

# HOUSE BILL No. 4064

February 2, 1989, Introduced by Rep. Scott and referred to the Committee on State Affairs.

A bill to amend sections 2, 4, 5, 7a, and 10 of Act No. 382 of the Public Acts of 1972, entitled as amended "Traxler-McCauley-Law-Bowman bingo act," sections 2, 4, 5, and 10 as amended and section 7a as added by Act No. 229 of the Public Acts of 1981, being sections 432.102, 432.104, 432.105, 432.107a, and 432.110 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Sections 2, 4, 5, 7a, and 10 of Act No. 382 of  
2 the Public Acts of 1972, sections 2, 4, 5, and 10 as amended and  
3 section 7a as added by Act No. 229 of the Public Acts of 1981,  
4 being sections 432.102, 432.104, 432.105, 432.107a, and 432.110  
5 of the Michigan Compiled Laws, are amended to read as follows:

6       Sec. 2. (1) "Bingo" means that specific kind of game of  
7 chance commonly known as bingo in which prizes are awarded on the

1 basis of designated numbers or symbols on a card conforming to  
2 numbers or symbols selected at random.

3 (2) "Bureau" means the bureau of state lottery as created by  
4 THE MCCAULEY-TRAXLER-LAW-BOWMAN-MCNEELY LOTTERY ACT, Act No. 239  
5 of the Public Acts of 1972, as amended, being sections 432.1 to  
6 432.47 of the Michigan Compiled Laws.

7 (3) "Charity game" means the random resale, BY A QUALIFIED  
8 ORGANIZATION, of a series of charity game tickets PURCHASED by  
9 ~~a~~ THE qualified organization ~~which has purchased the charity~~  
10 ~~game tickets~~ from the bureau or a licensed supplier, AND RESOLD  
11 PURSUANT TO A SPECIAL CHARITY GAME LICENSE OR in conjunction with  
12 a licensed bingo game or a licensed millionaire party.

13 (4) "Charity game ticket" means a ticket which is approved  
14 and acquired by the bureau and is distributed and sold by the  
15 bureau or a licensed supplier to a qualified organization for  
16 random resale in conjunction with a licensed bingo game or a  
17 licensed millionaire party, OR PURSUANT TO A SPECIAL CHARITY GAME  
18 LICENSE, whereby, upon removal of a portion of the ticket to dis-  
19 cover whether the ticket is a winning ticket, the purchaser may  
20 be awarded a prize. These tickets are commonly referred to as  
21 "break open tickets".

22 (5) "Commissioner" means the commissioner of state lottery  
23 ~~as defined by section 3~~ APPOINTED PURSUANT TO SECTION 7 of Act  
24 No. 239 of the Public Acts of 1972, BEING SECTION 432.7 OF THE  
25 MICHIGAN COMPILED LAWS.

26 (6) "Equipment" means the receptacle and numbered objects  
27 drawn from it, the master board upon which such objects are

1 placed as drawn, the cards or sheets bearing numbers or other  
2 designations to be covered and the objects used to cover them,  
3 and the boards or signs, however operated, used to announce or  
4 display the numbers or designations as they are drawn. Equipment  
5 includes devices and materials customarily used in the operation  
6 of a gambling casino on those occasions when a license for the  
7 operation of a millionaire party is issued.

8       (7) "Location" means a single building, hall, enclosure, or  
9 outdoor area used for the purpose of playing bingo, or conducting  
10 a millionaire party pursuant to a license issued under this act.

11       (8) "Special occasion" means a single gathering or session  
12 at which a series of successive bingo games or other gambling  
13 events authorized by this act are played pursuant to a special  
14 license FOR CONDUCTING BINGO issued under section 7.

15       (9) "Millionaire party" means an event at which wagers are  
16 placed upon games of chance customarily associated with a gambl-  
17 ing casino through the use of imitation money which has a nominal  
18 value that is greater than the value of the currency for which it  
19 was exchanged or is exchangeable.

