



HOUSE BILL No. 5221

January 12, 2000, Introduced by Reps. Minore, Switalski, Bogardus, Gielegem, Martinez, Jamnick, Dennis, Hager and Lemmons and referred to the Committee on Gaming and Casino Oversight.

A bill to amend the Initiated Law of 1996, entitled "Michigan gaming control and revenue act," by amending sections 4c and 14 (MCL 432.204c and 432.214), section 4c as added and section 14 as amended by 1997 PA 69.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4c. (1) Except as otherwise provided in this section,
2 all information, records, interviews, reports, statements, memo-
3 randa, or other data supplied to or used by the board shall be
4 subject to the freedom of information act, 1976 PA 442, MCL
5 15.231 to 15.246, except for the following:

6 (a) Unless presented during a public hearing, all the infor-
7 mation, records, interviews, reports, statements, memoranda, or
8 other data supplied to, created by, or used by the board related
9 to background investigation of applicants or licensees and to

1 trade secrets, internal controls, and security measures of the
2 licensees or applicants.

3 (b) All information, records, interviews, reports, state-
4 ments, memoranda, or other data supplied to or used by the board
5 that have been received from another jurisdiction or local,
6 state, or federal agency under a promise of confidentiality or if
7 the release of the information is otherwise barred by the stat-
8 utes, rules, or regulations of that jurisdiction or agency or by
9 an intergovernmental agreement.

10 (c) All information provided in an application for license
11 required under this act.

12 (2) Notwithstanding subsection (1)(a) or (c), the board
13 shall, upon written request from any person, provide the follow-
14 ing information concerning the applicant or licensee, his or her
15 products, services or gambling enterprises, and his or her busi-
16 ness holdings if the board has the information in its
17 possession:

18 (a) The name, business address, and business telephone
19 number.

20 (b) An identification of any applicant or licensee includ-
21 ing, if an applicant or licensee is not an individual, its state
22 of incorporation or registration, its corporate officers, and the
23 identity of its shareholders. If an applicant or licensee has a
24 registration statement or a pending registration statement filed
25 with the securities and exchange commission, only the names of
26 those persons or entities holding interest of 5% or more shall be
27 provided.

1 (c) An identification of any business, including, if
2 applicable, the state of incorporation or registration, in which
3 an applicant or licensee or an applicant's or licensee's spouse,
4 parent, or child has equity interest of more than 5%.

5 (d) Whether an applicant or licensee has been indicted, con-
6 victed, pleaded guilty or nolo contendere, or forfeited bail con-
7 cerning any criminal offense under the laws of any jurisdiction,
8 either felony or misdemeanor, not including traffic violations,
9 including the name and location of the court, the date, and dis-
10 position of the offense.

11 (e) Whether an applicant or licensee has had any license or
12 certification issued by a licensing authority in Michigan or any
13 other jurisdiction denied, restricted, suspended, revoked, or not
14 renewed and, if known by the board, a statement describing the
15 facts and circumstances concerning the denial, restriction, sus-
16 pension, revocation, or nonrenewal, including the name of the
17 licensing authority, the date each action was taken, and the
18 reason for each action.

19 (f) Whether an applicant or licensee has ever filed, or had
20 filed against it, a proceeding for bankruptcy or has ever been
21 involved in any formal process to adjust, defer, suspend, or oth-
22 erwise work out the payment of any debt, including the date of
23 filing, the name and location of the court, the case, and number
24 of the disposition.

25 (g) Whether an applicant or licensee has filed, or been
26 served with, a complaint or other notice filed with any public
27 body regarding the delinquent payment of any tax required under

1 federal, state, or local law, including the amount of the tax,
2 type of tax, the taxing agency, and time periods involved.

3 (h) A statement listing the names and titles of all public
4 officials or officers of any city, state, or federal body,
5 agency, or entity and relatives of the officials who, directly or
6 indirectly, own any financial interest in, have any beneficial
7 interest in, are the creditors of, or hold or have any other
8 interest in, or any contractual or service relationship with, an
9 applicant or licensee under this act.

10 (i) Whether an applicant or licensee or the spouse, parent,
11 child, or spouse of a child of an applicant or licensee has made,
12 directly or indirectly, any political contributions, or any
13 loans, gifts, or other payments to any candidate as defined in
14 section 7b or officeholder elected in this state, within 5 years
15 prior to the date of filing the application, including the amount
16 and the method of payment or to a committee established under the
17 Michigan campaign finance act, 1976 PA 388, MCL 169.201 to
18 169.282.

19 (j) The name and business telephone number of any attorney,
20 counsel, lobbyist agent as defined in section 5 of 1978 PA 472,
21 MCL 4.415, or any other person representing an applicant or
22 licensee in matters before the board.

23 (k) A summary of the applicant's development agreement with
24 the city, including the applicant's proposed location, the square
25 footage of any proposed casino, the type of additional facili-
26 ties, restaurants, or hotels proposed by the applicant, the
27 expected economic benefit to the city, anticipated or actual

1 number of employees, any statement from the applicant regarding
2 compliance with federal and state affirmative action guidelines,
3 projected or actual admissions, and projected or actual adjusted
4 gross receipts.

5 (1) A description of the product or service to be supplied
6 by, or occupation to be engaged in by, a licensee.

7 (M) A COPY OF A CASINO LICENSEE'S REPORT REQUIRED TO BE SUB-
8 MITTED TO THE BOARD UNDER SECTION 14(2).

