applicant, and the commission shall conduct hearings, con-
9 cerning the qualification of the applicant and pursuant to its
10 rules, as necessary to determine qualification for the license or
11 registration.

12 (2) After the investigation, the commission may either deny
13 the application or grant a license to or accept the registration
14 of an applicant whom it determines to be qualified to hold the
15 license or registration. Upon proper application, the commission
16 may grant a casino hotel employee license.

17 (3) The commission may deny an application for a license or
18 registration pursuant to this act. When an application is
19 denied, the commission shall prepare and file the order denying
20 the application with the general reasons for the denial. If
21 requested by the applicant, the commission shall prepare and file
22 a statement of the reasons for the denial, including the specific
23 findings of facts.

24 (4) When the commission grants an application, the commis-
25 sion may limit or place restrictions upon the license as it con-
26 siders necessary in the public interest. Licenses shall be
27 granted and registrations approved for a term of 1 year.

1 (5) After an application is submitted to the commission,
2 final action of the commission shall be taken within 90 days
3 after completion of the hearings and investigations and the
4 receipt of the information required by the commission.

5 Sec. 107. Subject to the power of the commission to deny,
6 revoke, or suspend a license or registration, a license other
7 than a casino license, or a registration, may be renewed upon
8 proper application for renewal not later than 90 days before the
9 expiration of the current license or registration, and the pay-
10 ment of fees as provided by law before the date of expiration of
11 the current license or registration. The commission shall act
12 upon the application for renewal not later than 30 days before
13 the date of expiration of the current license or registration.

14 Sec. 109. (1) A casino shall not be opened or remain open
15 to the public, and gaming activity, except for test purposes,
16 shall not be conducted in a casino, unless a valid certificate of
17 operation is issued to the casino licensee by the commission.
18 The certificate shall be issued by the commission upon a finding
19 that a casino complies in all respects with the requirements of
20 this act and rules promulgated under this act, including all of
21 the following:

22 (a) That the casino licensee has implemented necessary man-
23 agement controls and security precautions.

24 (b) That casino personnel are properly trained and licensed
25 for their respective responsibilities.

1 (c) That the casino is prepared in all respects to receive
2 only those members of the public who are 21 years of age or
3 older.

4 (d) That the casino is located in a city which meets the
5 criteria of section 9(2)(a).

6 (e) That signs are posted in prominent locations throughout
7 the casino which state that persons under 21 years of age are not
8 allowed to enter the designated casino area or to participate in
9 any casino game as a player.

10 (f) That not more than 50% of the slot machines on the
11 casino's premises are manufactured by 1 manufacturer.

12 (2) The certificate of operation shall include a statement
13 of compliance with subsection (1) and an itemized list by cate-
14 gory and number of the authorized games permitted in the particu-
15 lar casino establishment.

16 (3) A casino licensee shall notify the commission at least
17 30 days before a proposed change in the number of authorized
18 games to be played in a particular casino, and shall request the
19 issuance of a certificate of operation which permits the changes
20 to occur. The commission shall issue a revised certificate of
21 operation unless it finds that the planned change in authorized
22 games does not conform to the requirements of this act or rules
23 promulgated under this act, or that there has been a change of
24 circumstances in the casino or with respect to the casino
25 licensee materially affecting compliance with subsection (1).

26 (4) A certificate of operation shall remain in force and
27 effect unless altered in accordance with subsection (3), or

1 revoked, suspended, limited, or otherwise altered by the
2 commission pursuant to this act.

3 (5) As a condition of continued operation under this act, a
4 casino licensee shall maintain all books, records, and documents
5 pertaining to the licensee's operations on the licensed premises
6 immediately available for inspection during all hours of
7 operation. The books, records, and documents shall be maintained
8 for a period of not less than 7 years.

9 Sec. 111. (1) A casino licensed under this act shall not
10 operate between the hours of 6 a.m. and 10 a.m. on Saturdays,
11 Sundays, and state and federal holidays, or between the hours of
12 4 a.m. and 10 a.m. on all other days.

13 (2) A casino licensee shall file with the commission a
14 schedule of hours before the issuance of an initial certificate
15 of operation. If the casino licensee proposes a change in sched-
16 uled hours, the proposed change shall not take effect until the
17 licensee files a notice of the new schedule of hours with the
18 commission. A filing shall be made not less than 30 days before
19 the effective date of the proposed change in hours.

20 (3) This section shall not be construed to prohibit a casino
21 licensee from opening its casino later than, or closing its
22 casino earlier than, the times stated in its schedule of operat-
23 ing hours.

24 Sec. 113. (1) A casino licensee shall arrange the facili-
25 ties of its casino in a manner which promotes maximum comfort for
26 the patrons and optimum security for the casino operation, and

1 shall comply in all respects with rules of the commission
2 pertaining to the facilities.

3 (2) A casino licensee shall do all of the following:

4 (a) Install a closed circuit television system according to
5 specifications approved by the commission, and provide access on
6 the licensed premises to the system or its signal by the commis-
7 sion or the division, in accordance with rules pertaining
8 thereto.

9 (b) Provide exterior public entrances to a casino only
10 through an enclosed lobby or receiving foyer of not less than 400
11 square feet. This section shall not limit the number of
12 entrances to a casino.

