

HOUSE BILL No. 4926

September 12, 2017, Introduced by Reps. Iden, Crawford, Kosowski and Kesto and referred to the Committee on Regulatory Reform.

A bill to create the lawful internet gaming act; to impose requirements for persons to engage in internet gaming; to create the division of internet gaming; to provide for the powers and duties of the division of internet gaming and other state governmental officers and entities; to impose fees; to impose a tax on the conduct of licensed internet gaming; to create the internet gaming fund; to prohibit certain acts in relation to internet gaming 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 "lawful internet gaming act".

3 Sec. 2. (1) The legislature finds that the internet has become
4 an integral part of everyday life for a significant number of

1 residents of this state, not only in regard to their professional
2 lives, but also in regard to personal business and communication.
3 Internet wagering on games of chance and games of skill is a core
4 form of entertainment for millions of individuals worldwide. In
5 multiple jurisdictions across the world, internet gaming is legal,
6 regulated, and taxed, generating billions of dollars in revenue for
7 governments.

8 (2) In an opinion dated September 20, 2011, the United States
9 Department of Justice reversed its previous interpretation of 18
10 USC 1084, commonly referred to as the federal wire act, allowing
11 states, subject to certain restrictions, to legalize and regulate
12 internet gaming and capture the revenue for the benefit of state
13 governments.

14 (3) In order to protect residents of this state who wager on
15 games of chance or skill through the internet and to capture
16 revenues and create jobs generated from internet gaming, it is in
17 the best interest of this state and its citizens to regulate this
18 activity by authorizing and establishing a secure, responsible,
19 fair, and legal system of internet gaming that complies with the
20 United States Department of Justice's September 2011 opinion
21 concerning 18 USC 1084.

22 (4) The legislature additionally finds that this act is
23 consistent and complies with the unlawful internet gambling
24 enforcement act of 2006, 31 USC 5361 to 5367, and specifically
25 authorizes use of the internet to place, receive, or otherwise
26 knowingly transmit a bet or wager if that use complies with this
27 act and rules promulgated under this act.

1 Sec. 3. As used in this act:

2 (a) "Authorized participant" means an individual who has a
3 valid internet wagering account with an internet gaming licensee
4 and is at least 21 years of age.

5 (b) "Board" means the Michigan gaming control board created
6 under section 4 of the Michigan gaming control and revenue act,
7 1996 IL 1, MCL 432.204.

8 (c) "Casino" means a building or buildings in which gaming is
9 lawfully conducted under the Michigan gaming control and revenue
10 act, 1996 IL 1, MCL 432.201 to 432.226.

11 (d) "Division" means the division of internet gaming
12 established under section 5.

13 (e) "Fund" means the internet gaming fund created under
14 section 15.

15 (f) "Gross gaming revenue" means the total of all internet
16 wagers actually received by an internet gaming licensee licensed by
17 the division, less the total of all winnings paid out to authorized
18 participants. As used in this subdivision:

19 (i) "Prizes" includes both monetary and nonmonetary prizes
20 received directly or indirectly by an authorized participant from
21 an internet gaming licensee licensed by the division as a direct or
22 indirect result of placing an internet wager. The value of a
23 nonmonetary prize is the actual cost of the prize.

24 (ii) "Winnings" includes all of the following:

25 (A) The total amount authorized participants receive as prizes
26 during the accounting period.

27 (B) Stakes returned to authorized participants.

1 (C) Other amounts credited to authorized participants'
2 accounts, including the monetary value of loyalty points, free
3 play, and other similar complimentaries and incentives granted to
4 authorized participants as a result of participation in internet
5 games.

6 (g) "Institutional investor" means a person that is any of the
7 following:

8 (i) A retirement fund administered by a public agency for the
9 exclusive benefit of federal, state, or local public employees.

10 (ii) An employee benefit plan or pension fund that is subject
11 to the employee retirement income security act of 1974, Public Law
12 93-406.

13 (iii) An investment company registered under the investment
14 company act of 1940, 15 USC 80a-1 to 80a-64.

15 (iv) A collective investment trust organized by a bank under
16 12 CFR part 9.

17 (v) A closed end investment trust.

18 (vi) A chartered or licensed life insurance company or
19 property and casualty insurance company.

20 (vii) A chartered or licensed financial institution.

21 (viii) An investment advisor registered under the investment
22 advisers act of 1940, 15 USC 80b-1 to 80b-21.

