

MICHIGAN GAMING CONTROL AND REVENUE ACT (EXCERPT)
Initiated Law 1 of 1996

432.202 Definitions.

Sec. 2.

As used in this act:

- (a) "Adjusted gross receipts" means the gross receipts less winnings paid to wagerers.
- (b) "Affiliate" means a person who, directly or indirectly, through 1 or more intermediaries, controls a casino licensee under this act.
- (c) "Affiliated company" means any form of business organization that controls, a casino licensee under this act.
- (d) "Agent" means any person who is employed by any agency of this state, other than the board, the state police, or the department of attorney general, who is assigned to perform full-time services on behalf of or for the benefit of the board regardless of the title or position held by that person.
- (e) "Applicant" means any person who applies for a license or for registration under this act. As used in sections 4a(1)(a), 5(1) to (4), 6(3) to (5) and (9), and 7a(4), (5), and (11), applicant includes an affiliate, affiliated company, director, or managerial employee of the applicant who performs the function of principal executive officer, principal operations officer, or principal accounting officer, or a person who holds greater than 5% direct or indirect interest in the applicant. As used in this subdivision, affiliate and affiliated company do not include a partnership, a joint venture relationship, a co-shareholder of a corporation, a co-member of a limited liability company, or a co-partner in a limited liability partnership that has a 5% or less direct interest in the applicant and is not involved in the casino as defined in rules promulgated by the board.
- (f) "Board" means the Michigan gaming control board created under section 4.
- (g) "Casino" means a building or buildings in which gaming is conducted.
- (h) "Casino enterprise" means the buildings, facilities, or rooms functionally or physically connected to a casino, including but not limited to any bar, restaurant, hotel, cocktail lounge, retail establishment, or arena or any other facility located in a city under the control of a casino licensee.
- (i) "Certified development agreement" means a development agreement that has been certified by a city and submitted to the board.
- (j) "Chairperson" means the chairperson of the board.
- (k) "Cheat" means to alter the selection of criteria that determine the result of a gambling game or the amount or frequency of payment in a gambling game, in violation of this act or rules promulgated under this act.
- (l) "City" means a local unit of government other than a county that meets all of the following criteria:
 - (i) Has a population of at least 800,000 at the time a license is issued.
 - (ii) Is located within 100 miles of any other state or country in which gaming was permitted on December 5, 1996.
 - (iii) Had a majority of voters who expressed approval of casino gaming in the city.
- (m) "Company" means a sole proprietorship, corporation, partnership, limited liability partnership, limited liability company, trust, association, joint stock company, joint venture, tribal corporation, or other form of business organization.
- (n) "Compensation" means any money, thing of value, or financial benefit conferred on or received by a person in return for services rendered, or to be rendered, whether by that person or another.
- (o) "Conflict of interest" means a situation in which the private interest of a member, employee or agent of the board may influence the judgment of the member, employee, or agent in the performance of his or her public duty under this act. A conflict of interest includes, but is not limited to, any of the following:
 - (i) Any conduct that would lead a reasonable person, knowing all of the circumstances, to conclude that the member, employee, or agent of the board is biased against or in favor of an applicant.
 - (ii) Acceptance of any form of compensation other than from the board for any services rendered as part of the official duties of the member, employee, or agent for the board.
 - (iii) Participation in any business being transacted with or before the board in which the member, employee, or agent of the board or his or her parent, spouse, or child has a financial interest.
 - (iv) Use of the position, title, or any related authority of the member, employee, or agent of the board in a manner designed for personal gain or benefit.
 - (v) Demonstration, through work or other action in the performance of the official duties of the member, employee, or agent of the board, of any preferential attitude or treatment of any person.
- (p) "Control" means having a greater than 15% direct or indirect pecuniary interest in the casino gaming operation with respect to which the license is sought.
- (q) "Department" means the department of treasury.
- (r) "Development agreement" means a written agreement between a city and a person naming the person as the

designated developer of a casino in the city and covering certain subjects including, but not limited to, all of the following:

(i) Approval by the city of the location of the casino.
(ii) Certification by the city that the applicant has sufficient financial resources to construct and open the casino that it proposes to develop.

(iii) Zoning and site plan requirements.

(iv) Utility connection fees.

(v) Infrastructure improvements.

(vi) Requirements to utilize local businesses and small businesses as suppliers.

(vii) Employment issues.

(viii) Compulsive gambling programs.

(ix) Insurance requirements.

(x) Conceptual design approval.

