

# HOUSE BILL NO. 6463

December 01, 2020, Introduced by Rep. Iden and referred to the Committee on Ways and Means.

A bill to amend 2019 PA 152, entitled  
"Lawful internet gaming act,"  
by amending sections 4 and 14 (MCL 432.304 and 432.314).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 4. (1) Internet gaming may be conducted only to the  
2 extent that it is conducted in accordance with this act.

3           (2) An internet wager received by an internet gaming operator  
4 or its internet gaming platform providers is considered to be  
5 gambling or gaming that is conducted in the internet gaming  
6 operator's casino located in this state, regardless of the

1 authorized participant's location at the time the participant  
2 initiates or otherwise places the internet wager.

3 (3) A law that is inconsistent with this act does not apply to  
4 internet gaming as provided for by this act.

5 (4) This act does not apply to any of the following:

6 (a) Lottery games offered by the bureau of lottery under the  
7 ~~McCauley-Traxler-Bowman-McNeely~~ **McCauley-Traxler-Law-Bowman-McNeely**  
8 lottery act, 1972 PA 239, MCL 432.1 to 432.47.

9 (b) Class II and Class III gaming conducted exclusively on  
10 Indian lands by an Indian tribe under a facility license issued in  
11 accordance with a tribal gaming ordinance approved by the chair of  
12 the National Indian Gaming Commission. For purposes of this act,  
13 gaming is conducted exclusively on Indian lands only if the  
14 individual who places the wager is physically present on Indian  
15 lands when the wager is initiated and the wager is received or  
16 otherwise made on equipment that is physically located on Indian  
17 lands, and the wager is initiated, received, or otherwise made in  
18 conformity with the safe harbor requirements described in 31 USC  
19 5362(10)(C).

20 (c) A lawful fantasy contest.

21 (d) ~~Any lawful internet~~ **Internet** sports betting **under the**  
22 **lawful sports betting act, 2019 PA 149, MCL 432.401 to 432.419.**

23 (5) A person shall not provide or make available computers or  
24 other internet access devices in a place of public accommodation in  
25 this state, including a club or other association, to enable  
26 individuals to place internet wagers or play an internet game. The  
27 prohibition under this subsection does not apply to an internet  
28 gaming operator aggregating, providing, or making available  
29 computers or other internet access devices at its own casino.

1           (6) For purposes of this act, the intermediate routing of  
2 electronic data in connection with internet wagering, including  
3 routing across state lines, does not determine the location or  
4 locations in which the internet wager is initiated, received, or  
5 otherwise made.

6           (7) An internet gaming operator may offer internet gaming  
7 under a maximum of 2 separate brands, 1 for each of interactive  
8 poker and other casino style games. This subsection does not  
9 prohibit an internet gaming operator from using fewer than 2 brands  
10 or from using a single brand to offer any combination of  
11 interactive poker or other casino style games. Only an internet  
12 gaming operator or its internet gaming platform providers may  
13 process, accept, or solicit internet wagers under this act. All  
14 websites and corresponding applications used to offer internet  
15 gaming must clearly display the brand of the internet gaming  
16 operator or its affiliate. The internet gaming operator may also  
17 elect, in its sole discretion, to have the brand of each internet  
18 gaming platform that it utilizes be the name and logos ~~or of~~ no  
19 more than 1 internet gaming platform provider if the internet  
20 gaming platform also clearly displays the internet gaming  
21 operator's own trademarks and logos or those of an affiliate. The  
22 internet gaming operator is responsible for the conduct of its  
23 internet gaming platform provider.

24           Sec. 14. (1) Except for an internet gaming operator that is an  
25 Indian tribe, an internet gaming operator is subject to a graduated  
26 tax on the adjusted gross receipts received each calendar year by  
27 the internet gaming operator from all internet gaming it conducts  
28 under this act as set forth below:

29           (a) For adjusted gross receipts less than \$4,000,000.00, a tax

1 of 20%.

2 (b) For adjusted gross receipts of \$4,000,000.00 or more but  
3 less than \$8,000,000.00, a tax of 22%.

4 (c) For adjusted gross receipts of \$8,000,000.00 or more but  
5 less than \$10,000,000.00, a tax of 24%.

6 (d) For adjusted gross receipts of \$10,000,000.00 or more but  
7 less than \$12,000,000.00, a tax of 26%.

8 (e) For adjusted gross receipts of \$12,000,000.00 or more,  
9 28%.

10 (2) An internet gaming operator that is an Indian tribe is  
11 subject to the payment requirements under section 7(1)(f).

12 (3) An internet gaming operator shall pay the tax or payment,  
13 as applicable, under subsection (1) or (2) on a monthly basis. The  
14 payment for each monthly accounting period is due on the tenth day  
15 of the following month.

16 (4) Except as provided in this act and section ~~12(17)~~**12(15)**  
17 of the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL  
18 432.212, an internet gaming operator is not subject to any excise  
19 tax, license tax, privilege tax, occupation tax, or other tax,  
20 payment, or fee imposed exclusively on an internet gaming operator  
21 or internet gaming operators by this state or any political  
22 subdivision of this state, except as provided in this act. This  
23 subsection does not impair the contractual rights under an existing  
24 development agreement between a city and an internet gaming  
25 operator that holds a casino license under the Michigan Gaming  
26 Control and Revenue Act, 1996 IL 1, MCL 432.201 to 432.226.

27 (5) In addition to payment of the tax and other fees as  
28 provided in this act, and to any payment required pursuant to an  
29 existing development agreement described in subsection (4), if a

1 city has imposed a municipal services fee equal to 1.25% on a  
2 casino licensee, the city shall charge a 1.25% fee on the adjusted  
3 gross receipts of an internet gaming operator that holds a casino  
4 license under the Michigan Gaming Control and Revenue Act, 1996 IL  
5 1, MCL 432.201 to 432.226, whose casino is in that city.

6 Enacting section 1. This amendatory act does not take effect  
7 unless all of the following bills of the 100th Legislature are  
8 enacted into law:

9 (a) Senate Bill No. 661.

10 (b) Senate Bill No. \_\_\_\_\_ or House Bill No. 6462 (request no.  
11 07887'20).

12 (c) Senate Bill No. \_\_\_\_\_ or House Bill No. 6464 (request no.  
13 07888'20).