9 (3) Except as otherwise provided in this subsection, all
10 information, records, interviews, reports, statements, memoranda,
11 or other data provided in a response to a request for proposals
12 for development agreements issued by the city and all draft
13 development agreements being negotiated by the city shall be
14 exempt from disclosure under the freedom of information act, 1976
15 PA 442, MCL 15.231 to 15.246, including but not limited to any of
16 the following:

17 (a) Unless presented during a public hearing, all records,
18 interviews, reports, statements, memoranda, or other information
19 supplied to, created by, or used by the city related to back-
20 ground investigation of applicants for a development agreement
21 and to trade secrets, internal controls, and security measures of
22 the licensees or applicants.

23 (b) All records, interviews, reports, statements, memoranda,
24 or other information supplied to or used by the city that have
25 been received from another jurisdiction or local, state, or fed-
26 eral agency under a promise of confidentiality or if the release
27 of the information is otherwise barred by the statutes, rules, or

1 regulations of that jurisdiction or agency or by an
2 intergovernmental agreement.

3 (c) All information provided in a response to a request for
4 proposals for development agreements.

5 (4) Notwithstanding subsection (3)(a) or (c), the city
6 shall, upon request, disclose the following information concern-
7 ing the response to a request for proposals for development
8 agreements:

9 (a) The name, business address, and business telephone
10 number of the person filing the response.

11 (b) An identification of a person filing a response includ-
12 ing, if the person is not an individual, the state of incorpora-
13 tion or registration, the corporate officers, and the identity of
14 all shareholders or participants. If a person filing a response
15 has a registration statement or a pending registration statement
16 filed with the securities and exchange commission, the city shall
17 only provide the names of those persons or entities holding
18 interest of 5% or more.

19 (c) An identification of any business, including, if appli-
20 cable, the state of incorporation or registration, in which a
21 person filing a response or his or her spouse, parent, or child
22 has equity interest of more than 5%.

23 (d) Whether a person filing a response has been indicted,
24 convicted, pleaded guilty or nolo contendere, or forfeited bail
25 concerning any criminal offense under the laws of any jurisdic-
26 tion, either felony or misdemeanor, not including traffic

1 violations, including the name and location of the court, the
2 date, and disposition of the offense.

3 (e) Whether a person filing a response has had any license
4 or certification issued by a licensing authority in Michigan or
5 any other jurisdiction denied, restricted, suspended, revoked, or
6 not renewed and, if known by the city, a statement describing the
7 facts and circumstances concerning the denial, restriction, sus-
8 pension, revocation, or nonrenewal, including the name of the
9 licensing authority, the date each action was taken, and the
10 reason for each action.

11 (f) Whether a person filing a response has ever filed, or
12 had filed against it, a proceeding for bankruptcy or has ever
13 been involved in any formal process to adjust, defer, suspend, or
14 otherwise work out the payment of any debt, including the date of
15 filing, the name and location of the court, the case, and number
16 of the disposition.

17 (g) Whether a person filing a response has filed, or been
18 served with, a complaint or other notice filed with any public
19 body regarding the delinquency in the payment of any tax required
20 under federal, state, or local law, including the amount, type of
21 tax, the taxing agency, and time periods involved.

22 (h) A statement listing the names and titles of all public
23 officials or officers of any city, state, or federal body,
24 agency, or entity and relatives of the officials who, directly or
25 indirectly, own any financial interest in, have any beneficial
26 interest in, are the creditors of, or hold or have any interest

1 in or have any contractual or service relationship with, a person
2 filing a response.

3 (i) Whether a person filing a response or the spouse,
4 parent, child, or spouse of a child of a person filing a response
5 has made, directly or indirectly, any political contributions, or
6 any loans, gifts, or other payments to any board member or any
7 candidate as defined in section 7b or officeholder elected in
8 this state or to a committee established under the Michigan cam-
9 paign finance act, 1976 PA 388, MCL 169.201 to 169.282, within 5
10 years before the date of filing the application, including the
11 amount and the method of payment.

12 (j) The name and business telephone number of the counsel
13 representing a person filing a response.

14 (k) A summary of the development agreement proposal with the
15 city, including the applicant's proposed location, the square
16 footage of any proposed casino, the type of additional facili-
17 ties, restaurants, or hotels proposed by the person filing a
18 response, the expected economic benefit to the city, anticipated
19 or actual number of employees, any statement from the applicant
20 regarding compliance with federal and state affirmative action
21 guidelines, projected or actual admissions, and projected or
22 actual adjusted gross receipts.

23 (l) A description of the product or service to be supplied
24 by, or occupation to be engaged in by, a person filing a
25 response.

26 (5) Notwithstanding the provisions of this section, the
27 board or the city may cooperate with and provide all information,

1 records, interviews, reports, statements, memoranda, or other
2 data supplied to or used by the board to other jurisdictions or
3 law enforcement agencies.

4 Sec. 14. (1) ~~Within~~ NOT MORE THAN 30 days after the end
5 of each quarter of each fiscal year, each casino licensee shall
6 transmit to the board and to the city an audit of the financial
7 condition of the licensee's total operations. All audits shall
8 be conducted by A certified public accountant in a manner and
9 form prescribed by the board. Each certified public accountant
10 shall be registered in the state of Michigan under article 7 of
11 the occupational code, 1980 PA 299, MCL 339.701 to 339.715. The
12 compensation for each certified public accountant shall be paid
13 directly by the licensee to the certified public accountant.

14 (2) NOT MORE THAN 30 DAYS AFTER THE END OF EACH FISCAL YEAR,
15 EACH CASINO LICENSEE SHALL REPORT TO THE BOARD BOTH OF THE
16 FOLLOWING:

17 (A) THE CASINO LICENSEE'S TOTAL REVENUE FROM ITS GAMBLING
18 OPERATION DURING THE FISCAL YEAR.

19 (B) THE AVERAGE ODDS OF WINNING EACH GAMBLING GAME OFFERED
20 IN ITS GAMBLING OPERATION DURING THE FISCAL YEAR.