

# HOUSE BILL No. 4865

June 4, 1997, Introduced by Rep. Brewer and referred to the Committee on House Oversight and Ethics.

A bill to amend the Initiated Law of 1996, entitled "Michigan gaming control and revenue act," by amending section 6 (MCL 432.206).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 6. (1) ~~Section 6. Casino Licenses.~~ (a) The board  
2 shall issue a license to operate a casino to an applicant upon a  
3 determination by the board that the applicant is eligible for a  
4 casino license. The board shall find that an applicant is eligi-  
5 ble for a casino license if all of the following criteria are  
6 met:

7        (A) ~~(1)~~ Prior to the date of application ~~:(i) the~~ 1 OF  
8 THE FOLLOWING CIRCUMSTANCES EXISTED:

9        (i) THE applicant or its affiliates or affiliated companies  
10 was the initiator of any casino gaming proposal submitted for

1 voter approval in the city in which the casino will be located  
2 and the voters approved the proposal.  ~~/ or (ii) the~~

3 (ii) THE applicant was selected by the city pursuant to a  
4 competitive bidding process.

5 (B) ~~-(2)-~~ The applicant proposes to locate the casino in a  
6 city where the local legislative body enacted an ordinance  
7 approving casino gaming, which ordinance may include local regu-  
8 lations governing casino operations, occupational licensees and  
9 suppliers which are consistent with the rules promulgated by the  
10 board.

11 (C) ~~-(3)-~~ The applicant entered into a development agreement  
12 with the city where the local legislative body enacted an ordi-  
13 nance approving casino gaming.  ~~/ and~~

14 (D) ~~-(4)-~~ The applicant or its affiliates or affiliated com-  
15 panies has a history of, or a bona fide plan for, either invest-  
16 ment or community involvement in the city where the casino will  
17 be located.

18 (E) THE APPLICANT HAS SHOWN BY CLEAR AND CONVINCING EVIDENCE  
19 THAT THE APPLICANT POSSESSES THE NECESSARY INTEGRITY, GOOD CHAR-  
20 ACTER AND REPUTATION, PERSONAL AND BUSINESS PROBITY, AND BUSINESS  
21 AND FINANCIAL EXPERIENCE AND MEANS TO BE LICENSED TO DEVELOP,  
22 CONSTRUCT, OPERATE, OR MAINTAIN THE CASINO PROPOSED IN THE DEVEL-  
23 OPMENT AGREEMENT.

24 (F) THE APPLICANT HAS SHOWN BY CLEAR AND CONVINCING EVIDENCE  
25 THAT EACH PERSON WHO CONTROLS THE APPLICANT, DIRECTLY OR INDI-  
26 RECTLY, POSSESSES THE NECESSARY INTEGRITY, GOOD CHARACTER AND

1 REPUTATION, PERSONAL AND BUSINESS PROBITY, AND BUSINESS AND  
2 FINANCIAL EXPERIENCE TO BE LICENSED.

3       (2) ~~(b)~~ No more than ~~three (3)~~ 3 licenses shall be  
4 issued AND IN EFFECT by the board in any city. In the event that  
5 more than ~~three (3)~~ 3 applicants meet the criteria provided for  
6 in ~~Section 6(a) of this Act~~ THIS SECTION, licenses shall first  
7 be issued to applicants ~~which~~ WHO submitted any casino gaming  
8 proposal for voter approval prior to January 1, 1995, in the city  
9 in which the casino will be located and the voters approved the  
10 proposal. NOTHING IN THIS ACT SHALL BE CONSTRUED TO PREVENT THE  
11 BOARD FROM ISSUING A NEW LICENSE TO REPLACE A REVOKED OR NONRE-  
12 NEWED LICENSE IF ONLY 3 LICENSES ARE IN EFFECT AT THE SAME TIME.

13       (3) ~~(c)~~ An applicant which is licensed by the board shall  
14 pay an annual license fee of \$25,000.00.

