

# HOUSE BILL NO. 4916

September 04, 2019, Introduced by Rep. Iden and referred to the Committee on Regulatory Reform.

A bill to create the sports betting act; to impose requirements for persons to engage in sports betting; to provide for the powers and duties of state governmental officers and entities; to impose fees; to impose a tax on the conduct of licensed sports betting; to prohibit certain acts in relation to sports betting and to prescribe penalties for those violations; to require the promulgation of rules; and to provide remedies.

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

1           Sec. 1. This act shall be known and may be cited as the  
2 "sports betting act".

3           Sec. 3. As used in this act:



1 (a) "Adjusted gross sports betting receipts" means a sports  
2 betting licensee's total gross receipts from sports betting, less  
3 all payments to bettors, excise tax payments remitted to the  
4 federal government, and voided wagers. Payments to bettors include  
5 all payments of cash premiums, merchandise, tokens, redeemable  
6 sports betting credits, or any other thing of value.

7 (b) "Athletic event" means a sports activity that involves the  
8 athletic skill of 1 or more players or participants. Athletic event  
9 does not include any of the following:

10 (i) Horse racing.

11 (ii) A high school sport or high school athletic event.

12 (iii) Roulette, poker, blackjack, a card game, a dice game, or  
13 any other game or contest typically offered in a casino other than  
14 sports betting.

15 (iv) A fantasy contest.

16 (c) "Authorized participant" means an individual who has a  
17 valid internet wagering account with a licensee and is at least 21  
18 years of age.

19 (d) "Board" means the Michigan gaming control board created  
20 under section 4 of the Michigan Gaming Control and Revenue Act,  
21 1996 IL 1, MCL 432.204.

22 (e) "Casino" means a building or buildings in which gaming is  
23 conducted under the Michigan Gaming Control and Revenue Act, 1996  
24 IL 1, MCL 432.201 to 432.226, or in which class III gaming is  
25 lawfully conducted by an Indian tribe under a facility license  
26 issued in accordance with a tribal gaming ordinance approved by the  
27 chair of the National Indian Gaming Commission.

28 (f) "Class III gaming" means that term as defined in 25 USC  
29 2703.



1 (g) "Division" means the division of sports betting  
2 established under section 5.

3 (h) "Fantasy contest" means a fantasy or simulation sports  
4 game or a fantasy contest as that term is defined in section 2 of  
5 the fantasy contests consumer protection act.

6 (i) "Fund" means the sports betting fund created under section  
7 20.

8 (j) "Gaming equipment" or "sports betting equipment" means any  
9 mechanical, electronic, or other device, mechanism, or equipment,  
10 and related supplies used or consumed in the operation of sports  
11 betting at a licensed gaming facility, including, but not limited  
12 to, a kiosk installed to accept sports wagers on the gaming floor  
13 within a casino. Gaming equipment does not include an individually  
14 owned personal computer or individually owned mobile device.

15 (k) "High school sport or high school athletic event" means a  
16 sport or athletic event offered or sponsored by or played in  
17 connection with a public or private institution that offers  
18 education services at the secondary level.

19 (l) "Internet" means the international computer network of  
20 interoperable packet-switched data networks, inclusive of  
21 additional technological platforms such as mobile, satellite, and  
22 other electronic distribution channels approved by the division.

23 (m) "License" means a license, applied for or issued by the  
24 division under this act, including, but not limited to, any of the  
25 following:

26 (i) A license to operate sports betting at a licensed gaming  
27 facility.

28 (ii) A license to supply a sports betting licensee with sports  
29 betting equipment or services necessary for the operation of sports



1 betting.

2 (iii) A license to provide management services under a contract  
3 to a sports betting licensee.

4 (n) "Licensee" means a person that is issued a license from  
5 the division.

6 (o) "Minor" means an individual under the age of 21 years.

7 (p) "National criminal history background check system" means  
8 the criminal history record system maintained by the Federal Bureau  
9 of Investigation, based on fingerprint identification or any other  
10 method of positive identification.

