

HOUSE BILL No. 6272

November 5, 1998, Introduced by Rep. Varga and referred to the Committee on Regulatory Affairs.

A bill to amend the Initiated Law of 1996, entitled "Michigan gaming control and revenue act," by amending section 4a (MCL 432.204a), as added by 1997 PA 69.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4a. (1) The board shall have jurisdiction over and
2 shall supervise all gambling operations governed by this act.
3 The board shall have all powers necessary and proper to fully and
4 effectively execute this act, including, but not limited to, the
5 authority to do all of the following:

6 (a) Investigate applicants and determine the eligibility of
7 applicants for licenses or registration and to grant licenses to
8 applicants in accordance with this act and the rules promulgated
9 under this act.

1 (b) Have jurisdiction over and supervise casino gambling
2 operations authorized by this act and all persons in casinos
3 where gambling operations are conducted under this act.

4 (c) Enter through its investigators, agents, auditors, and
5 the Michigan state police at any time, without a warrant and
6 without notice to the licensee, the premises, offices, casinos,
7 casino enterprises, facilities, or other places of business of a
8 casino licensee or casino supplier licensee, where evidence of
9 the compliance or noncompliance with this act or rules promul-
10 gated by the board is likely to be found, for the following
11 purposes:

12 (i) To inspect and examine all premises wherein casino
13 gaming or the business of gaming or the business of a supplier is
14 conducted, or where any records of the activities are prepared.

15 (ii) To inspect, examine, audit, impound, seize, or assume
16 physical control of, or summarily remove from the premises all
17 books, ledgers, documents, writings, photocopies, correspondence,
18 records, videotapes, including electronically stored records,
19 money receptacles, other containers and their contents, equipment
20 in which the records are stored, or other gaming related equip-
21 ment and supplies on or around the premises, including counting
22 rooms.

23 (iii) To inspect the person, and inspect, examine, and seize
24 personal effects present in a casino facility licensed under this
25 act, of any holder of a license or registration issued pursuant
26 to this act while that person is present in a licensed casino
27 facility.

1 (iv) To investigate and deter alleged violations of this act
2 or the rules promulgated by the board.

3 (v) This section is not intended to limit warrantless
4 inspections except in accordance with constitutional
5 requirements.

6 (d) Investigate alleged violations of this act or rules
7 promulgated by the board and to take appropriate disciplinary
8 action against a licensee or any other person or holder of an
9 occupational license for a violation, or institute appropriate
10 legal action for enforcement, or both.

11 (e) Adopt standards for the licensing of all persons under
12 this act, as well as for electronic or mechanical gambling games
13 or gambling games, and to establish fees for the licenses.

14 (f) Adopt appropriate standards for all casino gaming facil-
15 ities and equipment.

16 (g) Require that all records of casino and supplier licens-
17 ees, including financial or other statements, shall be kept on
18 the premises of the casino licensee or supplier licensee in the
19 manner prescribed by the board.

20 (h) Require that each casino licensee involved in the owner-
21 ship or management of gambling operations submit to the board an
22 annual balance sheet, profit and loss statement, and a list of
23 the stockholders or other persons having a 1% or greater benefi-
24 cial interest in the gambling activities of each licensee in
25 addition to any other information the board considers necessary
26 in order to effectively administer this act and all rules

1 promulgated by the board and orders and final decisions made
2 under this act.

3 (i) Conduct investigative and contested case hearings, issue
4 subpoenas for the attendance of witnesses and subpoenas duces
5 tecum for the production of books, ledgers, records, memoranda,
6 electronically retrievable data, and other pertinent documents
7 and to administer oaths and affirmations to the witnesses to
8 exercise and discharge the powers and duties of the board under
9 this act. The executive director or his or her designee is also
10 authorized to issue subpoenas and to administer oaths and affir-
11 mations to witnesses.

12 (j) Prescribe a form to be used by any licensee involved in
13 the ownership or management of gambling operations as an applica-
14 tion for employment for prospective employees.

