

DRAFT 7

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:

4 (a) "Account-level betting information" means _____.

5 (b) "Adjusted gross sports betting receipts" means a sports
6 betting licensee's total gross receipts from sports betting, less



1 all payments to bettors, excise tax payments remitted to the
2 federal government, and voided wagers. Payments to bettors include
3 all payments of cash premiums, merchandise, tokens, redeemable
4 sports betting credits, or any other thing of value.

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

8 (i) Horse racing.

9 (ii) High school sport or high school athletic event.

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

13 (iv) A fantasy contest.

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

17 (e) "Board" means the Michigan gaming control board created
18 under section 4 of the Michigan gaming control and revenue act,
19 1996 IL 1, MCL 432.204.

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

26 (g) "Class III gaming" means that term as defined in 25 USC
27 2703.



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

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

8 (k) "Gambling-related offense" means _____.

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

16 (m) "Gaming facility" means _____.

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

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

25 (p) "License" means any license, applied for or issued by the
26 division under this act, including, but not limited to, any of the
27 following:



1 (i) A license to operate sports betting at a licensed gaming
2 facility.

3 (ii) A license to supply a sports betting licensee with sports
4 betting equipment or services necessary for the operation of sports
5 betting.

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

8 (q) "Licensee" means a person that is issued a license from
9 the division.

10 (r) "Minor" means an individual under the age of 21 years.

11 (s) "National criminal history background check system" means
12 the criminal history record system maintained by the Federal Bureau
13 of Investigation, based on fingerprint identification or any other
14 method of positive identification.

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

22 (u) "Person" means an individual, partnership, corporation,
23 association, limited liability company, federally recognized Indian
24 tribe, or other legal entity. Person does not include this state or
25 any department or agency of this state.

26 (v) "Sports betting" means the business of accepting wagers on
27 athletic events or portions of athletic events, the individual



1 performance statistics of athletes in an athletic event or other
2 events, or a combination of any of the same by a system or method
3 of betting approved by the division, including, but not limited to,
4 mobile applications and other digital platforms that use
5 communications technology to accept wagers. Sports betting
6 includes, but is not limited to, single-game bets, teaser bets,
7 parlays, over-under, moneyline, pools, exchange betting, in-game
8 betting, in-play bets, proposition bets, and straight bets. The
9 term does not include fantasy contests as defined in the fantasy
10 contests consumer protection act.

11 (w) "Sports betting operator" means either of the following:

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

14 (ii) A licensed management services provider that operates
15 sports betting or a sports betting platform on behalf of a casino,
16 or both.

17 (x) "Sports betting platform" means an integrated system of
18 hardware, software, and servers through which a sports betting
19 operator operates, conducts, or offers sports betting. A casino may
20 contract with suppliers and/or management service providers to
21 offer not more than 1 individually branded sports betting platform.

22 (y) "Sports betting supplier" means a person that provides to
23 a sports betting operator goods, software, or services that
24 directly affect betting, play, and the results of sports betting
25 offered under this act. Sports betting supplier does not include a
26 person that provides to a casino or sports betting operator only
27 the goods, software, or services that it also provides to others

1 for a purpose that does not involve sports betting, including, but
2 not limited to, a payment processor or a geolocation service
3 provider.

4 (z) "Sports governing body" means the organization that
5 prescribes final rules and enforces codes of conduct with respect
6 to a sporting event and the participants in the sporting event.

7 (aa) "Sports wager" means cash or cash equivalent that is paid
8 by a bettor to a sports betting operator to participate in sports
9 betting.

10 (bb) "Tier 1 sports bet" means a sports bet that is not a tier
11 2 sports bet.

12 (cc) "Tier 2 sports bet" means a sports bet that meets all of
13 the following conditions:

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

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

17 (iii) Is not a sports bet made between quarters, halves, or
18 periods of a sporting event where the outcome of the sporting event
19 being wagered on is related only to the quarter, half, or period
20 that has yet to commence.

