

SUBSTITUTE FOR
HOUSE BILL NO. 4612
(As amended May 12, 2004)

A bill to amend the Initiated Law of 1996, entitled
"Michigan gaming control and revenue act,"
by amending section 12 (MCL 432.212), as amended by 1997 PA 69.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12. (1) A wagering tax is imposed on the adjusted
2 gross receipts received by the licensee from gaming authorized
3 under this act at the rate of ~~18%~~ 36%. If a city ~~does~~
4 **exercises** either of the options in subsection (4), the tax rate
5 under this subsection shall be ~~8.1% and 26.1%~~, [6.9%] to be
6 **deposited in the general fund and 17.1% to be** deposited in the
7 state school aid fund to provide additional funds for K-12
8 classroom education. If the city rescinds or is otherwise unable
9 to exercise 1 of the options in subsection (4), the tax rate
10 under this subsection shall be ~~18%~~ 36%. A tax rate of ~~18%~~

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1 36% imposed under this subsection shall cover any period for
2 which the city does not or is unable to exercise 1 of the options
3 in subsection (4).

4 (2) The state casino gaming fund is created in the department
5 of treasury. The fund ~~is to~~ **shall** be administered by the
6 department in accordance with this act. Except as provided in
7 sections 12a and 13, the wagering tax plus all other fees, fines,
8 and charges imposed by the state shall be deposited into the
9 state casino gaming fund. The wagering tax is to be remitted
10 daily by the holder of a casino license to the department of
11 treasury by electronic wire transfer of funds. The state shall
12 remit the city's portion of the wagering tax to the city daily by
13 electronic wire transfer of funds as provided by this act.

14 (3) If the state imposes a wagering tax equal to ~~18%~~ **36%** of
15 adjusted gross receipts, the state casino gaming fund shall be
16 allocated as follows:

17 (a) ~~55%~~ **[Thirty-three and one-half percent]** to the city in
18 which a casino is located for use in connection with the
19 following:

20 (i) The hiring, training, and deployment of street patrol
21 officers.

22 (ii) Neighborhood and downtown economic development programs
23 designed to create local jobs.

24 (iii) Public safety programs such as emergency medical
25 services, fire department programs, and street lighting.

26 (iv) Anti-gang and youth development programs.

27 (v) Other programs that are designed to contribute to the

1 improvement of the quality of life in the city.

2 (vi) Relief to the taxpayers of the city from 1 or more taxes
3 or fees imposed by the city.

4 (vii) The costs of capital improvements.

5 (viii) Road repairs and improvements.

6 (b) ~~45%~~ **Forty-seven and one-half percent** to the state to be
7 deposited in the state school aid fund to provide additional
8 funds for K-12 classroom education.

9 (c) **[Nineteen percent]** to be deposited in the general fund.

10 (4) A city in which a licensee is located may do 1 of the
11 following:

12 (a) In the development agreement into which the city is
13 entitled to enter, include a provision that requires the licensee
14 located in the city to pay the city a payment equal to **[9.9% 12%]** of
15 the adjusted gross receipts received by the licensee from gaming
16 authorized under this act.

17 (b) By ordinance, levy, assess, and collect an excise tax
18 upon licensees located in the city at a rate of **[9.9% 12%]** of the
19 adjusted gross receipts received by the licensee from gaming
20 authorized under this act.

21 (5) Payments ~~of any~~ **to a city of an** amount required ~~to a~~
22 ~~city~~ under subsection (4) shall be made in a manner, at those
23 times, and subject to reporting requirements and penalties and
24 interest for delinquent payment as may be provided for in the
25 development agreement — if the payment is required under a
26 development agreement, or by ordinance if the payment is required
27 for a tax levied by the city. Payments required under

1 subsection (4)(a) may be in addition to any other payments which
2 may be required in the development agreement for the conveyance
3 of any interest in property, the purchase of services, or the
4 reimbursement of expenses. Payments to a city under
5 subsection (4) shall be used by the city for the purposes listed
6 in subsection (3)(a).

7 (6) Approval by the city of a development agreement or
8 **adoption of** an ordinance approving either casino gaming or the
9 levy of a local excise tax ~~shall not be considered~~ **does not**
10 **constitute** the granting of a franchise or license by the city for
11 purposes of any statutory, charter, or constitutional provision.

12 (7) The wagering tax imposed under subsection (1) and any tax
13 imposed under section 13(2) shall be administered by the
14 department of treasury in accordance with 1941 PA 122, MCL 205.1
15 to 205.31, and this act. In case of conflict between the
16 provisions of 1941 PA 122, MCL 205.1 to 205.31, and this act, the
17 provisions of this act shall prevail.

18 (8) Funds from this act shall not be used so supplant
19 existing state appropriations or local expenditures.