

# HOUSE BILL No. 5017

July 28, 1989, Introduced by Rep. Varga and referred to the Committee on State Affairs.

A bill to amend sections 2, 3, 4, 5, 6, 7a, 8, 9, 10, 12, 13, 14, 17, 18, and 19 of Act No. 382 of the Public Acts of 1972, entitled as amended

"Traxler-McCauley-Law-Bowman bingo act,"

sections 2, 3, 4, 5, 8, 9, 10, 12, 13, 14, 18, and 19 as amended and section 7a as added by Act No. 229 of the Public Acts of 1981, being sections 432.102, 432.103, 432.104, 432.105, 432.106, 432.107a, 432.108, 432.109, 432.110, 432.112, 432.113, 432.114, 432.117, 432.118, and 432.119 of the Michigan Compiled Laws; and to add sections 1a and 17a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 2, 3, 4, 5, 6, 7a, 8, 9, 10, 12, 13,  
2 14, 17, 18, and 19 of Act No. 382 of the Public Acts of 1972,  
3 sections 2, 3, 4, 5, 8, 9, 10, 12, 13, 14, 18, and 19 as amended  
4 and section 7a as added by Act No. 229 of the Public Acts of

1 1981, being sections 432.102, 432.103, 432.104, 432.105, 432.106,  
2 432.107a, 432.108, 432.109, 432.110, 432.112, 432.113, 432.114,  
3 432.117, 432.118, and 432.119 of the Michigan Compiled Laws, are  
4 amended and sections 1a and 17a are added to read as follows:

5       SEC. 1A. FOR PURPOSES OF THIS ACT, THE WORDS AND PHRASES  
6 DEFINED IN SECTIONS 2 AND 3 HAVE THE MEANINGS ASCRIBED TO THEM IN  
7 THOSE SECTIONS.

8       Sec. 2. (1) "Bingo" means that specific kind of game of  
9 chance commonly known as bingo in which prizes are awarded on the  
10 basis of designated numbers or symbols on a card conforming to  
11 numbers or symbols selected at random.

12       (2) "Bureau" means the bureau of state lottery as created by  
13 THE MCCAULEY-TRAXLER-LAW-BOWMAN-MCNEELY LOTTERY ACT, Act No. 239  
14 of the Public Acts of 1972, as amended, being sections 432.1 to  
15 432.47 of the Michigan Compiled Laws.

16       (3) "Charity game" means the random resale, BY A QUALIFIED  
17 ORGANIZATION, of a series of charity game tickets PURCHASED by  
18 ~~a~~ THE qualified organization ~~which has purchased the charity~~  
19 ~~game tickets~~ from ~~the bureau or~~ a licensed ~~supplier~~  
20 DISTRIBUTOR AND RESOLD in conjunction with a licensed bingo game,  
21 ~~or~~ a licensed millionaire party, OR PURSUANT TO A SEPARATE  
22 CHARITY GAME LICENSE. A SINGLE COMPLETE CHARITY GAME IS COMMONLY  
23 REFERRED TO AS A "DEAL".

24       (4) "Charity game ticket" means a ticket which is approved  
25 ~~and acquired~~ by the bureau and is distributed and sold by ~~the~~  
26 ~~bureau or~~ a licensed ~~supplier~~ DISTRIBUTOR to a qualified  
27 organization for random resale. ~~in conjunction with a licensed~~

1 ~~bingo game or a licensed millionaire party whereby upon removal~~  
2 ~~of a portion of the ticket to discover whether the ticket is a~~  
3 ~~winning ticket the purchaser may be awarded a prize.~~ These tick-  
4 ets are commonly referred to as "break open tickets" AND "JAR  
5 TICKETS".

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

10 (6) "Equipment" means the BINGO receptacle and numbered  
11 objects drawn from it, the master board upon which such objects  
12 are placed as drawn, the cards or sheets bearing numbers or other  
13 designations to be covered and the objects used to cover them,  
14 and the boards or signs, however operated, used to announce or  
15 display the numbers or designations as they are drawn. Equipment  
16 includes devices AND GAMBLING-RELATED SUPPLIES and materials cus-  
17 tomarily used OR INTENDED FOR USE in the operation of a ~~gambling~~  
18 ~~casino on those occasions when a license for the operation of a~~  
19 ~~millionaire party is issued~~ BINGO, CHARITY GAME, OR MILLIONAIRE  
20 PARTY.