15       (4) ~~(d)~~ Any applicant or any applicant ~~which~~ THAT has an  
16 affiliate or affiliated company ~~which has been convicted of~~ FOR  
17 WHICH ANY OF THE FOLLOWING CIRCUMSTANCES EXIST IS INELIGIBLE TO  
18 RECEIVE A LICENSE:

19       (A) ~~(1) Any~~ THE APPLICANT HAS BEEN CONVICTED OF A felony  
20 ~~in any state; or~~ UNDER THE LAWS OF THIS STATE, ANY OTHER STATE,  
21 OR THE UNITED STATES.

22       (B) ~~(2) any~~ THE APPLICANT HAS BEEN CONVICTED OF A misde-  
23 meanor involving gambling, THEFT, DISHONESTY, or fraud in any  
24 state. ~~;~~

25       ~~(3) any violation of a local ordinance involving gambling~~  
26 ~~or fraud which ordinance corresponds to a misdemeanor in any~~  
27 ~~state; shall be ineligible to receive a casino license.~~

1 (C) THE APPLICANT HAS SUBMITTED AN APPLICATION FOR A LICENSE  
2 UNDER THIS ACT THAT CONTAINS FALSE INFORMATION.

3 (D) A PERSON TO WHOM SUBDIVISION (A), (B), OR (C) APPLIES IS  
4 AN OFFICER, DIRECTOR, OR KEY EMPLOYEE OF THE APPLICANT OR IS A  
5 PERSON WHO HOLDS GREATER THAN 1% DIRECT OR INDIRECT INTEREST IN  
6 THE APPLICANT.

7 (5) THE BOARD MAY REVIEW THE CITY'S CERTIFICATION THAT AN  
8 APPLICANT HAS SUFFICIENT FINANCIAL RESOURCES AND BUSINESS  
9 EXPERIENCE.

10 (6) A LICENSE TO OPERATE A CASINO UNDER THIS ACT IS A REVO-  
11 CABLE PRIVILEGE GRANTED BY THE STATE AND IS NOT A PROPERTY  
12 RIGHT. UPON THE TERMINATION OF ANY MATERIAL AGREEMENT PERTAINING  
13 TO THE CASINO OR THE CASINO ENTERPRISE BETWEEN THE CASINO  
14 LICENSEE AND THE CITY IN WHICH THE CASINO IS LOCATED, THE BOARD  
15 UPON REQUEST OF THE CITY SHALL REVOKE THE LICENSE OF SUCH  
16 LICENSEE TO OPERATE THE CASINO.

17 (7) ANY CHANGE IN THE OWNERSHIP OR CONTROL OF A CASINO  
18 LICENSEE REQUIRING THE APPROVAL OF THE BOARD SHALL ALSO REQUIRE  
19 THE APPROVAL OF THE CITY.

20 (8) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, UPON  
21 THE REVOCATION OF A CASINO LICENSE, UPON, IN THE DISCRETION OF  
22 THE BOARD, THE SUSPENSION OF A CASINO LICENSE FOR A PERIOD OF IN  
23 EXCESS OF 120 DAYS, OR UPON THE BOARD'S FAILURE OR REFUSAL TO  
24 RENEW A CASINO LICENSE, NOTWITHSTANDING THE PENDENCY OF ANY  
25 APPEAL OF THE REFUSAL OR FAILURE TO RENEW, THE BOARD SHALL  
26 APPOINT A CONSERVATOR TO, AMONG OTHER THINGS, TAKE OVER AND INTO  
27 HIS OR HER POSSESSION AND CONTROL ALL THE PROPERTY AND BUSINESS

1 OF THE LICENSEE RELATING TO THE CASINO. THIS SUBSECTION SHALL  
2 NOT APPLY IN ANY INSTANCE IN WHICH THE CASINO FOR WHICH THE  
3 CASINO LICENSE HAD BEEN ISSUED HAS NOT BEEN IN OPERATION AND OPEN  
4 TO THE PUBLIC. A PERSON SHALL NOT BE APPOINTED AS CONSERVATOR  
5 UNLESS THE BOARD IS SATISFIED THAT THE PERSON IS QUALIFIED TO  
6 PERFORM THE DUTIES OF A CONSERVATOR. A CASINO SHALL NOT BE OPER-  
7 ATED BY A CONSERVATOR FOR MORE THAN 1 YEAR.