23 (ix) Any other person that the division determines should be
24 considered to be an institutional investor for reasons consistent
25 with this act.

26 (h) "Internet" means the international computer network of
27 interoperable packet-switched data networks, inclusive of such

1 additional technological platforms as mobile, satellite, and other
2 electronic distribution channels approved by the division.

3 (i) "Internet game" means a game of skill or chance that is
4 offered for play through the internet in which a person wagers
5 money or something of monetary value for the opportunity to win
6 money or something of monetary value. For purposes of this
7 definition, free plays or extended playing time that is won on a
8 game of skill or chance that is offered through the internet is not
9 something of monetary value. Internet game includes gaming
10 tournaments conducted via the internet in which persons compete
11 against one another in 1 or more of the games authorized by the
12 division or in approved variations or composites as authorized by
13 the division.

14 (j) "Internet gaming" means operating, conducting, or offering
15 for play an internet game.

16 (k) "Internet gaming licensee" means a person that is issued
17 an internet gaming license from the division to conduct internet
18 gaming.

19 (l) "Internet gaming platform" means an integrated system of
20 hardware, software, and servers through which an internet gaming
21 licensee conducts internet gaming under this act.

22 (m) "Internet gaming vendor" means a person that provides to
23 an internet gaming licensee goods, software, or services that
24 directly affect the wagering, play, and results of internet games
25 authorized, conducted, and played under this act, including goods,
26 software, or services necessary to the acceptance, operation,
27 administration, or control of internet wagers, internet games,

1 internet wagering accounts, or internet gaming platforms. Internet
2 gaming vendor does not include a person that provides to an
3 internet gaming licensee only such goods, software, or services
4 that it also provides to others for purposes not involving internet
5 gaming, including, but not limited to, a payment processor or a
6 geolocation service provider.

7 (n) "Internet wager" means money or something of monetary
8 value risked on an internet game authorized by this act.

9 (o) "Internet wagering" means risking money or something of
10 monetary value on an internet game authorized by this act.

11 (p) "Internet wagering account" means an electronic ledger in
12 which all of the following types of transactions relative to the
13 internet gaming platform are recorded:

14 (i) Deposits.

15 (ii) Withdrawals.

16 (iii) Amounts wagered.

17 (iv) Amounts paid on winning wagers.

18 (v) Service or other transaction-related charges authorized by
19 the authorized participant, if any.

20 (vi) Adjustments to the account.

21 (q) "Person" means an individual, partnership, corporation,
22 association, limited liability company, or other legal entity.

23 Sec. 4. (1) Internet gaming may be conducted only to the
24 extent that it is conducted in accordance with this act. A law that
25 is inconsistent with this act does not apply to internet gaming as
26 provided for by this act. This act does not apply to lottery games
27 offered by the bureau of state lottery.

1 (2) An internet wager received by an internet gaming licensee
2 is considered to be gambling or gaming that is conducted in the
3 licensee's casino located in this state, regardless of the
4 authorized participant's location at the time the participant
5 places the internet wager.

6 (3) An internet wager received by a federally recognized
7 Michigan Indian tribe is considered to be gambling or gaming that
8 is conducted on Michigan Indian tribal lands located in this state,
9 regardless of the authorized participant's location at the time the
10 participant places the internet wager.

11 (4) Only an internet gaming licensee at its casino may
12 aggregate computers or other internet access devices in order to
13 enable multiple players to simultaneously play an internet game.
14 Except as provided in this subsection, a person shall not aggregate
15 computers or other internet access devices in a place of public
16 accommodation in this state, including a club or other association,
17 in order to enable multiple players to simultaneously play an
18 internet game.

19 Sec. 5. (1) The division of internet gaming is established in
20 the board. The division has the powers and duties specified in this
21 act and all other powers necessary to enable it to fully and
22 effectively execute this act to administer, regulate, and enforce
23 the system of internet gaming established by this act.

24 (2) The division has jurisdiction over every person licensed
25 by the division and may take enforcement action as provided in
26 section 9(2) against a person that is not licensed by the division
27 that offers internet gaming in this state.

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

7 (4) The division shall not authorize, administer, or otherwise
8 license a person to conduct internet wagering on any amateur or
9 professional sporting event or contest, unless doing so is
10 consistent with state and federal laws.

11 (5) For purposes of this act, the intermediate routing of
12 electronic data in connection with internet wagering, including
13 routing across state lines, does not determine the location or
14 locations in which the wager is initiated, received, or otherwise
15 made.