20       Sec. 4. (1) Each applicant for a SPECIAL CHARITY GAME  
21 LICENSE OR A license to conduct bingo or a millionaire party  
22 shall submit to the commissioner a written application prepared  
23 pursuant to and on a form prescribed by rule of the  
24 commissioner.

25       (2) The application shall include ALL OF THE FOLLOWING:

26       (a) The name and address of the applicant organization.

1 (b) The name and address of its officers.

2 (c) The location at which the applicant will conduct bingo  
3 or a millionaire party, IF THE APPLICANT IS APPLYING FOR A BINGO  
4 OR MILLIONAIRE PARTY LICENSE.

5 (d) The day of the week on which the applicant will conduct  
6 bingo if a bingo license has been applied for, or the days of the  
7 year, not to exceed 2 nonconsecutive days or 3 consecutive days a  
8 year, except as provided in section 5(7), on which the applicant  
9 will conduct the millionaire party if a millionaire party license  
10 has been applied for.

11 (e) The member or members, of not less than 6 months, of the  
12 applicant organization under whom the bingo games or the million-  
13 aire party will be conducted, OR UNDER WHOM CHARITY GAME TICKETS  
14 WILL BE SOLD PURSUANT TO A SPECIAL CHARITY GAME LICENSE.

15 (f) Sufficient facts relating to its incorporation or orga-  
16 nization to enable the commissioner to determine whether the  
17 applicant is a qualified organization.

18 (g) A sworn statement attesting to the nonprofit character  
19 of the applicant organization, signed by the presiding officer  
20 and the secretary of that organization.

21 (h) Other information considered advisable by the  
22 commissioner.

23 (3) A qualified organization which is licensed to conduct a  
24 bingo game or a millionaire party may BE AUTHORIZED TO also sell  
25 charity game tickets and conduct a charity game at the time and  
26 location of and in conjunction with the licensed bingo game or  
27 licensed millionaire party, ~~--- An additional license ---~~ AND shall

1 not be required to OBTAIN AN ADDITIONAL LICENSE TO sell charity  
2 game tickets or to conduct a charity game, but ~~a qualified orga-~~  
3 ~~nization which seeks to conduct a charity game~~ shall pay the  
4 bureau such fees as the commissioner may determine. A QUALIFIED  
5 ORGANIZATION MAY CONDUCT A CHARITY GAME NOT IN CONJUNCTION WITH A  
6 LICENSED BINGO GAME OR LICENSED MILLIONAIRE PARTY IF THE QUALI-  
7 FIED ORGANIZATION FIRST OBTAINS A SPECIAL CHARITY GAME LICENSE  
8 UNDER SECTION 7A(2).

9       Sec. 5. (1) Upon a determination by the commissioner that  
10 the applicant is a qualified organization and is not ineligible  
11 pursuant to section 18, and upon the applicant's payment to the  
12 bureau of a fee of \$150.00, the commissioner may issue a license  
13 for the conducting of bingo to the applicant. A license may be  
14 reissued annually upon the submitting of an application for reis-  
15 suance provided by the commissioner and upon the licensee's pay-  
16 ment of \$150.00. A license ISSUED AFTER FEBRUARY 28, 1989, BUT  
17 BEFORE MARCH 1, 1990, expires at midnight on ~~the last day of~~  
18 February 28, 1990. BEGINNING MARCH 1, 1990, THE COMMISSIONER  
19 SHALL ESTABLISH A PROGRAM FOR DISTRIBUTING LICENSE EXPIRATION  
20 DATES EVENLY THROUGHOUT THE YEAR. FEES FOR LICENSES ISSUED FOR  
21 PERIODS OTHER THAN 1 YEAR SHALL BE \$12.50 MULTIPLIED BY THE  
22 NUMBER OF FULL OR PARTIAL MONTHS REMAINING UNTIL THE EXPIRATION  
23 OF THE LICENSE. AFTER LICENSE EXPIRATION DATES ARE DISTRIBUTED  
24 PURSUANT TO THIS SUBSECTION, LICENSES MAY BE RENEWED FOR 1 YEAR  
25 EACH.