13 (c) Establish a single room of at least 15,000 square feet
14 as its casino, and provide that visibility between any 2 areas in
15 the casino, whether or not contiguous, shall not be obstructed by
16 partitions of any kind which cover more than 50% of the struc-
17 tural opening. Multilevel casinos otherwise complying with this
18 subsection shall be permitted.

19 (d) Not permit the interior of the casino to be visible from
20 outside the casino hotel facility.

21 Sec. 115. (1) A casino licensee shall submit to the commis-
22 sion a description of its system of internal procedures and
23 administrative and accounting controls. The submission shall be
24 made at least 90 days before gaming operations are to commence or
25 before changes in previously submitted control plans are to
26 become effective, unless otherwise directed by the commission. A
27 submission shall contain both narrative and diagrammatic

1 representations of the internal control system to be utilized by
2 the casino, including all of the following:

3 (a) Accounting controls, including the standardization of
4 forms and definition of terms to be utilized in the gaming
5 operations.

6 (b) Procedures, forms, and, if appropriate, formulas cover-
7 ing the calculation of hold percentages, revenue drop, expense
8 and overhead schedules, complimentary services, junkets, cash
9 equivalent transactions, salary structure, and personnel
10 practices.

11 (c) Job descriptions and the system of personnel and chain
12 of command, establishing a diversity of responsibility among
13 employees engaged in casino operations and identifying primary
14 and secondary supervisory positions for areas of responsibility,
15 which areas shall not be so extensive as to be impractical for an
16 individual to monitor.

17 (d) Procedures within the cashier's cage for the receipt,
18 storage, and disbursement of chips and cash; the cashing of
19 checks; the redemption of chips; the pay-off of jackpots; and the
20 recording of transactions pertaining to gaming operations.

21 (e) Procedures for the collection and security of money at
22 the gaming tables.

23 (f) Procedures for the transfer and recordation of chips
24 between the gaming tables and the cashier's cage.

25 (g) Procedures for the transfer of money from the gaming
26 tables to the counting process.

1 (h) Procedures and security for the counting and recordation
2 of revenue.

3 (i) Procedures for the security, storage, and recordation of
4 chips utilized in the gaming operation.

5 (j) Procedures for the transfer of money or chips from and
6 to the slot machines.

7 (k) Procedures and standards for the opening and security of
8 slot machines.

9 (l) Procedures for the payment and recordation of slot
10 machine jackpots.

11 (m) Procedures for the cashing and recordation of checks
12 exchanged by casino patrons.

13 (n) Procedures governing the utilization of the private
14 security force within the casino.

15 (o) Procedures and security standards for the handling and
16 storage of gaming apparatus including cards, dice, machines,
17 wheels, and other gaming devices.

18 (p) Procedures and rules governing the conduct of particular
19 games and the responsibility of casino personnel with respect to
20 a particular game.

21 Sec. 117. The commission shall review each submission
22 required by section 115 and shall determine whether it conforms
23 to the requirements of this act and the rules promulgated under
24 this act, and whether the system submitted provides adequate and
25 effective controls for the operations of the particular casino
26 submitting it. If the commission finds an insufficiency, it
27 shall specify the insufficiency in writing to the casino

1 licensee, who shall make appropriate alterations. If the
2 commission determines a submission to be adequate in all
3 respects, it shall notify the casino licensee of that
4 determination. A casino licensee shall not commence gaming oper-
5 ations, or alter its internal controls, unless the system of con-
6 trols is approved by the commission.

7 Sec. 119. (1) This act shall not be construed to permit
8 gaming except the conduct of authorized games in a casino room
9 pursuant to this act and the rules promulgated under this act.

10 (2) A gaming device shall not be possessed, maintained, or
11 exhibited by a person on the premises of a casino hotel complex
12 except in the casino room and in secure areas used for the
13 inspection, repair, or storage of the equipment and specifically
14 designated for that purpose by the casino licensee with the
15 approval of the commission. A gaming device shall not be pos-
16 sessed, maintained, exhibited, brought into, or removed from a
17 casino room by a person unless the gaming device is necessary to
18 the conduct of an authorized game, has permanently affixed,
19 imprinted, impressed, or engraved on it an identification number
20 or symbol authorized by the commission, is under the exclusive
21 control of a casino licensee or its employees, and is brought
22 into, or removed from, the casino room when authorized for that
23 purpose by the commission, or at other times when prior notice is
24 given to and written approval granted by an authorized agent of
25 the commission.

26 (3) A casino hotel shall contain a count room and other
27 secure facilities as required by the commission for the counting

1 and storage of cash, coin, tokens, and checks received in the
2 conduct of gaming and for the inspection, counting, and storage
3 of dice, cards, chips, and other representatives of value. Drop
4 boxes and other devices in which cash, coins, or tokens are
5 deposited at the gaming tables or in slot machines, and all areas
6 in which the boxes and devices are kept while in use, shall be
7 equipped with 2 locking devices. One key shall be under the
8 exclusive control of the commission and the other key shall be
9 under the exclusive control of the casino licensee. The drop
10 boxes and other devices shall not be brought into or removed from
11 the casino room, locked, or unlocked except at times, places, and
12 pursuant to the procedures the commission requires.