11 (q) "Official league data" means statistics, results,  
12 outcomes, and other data relating to an athletic event obtained  
13 under an agreement with the relevant sports governing body, or an  
14 entity expressly authorized by the sports governing body to provide  
15 the information described in this subdivision to sports betting  
16 licensees, that authorizes the use of the data described in this  
17 subdivision for determining the outcome of tier 2 sports bets.

18 (r) "Person" means an individual, partnership, corporation,  
19 association, limited liability company, federally recognized Indian  
20 tribe, or other legal entity. Person does not include this state or  
21 any department or agency of this state.

22 (s) "Sports betting" means the business of accepting wagers on  
23 athletic events or portions of athletic events, the individual  
24 performance statistics of athletes in an athletic event or other  
25 events, or a combination of any of the same by a system or method  
26 of betting approved by the division, including, but not limited to,  
27 mobile applications and other digital platforms that use  
28 communications technology to accept wagers. Sports betting  
29 includes, but is not limited to, single-game bets, teaser bets,



1 parlays, over-under, moneyline, pools, exchange betting, in-game  
2 betting, in-play bets, proposition bets, and straight bets. Sports  
3 betting does not include a fantasy contest as that term is defined  
4 in section 2 of the fantasy contests consumer protection act.

5 (t) "Sports betting operator" means either of the following:

6 (i) A casino that is issued a sports betting license from the  
7 division to operate sports betting.

8 (ii) A management services provider that operates sports  
9 betting or a sports betting platform on behalf of a casino, or  
10 both.

11 (u) "Sports betting platform" means an integrated system of  
12 hardware, software, and servers through which a sports betting  
13 operator operates, conducts, or offers sports betting. A casino may  
14 contract with suppliers or management service providers, or both,  
15 to offer not more than 1 individually branded sports betting  
16 platform.

17 (v) "Sports betting supplier" means a person that provides to  
18 a sports betting operator goods, software, or services that  
19 directly affect betting, play, and the results of sports betting  
20 offered under this act. Sports betting supplier does not include a  
21 person that provides to a casino or sports betting operator only  
22 the goods, software, or services that it also provides to others  
23 for a purpose that does not involve sports betting, including, but  
24 not limited to, a payment processor or a geolocation service  
25 provider.

26 (w) "Sports governing body" means the organization that  
27 prescribes final rules and enforces codes of conduct with respect  
28 to a sporting event and the participants in the sporting event.

29 (x) "Sports wager" means cash or cash equivalent that is paid



1 by a bettor to a sports betting operator to participate in sports  
2 betting.

3 (y) "Tier 1 sports bet" means a sports wager that is not a  
4 tier 2 sports bet.

5 (z) "Tier 2 sports bet" means a sports wager that meets all of  
6 the following conditions:

7 (i) Is placed after the athletic event has begun.

8 (ii) Is not determined solely by the final score or final  
9 outcome of the athletic event.

10 (iii) Is not a sports wager made between quarters, halves, or  
11 periods of a sporting event where the outcome of the sporting event  
12 being wagered on is related only to the quarter, half, or period  
13 that has yet to commence.

14 Sec. 4. (1) If the board authorizes by rule that a person that  
15 holds a casino license under the Michigan Gaming Control and  
16 Revenue Act, 1996 IL 1, MCL 432.201 to 432.226, may conduct sports  
17 betting, sports betting may be conducted only to the extent that it  
18 is conducted in accordance with this act. A law that is  
19 inconsistent with this act does not apply to sports betting as  
20 provided for by this act. This act does not apply to lottery games  
21 offered by the bureau of state lottery either through the internet  
22 or via its online terminal and network systems.

23 (2) This act does not apply to a fantasy contest.

24 Sec. 5. (1) The division of sports betting is established in  
25 the board.

26 (2) The division has jurisdiction over every person licensed  
27 by the division and may take enforcement action against a person  
28 that is not licensed by the division that offers sports betting in  
29 this state.



1           (3) The division may enter into agreements with other  
2 jurisdictions, including Indian tribes, to facilitate, administer,  
3 and regulate multijurisdictional sports betting by sports betting  
4 operators to the extent that entering into the agreement is  
5 consistent with state and federal laws and if the gaming under the  
6 agreement is conducted only in the United States.