21 (7) "Location" means a single building, hall, enclosure, or  
22 outdoor area used for the purpose of ~~playing bingo, or conduct-~~  
23 ~~ing a millionaire party~~ AN EVENT pursuant to a license issued  
24 under this act.

25 (8) "Special occasion" means a single gathering or session  
26 at which a series of successive bingo games or other gambling

1 events authorized by this act are played pursuant to a special  
2 license issued under section 7.

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

8 (10) "DISTRIBUTOR" MEANS A PERSON WHO OBTAINS ANY EQUIPMENT  
9 OR CHARITY GAME TICKETS FOR USE IN AUTHORIZED GAMING ACTIVITIES  
10 FROM ANY PERSON AND SELLS OR OTHERWISE FURNISHES THE EQUIPMENT OR  
11 CHARITY GAME TICKETS TO ANOTHER PERSON FOR RESALE, DISPLAY, OPER-  
12 ATION OR USE. DISTRIBUTOR SHALL NOT INCLUDE PERSONS WHO SELL  
13 CHIPS, DAUBERS, AND BINGO GAMES FOR HOME USE ONLY IF SUCH SALES  
14 ARE AN INCIDENTAL PORTION OF THEIR BUSINESS AND SALES ARE NOT  
15 MADE TO PERSONS LICENSED UNDER THIS ACT.

16 (11) "MANUFACTURER" MEANS A PERSON WHO MANUFACTURES, FABRI-  
17 CATES FOR SALE, OR OFFERS FOR SALE ANY BINGO SHEETS OR CHARITY  
18 GAME TICKETS FOR RESALE OR USE IN AUTHORIZED GAMING ACTIVITIES.

19 Sec. 3. (1) "Educational organization" means an organi-  
20 zation within this state, not for pecuniary profit, whose primary  
21 purpose is educational in nature and designed to develop the  
22 capabilities of individuals by instruction in any public or pri-  
23 vate elementary or secondary school which complies with THE  
24 SCHOOL CODE OF 1976, Act No. 451 of the Public Acts of 1976, as  
25 amended, being sections 380.1 to 380.1852 of the Michigan  
26 Compiled Laws, ~~or any private or public college or~~

1 university, OR ANY PRIVATE COLLEGE OR UNIVERSITY not for  
2 pecuniary profit, and approved by the state board of education.

3 (2) "Fraternal organization" means an organization within  
4 this state, except college fraternities OR SORORITIES, not for  
5 pecuniary profit, which is a branch, lodge, or chapter of a  
6 national or state organization and exists for the common busi-  
7 ness, brotherhood, SISTERHOOD, or other interests of its  
8 members.

9 (3) "Licensee" means a qualified organization licensed pur-  
10 suant to this act.

11 (4) "Member" means an individual who qualified for member-  
12 ship in a qualified organization pursuant to its bylaws, articles  
13 of incorporation, charter, rules, or other written statement.

14 (5) "Person" means a natural person, firm, association, cor-  
15 poration, or other legal entity.

16 (6) "Qualified organization" means a bona fide religious,  
17 educational, service, senior citizens, fraternal, or veterans'  
18 organization which operates without profit to its members and  
19 which either has been in existence continuously as such an orga-  
20 nization for a period of 5 years or is exempt from taxation  
21 imposed by THE SINGLE BUSINESS TAX ACT, Act No. 228 of the Public  
22 Acts of 1975, as amended, being sections 208.1 to 208.145 of the  
23 Michigan Compiled Laws. Qualified organization shall also  
24 include a candidate committee as defined by, and which is orga-  
25 nized pursuant to, Act No. 388 of the Public Acts of 1976, as  
26 amended, being sections 169.201 to 169.282 of the Michigan  
27 Compiled Laws.

1 (7) "Religious organization" means an organization, church,  
2 body of communicants, or group, not for pecuniary profit, gath-  
3 ered in common membership for mutual support and edification in  
4 piety, worship, and religious ~~observances~~ OBSERVANCES; or any  
5 society, not for pecuniary profit, of individuals united for  
6 religious purposes at a definite place; or a church related pri-  
7 vate school, not for pecuniary profit.