13 (4) Chips used in gaming at all casinos shall be of a uni-
14 form size and color by denomination as the commission requires by
15 rule.

16 (5) Gaming shall be conducted according to rules promulgated
17 by the commission. All wagers and pay-offs of winning wagers at
18 table games shall be made according to rules promulgated by the
19 commission. The rules shall establish the minimum wagers and
20 other limitations necessary to assure the vitality of casino
21 operations and fair odds to, and maximum participation by, casino
22 patrons. A licensee may establish a higher minimum wager with
23 the prior approval of the commission. A slot machine shall have
24 a minimum payout of 83%.

25 (6) A casino licensee shall make available in printed form
26 to a casino patron upon request the complete text of the rules of
27 the commission regarding games and the conduct of gaming,

1 pay-offs of winning wagers, an approximation of the odds of
2 winning for each wager, and containing other advice to the player
3 as the commission requires. A casino licensee shall prominently
4 post within the casino room pursuant to rules of the commission
5 information about gaming rules, pay-offs of winning wagers, and
6 the odds of winning for each wager, and other advice to the
7 player which the commission requires.

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

13 Sec. 121. A slot machine shall not be used to conduct
14 gaming unless it is identical in all electrical, mechanical, and
15 other aspects to a model which has been specifically tested by
16 the division and licensed for use by the commission. The commis-
17 sion shall, by rule, establish technical standards for licensure,
18 including mechanical and electrical reliability, security against
19 tampering, the comprehensibility of wagering, and noise and light
20 levels, as it considers necessary to protect the player from
21 fraud or deception and to insure the integrity of gaming. Slot
22 machines, including walkways between them, shall not occupy more
23 than 30% of the first 50,000 square feet of floor space of a
24 casino, or more than 25% of additional floor space of a casino
25 larger than 50,000 square feet. The commission shall, by rule,
26 determine the permissible density of particular licensed slot
27 machines or combinations of slot machines, based upon their size

1 and light and noise levels, so as to create and maintain a
2 gracious playing environment in the casino and to avoid deception
3 or frequent distraction to players at gaming tables. The denomi-
4 nations of the slot machines shall be set by the licensee,
5 subject to the prior approval of the commission.

6 Sec. 123. (1) A casino shall be arranged in a fashion so as
7 to allow at least the following minimum square footage of floor
8 space for each gaming table, including the space occupied by the
9 table:

- 10 (a) Baccarat -- 300 square feet.
- 11 (b) Blackjack -- 100 square feet.
- 12 (c) Craps -- 200 square feet.
- 13 (d) Roulette -- 150 square feet.
- 14 (e) Big six wheel -- 150 square feet.

15 (2) A casino shall be arranged in a fashion so as to assure
16 that the following gaming tables shall always be present, whether
17 in use or not, according to the following:

- 18 (a) At least 1 baccarat table for every 25,000 square feet
19 of casino space or part thereof.
- 20 (b) At least 1 craps table for every 10,000 square feet of
21 casino space or part thereof.
- 22 (c) At least 1 roulette table for every 10,000 square feet
23 of casino space or part thereof.
- 24 (d) At least 4 blackjack tables for every 10,000 square feet
25 of casino space or part thereof.
- 26 (e) Not more than 1 big six wheel and table for every 10,000
27 square feet of casino space or part thereof.

1 Sec. 125. (1) A person shall not exchange or redeem chips
2 for anything other than currency, negotiable personal checks,
3 negotiable counter checks, or other chips. A casino licensee,
4 upon the request of any person, shall redeem that licensee's
5 gaming chips surrendered by that person in any amount over \$25.00
6 with a check drawn upon the licensee's account at a financial
7 institution in this state and made payable to that person.

8 (2) A casino licensee, its agents, or employees shall not
9 employ, contract with, or use any shill or barker to induce a
10 person to enter a casino, play at any game, or for any other
11 purpose.

12 (3) A dealer in an authorized game in which cards are dealt
13 shall not deal cards by hand or other than from a gaming device
14 specifically designed for that purpose.

15 (4) A casino key employee, other than a junket representa-
16 tive, or a casino employee, other than a bartender, waiter, wait-
17 ress, or other than a casino employee who in the judgment of the
18 commission is not directly involved with the conduct of gaming
19 operations, shall not wager at a game in a casino in this state.

20 (5) A casino key employee or boxman, floorman, or other
21 casino employee who serves in a supervisory position shall not
22 solicit or accept, and another casino employee shall not solicit,
23 a tip or gratuity from a player or patron at the casino where he
24 or she is employed.

25 (6) A dealer may accept tips or gratuities from a patron at
26 the table at which the dealer is conducting play, subject to this
27 subsection. The tips or gratuities shall be immediately

1 deposited in a lock box reserved for that purpose, accounted for,
2 and placed in a pool for distribution pro rata among the dealers
3 on a weekly basis, with the distribution based upon the number of
4 hours each dealer has worked.