7           Sec. 7. A federally recognized Michigan Indian tribe that  
8 operates a casino in this state in which class III gaming is  
9 conducted may conduct sports betting at that casino under this act.

10           Sec. 9. (1) Except for sports betting conducted by an Indian  
11 tribe under a compact or an amendment to a compact under section 7,  
12 the division has jurisdiction over and shall supervise all sports  
13 betting operations governed by this act. The division may do  
14 anything necessary or desirable to effectuate this act, including,  
15 but not limited to, all of the following:

16           (a) Conduct all hearings pertaining to violations of this act  
17 or rules promulgated under this act.

18           (b) Provide for the establishment and collection of all  
19 license fees and taxes imposed by this act and the rules  
20 promulgated under this act and the deposit of the fees and taxes  
21 into the fund.

22           (c) Develop and enforce testing and auditing requirements for  
23 sports betting and sports betting accounts.

24           (d) Develop and enforce requirements for responsible gaming  
25 and player protection, including privacy and confidentiality  
26 standards and duties.

27           (e) Develop and enforce requirements for accepting internet  
28 sports betting.

29           (f) Develop and administer civil fines for licensees that



1 violate this act or the rules promulgated under this act. A fine  
2 imposed under this subdivision must not exceed \$5,000.00 per  
3 violation.

4 (g) Audit and inspect, on reasonable notice, books and records  
5 relevant to sports betting operations, sports wagers, sports  
6 betting accounts, sports betting games, or internet sports betting  
7 platforms, including, but not limited to, the books and records  
8 regarding financing and accounting materials held by or in the  
9 custody of a licensee.

10 (2) The division may investigate, issue cease and desist  
11 orders, and obtain injunctive relief against a person that offers  
12 sports betting in this state and is not a licensee.

13 (3) The division shall keep all information, records,  
14 interviews, reports, statements, memoranda, and other data supplied  
15 to or used by the division in the course of any investigation of a  
16 licensee confidential and shall use that material only for  
17 investigative purposes. The materials described in this subsection  
18 are exempt from disclosure under section 13 of the freedom of  
19 information act, 1976 PA 442, MCL 15.243.

20 Sec. 10. (1) The division shall promulgate rules governing the  
21 administration and conduct of sports betting necessary to carry out  
22 this act within 1 year after the effective date of this act. The  
23 promulgation of emergency rules does not satisfy the requirement  
24 for the promulgation of rules to allow a person to conduct sports  
25 betting under this act. The division shall promulgate the rules  
26 pursuant to the administrative procedures act of 1969, 1969 PA 306,  
27 MCL 24.201 to 24.328. Rules promulgated by the division may  
28 include, but are not limited to, the following:

29 (a) The acceptance of wagers on a sports event, other event,





1 or a series of sports events or other events.

2 (b) The development and posting of house rules regarding  
3 sports betting.

4 (c) Types of betting tickets that may be used.

5 (d) Method of issuing tickets.

6 (e) Method of accounting to be used by sports betting  
7 licensees.

8 (f) Types of records that must be kept.

9 (g) Type of system for betting.

10 (h) The ways in which a patron may fund his or her account,  
11 that must include, at a minimum, the use of cash, cash equivalents,  
12 automated clearing house, debit cards, credit cards, and any other  
13 form of payment authorized by the division. As used in this  
14 subdivision, "automated clearing house" means a national and  
15 governmental organization that has authority to process electronic  
16 payments, including, but not limited to, the National Automated  
17 Clearing House Association and the federal reserve system.

18 (i) Protections for patrons placing wagers.

19 (j) Requirements to ensure responsible gaming.

20 (k) Procedures for conducting contested case hearings under  
21 this act.

22 (2) The division shall determine the eligibility of a person  
23 to hold or continue to hold a license, shall issue all licenses,  
24 and shall maintain a record of all licenses issued under this act.  
25 The division may accept applications, require the payment of  
26 application fees for licenses, evaluate qualifications of  
27 applicants, and undertake initial review of licenses before  
28 promulgation of emergency rules, if applicable, on the effective  
29 date of this act.