16 Sec. 6. (1) The division may issue an internet gaming license
17 only to an applicant that holds a casino license under the Michigan
18 gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.
19 The division shall issue an internet gaming license to the
20 applicant described in this subsection after receiving the
21 application described in subsection (3) and the application fee if
22 the division determines that the internet gaming proposed by the
23 applicant complies with this act.

24 (2) An internet gaming license issued under this act is valid
25 for the 5-year period after the date of issuance and, if the
26 division determines that the licensee continues to meet the
27 eligibility standards under this act, is renewable for additional

1 5-year periods. An internet gaming license issued under this act is
2 not effective until 1 year after the date this act is enacted into
3 law.

4 (3) An applicant may apply to the division for an internet
5 gaming license to offer internet gaming as provided in this act.
6 Subject to subsection (4), the application must be made on forms
7 provided by the division and include the information required by
8 the division, including, but not limited to, all of the following:

9 (a) Detailed information regarding the ownership and
10 management of the applicant.

11 (b) Detailed personal information regarding the applicant.

12 (c) Financial information regarding the applicant.

13 (d) The gaming history and experience of the applicant in the
14 United States and other jurisdictions.

15 (4) An applicant does not need to provide any information in
16 an application under subsection (3) that the applicant has
17 previously provided to the division unless the division notifies
18 the applicant that the division cannot locate the previously
19 provided information.

20 (5) An initial application for an internet gaming license must
21 be accompanied by an application fee of \$100,000.00. The rules
22 promulgated under section 10 may include provisions for the refund
23 of an application fee, or the portion of an application fee that
24 has not been expended by the division in processing the
25 application, and the circumstances under which the fee will be
26 refunded.

27 (6) The division shall keep all information, records,

1 interviews, reports, statements, memoranda, or other data supplied
2 to or used by the division in the course of its review or
3 investigation of an application for an internet gaming license or a
4 renewal of an internet gaming license strictly confidential and
5 shall use that material only to evaluate the applicant for an
6 internet gaming license for the license or renewal. The materials
7 described in this subsection are exempt from disclosure under
8 section 13 of the freedom of information act, 1976 PA 442, MCL
9 15.243.

10 (7) An application under this section must be submitted and
11 considered in accordance with this act and any rules promulgated
12 under this act.

13 (8) An internet gaming licensee licensed by the division shall
14 pay a license fee of \$200,000.00 to the division at the time the
15 initial license is issued and \$100,000.00 each year after the
16 initial license is issued. The division shall deposit all
17 application and license fees paid under this act into the fund.

18 (9) An institutional investor that holds for investment
19 purposes only less than 30% of the equity of an applicant under
20 this section is exempt from the licensure requirements of this act.

21 Sec. 7. A federally recognized Michigan Indian tribe may
22 conduct internet gaming if authorized by a compact the tribe has
23 entered into with this state under the Indian gaming regulatory
24 act, Public Law 100-497, or an amendment to the compact subject to
25 the terms of the compact or amendment, and requirements of
26 applicable federal law, including, but not limited to, the Indian
27 gaming regulatory act, Public Law 100-497, and the unlawful

1 internet gambling enforcement act of 2006, 31 USC 5361 to 5367.

2 Sec. 8. (1) The division may issue an internet gaming vendor
3 license to a person to provide goods, software, or services to
4 internet gaming licensees. A person that is not licensed under this
5 section shall not provide goods, software, or services as an
6 internet gaming vendor to an internet gaming licensee.

7 (2) On application by an interested person, the division may
8 issue a provisional internet gaming vendor license to an applicant
9 for an internet gaming vendor license. A provisional license issued
10 under this subsection allows the applicant for the internet gaming
11 vendor license to conduct business with an internet gaming licensee
12 or applicant for an internet gaming license before the internet
13 gaming vendor license is issued to the applicant. A provisional
14 license issued under this subsection expires on the date provided
15 in the license by the division.

16 (3) An internet gaming vendor license issued under subsection
17 (1) is valid for the 5-year period after the date of issuance. An
18 internet gaming vendor license is renewable after the initial 5-
19 year period for additional 5-year periods if the division
20 determines that the internet gaming vendor continues to meet the
21 eligibility standards under this act.

22 (4) A person may apply to the division to become an internet
23 gaming vendor licensee as provided in this act and the rules
24 promulgated under this act.