5 Sec. 127. (1) Except as otherwise provided in section 125
6 and this section, a casino licensee, a person licensed under this
7 act, a person acting on behalf of, or under an arrangement with,
8 a casino licensee or other person licensed under this act shall
9 not do any of the following:

10 (a) Cash a check, make a loan, otherwise provide or allow a
11 person credit, or advance anything of value or anything which
12 represents value to enable a person to take part in gaming activ-
13 ity as a player.

14 (b) Release or discharge a debt, either in whole or in part,
15 or make a loan which represents losses incurred by a player in
16 gaming activity without maintaining a written record of the
17 release, discharge, or loan pursuant to the rules of the
18 commission.

19 (2) A casino licensee, a person licensed under this act, or
20 a person acting on behalf of, or under any arrangement with, a
21 casino licensee or other person licensed under this act, shall
22 not accept a check, other than a recognized traveler's check or
23 other cash equivalent, from a person to enable the person to take
24 part in gaming activity as a player, nor give cash or cash equiv-
25 alents in exchange for the check unless all of the following con-
26 ditions are met:

1 (a) The check is made payable to the casino licensee.

2 (b) The check is dated, but not postdated.

3 (c) The check is presented to the cashier or the cashier's
4 representative and is exchanged only for 1 or more credit slips
5 which total an amount equal to the amount for which the check is
6 drawn, which slips may be presented for chips at a gaming table.

7 (d) The rules of the commission concerning check cashing
8 procedures are observed by the casino licensee and its employees
9 and agents.

10 (3) This section shall not be construed to preclude the
11 establishment of an account by a person with a casino licensee by
12 a deposit of cash, recognized traveler's check, or other cash
13 equivalent, or to preclude the withdrawal, either in whole or in
14 part, of an amount contained in the account.

15 (4) When a casino licensee or other person licensed under
16 this act, or a person acting on behalf of, or under any arrange-
17 ment with, a casino licensee or other person licensed under this
18 act, cashes a check in conformity with subsection (2), the casino
19 licensee shall cause the deposit of the check to be made in a
20 financial institution for collection or payment within 1 of the
21 following periods:

22 (a) Seven business days after the date of the transaction
23 for a check in an amount less than \$1,000.00.

24 (b) Fourteen business days after the date of the transaction
25 for a check of at least \$1,000.00 but less than \$2,500.00.

26 (c) Ninety business days after the date of the transaction
27 for a check of \$2,500.00 or more.

1 (5) The drawer of the check may redeem the check by 1 or
2 more of the following methods:

3 (a) Exchanging cash or chips in an amount equal to the
4 amount for which the check is drawn.

5 (b) Exchanging in part cash or chips and another check which
6 meets the requirements of subsection (2) for the difference
7 between the original check and the cash or chips tendered.

8 (c) Issue 1 check which meets the requirements of subsection
9 (2) in an amount sufficient to redeem 2 or more checks drawn to
10 the order of the casino licensee.

11 (6) If there has been a partial redemption or a consolida-
12 tion in conformity with this section, the newly issued check
13 shall be delivered to a financial institution for collection or
14 payment within the period specified by subsection (4). A casino
15 licensee, a person licensed under this act, or a person acting on
16 behalf of, or under an arrangement with, a casino licensee, or
17 another person licensed under this act shall not accept a check
18 or series of checks in redemption or consolidation of another
19 check for the purpose of avoiding or delaying the deposit of a
20 check in a financial institution for collection or payment within
21 the time period prescribed by this section.

22 Sec. 129. (1) A person licensed under this act, or a person
23 acting on behalf of or under an arrangement with, a person
24 licensed under this act, shall not transfer, convey, or give,
25 with or without consideration, a check cashed in conformity with
26 this section to a person other than:

1 (a) The drawer of the check upon redemption or consolidation
2 in accordance with section 80(5).

3 (b) A financial institution for collection or payment of the
4 check.

5 (c) A purchaser of the casino license as approved by the
6 commission.

7 (2) The limitation on transferability of checks imposed in
8 this section shall apply to checks returned by a financial insti-
9 tution to the casino licensee without full and final payment.

10 (3) A person other than a person licensed as a casino key
11 employee or as a casino employee shall not engage in efforts to
12 collect upon checks that were returned by financial institutions
13 without full and final payment, except that an attorney at law
14 representing a casino licensee may bring an action for the
15 collection.

16 (4) Checks cashed in conformity with this act shall be valid
17 instruments, enforceable at law in the courts of this state. A
18 check cashed, transferred, conveyed, or given in violation of
19 this act shall be invalid and unenforceable.

20 Sec. 131. (1) Junkets shall not be organized or permitted
21 except as pursuant to this act. A person shall not act as a
22 junket representative except as pursuant to this section.

23 (2) For purposes of this section, the term "junket
24 representative" means a person who is responsible for or directly
25 engages in the creation, organization, or operation of a junket,
26 regardless of whether the junket is engaged in or organized
27 within this state.

1 (3) A junket representative shall be licensed as a casino
2 key employee in accordance with this act. A licensee need not be
3 a resident of this state. A casino licensee shall not employ or
4 otherwise engage a junket representative who is not licensed
5 under this act.

