

HOUSE JOINT RESOLUTION MMM

September 17, 2008, Introduced by Reps. Meisner and Griffin and referred to the Committee on Regulatory Reform.

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 41 of article IV and adding section 43 to article IX, to allow casino-style gambling games to be conducted at licensed horse racetracks, to impose a tax on the conduct of those games, and to provide for the allocation and expenditure of that tax revenue.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to allow casino-style gambling games to be conducted at licensed horse racetracks, to impose a tax on the conduct of those games, and to provide for the allocation and expenditure of that tax revenue, is proposed, agreed to, and submitted to the people of the state:

ARTICLE IV

Sec. 41. The legislature may authorize lotteries and permit the sale of lottery tickets in the manner provided by law. No law enacted after January 1, 2004, that authorizes any form of gambling shall be effective, nor after January 1, 2004, shall any new state lottery games utilizing table games or player operated mechanical or electronic devices be established, without the approval of a majority of electors voting in a statewide general election and a majority of electors voting in the township or city where gambling will take place. This section shall not apply to gambling in up to three casinos in the City of Detroit, **TO GAMBLING UNDER SECTION 43 OF ARTICLE IX**, or to Indian tribal gaming.

ARTICLE IX

SEC. 43. FOR TAX YEARS BEGINNING AFTER THE YEAR IN WHICH THE OFFICIAL DECLARATION OF THE VOTE APPROVING THIS AMENDMENT IS MADE, THE CREDIT CLAIMED AGAINST STATE INCOME TAX LIABILITY UNDER THE INCOME TAX ACT OF 1967, 1967 PA 281, OR ANY SUCCESSOR STATUTE, FOR TAXES PAID ON A HOMESTEAD, SHALL BE INCREASED AS PROVIDED IN IMPLEMENTING LEGISLATION. THE MAXIMUM HOMESTEAD PROPERTY TAX CREDIT AVAILABLE TO A TAXPAYER SHALL BE INCREASED BY A PERCENTAGE CALCULATED BY DIVIDING THE REVENUE GENERATED FROM WAGERING TAXES IMPOSED UNDER THIS SECTION FOR A PERIOD BY THE TOTAL AMOUNT OF HOMESTEAD PROPERTY CREDITS CLAIMED BY TAXPAYERS FOR THE PERIOD.

IT SHALL BE LAWFUL TO CONDUCT CASINO GAMING AS PROVIDED IN THIS SECTION. A PERSON THAT CONDUCTS CASINO GAMING UNDER THIS SECTION SHALL PAY A WAGERING TAX THAT TOTALS NOT LESS THAN 4% AND NOT MORE THAN 35% OF THE PERSON'S ADJUSTED GROSS RECEIPTS FROM

1 CASINO GAMING. THE MONEY PAID FOR THIS WAGERING TAX SHALL BE PAID
2 AND ALLOCATED AS FOLLOWS:

3 (A) THE PERSON THAT CONDUCTS CASINO GAMING UNDER THIS SECTION
4 SHALL PAY 2% OF THE PERSON'S ADJUSTED GROSS RECEIPTS FROM CASINO
5 GAMING DIRECTLY TO THE MUNICIPALITY IN WHICH THE CASINO GAMING IS
6 LOCATED.

7 (B) A PERSON THAT CONDUCTS CASINO GAMING UNDER THIS SECTION
8 SHALL PAY 2% OF THE PERSON'S ADJUSTED GROSS RECEIPTS FROM CASINO
9 GAMING DIRECTLY TO THE COUNTY IN WHICH IT IS LOCATED.

10 (C) IF THE LEGISLATURE IMPOSES A WAGERING TAX EXCEEDING 4% OF
11 THE ADJUSTED GROSS RECEIPTS FROM CASINO GAMING, A PERSON THAT
12 CONDUCTS CASINO GAMING UNDER THIS SECTION SHALL PAY THAT PERCENTAGE
13 OF THE PERSON'S ADJUSTED GROSS RECEIPTS FROM CASINO GAMING IN
14 EXCESS OF THE FIRST 4% TO THIS STATE. THE STATE TREASURER SHALL
15 ALLOCATE THE MONEY PAID UNDER THIS SUBPARAGRAPH TO EDUCATIONAL
16 SCHOLARSHIPS OR TUITION PAYMENTS AT MICHIGAN PUBLIC INSTITUTIONS OF
17 HIGHER EDUCATION FOR ELIGIBLE GRADUATES OF MICHIGAN PUBLIC HIGH
18 SCHOOLS, OR TO THE GENERAL FUND TO FURTHER REDUCE THE STATE INCOME
19 TAX.

20 NO OTHER TAXES, FEES, ASSESSMENTS, OR COSTS OF ANY KIND SHALL
21 BE IMPOSED ON A PERSON THAT IS SUBJECT TO THE WAGERING TAX UNDER
22 THIS SECTION. THIS PARAGRAPH DOES NOT PRECLUDE THE IMPOSITION OF A
23 REASONABLE FEE TO APPLY FOR A LICENSE TO CONDUCT CASINO GAMING
24 UNDER THIS SECTION OR THE IMPOSITION OF FINES OR PENALTIES FOR
25 CONDUCT PROHIBITED BY LAW OR REGULATION.