1 (3) The division shall levy and collect all fees, surcharges,  
2 civil penalties, and tax on adjusted gross sports betting receipts  
3 imposed by this act and shall provide for the deposit of all fees,  
4 surcharges, civil penalties, and tax on adjusted gross sports  
5 betting receipts imposed by this act into the fund, except as  
6 otherwise provided under this act.

7 (4) The division shall adopt by rule a code of conduct  
8 governing division employees that ensures, to the maximum extent  
9 possible, that a person subject to this act avoids situations,  
10 relationships, or associations that may represent or lead to an  
11 actual or perceived conflict of interest.

12 (5) The division may audit and inspect, on reasonable notice,  
13 books and records relating to sports betting operations, sports  
14 wagers, sports betting accounts, sports betting games, or internet  
15 sports betting platforms, including, but not limited to, the books  
16 and records regarding financing and accounting materials held by,  
17 or in the custody of, a licensee.

18 (6) The division shall keep all information, records,  
19 interviews, reports, statements, memoranda, and other data supplied  
20 to or used by the division in the course of any investigation of a  
21 licensee confidential and shall use that material only for  
22 investigative purposes. The materials described in this subsection  
23 are exempt from disclosure under section 13 of the freedom of  
24 information act, 1976 PA 442, MCL 15.243.

25 (7) The division shall charge the following annual license  
26 fees:

- 27 (a) For a sports betting license, \$100,000.00.  
28 (b) For a management services provider license, \$50,000.00.  
29 (c) For a supplier license, \$5,000.00.



1 (8) The division may use information received from a sports  
2 governing body to determine whether to allow either of the  
3 following:

4 (a) Betting on a particular event.

5 (b) Patrons to make wagers of a particular type.

6 (9) If a sports governing body requests betting information or  
7 requests the division to prohibit betting on a particular event or  
8 making wagers of a particular type, the division shall grant the  
9 request on a demonstration of good cause from the sports governing  
10 body. For the purpose of this subsection, "good cause" means the  
11 operator has identified suspicious betting activity or the division  
12 has begun an investigation regarding suspicious betting activity  
13 that, if confirmed, would directly impact the integrity of the  
14 sporting event on which the bets are being placed.

15 (10) The division shall respond to a request from a sports  
16 governing body concerning a particular event before the start of  
17 the event or, if it is not feasible to respond before the start of  
18 the event, as expeditiously as possible.

19 (11) The division and sports betting licensees shall cooperate  
20 with investigations conducted by sports governing bodies or law  
21 enforcement agencies, including, but not limited to, providing or  
22 facilitating the provision of account-level betting information and  
23 audio or video files relating to persons placing bets.

24 (12) Except as provided in subsection (13), sports betting  
25 licensees may use any data source to determine the results of  
26 sports bets if the data is not obtained directly or indirectly from  
27 live event attendees who collect the data in violation of the terms  
28 of admittance to an event or through automated computer programs  
29 that compile data from the internet in violation of the terms of



1 service of the relevant website or other internet platform.

2 (13) A sports governing body may notify the division that it  
3 desires to supply official league data to sports betting licensees  
4 for determining the results of tier 2 sports bets. A notification  
5 under this subsection must be made in the form and manner that is  
6 required by the division. Within 30 days after a notification under  
7 this subsection by a sports governing body, the division shall  
8 determine if official league data is necessary and appropriate to  
9 determine the results of tier 2 sports bets. If the division  
10 determines that official league data is necessary and appropriate  
11 to determine the results of tier 2 sports bets, a licensee shall  
12 use only official league data to determine the results of tier 2  
13 sports bets unless the licensee can demonstrate to the division  
14 that the sports governing body or an entity that is contracted with  
15 the sports governing body cannot provide a feed of official league  
16 data to the licensee on commercially reasonable terms.

17 Sec. 12. The division may develop responsible gaming measures.

18 Sec. 13. (1) A person shall not do any of the following:

19 (a) Offer sports betting for play in this state if the person  
20 is not a licensee or a federally recognized Michigan Indian tribe  
21 described in section 7.

22 (b) Knowingly provide false testimony to the board or an  
23 authorized representative of the board while under oath.

