

**STATE OF MICHIGAN
THE MICHIGAN GAMING CONTROL BOARD**

RESOLUTION NO. 2004-04

A Board Resolution to provide criteria upon which supplier license applicants who have made political contributions during the application period may be granted waivers of Board Rule 432.1324(2)(l) which requires that applicants who have withdrawn an application must wait one year before reapplying for licensure.

WHEREAS, the Michigan Gaming Control Board ("Board") is empowered by the Michigan Gaming Control and Revenue Act, as amended, Public Act 69 of 1997, MCL 432.201 *et seq.* ("Act") to promulgate rules as may be necessary to implement, administer, and enforce the Act; and,

WHEREAS, the Board has adopted and promulgated administrative rules ("Rules") with respect to the licensing of persons providing goods and services to casinos licensed under the Act and Rules; and,

WHEREAS, Section 7b of the Gaming Control and Revenue Act prohibits casino and supplier licensees, and persons with an interest in a licensee or casino enterprise, from making political contributions and, by its terms, prohibits political contributions not only during the application process, but also one year before applying for a license; and,

WHEREAS, the prohibition against political contributions applies only to licensees, persons with an interest in a licensee, and to casino enterprises, and does not apply to applicants unless their application is subsequently granted; and,

WHEREAS, applicants identified by the Board as having a deficiency that would require denial of a license are to be given a reasonable period of time to correct the deficiency under MCL 432.206a, and this deficiency can be corrected by withdrawing an application and reapplying; and,

WHEREAS, Board Rule 432.1324, in subsections (2)(k) and (l), allows a supplier license application to be withdrawn and allows reapplication, but only one year after the withdrawal; and,

WHEREAS, Rule 432.1223 provides that the Board “may, in writing, waive, restrict, or alter any requirement or procedure set forth in these rules, if the board determines that the requirement or procedure is impractical or burdensome, that the waiver, restriction, or alteration is in the best interest of the public and the gaming industry, and that the waiver, restriction, or alteration is not outside the technical requirements necessary to serve the purpose of the requirement or procedure”; and,

WHEREAS, the Board believes that the Legislature adopted Section 7b of the Gaming Control and Revenue Act to prevent the use of political contributions to influence the licensing of, regulation of, or legislation, affecting casino gaming authorized under this act; and,

WHEREAS, the Board recognizes that a number of applicants have made political contributions during the application process without realizing that they would be prohibited contributions if they should subsequently become licensees, and without having any intention to influence the licensing of, regulation of, or legislation affecting casino gaming under the Michigan Gaming Control and Revenue Act and, as a result, have been faced with severe consequences, including having to withdraw their application and wait one year to reapply or to be denied a license if they choose to remain applicants; NOW THEREFORE,

IT IS HEREBY RESOLVED THAT:

The Board may waive the one-year period for reapplication, and fees for the reapplication, if it is determined that the political contribution(s) was not made with the intent of influencing the supplier licensing process or to influence any licensing, regulation or legislation related to the Gaming Control and Revenue Act. Criteria that will be considered by the Board include, but are not limited to, the following:

- a. The amount of the contribution(s); and,
- b. The frequency and timing of contributions: and,
- c. Whether the contribution(s) has been returned or whether reasonable attempts were made to retrieve it; and,
- d. Whether there was a prior existing relationship between the applicant and the candidate; and,
- e. Whether there are any other factors that would indicate that the contribution was given with the intention to influence the licensing of, regulation of, or legislation affecting, the casino gaming authorized under the Michigan Gaming Control and Revenue Act.

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ADOPTED AND ISSUED THIS 10TH DAY OF AUGUST 2004

STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD

Damian S. Kassab, Chair

Attest

Received and Filed:

Patricia S. James
Board Secretary