26       (2) A qualified organization not ineligible pursuant to  
27 section 18 may be licensed by the commissioner, upon the

1 applicant's payment to the bureau of a fee of \$55.00 to conduct  
2 bingo on the same day each week. The aggregate retail value of  
3 all prizes or merchandise awarded on a single day shall not  
4 exceed \$300.00, with the prize for each game not to exceed \$25.00  
5 in value.

6 (3) A licensee may hold only 1 license and that license is  
7 valid for only 1 location. Not more than 7 licensees may conduct  
8 bingo during a 7-day period at any 1 location.

9 (4) A license is not assignable or transferable.

10 (5) Upon a determination by the commissioner that the appli-  
11 cant is a qualified organization and is not ineligible pursuant  
12 to section 18, and upon the applicant's payment to the bureau of  
13 a fee as set forth in this subsection, the commissioner may issue  
14 to the applicant a license for the conducting of a millionaire  
15 party. ~~A license may be reissued annually upon the submitting~~  
16 ~~of an application for reissuance provided by the commissioner and~~  
17 ~~upon the licensee's payment of a fee as set forth in this~~  
18 ~~subsection. A licensee may hold only 1 license for the conduct~~  
19 ~~ing of a millionaire party. That~~ A license shall be valid for  
20 only 1 location and is not assignable or transferable. ~~Except~~  
21 ~~as provided in subsection (7), the~~ THE duration of the gambling  
22 event shall not exceed ~~24~~ THE hours ~~for each day for the 2~~  
23 ~~nonconsecutive days or 72 hours for the 3 consecutive day period~~  
24 LISTED ON THE LICENSE. A fee of \$50.00 shall be charged for a  
25 license issued for each day for the ~~2~~ 4 nonconsecutive days. A  
26 fee of \$100.00 shall be charged for a license issued for ~~the~~ A  
27 3 consecutive day period. An applicant shall be eligible ~~only~~

1 for ~~two 24-hour~~ NOT MORE THAN FOUR 1-DAY licenses or one  
2 ~~72-hour~~ 3-DAY license per ~~year~~ LICENSING PERIOD BEGINNING  
3 MARCH 1 AND ENDING THE LAST DAY OF FEBRUARY. Only one ~~72-hour~~  
4 3-DAY license shall be issued at the same location in a 7-day  
5 period.

6 (6) A qualified organization may concurrently hold a bingo  
7 license and a millionaire party license, and may conduct charity  
8 games in conjunction with its functions and pursuant to this act  
9 under either a bingo license or a millionaire party license.

10 (7) Upon application the commissioner may issue a license  
11 for a period which exceeds the ~~72-hour~~ 3-DAY period set forth  
12 in subsection (5). If an extension is granted it shall not  
13 exceed ~~24-hours~~ 1 ADDITIONAL DAY. A fee of \$50.00 shall be  
14 charged for each additional ~~24-hour~~ 1-DAY period.

15 (8) If not ineligible pursuant to section 18, a qualified  
16 organization eligible pursuant to section 3 may apply for a mil-  
17 lionaire party license to conduct a raffle for a fee as specified  
18 in ~~section 5(5)~~ SUBSECTION (5). No other games of chance will  
19 be required. A qualified organization may, by rule of the com-  
20 missioner, be excused from the requirement of obtaining a license  
21 to conduct a raffle if the total aggregate market value of the  
22 prize or prizes to be awarded in the raffle exceeds \$100.00 but  
23 does not exceed \$500.00. However, in lieu of the license, a  
24 qualified organization shall register the raffle on a form pro-  
25 vided by the bureau and pay a fee, as may be determined by the  
26 commissioner, to cover the cost of registration. Whether  
27 licensed or registered, a qualified organization shall comply

1 with the requirements of sections 9 and 10, and with rules  
2 promulgated pursuant to the authority granted in sections 12 and  
3 13. If at a single gathering all raffle tickets are sold and the  
4 drawing is held and the total aggregate market value of the prize  
5 or prizes to be awarded is \$100.00 or less, then the qualified  
6 organization is excused from the requirements of obtaining a  
7 license and registering with the commissioner under this act.