25 (5) Subject to subsection (6), an application under this
26 section must be made on forms provided by the division and include
27 the information required by the division, including, but not

1 limited to, all of the following:

2 (a) Detailed information regarding the ownership and
3 management of the applicant.

4 (b) Detailed personal information regarding the applicant.

5 (c) Financial information regarding the applicant.

6 (d) The gaming history and experience of the applicant.

7 (6) If the applicant is licensed as a supplier under the
8 Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to
9 432.226, the applicant does not need to provide any information
10 that it has previously provided to the division unless the division
11 notifies the applicant that the division cannot locate the
12 previously provided information.

13 (7) An application under this section must be accompanied by a
14 nonrefundable application fee in an amount to be determined by the
15 division, not to exceed \$5,000.00.

16 (8) The division shall keep all information, records,
17 interviews, reports, statements, memoranda, or other data supplied
18 to or used by the division in the course of its review or
19 investigation of an application for licensure as an internet gaming
20 vendor strictly confidential and use the materials only to evaluate
21 an applicant for licensure. The materials described in this
22 subsection are exempt from disclosure under section 13 of the
23 freedom of information act, 1976 PA 442, MCL 15.243.

24 (9) An internet gaming vendor shall pay a license fee of
25 \$5,000.00 to the division at the time an initial license is issued
26 to the vendor and \$2,500.00 each year after the initial license is
27 issued. An internet gaming platform provider shall pay a license

1 fee of \$100,000.00 to the division at the time the initial license
2 is issued to the provider and \$50,000.00 each year after the
3 initial license is issued.

4 (10) The division shall deposit all application and license
5 fees paid under this act into the fund.

6 (11) An institutional investor that holds for investment
7 purposes only less than 30% of the equity of an applicant under
8 this section is exempt from the licensure requirements of this act.

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

15 (a) Develop qualifications, standards, and procedures for
16 approval and licensure by the division of internet gaming licensees
17 and internet gaming vendors.

18 (b) Decide promptly and in reasonable order all license
19 applications and approve, deny, suspend, revoke, restrict, or
20 refuse to renew internet gaming and internet gaming vendor
21 licenses. A party aggrieved by an action of the division denying,
22 suspending, revoking, restricting, or refusing to renew a license
23 may request a contested case hearing before the division. A request
24 for hearing under this subdivision must be made to the division in
25 writing within 21 days after service of notice of the action by the
26 division.

27 (c) Conduct all hearings pertaining to violations of this act

1 or rules promulgated under this act.

2 (d) Provide for the establishment and collection of all
3 license fees and taxes imposed by this act and the rules
4 promulgated under this act and the deposit of the fees and taxes
5 into the fund.

6 (e) Develop and enforce testing and auditing requirements for
7 internet gaming platforms, internet wagering, and internet wagering
8 accounts.

9 (f) Develop and enforce requirements for responsible gaming
10 and player protection, including privacy and confidentiality
11 standards and duties.

12 (g) Develop and enforce requirements for accepting internet
13 wagers.

14 (h) Adopt by rule a code of conduct governing division
15 employees that ensures, to the maximum extent possible, that
16 persons subject to this act avoid situations, relationships, or
17 associations that may represent or lead to an actual or perceived
18 conflict of interest.

19 (i) Develop and administer civil fines for internet gaming
20 licensees licensed by the division and internet gaming vendor
21 licensees that violate this act or the rules promulgated under this
22 act. A fine imposed under this subdivision must not exceed
23 \$5,000.00 per violation.

24 (j) Audit and inspect, on reasonable notice, books and records
25 relevant to internet gaming operations, internet wagers, internet
26 wagering accounts, internet games, or internet gaming platforms,
27 including, but not limited to, the books and records regarding

1 financing and accounting materials held by or in the custody of an
2 internet gaming licensee or internet gaming vendor licensee.

3 (k) Acquire or lease real property and make improvements to
4 the property and acquire by lease or by purchase personal property,
5 including, but not limited to, any of the following:

6 (i) Computer hardware.

7 (ii) Mechanical, electronic, and online equipment and
8 terminals.

9 (iii) Intangible property, including, but not limited to,
10 computer programs, software, and systems.

11 (2) The division may investigate, issue cease and desist
12 orders, and obtain injunctive relief against a person that is not
13 licensed by the division that offers internet gaming in this state.