21 Sec. 4. (1) If the board authorizes by rule that a person that
22 holds a casino license under the Michigan gaming control and
23 revenue act, 1996 IL 1, MCL 432.201 to 432.226, may conduct sports
24 betting, sports betting may be conducted only to the extent that it
25 is conducted in accordance with this act. A law that is
26 inconsistent with this act does not apply to sports betting as
27 provided for by this act. This act does not apply to lottery games



1 offered by the bureau of state lottery either through the internet
2 or via its online terminal and network systems.

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

4 Sec. 5. (1) The division of sports betting is established in
5 the board. The division has the powers and duties specified in this
6 act and all other powers necessary to enable it to fully and
7 effectively execute this act to administer, regulate, and enforce
8 the system of sports betting established by this act.

9 (2) The division has jurisdiction over every person licensed
10 by the division and may take enforcement action against a person
11 that is not licensed by the division that offers sports betting in
12 this state.

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

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

22 Sec. 9. (1) Except for sports betting conducted by an Indian
23 tribe under a compact or an amendment to a compact described in
24 section 7, the division has jurisdiction over and shall supervise
25 all sports betting operations governed by this act. The division
26 may do anything necessary or desirable to effectuate this act,
27 including, but not limited to, all of the following:



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

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

7 (c) Develop and enforce testing and auditing requirements for
8 sports betting and sports betting accounts.

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

12 (e) Develop and enforce requirements for accepting internet
13 sports bets.

14 (f) Develop and administer civil fines for licensees that
15 violate this act or the rules promulgated under this act. A fine
16 imposed under this subdivision must not exceed \$5,000.00 per
17 violation.

18 (g) Audit and inspect, on reasonable notice, books and records
19 relevant to sports betting operations, sports betting wagers,
20 sports betting accounts, sports betting games, or internet sports
21 betting platforms, including, but not limited to, the books and
22 records regarding financing and accounting materials held by or in
23 the custody of a licensee.

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

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



1 interviews, reports, statements, memoranda, and other data supplied
2 to or used by the division in the course of any investigation of a
3 licensee confidential and shall use that material only for
4 investigative purposes. The materials described in this subsection
5 are exempt from disclosure under section 13 of the freedom of
6 information act, 1976 PA 442, MCL 15.243.

7 Sec. 10. (1) The division shall promulgate rules governing the
8 administration and conduct of sports betting necessary to carry out
9 this act within 1 year after the effective date of this act. The
10 promulgation of emergency rules does not satisfy the requirement
11 for the promulgation of rules to allow a person to conduct sports
12 betting under this act. The division shall promulgate the rules
13 pursuant to the administrative procedures act of 1969, 1969 PA 306,
14 MCL 24.201 to 24.328. Rules promulgated by the division may
15 include, but are not limited to, the following:

16 (a) The acceptance of wagers on a sports event, other event,
17 or a series of sports events or other events.

18 (b) The development and posting of house rules regarding
19 sports betting.

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

21 (d) Method of issuing tickets.

22 (e) Method of accounting to be used by sports betting
23 licensees.

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

25 (g) Type of system for betting.

26 (h) The ways in which a patron may fund his or her account,
27 that must include, at a minimum, the use of cash, cash equivalents,



1 automated clearing house, debit cards, credit cards, and any other
2 form of payment authorized by the division. As used in this
3 subdivision, "automated clearing house" means a national and
4 governmental organization that has authority to process electronic
5 payments, including, but not limited to, the National Automated
6 Clearing House Association and the federal reserve system.

7 (i) Protections for patrons placing wagers.

8 (j) Requirements to ensure responsible gaming.

9 (k) Procedures for conducting contested case hearings under
10 this act.

11 (2) The division shall determine the eligibility of a person
12 to hold or continue to hold a license, shall issue all licenses,
13 and shall maintain a record of all licenses issued under this act.
14 The division may accept applications, require the payment of
15 application fees for licenses, evaluate qualifications of
16 applicants, and undertake initial review of licenses before
17 promulgation of emergency rules, if applicable, on the effective
18 date of this act.