8       Sec. 7a. (1) The bureau may authorize a qualified organi-  
9 zation WHICH DOES NOT HOLD A VALID SPECIAL CHARITY GAME LICENSE  
10 ISSUED PURSUANT TO SUBSECTION (2), BUT WHICH IS licensed to con-  
11 duct a bingo game or a millionaire party, to conduct a charity  
12 game in conjunction with and at the time and location of the  
13 licensed bingo game or the licensed millionaire party.

14       (2) UPON SPECIAL APPLICATION SUBMITTED BY A QUALIFIED ORGA-  
15 NIZATION, AND UPON PAYMENT OF A FEE DETERMINED BY THE COMMISSION-  
16 ER, THE COMMISSIONER MAY ISSUE A SPECIAL CHARITY GAME LICENSE TO  
17 CONDUCT, FOR 1 OR MORE DAYS, A CHARITY GAME WHICH IS NOT CON-  
18 DUCTED IN CONJUNCTION WITH A BINGO GAME OR A MILLIONAIRE PARTY.  
19 IF THE QUALIFIED ORGANIZATION HOLDS A LIQUOR LICENSE ISSUED BY  
20 THE MICHIGAN LIQUOR CONTROL COMMISSION PURSUANT TO THE MICHIGAN  
21 LIQUOR CONTROL ACT, ACT NO. 8 OF THE PUBLIC ACTS OF THE EXTRA  
22 SESSION OF 1933, BEING SECTIONS 436.1 TO 436.58 OF THE MICHIGAN  
23 COMPILED LAWS, THE COMMISSIONER MAY ISSUE A SPECIAL CHARITY GAME  
24 LICENSE FOR THE SALE OF CHARITY GAME TICKETS DURING THE HOURS  
25 STATED ON THE LIQUOR LICENSE FOR THE SALE OF LIQUOR.

26       (3) ~~-(2)-~~ All charity game tickets used in the conduct of a  
27 charity game shall be purchased by the qualified organization



1 from the bureau or a licensed supplier. The bureau shall  
2 determine the number of charity game tickets that constitute a  
3 charity game. The bureau also shall determine the price at which  
4 the qualified organization shall resell each charity game ticket  
5 and shall have that price printed on each charity game ticket.

6 (4) ~~(3)~~ The bureau or a licensed supplier shall sell char-  
7 ity game tickets to a qualified organization ~~—~~ which is eligi-  
8 ble to conduct a charity game ~~—~~ at a percentage to be deter-  
9 mined by the bureau, of the gross revenues which are realized by  
10 the resale of all the charity game tickets for that game at the  
11 price established by the bureau. The percentage retained by the  
12 qualified organization shall be equal to the percentage received  
13 by the bureau for the sale of charity game tickets. A qualified  
14 organization which conducts a charity game shall be solely  
15 responsible for paying prizes won by purchasers of winning char-  
16 ity game tickets. When all charity game tickets are resold for  
17 that game, prizes distributed shall have an aggregate value of,  
18 as near as practicable, not less than 60% of the resale value of  
19 all the charity game tickets for that charity game.

20 (5) ~~(4)~~ The bureau shall determine the number of winning  
21 charity game tickets provided on a random basis for resale for  
22 any 1 charity game and shall establish the value of the prize won  
23 by each winning charity game ticket.

24 (6) ~~(5)~~ A charity game ticket shall not have a price for  
25 resale by a qualified organization of less than 30 cents and a  
26 charity game shall not have a single maximum prize exceeding  
27 \$200.00.

1       (7) ~~-(6)-~~ The bureau shall have a bureau control number for  
2 identification purposes imprinted upon each charity game ticket.

3       (8) ~~-(7)-~~ A value of prizes awarded for a charity game shall  
4 not be included within the prize limitations of a licensed bingo  
5 game or millionaire party in conjunction with which the charity  
6 game is held.