24 (2) A person that violates subsection (1) is guilty of a  
25 felony punishable by imprisonment for not more than 10 years or a  
26 fine of not more than \$100,000.00, or both.

27 (3) The attorney general or a county prosecuting attorney may  
28 bring an action to prosecute a violation of subsection (1) in the  
29 county in which the violation occurred.



1           Sec. 14. (1) A person shall not engage in a sports betting  
2 operation or activity without first obtaining the appropriate  
3 license in accordance with this act and rules of the division.

4           (2) The division shall not grant a license until it determines  
5 that each person who has control of the applicant meets all  
6 qualifications for licensure. All of the following persons are  
7 considered to have control of an applicant:

8           (a) Each corporate holding company, parent company, or  
9 subsidiary company of the applicant and each person who owns 10% or  
10 more of the corporate applicant and who has the ability to control  
11 the activities of the corporate applicant or elect a majority of  
12 the board of directors of that corporation. A bank or other  
13 licensed lending institution that holds a mortgage of or other lien  
14 on the property of an applicant acquired in the ordinary course of  
15 business is not considered to have control of the applicant.

16           (b) Each person associated with a noncorporate applicant who  
17 directly or indirectly holds a beneficial or proprietary interest  
18 of 10% or more in the applicant's business operation.

19           (c) Each person associated with a noncorporate applicant who  
20 the division otherwise determines has the ability to control the  
21 applicant.

22           (d) Key personnel of an applicant, including any executive,  
23 employee, or agent, that has the power to exercise significant  
24 influence over decisions concerning any part of the applicant's  
25 sports betting business operation.

26           (3) An applicant for a license issued under this act shall  
27 submit an application to the division in the form the division  
28 requires and submit fingerprints for a national criminal records  
29 check. The fingerprints must be furnished by key personnel and must



1 be accompanied by a signed authorization for the release of  
2 information by the department of state police and the Federal  
3 Bureau of Investigation. However, an individual who has submitted  
4 to a criminal background check in this or any other state within  
5 the previous 12 months is not required to submit to another  
6 criminal background check if the individual submits the results of  
7 the previous criminal background check. An applicant licensed to  
8 offer sports betting by another jurisdiction may submit an  
9 abbreviated application in the form the division requires.

10 (4) A sports betting licensee, licensed management services  
11 provider, or licensed supplier shall display the license  
12 conspicuously in its place of business or have the license  
13 available for inspection by an agent of the division or any law  
14 enforcement agency.

15 (5) A person licensed under this act shall give the division  
16 written notice within 30 days after any change to any material  
17 information provided in the licensee's application for a license or  
18 renewal.

19 (6) An applicant for a sports betting license or management  
20 service provider license that is authorized and in good standing to  
21 operate sports betting by another jurisdiction may submit, on a  
22 form prescribed by the division, a request to the division for a  
23 temporary license allowing for the immediate commencement of sports  
24 betting operations. On receiving a request for a temporary license,  
25 the division shall review the request. If the division determines  
26 that the applicant requesting the temporary license is authorized  
27 and in good standing by another jurisdiction to operate sports  
28 betting, and has paid any required license fee, the division may  
29 authorize the operator to conduct sports betting until a final



1 determination on the sports betting license or management service  
2 provider license application is made.

3 (7) The division shall not issue a license to an employee of  
4 the board or the division.

5 Sec. 15. (1) The division shall grant a sports betting license  
6 to a gaming facility that meets the requirements for licensure  
7 under this act and the rules of the division including payment of a  
8 \$200,000.00 initial license fee. This license is valid for 1 year,  
9 and may be renewed annually on payment of a \$100,000.00 renewal  
10 fee, as long as a gaming facility continues to meet all  
11 qualification requirements.

12 (2) A holder of a sports betting license may operate or may  
13 contract with a management service provider to operate sports  
14 betting at casinos and not more than 1 individually branded digital  
15 sports betting platform approved by the division. An authorized  
16 participant may create a sports betting account on a sports betting  
17 platform without being present on the premises of the casino.