8 (8) "Senior citizens organization" means an organization  
9 within this state, not for pecuniary profit, which consists of at  
10 least 15 members who are 60 years of age or older and exists for  
11 their mutual support and advancing the causes of elderly or  
12 retired persons.

13 (9) "Service organization" means a branch, lodge, or chapter  
14 of a national or state organization, not for pecuniary profit,  
15 which is authorized by its written constitution, charter, arti-  
16 cles of incorporation, or bylaws to engage in a fraternal, civic,  
17 or service purpose within the state; and a local civic organi-  
18 zation, not for pecuniary profit and not affiliated with a state  
19 or national organization, which is recognized by resolution  
20 adopted by the city in which the organization conducts its prin-  
21 cipal activities, whose constitution, charter, articles of incor-  
22 poration, or bylaws contain a provision for the perpetuation of  
23 the organization as a nonprofit organization whose entire assets  
24 are pledged to charitable purposes, and whose constitution,  
25 charter, articles of incorporation, or bylaws contain a provision  
26 that all assets, real property, and personal property shall

1 revert to the benefit of the city government upon dissolution of  
2 the organization.

3 (10) "Veterans' organization" means an organization within  
4 this state, or a branch, or lodge, or chapter within this state  
5 of a state organization or of a national organization chartered  
6 by the congress of the United States, not for pecuniary profit,  
7 the membership of which consists of individuals who were members  
8 of the armed services or forces of the United States.

9 Sec. 4. (1) Each applicant for a license to conduct bingo,  
10 ~~or~~ a millionaire party, OR A CHARITY GAME shall submit to the  
11 commissioner a written application prepared pursuant to and on a  
12 form prescribed by rule of the commissioner.

13 (2) The application shall include:

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

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

16 (c) The location at which the applicant will conduct bingo  
17 or a millionaire party.

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

24 (e) The member or members, of not less than 6 months, of the  
25 applicant organization under whom the bingo games or the million-  
26 aire party will be conducted.

1 (f) Sufficient facts relating to its incorporation or  
2 organization to enable the commissioner to determine whether the  
3 applicant is a qualified organization.

4 (g) A sworn statement attesting to the nonprofit character  
5 of the applicant organization, signed by the presiding officer  
6 and the secretary of that organization.

7 (h) Other information considered advisable by the  
8 commissioner.

9 (3) A qualified organization which is licensed to conduct a  
10 bingo game or a millionaire party may BE AUTHORIZED TO also sell  
11 charity game tickets ~~and conduct a charity game at the time and~~  
12 ~~location of and in conjunction with the~~ AT THE licensed bingo  
13 game or licensed millionaire party ~~. An additional license~~ AND  
14 shall not be required to OBTAIN AN ADDITIONAL LICENSE TO sell  
15 charity game tickets. ~~or to conduct a charity game but a~~ A  
16 qualified organization which seeks to conduct a charity game  
17 shall pay the bureau ~~such fees as the commissioner may~~  
18 ~~determine~~ AN ADDITIONAL FEE OF \$50.00 ANNUALLY AND SHALL INDI-  
19 CATE THE ADDRESS OR ADDRESSES AND DATE OR DATES AND HOURS THE  
20 TICKETS WILL BE SOLD. A QUALIFIED ORGANIZATION MAY CONDUCT A  
21 CHARITY GAME NOT IN CONJUNCTION WITH A LICENSED BINGO GAME OR A  
22 LICENSED MILLIONAIRE PARTY IF THE QUALIFIED ORGANIZATION FIRST  
23 OBTAINS A SPECIAL CHARITY GAME LICENSE UNDER SECTION 7A(2).

24 Sec. 5. (1) ~~Upon~~ AFTER a determination by the commis-  
25 sioner that the applicant is a qualified organization and is ~~not~~  
26 ~~ineligible~~ ELIGIBLE pursuant to section 18, and upon the  
27 applicant's payment to the bureau of a fee of ~~-\$50.00~~ \$200.00,

1 the commissioner may issue a license for the conducting of bingo  
2 to the applicant. A license may be reissued annually upon the  
3 submitting of an application for reissuance provided by the com-  
4 missioner and upon the licensee's payment of ~~-\$150.00-~~ \$200.00.  
5 A license expires at midnight on the last day of February.