15 (k) Revoke or suspend licenses, impose fines and penalties
16 as the board considers necessary and in compliance with applica-
17 ble laws of the state regarding administrative procedures, and
18 review and decide applications for the renewal of licenses. The
19 board may suspend a casino license, without notice or hearing
20 upon a determination that the safety or health of patrons or
21 employees is jeopardized by continuing a casino's operation. If
22 the board suspends a license under this subdivision without
23 notice or hearing, a prompt postsuspension hearing shall be held
24 to determine if the suspension should remain in effect. The sus-
25 pension may remain in effect until the board determines that the
26 cause for suspension has been abated. The board may revoke the

1 casino license upon a determination that the owner has not made
2 satisfactory progress toward abating the hazard.

3 (l) In addition to a disassociated person, eject or exclude
4 or authorize the ejection or exclusion of a person from a casino
5 if the person violates this act, rules promulgated by the board,
6 or final orders of the board or when the board determines that
7 the person's conduct or reputation is such that his or her pres-
8 ence within the casino gambling facilities may compromise the
9 honesty and integrity of the gambling operations or interferes
10 with the orderly conduct of the gambling operations. However,
11 the propriety of the ejection or exclusion is subject to a subse-
12 quent hearing by the board.

13 (m) Suspend, revoke, or restrict licenses and require the
14 removal of a licensee or an employee of a licensee for a viola-
15 tion of this act or a rule promulgated by the board or for engag-
16 ing in a fraudulent practice, and impose civil penalties of up to
17 \$5,000.00 against individuals and up to \$10,000.00 or an amount
18 equal to the daily gross receipts, whichever is greater, against
19 casino licensees for each violation of this act, any rules
20 promulgated by the board, any order of the board, or for any
21 other action which the board determines is a detriment or impedi-
22 ment to casino gambling operations.

23 (n) Disqualify a person under section 7c(5).

24 (o) In addition to the authority provided under subdivision
25 (m), revoke or suspend a casino license or impose any other dis-
26 ciplinary action for any of the following reasons:

1 (i) The casino licensee has violated the ~~Michigan liquor~~
2 ~~control act, 1933 (Ex Sess) PA 8, MCL 436.1 to 436.57a~~ MICHIGAN
3 LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL 436.1101 TO
4 436.2303, or rules promulgated under that act.

5 (ii) At any time the licensee no longer meets the eligibil-
6 ity requirements or suitability determination by the board for a
7 casino license under this act.

8 (iii) The failure to revoke or suspend the license would
9 undermine the public's confidence in the Michigan gaming
10 industry.

11 (p) Conduct periodic audits of casinos authorized under this
12 act.

13 (q) Establish minimum levels of insurance to be maintained
14 by licensees.

15 (r) Delegate the execution of any of its powers under this
16 act for the purpose of administering and enforcing this act and
17 the rules promulgated by the board. This subdivision does not
18 apply to the granting of casino licenses under section 6.

19 (s) Perform a background check, at the vendor's expense, of
20 any vendor using the same standards that the board uses in deter-
21 mining whether to grant a supplier's license.

22 (t) Review the business practices of a casino licensee
23 including, but not limited to, the price and quality of goods and
24 services offered to patrons and take disciplinary action as the
25 board considers appropriate to prevent practices that undermine
26 the public's confidence in the Michigan gaming industry.

1 (u) Review a licensee if that licensee is under review or is
2 otherwise subject to discipline by a regulatory body in any other
3 jurisdiction for a violation of a gambling law or regulation in
4 that jurisdiction.

5 (v) Take any other action as may be reasonable or appropri-
6 ate to enforce this act and rules promulgated by the board.

7 (2) The board may seek and shall receive the cooperation and
8 assistance of the department of state police and department of
9 attorney general in conducting background investigations of
10 applicants and in fulfilling its responsibilities under this
11 act.