(xi) Reimbursement for predevelopment and infrastructure costs, traffic engineering, and other transportation costs.

(xii) Plans for completion of destination attractions either within or outside the casino facility and ancillary development rights.

(s) "Disciplinary action" means an action by the board suspending or revoking a license or fining, excluding, reprimanding, or otherwise penalizing a person for violating this act or rules promulgated by the board.

(t) "Ex parte communication" means any communication, direct or indirect, regarding a licensing application, disciplinary action, or a contested case under this act other than communication that takes place during a meeting or hearing conducted under this act.

(u) "Financial interest" or "financially interested" means any interest in investments, awarding of contracts, grants, loans, purchases, leases, sales, or similar matters under consideration or consummated by the board. A member, employee, or agent of the board is considered to have a financial interest in a matter under consideration if either of the following circumstances exists:

(i) He or she owns 1% or more of any class of outstanding securities that are issued by a party to the matter under consideration or consummated by the board.

(ii) He or she is employed by or is an independent contractor for a party to the matter under consideration or consummated by the board.

(v) "Gambling game" means any game played with cards, dice, equipment or a machine, including any mechanical, electromechanical or electronic device including computers and cashless wagering systems, for money, credit, or any representative of value, including, but not limited to, faro, monte, roulette, keno, bingo, fan tan, twenty one, blackjack, seven and a half, klondike, craps, poker, chuck a luck, Chinese chuck a luck (dai shu), wheel of fortune, chemin de fer, baccarat, pai gow, beat the banker, panguingui, slot machine, any banking or percentage game, or any other game or device approved by the board. Gambling game does not include games played with cards in private homes or residences in which no person makes money for operating the game, except as a player.

(w) "Gambling operation" or "casino gambling operation" means the conduct of gambling games authorized by the board.

(x) "Gaming" or "casino gaming" means to deal, operate, carry on, conduct, maintain or expose or offer for play any gambling game or gambling operation.

(y) "Gross receipts" means the total of all sums including valid or invalid checks, currency, tokens, coupons, vouchers, or instruments of monetary value whether collected or uncollected, received by a casino licensee from gaming, including all entry fees assessed for tournaments or other contests, less a deduction for uncollectible gaming receivables not to exceed the uncollectible amounts owed as a result of wagers placed at or through a gambling game or 4% of the total gross receipts, whichever is less. A licensee shall not receive the deduction unless the licensee provides written proof to the state treasurer of the uncollected gaming receivables and complied with all rules promulgated by the board regarding the issuance of credit and the collection of amounts due under a credit extension.

(z) "Institutional investor" means any retirement fund administered by a public agency for the exclusive benefit of federal, state, or local public employees, an employee benefit plan, or pension fund that is subject to the employee retirement income security act of 1974, as amended, an investment company registered under the investment company act of 1940, 15 USC 80a-1 to 80a-64, a collective investment trust organized by a bank under part 9 of the rules of the comptroller of the currency, a closed end investment trust, a chartered or licensed life insurance company or property and casualty insurance company, a chartered or licensed financial institution, an investment advisor registered under the investment advisers act of 1940, 15 USC 80b-1 to 80b-21, or any other person as determined by the board for reasons consistent with this act.

(aa) "Investigative hearing" means any hearing conducted by the board or its authorized representative to investigate and gather information or evidence regarding pending license applications, applicants, licensees, or alleged or apparent violations of this act or rules promulgated by the board.

(bb) "Managerial employee" means a person who by virtue of the level of his or her remuneration or otherwise

holds a management, supervisory, or policy making position with any licensee under this act, a vendor, or the board.

(cc) "Member" means a board member appointed to the board under this act.

(dd) "Occupational license" means a license issued by the board to a person to perform in a casino or a casino enterprise an occupation that directly impacts the integrity of gaming and that the board has identified as requiring a license to perform the occupation in a casino or casino enterprise in this state.

(ee) "Person" means an individual, corporation, limited liability company, association, partnership, limited liability partnership, trust, or other legal entity.

(ff) "Supplier" means a person who the board has identified under rules promulgated by the board as requiring a license to provide casino licensees with goods or services regarding the business of a proposed or existing casino or casino enterprise on a regular or continuing basis.

(gg) "Vendor" means a person who is not licensed under this act who supplies any goods or services to a casino licensee or supplier licensee.

(hh) "Wagerer" means a person who plays a gambling game authorized under this act.

(ii) "Winnings" means the total cash value of all property or sums including currency, tokens, or instruments of monetary value paid to wagerers as a direct result of wagers placed at or through a gambling game.

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