6 (2) A qualified organization ~~not ineligible~~ ELIGIBLE pur-  
7 suant to section 18 may be licensed by the commissioner, upon the  
8 applicant's payment to the bureau of a fee of \$55.00 to conduct  
9 bingo on the same day each week, ~~The~~ IF THE aggregate retail  
10 value of all prizes or merchandise awarded on a single day  
11 ~~shall~~ DOES not exceed \$300.00, ~~with~~ AND the prize for each  
12 game DOES not ~~to~~ exceed \$25.00 in value.

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

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

17 (5) Upon a determination by the commissioner that the appli-  
18 cant is a qualified organization and is not ineligible pursuant  
19 to section 18, and upon the applicant's payment to the bureau of  
20 a fee as set forth in this subsection, the commissioner may issue  
21 to the applicant a license for the conducting of a millionaire  
22 party. A license may be reissued annually upon the submitting of  
23 an application for reissuance provided by the commissioner and  
24 upon the licensee's payment of a fee as set forth in this  
25 subsection. A licensee may hold only 1 license for the conduct-  
26 ing of a millionaire party. That license shall be valid for only  
27 1 location and is not assignable or transferable. Except as

1 provided in subsection (7), the duration of the gambling event  
2 shall not exceed 24 hours for each day for the 2 nonconsecutive  
3 days or 72 hours for the 3 consecutive day period. A fee of  
4 \$50.00 shall be charged for a license issued for each day for the  
5 2 nonconsecutive days. A fee of \$100.00 shall be charged for a  
6 license issued for the 3 consecutive day period. An applicant  
7 shall be eligible only for two 24-hour licenses or one 72-hour  
8 license per year. Only one 72-hour license shall be issued at  
9 the same location in a 7-day period.

10 (6) A qualified organization may concurrently hold a bingo  
11 license, ~~and~~ a millionaire party license, AND A CHARITY GAME  
12 LICENSE and may conduct charity games in conjunction with its  
13 functions and pursuant to this act under ~~either a bingo license~~  
14 ~~or a millionaire party license~~ ANY OF THOSE LICENSES.

15 (7) Upon application the commissioner may issue a license  
16 for a period which exceeds the 72-hour period set forth in sub-  
17 section (5). If an extension is granted it shall not exceed 24  
18 hours. A fee of \$50.00 shall be charged for each additional  
19 24-hour period.

20 (8) If not ineligible pursuant to section 18, a qualified  
21 organization eligible pursuant to section 3 may apply for a mil-  
22 lionaire party license to conduct a raffle for a fee as specified  
23 in ~~section 5(5)~~ SUBSECTION (5). No other games of chance will  
24 be required. A qualified organization may, by rule of the com-  
25 missioner, be excused from the requirement of obtaining a license  
26 to conduct a raffle if the total aggregate market value of the  
27 prize or prizes to be awarded in the raffle exceeds \$100.00 but

1 does not exceed \$500.00. However, in lieu of the license, a  
2 qualified organization shall register the raffle on a form pro-  
3 vided by the bureau and pay a fee, as may be determined by the  
4 commissioner, to cover the cost of registration. Whether  
5 licensed or registered, a qualified organization shall comply  
6 with the requirements of sections 9 and 10, and with rules  
7 promulgated pursuant to the authority granted in sections 12 and  
8 13. If at a single gathering all raffle tickets are sold and the  
9 drawing is held and the total aggregate market value of the prize  
10 or prizes to be awarded is \$100.00 or less, then the qualified  
11 organization is excused from the requirements of obtaining a  
12 license and registering with the commissioner under this act.

13       Sec. 6. (1) Each bingo license shall contain the name and  
14 address of the licensee, the location at which the licensee is  
15 permitted to conduct bingo, the day of the week on which the  
16 licensee is permitted to conduct bingo and the expiration date of  
17 the license.

18       (2) The bingo licensee shall display the license conspicu-  
19 ously at the location where bingo is being conducted at all times  
20 during the conduct of the games.