6 (4) A casino licensee shall be responsible for the conduct
7 of a junket representative associated with it and for the terms
8 and conditions of a junket engaged in on its premises, regardless
9 of the employment status of the junket representative associated
10 with the casino licensee.

11 (5) A casino licensee shall do either of the following:

12 (a) Submit to the commission, pursuant to the rules of the
13 commission, a report in advance of a junket which shall include
14 the names of the participants, the terms of the junket, the
15 origin and dates of the junket, acknowledgments by the partici-
16 pants that they understand the terms of the particular junket,
17 and any other information required by the commission.

18 (b) Submit to the commission, pursuant to its rules, propos-
19 als for junkets, which proposals may be approved by the commis-
20 sion for continued use upon the conditions that a material aspect
21 of a proposal shall not be changed except as to participants and
22 that quarterly reports regarding the junkets shall be submitted
23 to the commission, including any other information the commission
24 requires.

25 (6) A casino licensee shall be responsible for any violation
26 or deviation from the terms of a junket. After hearings held
27 pursuant to this act, the commission may order restitution to

1 junket participants, assess penalties for violations or
2 deviations, prohibit future junkets by the casino licensee or
3 junket representatives, and order further relief it considers
4 appropriate.

5 (7) A casino licensee shall maintain a regulated complimen-
6 tary service account and shall submit a quarterly report to the
7 commission based upon the account and covering all complimentary
8 services offered or engaged in by the licensee during the immedi-
9 ately preceding quarter year. The reports shall include identi-
10 fication of the regulated complimentary services and their
11 respective costs, the number of persons by category of service
12 who received the complimentary service, and any other information
13 the commission requires.

14 Sec. 133. (1) A person shall not lend, let, lease, or oth-
15 erwise provide a thing, or furnish a service, including a service
16 in managing a casino or in maintaining equipment for a gambling
17 game, including slot machines, for an interest or a percentage or
18 share of the money or property gambled at, or derived from, the
19 casino, equipment, or service, or for an interest, however
20 defined, in the revenue, profits, or earnings of the casino other
21 than pursuant to the terms of a written agreement providing for 1
22 or more of the following:

23 (a) For casino employee profit sharing.

24 (b) For casino key employee profit sharing.

25 (c) For the leasing of 100% of the entire casino hotel
26 facility for a term exceeding 30 years.

1 (d) For the complete management of the casino by a
2 corporation.

3 (2) An agreement shall not be effective unless approved by
4 the commission, except that receipts of percentage charges
5 between a corporate licensee and another entity which is a hold-
6 ing company or intermediary company with respect to the licensee
7 shall be permitted. An agreement shall not be approved unless
8 all parties to the agreement are themselves holders of licenses
9 issued pursuant to this act, and in the case of leases and man-
10 agement contracts, each party to the agreement holds or is eligi-
11 ble to apply for a casino license. Receipts, rentals, or charges
12 for real property, personal property, or services shall not lose
13 their character as payments of a fixed sum because of contract,
14 lease, or license provisions for adjustments in charges, rentals,
15 or fees because of changes in taxes or assessments,
16 cost-of-living index escalations, expansion or improvement of
17 facilities, or changes in services supplied. The commission
18 shall promulgate rules pursuant to the administrative procedures
19 act of 1969, Act No. 306 of the Public Acts of 1969, being sec-
20 tions 24.201 to 24.328 of the Michigan Compiled Laws, the commis-
21 sion considers necessary regarding leases, contracts, and
22 agreements. A casino licensee shall not enter into contracts for
23 the management of a total of more than 3 casinos.

24 Sec. 135. (1) A casino licensee shall present to the com-
25 mission an agreement regarding the realty of or involving a busi-
26 ness or person doing business with, or on the premises of, its
27 casino hotel facility. The agreement shall be reviewed by the

1 commission on the basis of the reasonableness of its terms,
2 including the terms of compensation, and of the qualifications of
3 the person involved in the agreement with the casino licensee,
4 which qualifications shall be reviewed according to the standards
5 enumerated in section 89. If the commission does not approve an
6 agreement or association, the commission may require its
7 termination.

8 (2) An agreement with a casino hotel shall be considered to
9 include a provision for its termination without liability on the
10 part of the licensee, if the commission disapproves of the busi-
11 ness or of any person associated with the agreement by reason of
12 a finding that the business or person is unsuitable to be associ-
13 ated with a casino enterprise in accordance with the rules
14 promulgated under this act. Failure to expressly include a con-
15 dition in the agreement shall not constitute a defense in an
16 action brought to terminate the agreement. If the agreement is
17 not presented to the commission pursuant to commission rules, or
18 the disapproved agreement or association is not terminated, the
19 commission may pursue a remedy or combination of remedies pro-
20 vided in this act.

21 (3) This act shall not be construed to permit the transfer
22 of a license, an interest in a license, a certificate of compli-
23 ance, or a commitment or reservation.

24 Sec. 137. (1) The sale, assignment, transfer, pledge, or
25 other disposition of a security issued by a corporation which
26 holds a casino license is conditional and shall be ineffective if
27 disapproved by the commission.