7       (9) ~~-(8)-~~ A charity game ticket shall not be sold to a  
8 person under 18 years of age. This subsection shall not prohibit  
9 the purchase of a charity game ticket by a person 18 years of age  
10 or older for the purpose of making a gift to a person under 18  
11 years of age, and shall not prohibit a person under 18 years of  
12 age from receiving a prize or prizes won in a charity game con-  
13 ducted pursuant to this act.

14       (10) ~~-(9)-~~ A qualified organization eligible to conduct a  
15 charity game shall not advertise the event, except to the extent  
16 and in the manner permitted by rule of the commissioner.

17       Sec. 10. (1) A person other than a bona fide member of the  
18 qualified organization shall not participate in the management of  
19 bingo, a millionaire party, or a charity game. Persons other  
20 than bona fide members of the qualified organization may partici-  
21 pate in the operation of bingo, a millionaire party, or a charity  
22 game as provided by rule of the commissioner.

23       (2) A person shall not receive any commission, salary, pay,  
24 profit, or wage for participating in the management or operation  
25 of bingo, a millionaire party, or a charity game except as pro-  
26 vided by rule of the commissioner.

1 (3) Except by special permission of the commissioner, bingo,  
2 a millionaire party, or a charity game shall not be conducted  
3 with any equipment which is not owned, being purchased, or being  
4 rented at a reasonable rate by the qualified organization.

5 (4) Except as provided in section 5(2), the aggregate retail  
6 value of all prizes or merchandise awarded in a single day of  
7 bingo shall not exceed \$2,000.00, and the prize awarded for 1  
8 game shall not exceed \$500.00 cash or its equivalent. A prize of  
9 merchandise shall not be redeemable or convertible into cash  
10 directly or indirectly.

11 (5) A licensee shall not advertise bingo except to the  
12 extent and in the manner permitted by rule of the commissioner.  
13 If the commissioner permits a licensee to advertise bingo, the  
14 licensee shall indicate in the advertisement the purposes for  
15 which the net proceeds will be used by the licensee.

16 (6) Except as provided in section 10a(c), the aggregate  
17 market value of all prizes or merchandise awarded in 1 day of a  
18 millionaire party shall not exceed ~~-\$2,000.00-~~ \$3,000.00. A  
19 person participating in the event shall not be awarded prizes or  
20 merchandise having an aggregate value greater than \$500.00.  
21 Personal limitation on winnings shall be given at the location of  
22 the event. A prize of merchandise shall not be redeemable or  
23 convertible into cash directly or indirectly.

24 (7) A millionaire party may be described in the licensee's  
25 advertising as a Las Vegas party. The holder of a millionaire  
26 party license shall not advertise the event, except to the extent  
27 and in the manner permitted by rule of the commissioner. If the

1 commissioner permits a licensee to advertise the event, the  
2 licensee shall indicate in the advertising the purposes for which  
3 the net proceeds will be used by the licensee, and shall give  
4 notice of the \$500.00 personal limitation on winnings required by  
5 subsection (6).

6       (8) A PERSON SHALL NOT CONDUCT OR ADVERTISE THE CONDUCTING  
7 OF A GAME OF BINGO, MILLIONAIRE PARTY, CHARITY GAME, RAFFLE, OR  
8 OTHER GAMBLING EVENT REGULATED UNDER THIS ACT AS A MEANS OF  
9 INDUCING OR ATTEMPTING TO INDUCE ANOTHER TO VOTE IN ANY ELECTION,  
10 PRIMARY ELECTION, SPECIAL ELECTION, OR SPECIAL PRIMARY ELECTION  
11 REGULATED UNDER THE MICHIGAN ELECTION LAW, ACT NO. 116 OF THE  
12 PUBLIC ACTS OF 1954, BEING SECTIONS 168.1 TO 168.992 OF THE  
13 MICHIGAN COMPILED LAWS. THIS SUBSECTION DOES NOT APPLY TO A CAN-  
14 DIDATE COMMITTEE AS DEFINED IN SECTION 3 OF ACT NO. 388 OF THE  
15 PUBLIC ACTS OF 1976, BEING SECTION 169.203 OF THE MICHIGAN  
16 COMPILED LAWS.