21       (3) Each millionaire party license shall contain the name  
22 and address of the licensee, the address at which the licensee is  
23 permitted to conduct the millionaire party, and the days of the  
24 year on which the licensee is permitted to conduct the event.  
25 The licensee shall display the license conspicuously at the loca-  
26 tion where the operation is being conducted at all times during  
27 the conduct of the event.

1 (4) EACH CHARITY GAME LICENSE SHALL CONTAIN THE NAME OF THE  
2 LICENSEE, THE ADDRESS AT WHICH THE LICENSEE IS PERMITTED TO SELL  
3 CHARITY GAME TICKETS, THE DAY OF THE WEEK AND HOURS ON WHICH THE  
4 LICENSEE IS PERMITTED TO SELL CHARITY GAME TICKETS, AND THE EXPI-  
5 RATION DATE OF THE LICENSE. THE LICENSEE SHALL DISPLAY THE  
6 LICENSE CONSPICUOUSLY AT THE LOCATION WHERE THE CHARITY GAME  
7 TICKETS ARE BEING SOLD AND AT ALL TIMES DURING THE SALE OF  
8 TICKETS.

9 Sec. 7a. (1) The bureau may authorize a qualified organi-  
10 zation WHICH DOES NOT HOLD A VALID CHARITY GAME LICENSE ISSUED  
11 PURSUANT TO SUBSECTION (2), BUT WHICH IS licensed to conduct a  
12 bingo game or a millionaire party, to ~~conduct a~~ SELL charity  
13 game TICKETS in conjunction with and at the time and location of  
14 the licensed bingo game or the licensed millionaire party. A  
15 QUALIFIED ORGANIZATION SO AUTHORIZED AND WHICH HAS PAID THE FEE  
16 REQUIRED BY SECTION 4(3) MAY ALSO SELL CHARITY GAME TICKETS AT  
17 THE TIME AND LOCATIONS PERMITTED BY SUBSECTION (2).

18 (2) AFTER A DETERMINATION BY THE COMMISSIONER THAT THE  
19 APPLICANT IS A QUALIFIED ORGANIZATION AND UPON PAYMENT OF A FEE  
20 OF \$50.00, THE COMMISSIONER MAY ISSUE A LICENSE TO SELL CHARITY  
21 GAME TICKETS NOT IN CONJUNCTION WITH A LICENSED BINGO GAME OR  
22 LICENSED MILLIONAIRE PARTY IF THE QUALIFIED ORGANIZATION SELLS  
23 THE TICKETS ONLY AT A PREMISES OWNED AND OPERATED BY THE QUALI-  
24 FIED ORGANIZATION FOR THE REGULAR USE OF ITS MEMBERS. A LICENSE  
25 MAY BE REISSUED ANNUALLY UPON THE SUBMISSION OF AN APPLICATION  
26 FOR REISSUANCE PROVIDED BY THE COMMISSIONER AND PAYMENT OF A FEE

1 OF \$50.00. THE FEE FOR A CERTIFIED COPY OF THE LICENSE SHALL BE  
2 \$5.00.

3 (3) ~~(2)~~ All charity game tickets used in the conduct of a  
4 charity game shall be purchased by the qualified organization  
5 from ~~the bureau or~~ a licensed ~~supplier.~~ ~~The bureau shall~~  
6 ~~determine the number of charity game tickets that constitute a~~  
7 ~~charity game.~~ ~~The bureau also shall determine the price at which~~  
8 ~~the qualified organization shall resell each charity game ticket~~  
9 ~~and shall have that price printed on each charity game ticket.~~

10 DISTRIBUTOR. A LICENSED DISTRIBUTOR SHALL ONLY POSSESS, DISPLAY,  
11 OFFER FOR SALE, SELL, OR OTHERWISE FURNISH TO A QUALIFIED ORGANI-  
12 ZATION CHARITY GAME TICKETS WHICH HAVE BEEN MANUFACTURED AND DIS-  
13 TRIBUTED IN COMPLIANCE WITH RULES PROMULGATED BY THE  
14 COMMISSIONER. A CHARITY GAME TICKET SHALL BE A FOLDED AND BANDED  
15 TICKET OR CARD HAVING A NUMBER, COLOR OR COLORS, OR SYMBOL OR  
16 SYMBOLS THAT ARE COVERED, SOME OF WHICH HAVE BEEN DESIGNATED IN  
17 ADVANCE AND AT RANDOM AS PRIZEWINNERS. THE RULES SHALL PROVIDE  
18 MINIMUM QUALITY AND TESTING STANDARDS FOR CHARITY GAME TICKETS  
19 AND FOR THE IMPLEMENTATION AND ENFORCEMENT OF THIS SECTION.