1 (2) A security issued by a corporation which holds a casino
2 license shall bear, on both sides of the certificate evidencing
3 the security, a statement of the restrictions imposed by this
4 section, except that in the case of a publicly traded corporation
5 incorporated before the effective date of this act, a statement
6 of restriction shall be necessary only insofar as certificates
7 are issued by the corporation after the effective date of this
8 act.

9 (3) Articles of incorporation of a corporation which include
10 as a stated purpose the conduct of casino gaming, or an amendment
11 which adds that purpose to the corporation's previously filed
12 articles of incorporation, shall not be accepted for filing,
13 unless the articles or amendments are approved by the commission
14 and a copy of the approval is annexed to the articles of incorpo-
15 ration upon presentation for filing with the corporations and
16 securities bureau of the department of commerce.

17 Sec. 139. (1) If the commission finds that an individual
18 owner or holder of a security of a corporate licensee or of a
19 holding or intermediary company of the corporate licensee is not
20 qualified under this act, and if as a result the corporate
21 licensee is no longer qualified to continue as a casino licensee
22 in this state, the commission shall, pursuant to this act, pro-
23 pose any necessary action to protect the public interest, includ-
24 ing the suspension or revocation of the casino license of the
25 corporation. The commission shall not take action against the
26 casino licensee or the holding or intermediary company with
27 respect to the continued ownership of the security interest by

1 the disqualified holder if the holding or intermediary company is
2 a publicly traded corporation, the disqualified holder is a
3 holder of security in the publicly traded holding or intermediary
4 company that is required to be qualified under section 87(2), and
5 the commission finds 1 or more of the following:

6 (a) The holding or intermediary company has complied with
7 section 79(g).

8 (b) The holding or intermediary company has made a good
9 faith effort, including the prosecution of all legal remedies, to
10 comply with an order of the commission requiring the divestiture
11 of the security interest held by the disqualified holder.

12 (c) The disqualified holder does not have the ability to
13 control the corporate licensee or a holding or intermediary com-
14 pany of the corporate licensee, or to elect a member of the board
15 of directors of the corporation or company.

16 (2) For purposes of this act, a security holder shall be
17 presumed to have the ability to control a publicly traded corpo-
18 ration, or to elect a member of its board of directors, if the
19 holder owns or beneficially holds 5% or more of the securities of
20 the corporation, unless the presumption of control or ability to
21 elect is rebutted by clear and convincing evidence.

22 (3) Commencing on the date the commission serves notice upon
23 a corporation of the determination of disqualification of an
24 individual owner or holder of a security under subsection (1) the
25 owner or holder shall not do any of the following:

26 (a) Receive any dividend or interest upon a security.

1 (b) Exercise, directly or through a trustee or nominee, any
2 right conferred by the security.

3 (c) Receive any remuneration in any form from the corporate
4 licensee for services rendered or otherwise.

5 (4) After a nonpublic corporation is issued a casino license
6 pursuant to this act, but before the issuance or transfer of a
7 security to a person required to be but not yet qualified in
8 accordance with this act, the corporation shall file a report of
9 its proposed action with the commission, and shall request the
10 approval of the commission for the transaction. If the commis-
11 sion denies the request, the corporation shall not issue or
12 transfer the security. After a public corporations is issued a
13 casino license, the corporation shall file a report quarterly
14 with the commission, which report shall list all owners and hold-
15 ers of all securities issued by the corporate casino licensee.

16 (5) A corporation which is issued a casino license pursuant
17 to this act shall file a report of a change of its corporate
18 officers or members of its board of directors with the
19 commission. An officer or director shall not exercise any powers
20 of the office to which he or she was elected or appointed until
21 qualified by the commission pursuant to this act.

22 Sec. 141. (1) A casino licensee shall not appoint or employ
23 a person not possessing a current and valid license permitting
24 their appointment or employment. Before the effective date of
25 the appointment or employment, the casino licensee shall apply
26 for a work permit for the employee. The permit shall be granted
27 by the commission if the employee is the holder of a current and

1 valid license. The casino licensee shall return the work permit
2 to the commission within 5 days after the termination or cessa-
3 tion of the appointment or employment for any cause whatsoever.
4 A work permit shall be renewed annually in accordance with rules
5 promulgated by the commission.

6 (2) Within 24 hours after receipt of a written notice, a
7 casino licensee shall terminate the appointment or employment of
8 a person whose license has been revoked or has expired. A casino
9 licensee shall comply in all respects with an order of the com-
10 mission imposing limitations or restrictions upon the terms of
11 employment or appointment of the employee in the course of an
12 investigation or hearing.

13 Sec. 143. (1) The commission shall, by rule, establish
14 annual fees for the issuance or renewal of casino licenses. The
15 issuance fee shall be based upon the cost of investigation and
16 consideration of the license application, and shall be not less
17 than \$200,000.00. The renewal fee shall be based upon the cost
18 of maintaining control and regulatory activities contemplated by
19 this act, and shall be not less than \$100,000.00 annually.

20 (2) The attorney general shall certify to the commission
21 actual and prospective costs of the investigative and enforcement
22 functions of the divisions. These costs shall be the basis,
23 together with the operating expenses of the commission, for the
24 establishment of annual license issuance and renewal fees.