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

22 Sec. 10. The division shall promulgate rules governing the
23 licensing, administration, and conduct of internet gaming necessary
24 to carry out this act within 1 year after the effective date of
25 this act. The promulgation of emergency rules does not satisfy the
26 requirement for the promulgation of rules to allow a person to
27 conduct internet gaming under this act. The division shall

1 promulgate the rules pursuant to the administrative procedures act
2 of 1969, 1969 PA 306, MCL 24.201 to 24.328. The rules may include
3 only things expressly authorized by this act, including all of the
4 following:

5 (a) The types of internet games to be offered, which must
6 include, but need not be limited to, poker.

7 (b) The qualifications, standards, and procedures for approval
8 and licensure by the division of internet gaming licensees and
9 internet gaming vendor licensees consistent with this act.

10 (c) Requirements to ensure responsible gaming.

11 (d) Technical and financial standards for internet wagering,
12 internet wagering accounts, and internet gaming platforms, systems,
13 and software or other electronic components for internet gaming.

14 (e) Procedures for conducting contested case hearings under
15 this act.

16 (f) Procedures and requirements for the acceptance, by an
17 internet gaming licensee licensed by the division, of internet
18 wagers initiated or otherwise made by persons located in other
19 jurisdictions.

20 (g) Requirements for multijurisdictional agreements entered
21 into by the division with other jurisdictions, including
22 qualifications, standards, and procedures for approval by the
23 division of vendors providing internet gaming platforms in
24 connection with the agreements.

25 Sec. 11. (1) An internet gaming licensee licensed by the
26 division must provide 1 or more mechanisms on the internet gaming
27 platform that the licensee uses that are designed to reasonably

1 verify that an authorized participant is 21 years of age or older
2 and that internet wagering is limited to transactions that are
3 initiated and received or otherwise made by an authorized
4 participant located in this state or a jurisdiction in the United
5 States in which internet gaming is legal.

6 (2) An individual who wishes to place an internet wager under
7 this act must satisfy the verification requirements under
8 subsection (1) before he or she may establish an internet gaming
9 account or make an internet wager on an internet game offered by an
10 internet gaming licensee licensed by the division.

11 (3) An internet gaming licensee licensed by the division shall
12 include mechanisms on the internet gaming platform the licensee
13 uses that are designed to detect and prevent the unauthorized use
14 of internet wagering accounts and to detect and prevent fraud,
15 money laundering, and collusion.

16 (4) An internet gaming licensee licensed by the division shall
17 not knowingly authorize any of the following individuals to
18 establish an internet gaming account or knowingly allow them to
19 wager on internet games offered by the internet gaming licensee,
20 except if required and authorized by the division for testing
21 purposes or to otherwise fulfill the purposes of this act:

22 (a) An individual who is less than 21 years old.

23 (b) An individual whose name appears in the division's
24 responsible gaming database.

25 Sec. 12. (1) The division may develop responsible gaming
26 measures, including a statewide responsible gaming database
27 identifying individuals who are prohibited from establishing an

1 internet wagering account or participating in internet gaming
2 offered by an internet gaming licensee licensed by the division.

3 The executive director of the board may place an individual's name
4 in the responsible gaming database if any of the following apply:

5 (a) The individual has been convicted in any jurisdiction of a
6 felony, a crime of moral turpitude, or a crime involving gaming.

7 (b) The individual has violated this act or another gaming-
8 related law.

9 (c) The individual has performed an act or has a notorious or
10 unsavory reputation such that the individual's participation in
11 internet gaming under this act would adversely affect public
12 confidence and trust in internet gaming.

13 (d) The individual's name is on a valid and current exclusion
14 list maintained by this state or another jurisdiction in the United
15 States.

16 (2) The division may promulgate rules for the establishment
17 and maintenance of the responsible gaming database.

18 (3) An internet gaming licensee, in a format specified by the
19 division, may provide the division with names of individuals to be
20 included in the responsible gaming database.

21 (4) An internet gaming licensee licensed by the division
22 shall, on the internet gaming platform used by the licensee,
23 display in a clear, conspicuous, and accessible manner the number
24 of the toll-free compulsive gambling hotline maintained by this
25 state and offer responsible gambling services and technical
26 controls to participants, consisting of both temporary and
27 permanent self-exclusion for all internet games offered and the

1 ability for participants to establish their own periodic deposit
2 and internet wagering limits and maximum playing times.