20 (4) ~~(3)~~ ~~The bureau or a licensed supplier~~ A LICENSED  
21 DISTRIBUTOR shall ONLY sell charity game tickets to a qualified  
22 organization, which is eligible to conduct a charity game ~~, at a~~  
23 ~~percentage to be determined by the bureau, of the gross revenues~~  
24 ~~which are realized by the resale of all the charity game tickets~~  
25 ~~for that game at the price established by the bureau.~~ ~~The per-~~  
26 ~~centage retained by the qualified organization shall be equal to~~  
27 ~~the percentage received by the bureau for the sale of charity~~

1 ~~game tickets.~~ AND SHALL COLLECT A FEE OF 10% OF THE GROSS  
2 RECEIPTS LESS THE PRIZES FOR EACH CHARITY GAME SOLD WHICH SHALL  
3 BE PAID BY THE QUALIFIED ORGANIZATION TO THE LICENSED DISTRIBUTOR  
4 AT THE TIME OF SALE AS PROVIDED BY RULE OF THE COMMISSIONER. THE  
5 LICENSED DISTRIBUTOR SHALL REMIT THE FEES MONTHLY TO THE COMMIS-  
6 SIONER BY THE TENTH DAY OF EACH MONTH AND REPORT TO THE COMMIS-  
7 SIONER WITH THE FREQUENCY AND IN THE MANNER PRESCRIBED BY RULE OF  
8 THE COMMISSIONER. IN ADDITION TO OTHER PENALTIES PROVIDED IN  
9 THIS ACT, A LATE FEE OF NOT MORE THAN 20% OF THE AMOUNT DUE MAY  
10 BE ASSESSED BY THE COMMISSIONER AGAINST A LICENSED DISTRIBUTOR  
11 WHO FAILS TO REMIT THE REQUIRED FEES WITHIN 10 DAYS AFTER THE  
12 DATE OWING. A qualified organization which conducts a charity  
13 game shall be solely responsible for paying prizes won by pur-  
14 chasers of winning charity game tickets. When all charity game  
15 tickets are resold for that game, prizes distributed shall have  
16 an aggregate value of ~~, as near as practicable,~~ not less than  
17 ~~60%~~ 65% of the resale value of all the charity game tickets for  
18 that charity game.

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

23 (5) A charity game ticket shall not have a price for resale  
24 by a qualified organization of ~~less~~ MORE than ~~30 cents~~ \$2.00  
25 and a charity game shall not have a single maximum prize exceed-  
26 ing ~~\$200.00~~ \$250.00.

1           (6) ~~The bureau shall have a bureau control number for~~  
2 ~~identification purposes imprinted upon each charity game ticket.~~  
3 EACH CHARITY GAME SHALL HAVE IMPRINTED UPON THE TICKETS BY THE  
4 MANUFACTURER A SERIAL NUMBER UNIQUE TO THAT GAME FOR IDENTIFICA-  
5 TION AND TRACKING PURPOSES AS REQUIRED BY RULE OF THE  
6 COMMISSIONER. A MANUFACTURER SHALL NOT BE ELIGIBLE TO SELL OR  
7 OFFER FOR SALE CHARITY GAME TICKETS IN THIS STATE UNLESS THE MAN-  
8 UFACTURER FIRST DEMONSTRATES TO THE COMMISSIONER ITS ABILITY TO  
9 IDENTIFY AND TRACK BY SERIAL NUMBER THE PURCHASER OR HOLDER OF  
10 ALL CHARITY GAME TICKETS IT MANUFACTURES.

11           (7) A value of prizes awarded for a charity game shall not  
12 be included within the prize limitations of a licensed bingo game  
13 or millionaire party in conjunction with which the charity game  
14 is held.