25 (3) A nonrefundable deposit of at least \$100,000.00 shall be
26 required to be posted with each application for a casino license

1 and shall be applied to the initial license fee if the
2 application is approved.

3 Sec. 145. (1) In addition to any other tax or fee imposed
4 by this act, an annual license fee of \$200.00 is imposed upon
5 every slot machine.

6 (2) A license fee imposed under this section shall be
7 imposed as of July 1 each year with regard to all slot machines
8 in use on that date, and on a pro rata basis thereafter during
9 the year with regard to all slot machines placed in use after
10 July 1.

11 Sec. 147. The commission shall by rule establish annual
12 fees for the issuance and renewal of licenses other than casino
13 licenses. The fees shall be paid by the licensee.

14 Sec. 149. The commission shall by rule establish annual
15 fees for the issuance and renewal of work permits for the various
16 classes of employees. The fees shall be paid by the employer
17 licensee.

18 Sec. 151. (1) The casino control fund is created in the
19 state treasury. License fee revenue imposed by this act or the
20 rules promulgated under this act shall be credited to the casino
21 control fund.

22 (2) Money in the casino control fund shall be allocated
23 exclusively for the operating expenses of the commission and the
24 division.

25 Sec. 153. An annual assessment on the gross revenue of each
26 casino licensed under this act is levied in the amount of 8% of
27 the gross revenue.

1 Sec. 155. (1) The casino revenue fund is created in the
2 state treasury.

3 (2) Forty percent of the revenue derived from the assessment
4 levied by section 153 shall be credited to the casino revenue
5 fund.

6 (3) Fifty percent of the revenue derived from the assessment
7 levied by section 153 shall be credited to the general fund of
8 the city in which the casino is located.

9 (4) Ten percent of the revenue derived from the assessment
10 levied by section 153 shall be credited to the general fund of
11 the county in which the casino is located.

12 Sec. 157. (1) The commission may require at least monthly
13 deposits by the licensee of the revenue received under section
14 155(2) at times, conditions, and in depositories as prescribed by
15 the state treasurer. The deposits shall be credited to the
16 casino revenue fund. The commission may require a monthly report
17 and reconciliation statement, to be filed with it before the
18 tenth day of each month, with respect to gross revenues and
19 deposits received and made, respectively, during the preceding
20 month.

21 (2) Revenue deposited in the casino revenue fund under sec-
22 tion 155(2) shall only be appropriated for the support of a state
23 program created or maintained for the benefit of eligible senior
24 citizens or disabled or handicapped persons, or for scholarships
25 awarded or maintained by the state which are designated for needy
26 students as defined and determined by rules promulgated by the
27 commission.

1 (3) An additional annual city reinvestment responsibility
2 assessment on the gross revenue of each casino licensed under
3 this act is levied in the amount of 2% of the gross revenue, to
4 be paid directly to the city in which the casino is located.
5 This assessment shall be paid only after a casino has regained
6 its initial investment as determined by the commission.

7 Sec. 159. Except as the commission may require under sec-
8 tion 157(1), the assessment levied under section 153 shall be due
9 and payable annually before March 15 and shall be based upon
10 gross revenue derived during the previous calendar year. A
11 licensee shall file its first return and shall report gross reve-
12 nue from the time it commenced operations and ending on the last
13 day of the calendar year. The report shall be filed with the
14 commission before the following March 15.

15 Sec. 161. If a return or deposit required by section 155,
16 157, or 159 is not filed or paid, or if a return or deposit when
17 filed or paid is incorrect or insufficient in the opinion of the
18 state treasurer, the amount of assessment due or deposit shall be
19 determined by the state treasurer from the information as may be
20 available. Notice of the determination shall be given to the
21 licensee liable for the payment of the assessment or deposit.
22 The determination shall finally and irrevocably fix the assess-
23 ment unless the person against whom it is assessed, within 30
24 days after receiving notice of the determination, applies to the
25 state treasurer for a hearing, or unless the state treasurer on
26 his or her own motion redetermines the assessment. After the

1 hearing, the state treasurer shall give notice of his or her
2 determination to the person against whom the tax is assessed.

3 Sec. 163. This state shall have a prior lien on the real
4 and personal property owned by the person or persons named on the
5 casino license. The lien shall be in the amount of any assess-
6 ments due and unpaid which are authorized to be collected under
7 this act and for amounts expended for collecting those
8 assessments. The lien shall be enforced as a tax lien is
9 enforced pursuant to the general property tax act, Act No. 206 of
10 the Public Acts of 1893, being sections 211.1 to 211.157 of the
11 Michigan Compiled Laws.

12 Sec. 165. (1) The commission shall make an annual report to
13 the governor and the legislature within 60 days after the end of
14 the fiscal year of the state which shall include full disclosure
15 of receipts and disbursements and all actions taken, and recom-
16 mendations made relative to better control of casino gaming.

17 (2) The commission shall be audited annually by the auditor
18 general or a private auditing firm appointed by the auditor
19 general. The commission and the auditor general and the agents
20 of the auditor general shall have free and full access to all
21 parts of a casino, and the books and records, gaming equipment,
22 and counting rooms of a casino.

23 (3) Not more than 3 years after the effective date of this
24 act, the commission shall conduct and report its findings on a
25 study of the social and economic effects of casino gambling to
26 the governor and the state legislature.