19 (3) The division shall levy and collect all fees, surcharges,
20 civil penalties, and tax on adjusted gross sports betting receipts
21 imposed by this act and shall provide for the deposit of all fees,
22 surcharges, civil penalties, and tax on adjusted gross sports
23 betting receipts imposed by this act into the fund, except as
24 otherwise provided under this act.

25 (4) The division shall adopt by rule a code of conduct
26 governing division employees that ensures, to the maximum extent
27 possible, that a person subject to this act avoids situations,



1 relationships, or associations that may represent or lead to an
2 actual or perceived conflict of interest.

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

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

16 (7) The division shall charge the following annual license
17 fees:

18 (a) For a sports betting license, \$100,000.00.

19 (b) For a management services provider license, \$50,000.00.

20 (c) For a supplier license, \$5,000.00.

21 (8) The division may use information received from a sports
22 governing body to determine whether to allow either of the
23 following:

24 (a) Betting on a particular event.

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

26 (9) If a sports governing body requests betting information or
27 requests the division to prohibit betting on a particular event or



1 making wagers of a particular type, the division shall grant the
2 request on a demonstration of good cause from the sports governing
3 body. For the purpose of this subsection, "good cause" means the
4 operator has identified suspicious betting activity or the division
5 has begun an investigation regarding suspicious betting activity
6 that, if confirmed, would directly impact the integrity of the
7 sporting event on which the bets are being placed.

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

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

17 (12) Except as provided in subsection (13), sports betting
18 licensees may use any data source to determine the results of
19 sports bets if the data is not obtained directly or indirectly from
20 live event attendees who collect the data in violation of the terms
21 of admittance to an event or through automated computer programs
22 that compile data from the internet in violation of the terms of
23 service of the relevant website or other internet platform.

24 (13) A sports governing body may notify the division that it
25 desires to supply official league data to sports betting licensees
26 for determining the results of tier 2 sports bets. A notification
27 under this subsection must be made in the form and manner as the

1 division may require. Within 30 days after a notification under
2 this subsection by a sports governing body, the division shall
3 determine if official league data is necessary and appropriate to
4 determine the results of tier 2 sports bets. If the division
5 determines that official league data is necessary and appropriate
6 to determine the results of tier 2 sports bets, a licensee shall
7 use only official league data to determine the results of tier 2
8 sports bets unless the licensee can demonstrate to the division
9 that the sports governing body or an entity that is contracted with
10 the sports governing body cannot provide a feed of official league
11 data to the licensee on commercially reasonable terms.

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

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

14 (a) Offer sports betting for play in this state if the person
15 is not a licensee.

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

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

21 (3) The attorney general or a county prosecuting attorney
22 shall bring an action to prosecute a violation of subsection (1),
23 in the attorney general's or prosecuting attorney's discretion, in
24 the county in which the violation occurred.

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



1 division.

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

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

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

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

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

24 (3) An applicant for a license issued under this act shall
25 submit an application to the division in the form the division
26 requires and submit fingerprints for a national criminal records
27 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

1 betting, and has paid any required license fee, the division may
2 authorize the operator to conduct sports betting until a final
3 determination on the sports betting license or management service
4 provider license application is made.

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

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

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

20 (3) A sports betting licensee shall submit to the division the
21 documentation or information as the division may require
22 demonstrating that the licensee continues to meet the requirements
23 of the law and regulations.

24 (4) On application for a license and annually thereafter, a
25 sports betting licensee shall submit to the division an annual
26 audit of the financial transactions and condition of the licensee's
27 total operations prepared by a certified public accountant in



1 accordance with generally accepted accounting principles and
2 applicable federal and state laws.

3 Sec. 16. (1) The division shall not issue a license to an
4 applicant under this act if any of the following apply:

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

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

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

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

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

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

20 (b) The applicant or licensee is not the true owner of the
21 business or is not the sole owner and has not disclosed the
22 existence or identity of other persons who have an ownership
23 interest in the business that are required to be disclosed under
24 this act.

25 (3) For an applicant for a sports betting license, the
26 division may deny a license to an applicant, reprimand a licensee,
27 or suspend or revoke a license if an applicant has not met the



1 requirements of this act.