18 (3) A sports betting licensee shall submit to the division the  
19 documentation or information as the division may require  
20 demonstrating that the sports betting licensee continues to meet  
21 the requirements of this act and the rules promulgated under this  
22 act.

23 (4) On application for a license and annually thereafter, a  
24 sports betting licensee shall submit to the division an annual  
25 audit of the financial transactions and condition of the licensee's  
26 total operations prepared by a certified public accountant in  
27 accordance with generally accepted accounting principles and  
28 applicable federal and state laws.

29 Sec. 16. (1) The division shall not issue a license to an



1 applicant under this act if any of the following apply:

2 (a) The applicant has knowingly made a false statement of a  
3 material fact to the division.

4 (b) The applicant has not paid the appropriate licensing fee.

5 (c) The applicant has been suspended from operating a gambling  
6 game, gaming device, or gaming operation, or had a license revoked  
7 by any governmental authority responsible for regulation of gaming  
8 activities.

9 (d) The applicant has been convicted of a gambling-related  
10 offense or a fraud offense.

11 (2) The division may deny a license to an applicant, reprimand  
12 a licensee, or suspend or revoke a license if either of the  
13 following applies:

14 (a) The applicant or licensee has not demonstrated to the  
15 satisfaction of the division financial responsibility sufficient to  
16 adequately meet the requirements of the proposed enterprise.

17 (b) The applicant or licensee is not the true owner of the  
18 business or is not the sole owner and has not disclosed the  
19 existence or identity of other persons who are considered to have  
20 control of the applicant or licensee under section 14.

21 (3) For an applicant for a sports betting license, the  
22 division may deny a license to an applicant, reprimand a licensee,  
23 or suspend or revoke a license if an applicant has not met the  
24 requirements of this act.

25 Sec. 17. A sports betting licensee and management service  
26 provider shall do all of the following:

27 (a) Employ a monitoring system using software to identify non-  
28 normal irregularities in volume or odds swings that could signal  
29 suspicious activities which should require further investigation





1 that must be immediately reported and investigated by the division.  
2 A monitoring system required under this subdivision must be  
3 developed according to sports betting industry standards.

4 (b) Promptly report to the division any facts or circumstances  
5 related to the operation of a sports betting licensee or licensed  
6 management service provider that constitute a violation of state or  
7 federal law and immediately report to the appropriate state or  
8 federal authorities any suspicious betting over a threshold that is  
9 set by the licensee and approved by the division.

10 (c) Conduct all sports betting activities and functions in a  
11 manner that does not pose a threat to the public health, safety, or  
12 welfare of the citizens of this state.

13 (d) Keep current in all payments and obligations to the  
14 division.

15 (e) Prevent a person from tampering with or interfering with  
16 the operation of any sports betting.

17 (f) Ensure that sports betting conducted at a building in  
18 which gaming is conducted under the Michigan Gaming Control and  
19 Revenue Act, 1996 IL 1, MCL 432.201 to 432.226, is within the sight  
20 and control of designated employees of the licensee and the betting  
21 at the building or otherwise available by the licensee is conducted  
22 under continuous observation by security equipment in conformity  
23 with specifications and requirements of the division.

24 (g) Ensure that sports betting occurs only in the specific  
25 locations within designated gaming areas approved by the division  
26 or using a division-approved mobile application or other digital  
27 platform that uses communications technology to accept wagers  
28 originating within this state, or originating in a state or  
29 jurisdiction with which the division has entered into a sports



1 betting agreement.

2 (h) Maintain sufficient cash and other supplies to conduct  
3 sports betting at all times.

4 (i) Maintain daily records showing the gross sports betting  
5 receipts and adjusted gross sports betting receipts of the licensee  
6 and shall timely file with the division any additional reports  
7 required by rule or by other provisions of this act.

8 Sec. 18. (1) A sports betting licensee who also holds a  
9 license to conduct internet gaming may offer sports betting via the  
10 internet. A sports betting licensee that does not hold a license to  
11 conduct internet gaming must apply for and be granted a license as  
12 an internet gaming operator, under the lawful internet gaming act,  
13 before offering sports betting via the internet.