1 Sec. 167. (1) A person shall not play or participate in
2 casino gaming by doing any of the following:

3 (a) Using bogus or counterfeit chips.

4 (b) Substituting or using game cards or dice which are
5 marked, loaded, or tampered with.

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

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

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

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

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

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

6 (4) Property, the use or possession of which is prohibited
7 by this section, may be summarily seized and confiscated by the
8 commission or its agents.

9 (5) A person who violates this section is guilty of a
10 misdemeanor.

11 Sec. 169. (1) Pursuant to this section, a casino licensee
12 or the officers or employees of a casino licensee may question an
13 individual in the casino suspected of violating section 167. A
14 licensee or the officers, employees, or agents of the licensee
15 shall not be criminally or civilly liable for questioning con-
16 ducted under this subsection, if the questioning is conducted in
17 a reasonable manner.

18 (2) A licensee or the officers or employees of the licensee
19 who have probable cause for believing that there was a violation
20 of section 167 in the casino by a person may take the person into
21 custody and detain that person in the casino in a reasonable
22 manner and for a reasonable length of time. The taking into cus-
23 tody and detention shall not render the casino or the officers or
24 employees of the casino criminally or civilly liable for false
25 arrest, false imprisonment, slander, or unlawful detention unless
26 the taking into custody and detention are unreasonable under all
27 the circumstances.

1 (3) A casino or the officers, employees, or agents of the
2 licensee are not immune from liability as provided for in this
3 section unless a notice of acts prohibited by section 167 and of
4 the rights granted under this section is displayed in a conspicu-
5 ous place in the casino and the notice is in boldface type.

6 (4) A licensee, or the officers or employees of the licensee
7 who have probable cause for believing that a person violated sec-
8 tion 167 by cheating in gaming may detain the person in the
9 casino for the purpose of notifying a peace officer.

10 Sec. 171. (1) Pursuant to section 2 of chapter 1194, 64
11 Stat. 1134, 15 U.S.C. 1172, this state exempts itself from that
12 act to the extent necessary for the operation of this act.

13 (2) Shipments of gambling devices, including slot machines,
14 into this state, the registering, recording, and labeling of
15 which was duly made by the manufacturer or dealer in accordance
16 with chapter 1194, 64 Stat. 1134, 15 U.S.C. 1171 to 1178, for the
17 use of licensed casinos shall be considered legal shipments into
18 this state.

19 Sec. 173. (1) The commission shall conduct investigations
20 from time to time for the following purposes:

21 (a) To determine whether this act or a rule promulgated
22 under this act was violated.

23 (b) To determine a fact, condition, practice, or matter, as
24 it considers necessary or proper, to aid in the enforcement of
25 this act or the rules of the commission.

26 (c) To aid in promulgating rules.

1 (d) To secure information as a basis for recommending
2 legislation relating to this act.

3 (2) The commission shall study the laws and reports of other
4 states and the United States relative to gaming.

5 (3) The commission shall report annually to the legislature
6 and the governor relative to the implementation of this act.

7 Sec. 175. The Michigan penal code, Act No. 328 of the
8 Public Acts of 1931, being sections 750.1 to 750.568 of the
9 Michigan Compiled Laws, and all other acts and parts of acts
10 inconsistent with this act shall not apply to the casino gaming
11 as provided for by this act at a casino licensed to hold or con-
12 duct a casino gaming operation as provided by this act.

13 Sec. 177. In addition to a criminal penalty that may be
14 imposed under this act, the commission may assess and collect a
15 civil fine of not more than \$50,000.00 from a casino licensee who
16 violates this act.

17 Sec. 179. The commission may issue subpoenas, summon wit-
18 nesses, and administer oaths or affirmations when in its judgment
19 it is necessary for the effective discharge of the commission's
20 duties. A person failing to appear before the commission at the
21 time and place specified, without just cause, in answer to a sum-
22 mons, or a person refusing to testify or testifying falsely, is
23 guilty of a misdemeanor, punishable by imprisonment for not more
24 than 6 months, or a fine of not more than \$5,000.00, or both.

25 Sec. 181. (1) Except as otherwise provided in this act, a
26 person who violates this act is guilty of a felony, punishable by

1 imprisonment for not more than 10 years, or by a fine of not more
2 than \$50,000.00, or both.

3 (2) A person who willfully aids, assists, or abets the vio-
4 lation of an act punishable as a felony under subsection (1) is
5 guilty of a felony, punishable by imprisonment for not less than
6 3 years, or by a fine of not more than \$50,000.00, or both.

7 (3) For the purpose of this section, each day of operation
8 in violation of this act constitutes a separate and distinct
9 offense.

10 Sec. 183. In addition to all the other requirements in this
11 act for the establishment of a casino, a casino shall not be
12 established in any city in this state unless the city has a popu-
13 lation of not less than 900,000, as of the most recent federal
14 decennial census.

15 Sec. 185. This act shall not take effect unless all of the
16 following bills of the 88th Legislature are enacted into law:

17 (a) Senate Bill No. 1050.

18

19 (b) Senate Bill No. 1051.

20