2 Sec. 17. A sports betting licensee and licensed management
3 service provider shall do all of the following:

4 (a) Employ a monitoring system using software to identify non-
5 normal irregularities in volume or odds swings that could signal
6 suspicious activities which should require further investigation
7 that must be immediately reported and investigated by the division.
8 A monitoring system required under this subdivision must be
9 developed according to sports betting industry standards.

10 (b) Promptly report to the division any facts or circumstances
11 related to the operation of a sports betting licensee or licensed
12 management service provider that constitute a violation of state or
13 federal law and immediately report any suspicious betting over a
14 threshold set by the licensee that has been approved by the
15 division to the appropriate state or federal authorities.

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

19 (d) Keep current in all payments and obligations to the
20 division.

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

23 (f) Ensure that sports betting conducted at a licensed gaming
24 facility is within the sight and control of designated employees of
25 the licensee and the betting at the facility or otherwise available
26 by the licensee is conducted under continuous observation by
27 security equipment in conformity with specifications and



1 requirements of the division.

2 (g) Ensure that sports betting occurs only in the specific
3 locations within designated gaming areas approved by the division
4 or using a division-approved mobile application or other digital
5 platform that uses communications technology to accept wagers
6 originating within this state, or originating in a state or
7 jurisdiction with which the division has entered into a sports
8 betting agreement.

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

11 (i) Maintain daily records showing the gross sports betting
12 receipts and adjusted gross sports betting receipts of the licensee
13 from sports betting and shall timely file with the division any
14 additional reports required by rule or by other provisions of this
15 act.

16 Sec. 18. (1) A sports betting licensee who also holds a
17 license to conduct internet gaming may offer sports betting via the
18 internet. A sports betting licensee that does not hold a license to
19 conduct internet gaming must apply for and be granted a license as
20 an internet gaming operator, under the lawful internet gaming act,
21 before offering sports betting via the internet.

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

26 (3) A sports wager conducted via the internet received by a
27 sports betting operator is considered to be gambling or gaming that



1 is conducted in the sports betting operator's casino located in
2 this state, regardless of the authorized participant's location,
3 within this state, at the time the authorized participant initiates
4 or otherwise places the sports wager.

5 Sec. 19. (1) A sports betting operator that conducts sports
6 betting at a location other than a casino operated by an Indian
7 tribe is subject to a tax at a rate equal to 8% on the adjusted
8 gross sports betting receipts received by the operator from sports
9 betting conducted under this act. If adjusted gross receipts for a
10 month is a negative number because the winnings paid to patrons
11 exceeds the licensee's total gross receipts from sports wagering by
12 patrons, the licensee may carry over the negative amount to returns
13 filed for subsequent months.

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

17 (3) The tax imposed under subsection (1) must be allocated as
18 follows:

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

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

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

26 (iii) Public safety programs such as emergency medical
27 services, fire department programs, and street lighting in that



1 city.

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

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

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

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

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

9 (b) Fifty-five percent to the state to be deposited in the
10 fund.

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

14 (d) Five percent to be deposited in the Michigan
15 transportation fund created under section 10 of 1951 PA 51, MCL
16 247.660, to be disbursed as provided in section 10(1)(l) of 1951 PA
17 51, MCL 247.660.

18 (e) Five percent to the Michigan agriculture equine industry
19 development fund created under section 20 of the horse racing law
20 of 1995, 1995 PA 279, MCL 431.320. However, if the 5% allocated
21 under this subparagraph to the Michigan agriculture equine industry
22 development fund created under section 20 of the horse racing law
23 of 1995, 1995 PA 279, MCL 431.320, exceeds \$3,000,000.00 in a
24 fiscal year, the amount in excess of \$3,000,000.00 must be
25 allocated and deposited in the fund created under section 11.

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



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

6 (3) The board is the administrator of the fund for auditing
7 purposes.

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

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

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

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

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

20 (a) House Bill No. 4308.

21 (b) House Bill No. 4311.