3 (5) An authorized participant may voluntarily prohibit himself
4 or herself from establishing an internet wagering account with an
5 internet gaming licensee licensed by the division. The division may
6 incorporate the voluntary self-exclusion list into the responsible
7 gaming database and maintain both the self-exclusion list and the
8 responsible gaming database in a confidential manner.

9 (6) The self-exclusion list and responsible gaming database
10 established under this section are exempt from disclosure under
11 section 13 of the freedom of information act, 1976 PA 442, MCL
12 15.243.

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

14 (a) Offer internet gaming for play in this state if the person
15 is not an internet gaming licensee.

16 (b) Knowingly make a false statement on an application for a
17 license to be issued under this act.

18 (c) Knowingly provide false testimony to the board or an
19 authorized representative of the board while under oath.

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

23 (3) The division shall not issue a license under this act to a
24 person that violates subsection (1).

25 (4) The attorney general or a county prosecuting attorney
26 shall bring an action to prosecute a violation of subsection (1),
27 in the attorney general's or prosecuting attorney's discretion, in

1 the county in which the violation occurred or in Ingham County.

2 Sec. 14. (1) A person that receives an internet gaming license
3 from the division is subject to a tax of 15% on the gross gaming
4 revenue received by the internet gaming licensee from internet
5 gaming conducted under this act.

6 (2) An internet gaming licensee that is subject to subsection
7 (1) shall pay the tax under subsection (1) on a monthly basis. The
8 payment for a month is due on the tenth day of the following month.

9 (3) If, after the effective date of this act, a person
10 executes and enters into a compact, amendment to a compact, or
11 other agreement negotiated with this state, under which a person is
12 able to lawfully conduct internet gaming in this state for a period
13 of time subject to payment of a revenue share or other payment to
14 this state that is lower than the tax rate imposed under subsection
15 (1), the tax rate under subsection (1) is automatically reduced to
16 a rate equivalent, as determined by the board, to the rate paid as
17 a revenue share or other payment under the compact, amendment to a
18 compact, or other agreement with this state during that period of
19 time. If this state enters into compacts, amendments to compacts,
20 or agreements described in this subsection with more than 1 person,
21 the tax rate under this section is reduced to the rate in the
22 compact, amendment to a compact, or agreement with the lowest rate.
23 For all calculations under this subsection, if there is more than 1
24 rate paid under a compact, amendment to a compact, or agreement,
25 the rate to be applied is the highest rate in the compact,
26 amendment to a compact, or agreement in effect during the
27 applicable time period.

1 Sec. 15. (1) The internet gaming fund is created in the state
2 treasury.

3 (2) The state treasurer may receive money or other assets
4 required to be paid into the fund under this act or from any other
5 source for deposit into the fund. The state treasurer shall direct
6 the investment of the fund. The state treasurer shall credit to the
7 fund interest and earnings from fund investments.

8 (3) Money in the fund at the close of the fiscal year must
9 remain in the fund and not lapse to the general fund.

10 (4) The board is the administrator of the fund for auditing
11 purposes.

12 (5) The board shall expend money from the fund, on
13 appropriation, for all of the following:

14 (a) Each year, \$5,000,000.00 to the first responder presumed
15 coverage fund created in section 405 of the worker's disability
16 compensation act of 1969, 1969 PA 317, MCL 418.405.

17 (b) The board's costs of regulating and enforcing internet
18 gaming under this act.

19 (c) Each year, \$2,000,000.00 to the grape and wine industry
20 council created under executive reorganization order No. 2014-2,
21 MCL 333.26253, and described under section 303 of the Michigan
22 liquor control code of 1998, 1998 PA 58, MCL 436.1303.

23 Sec. 16. (1) If a court enters a final judgment or order that
24 has the effect of invalidating or otherwise rendering inoperative
25 section 6(1), which authorizes the division to issue an internet
26 gaming license to a person that holds a casino license under the
27 Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to

1 432.226, this entire act is inoperable and of no effect.

2 (2) If a court holds that a provision of this act, or the
3 application of a provision of this act to any person or
4 circumstance, is invalid other than as provided in subsection (1),
5 the validity of the remainder of this act and the application of
6 the remainder of this act to other persons and circumstances are
7 not affected, as provided in section 5 of 1846 RS 1, MCL 8.5.

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

10 Enacting section 2. This act does not take effect unless
11 Senate Bill No. ____ or House Bill No. 4927 (request no. 03717'17 a)
12 of the 99th Legislature is enacted into law.