14 (2) For purposes of this act, the intermediate routing of a  
15 sports wager conducted via the internet, including routing across  
16 state lines, does not determine the location or locations in which  
17 the wager is initiated, received, or otherwise made.

18 (3) A sports wager conducted via the internet received by a  
19 sports betting operator is considered to be gambling or gaming that  
20 is conducted in the sports betting operator's casino located in  
21 this state, regardless of the authorized participant's location,  
22 within this state, at the time the authorized participant initiates  
23 or otherwise places the sports wager.

24 Sec. 19. (1) A sports betting operator that conducts sports  
25 betting at a location other than a casino operated by an Indian  
26 tribe is subject to a tax at a rate equal to 8% on the adjusted  
27 gross sports betting receipts received by the sports betting  
28 operator from sports betting conducted under this act. If adjusted  
29 gross receipts for a month is a negative number because the



1 winnings paid to patrons exceeds the licensee's total gross  
2 receipts from sports wagering by patrons, the licensee may carry  
3 over the negative amount to returns filed for subsequent months.

4 (2) A sports betting operator that is subject to subsection  
5 (1) shall pay the tax under subsection (1) on a monthly basis. The  
6 payment for a month is due on the tenth day of the following month.

7 (3) The tax imposed under subsection (1) must be allocated as  
8 follows:

9 (a) Thirty percent to the city in which the sports betting  
10 licensee's casino is located, for use in connection with all of the  
11 following:

12 (i) The hiring, training, and deployment of street patrol  
13 officers in that city.

14 (ii) Neighborhood development programs designed to create jobs  
15 in that city with a focus on blighted neighborhoods.

16 (iii) Public safety programs such as emergency medical services,  
17 fire department programs, and street lighting in that city.

18 (iv) Anti-gang and youth development programs in that city.

19 (v) Other programs that are designed to contribute to the  
20 improvement of the quality of life in that city.

21 (vi) Relief to the taxpayers of that city from 1 or more taxes  
22 or fees imposed by the city.

23 (vii) The costs of capital improvements in that city.

24 (viii) Road repairs and improvements in that city.

25 (b) Fifty-five percent to this state to be deposited in the  
26 fund.

27 (c) Five percent to be deposited in the state school aid fund  
28 established under section 11 of article IX of the state  
29 constitution of 1963.



1 (d) Five percent to be deposited in the Michigan  
2 transportation fund created under section 10 of 1951 PA 51, MCL  
3 247.660, to be disbursed as provided in section 10(1)(l) of 1951 PA  
4 51, MCL 247.660.

5 (e) Five percent to the Michigan agriculture equine industry  
6 development fund created under section 20 of the horse racing law  
7 of 1995, 1995 PA 279, MCL 431.320. However, if the 5% allocated  
8 under this subdivision to the Michigan agriculture equine industry  
9 development fund created under section 20 of the horse racing law  
10 of 1995, 1995 PA 279, MCL 431.320, exceeds \$3,000,000.00 in a  
11 fiscal year, the amount in excess of \$3,000,000.00 must be  
12 allocated and deposited in the sports betting fund created under  
13 section 20.

14 Sec. 20. (1) The sports betting fund is created in the state  
15 treasury.

16 (2) The state treasurer may receive money or other assets  
17 required to be paid into the fund under this act or from any other  
18 source for deposit into the fund. The state treasurer shall direct  
19 the investment of the fund. The state treasurer shall credit to the  
20 fund interest and earnings from fund investments.

21 (3) The board is the administrator of the fund for auditing  
22 purposes.

23 (4) The board shall expend money from the fund, on  
24 appropriation, for all of the following:

25 (a) Each year, \$1,000,000.00 to the compulsive gaming  
26 prevention fund created in section 3 of the compulsive gaming  
27 prevention act, 1997 PA 70, MCL 432.253.

28 (b) The board's costs of regulating and enforcing sports  
29 betting under this act.



1           Enacting section 1. This act takes effect 90 days after the  
2 date it is enacted into law.

3           Enacting section 2. This act does not take effect unless all  
4 of the following bills of the 100th Legislature are enacted into  
5 law:

6           (a) House Bill No. 4308.

7           (b) House Bill No. 4311.