15           (8) A charity game ticket shall not be sold to a person  
16 under 18 years of age. This subsection shall not prohibit the  
17 purchase of a charity game ticket by a person 18 years of age or  
18 older for the purpose of making a gift to a person under 18 years  
19 of age, and shall not prohibit a person under 18 years of age  
20 from receiving a prize or prizes won in a charity game conducted  
21 pursuant to this act.

22           (9) A qualified organization eligible to ~~conduct a~~ SELL  
23 charity game ~~shall not~~ TICKETS MAY advertise ~~the event,~~  
24 ~~except~~ SALES to the extent and in the manner permitted by rule  
25 of the commissioner.

1       Sec. 8. (1) All fees and revenue collected by the  
2 commissioner or bureau under this act shall be paid into the  
3 state lottery fund.

4       (2) All necessary expenses incurred by the bureau in the  
5 administration and enforcement of this act and in the initiation,  
6 implementation, and ongoing operation of charity games shall be  
7 financed from the state lottery fund. ~~The~~ BEGINNING 18 MONTHS  
8 AFTER THE EFFECTIVE DATE OF THE 1989 AMENDATORY ACT THAT AMENDED  
9 THIS SUBSECTION, THE amount of these necessary expenses shall not  
10 exceed the amount of revenues received from the sale of charity  
11 game tickets and all fees collected under this act. ~~, except~~  
12 ~~that this limitation shall not apply before October 1, 1983.~~

13       (3) At the end of each fiscal year all money, including  
14 interest, in the state lottery fund which is attributable to fees  
15 and revenue collected pursuant to this act but which has not been  
16 expended pursuant to this section shall be deposited in the state  
17 ~~general fund~~ SCHOOL AID FUND AND SHALL BE DISTRIBUTED AS PRO-  
18 VIDED BY LAW.

19       (4) NOT LATER THAN THE EFFECTIVE DATE OF THE 1989 AMENDATORY  
20 ACT THAT ADDED THIS SUBSECTION, THE BUREAU SHALL MAKE AVAILABLE  
21 TO THE PUBLIC AND TO LICENSEES UNDER THIS ACT PRINTED MATERIAL  
22 EXPLAINING THE PROVISIONS OF THIS ACT INCLUDING, BUT NOT LIMITED  
23 TO, PROHIBITED CONDUCT, PENALTIES, AND CHANGES MADE BY THE 1989  
24 AMENDATORY ACT THAT ADDED THIS SUBSECTION.

25       Sec. 9. The entire net proceeds of a bingo game, ~~or~~ a  
26 millionaire party, OR CHARITY GAME TICKET SALE shall be devoted  
27 exclusively to the lawful purposes of the licensee. ~~The entire~~

1 ~~net proceeds of a charity game shall be devoted exclusively to~~  
2 ~~the lawful purposes of the qualified organization which conducted~~  
3 ~~the charity game.~~ An item of expense shall not be incurred or  
4 paid in connection with the holding, operating, or conducting of  
5 bingo, ~~or~~ a millionaire party, OR CHARITY GAME TICKET SALE  
6 except the ~~following~~ bona fide expenses in reasonable amounts  
7 OF ALL OF THE FOLLOWING:

8 (a) The purchase or rental of equipment necessary for con-  
9 ducting a bingo game, ~~or~~ a millionaire party, OR A CHARITY GAME  
10 and payment of services reasonably necessary for the repair of  
11 equipment.

12 (b) Cash prizes or the purchase of prizes of merchandise.

13 (c) Rental of the location at which bingo, ~~or~~ a million-  
14 aire party, OR THE SALE OF CHARITY GAME TICKETS is conducted.

15 (d) Janitorial services.

16 (e) The fee required for issuance or reissuance of a license  
17 to conduct bingo, ~~or~~ a millionaire party, OR FOR THE SALE OF  
18 CHARITY GAME TICKETS.

19 (f) Other reasonable expenses incurred by the licensee, not  
20 inconsistent with this act, as permitted by rule of the  
21 commissioner.