26 CASINO GAMING SHALL BE ALLOWED AT UP TO A TOTAL OF SEVEN
27 LICENSED HORSE RACETRACKS WHERE RACE MEETINGS WERE HELD BY PERSONS

1 LICENSED BY THIS STATE TO HOLD RACE MEETINGS IN EITHER OF THE TWO
2 CALENDAR YEARS PRECEDING ADOPTION OF THIS SECTION. IF THERE ARE
3 FEWER THAN SEVEN HORSE RACETRACKS THAT ARE ELIGIBLE UNDER THIS
4 PARAGRAPH, HORSE RACETRACKS LICENSED AFTER ITS ADOPTION MAY SEEK A
5 LICENSE TO CONDUCT CASINO GAMING UNDER THIS SECTION, SUBJECT TO THE
6 LIMIT OF SEVEN TOTAL LICENSED HORSE RACETRACKS.

7 A PERSON ELIGIBLE AND THAT WISHES TO CONDUCT CASINO GAMING
8 UNDER THIS SECTION SHALL APPLY TO THE MICHIGAN GAMING CONTROL BOARD
9 FOR A LICENSE THAT WILL REQUIRE, AMONG OTHER TERMS AND PROVISIONS,
10 THAT THE CASINO'S ABILITY TO CONDUCT CASINO GAMING UNDER THIS
11 SECTION IS CONTINGENT ON BOTH OF THE FOLLOWING:

12 (A) THE CONTINUING CONDUCT OF LIVE HORSE RACING AT THE
13 PERSON'S RACETRACK PURSUANT TO A LICENSE ISSUED BY THE RACING
14 COMMISSIONER.

15 (B) EXECUTION OF A REASONABLE AGREEMENT WITH THE MUNICIPALITY
16 IN WHICH THE PERSON'S RACETRACK IS LOCATED THAT GUARANTEES A
17 CERTAIN NUMBER OF JOBS.

18 (C) EXECUTION OF A REASONABLE PURSE AGREEMENT WITH THE
19 CERTIFIED HORSEMEN'S ORGANIZATION ASSOCIATED WITH THE PERSON'S
20 RACETRACK.

21 THE SAME LAWS AND REGULATIONS SHALL APPLY TO ALL PERSONS THAT
22 CONDUCT CASINO GAMING IN THIS STATE THAT ARE SUBJECT TO STATE
23 REGULATION, EXCEPT AS PROVIDED IN THIS SECTION. A PERSON THAT
24 CONDUCTS CASINO GAMING UNDER THIS SECTION IS SUBJECT TO THE
25 EXCLUSIVE REGULATORY JURISDICTION OF THE MICHIGAN GAMING CONTROL
26 BOARD OR ANY SUCCESSOR AGENCY. THE CONDUCT OF, WAGERING ON, AND ALL
27 OTHER MATTERS CONCERNING LIVE AND SIMULCAST HORSE RACING SHALL BE

1 KEPT PHYSICALLY SEPARATE FROM CASINO GAMING UNDER THIS SECTION AT A
2 LICENSED HORSE RACETRACK AND SHALL BE REGULATED BY THE RACING
3 COMMISSIONER OR ANY SUCCESSOR AGENCY. A PERSON SHALL NOT BE
4 PROHIBITED FROM HOLDING A LICENSE FOR, OR RELATED TO, CASINO GAMING
5 OR A CASINO AUTHORIZED UNDER THIS SECTION SOLELY, OR PRIMARILY FOR,
6 THE REASON THAT THE PERSON ALSO HOLDS A LICENSE FOR, OR IN
7 CONNECTION WITH, LIVE OR SIMULCAST HORSE RACING, OR OTHERWISE HAS
8 AN INTEREST IN THE HORSE RACING INDUSTRY.

9 THE LEGISLATURE SHALL ENACT LEGISLATION TO IMPLEMENT THIS
10 SECTION. IF ANY PART OR PARTS OF THIS SECTION ARE FOUND TO BE
11 UNENFORCEABLE BECAUSE OF THE UNITED STATES CONSTITUTION OR FEDERAL
12 LAW, THIS SECTION SHALL BE IMPLEMENTED TO THE MAXIMUM EXTENT
13 POSSIBLE, WITH EACH PROVISION SEVERABLE FROM EVERY OTHER PROVISION.

14 THE PURPOSE OF AUTHORIZING ADDITIONAL CASINO GAMING UNDER THIS
15 SECTION IS TO REDUCE INDIVIDUAL INCOME TAXES AND CREATE NEW SOURCES
16 OF REVENUE FOR PUBLIC EDUCATION AND ECONOMIC DEVELOPMENT IN THIS
17 STATE, TO PRESERVE LIVE AND SIMULCAST HORSE RACING AS A FORM OF
18 SPORT AND ENTERTAINMENT DISTINCT FROM CASINO GAMING, TO PROMOTE
19 TOURISM AND ECONOMIC DEVELOPMENT, AND TO CONTROL THE GROWTH OF
20 CASINO GAMING SO THAT IT MAY BE ADEQUATELY REGULATED. THE CASINOS
21 AUTHORIZED UNDER THIS SECTION SHALL BE IN ADDITION TO THE THREE
22 CASINOS REGULATED UNDER STATE LAW THAT OPERATE IN THE CITY OF
23 DETROIT.

24 Resolved further, That the foregoing amendment shall be
25 submitted to the people of the state at the next general election
26 in the manner provided by law.