22 Sec. 10. (1) A person other than a bona fide member of the  
23 qualified organization shall not participate in the management of  
24 bingo, a millionaire party, or ~~a~~ THE SALE OF charity game  
25 TICKETS. Persons other than bona fide members of the qualified  
26 organization may participate in the operation of bingo, a  
27 millionaire party, or ~~a~~ THE SALE OF charity game TICKETS as

1 provided by rule of the commissioner. A PERSON WHO HAS BEEN  
2 CONVICTED OF A FELONY, GAMBLING OFFENSE, CRIMINAL FRAUD, FORGERY,  
3 THEFT, OR THE FILING OF A FALSE REPORT WITH A GOVERNMENT AGENCY  
4 MAY BE PROHIBITED BY THE BUREAU FROM PARTICIPATING IN THE MANAGE-  
5 MENT OR OPERATION OF AN ACTIVITY LICENSED UNDER THIS ACT.

6 (2) A person shall not receive any commission, salary, pay,  
7 profit, or wage for participating in the management or operation  
8 of bingo, a millionaire party, or ~~a~~ THE SALE OF charity game  
9 TICKETS except as provided by rule of the commissioner.

10 (3) Except by special permission of the commissioner, A  
11 QUALIFIED ORGANIZATION SHALL NOT CONDUCT bingo, a millionaire  
12 party, or ~~a~~ THE SALE OF charity game ~~shall not be conducted~~  
13 TICKETS with any equipment which is not owned, being purchased,  
14 or being rented FROM A LICENSED DISTRIBUTOR at a reasonable rate  
15 by the qualified organization.

16 (4) Except as provided in section 5(2), the aggregate retail  
17 value of all prizes or merchandise awarded in a single day of  
18 bingo shall not exceed ~~\$2,000.00~~ \$3,500.00, and the prize  
19 awarded for 1 game shall not exceed ~~\$500.00~~ \$2,000.00 cash or  
20 its equivalent. ~~A prize of merchandise shall not be redeemable~~  
21 ~~or convertible into cash directly or indirectly.~~

22 (5) A licensee ~~shall not~~ MAY advertise bingo ~~except~~ to  
23 the extent and in the manner permitted by rule of the  
24 commissioner. ~~If the commissioner permits a licensee to adver-~~  
25 ~~tise bingo, the licensee shall indicate in the advertisement the~~  
26 ~~purposes for which the net proceeds will be used by the~~  
27 ~~licensee.~~

1 (6) Except as provided in section 10a(c), the aggregate  
2 market value of all prizes or merchandise awarded in 1 day of a  
3 millionaire party shall not exceed ~~-\$2,000.00-~~ \$5,000.00. A  
4 person participating in the event shall not be awarded prizes or  
5 merchandise having an aggregate value greater than \$500.00.  
6 Personal limitation on winnings shall be given at the location of  
7 the event. ~~A prize of merchandise shall not be redeemable or~~  
8 ~~convertible into cash directly or indirectly.~~

9 (7) A millionaire party may be described in the licensee's  
10 advertising as a Las Vegas OR ATLANTIC CITY party. The holder of  
11 a millionaire party license ~~shall not~~ MAY advertise the event  
12 ~~, except~~ to the extent and in the manner permitted by rule of  
13 the commissioner. ~~If the commissioner permits a licensee to~~  
14 ~~advertise the event, the licensee~~ A LICENSEE WHO ADVERTISES THE  
15 EVENT shall indicate in the advertising the purposes for which  
16 the net proceeds will be used by the licensee, and shall give  
17 notice of the \$500.00 personal limitation on winnings required by  
18 subsection (6).

19 (8) A LICENSEE MAY ADVERTISE A RAFFLE TO THE EXTENT AND IN  
20 THE MANNER PERMITTED BY RULE OF THE COMMISSIONER.

21 Sec. 12. (1) The bureau shall enforce and supervise the  
22 administration of this act. The commissioner shall employ per-  
23 sonnel as necessary to implement this act.

24 (2) The commissioner by rule shall regulate the holding,  
25 operation, or conducting of bingo, millionaire parties, and THE  
26 SALE OF charity ~~games~~ GAME TICKETS including the following:

1 (a) The method of play and selection of winners.

2 (b) The type of equipment to be used.

3 (c) The maximum charge per card or price for participation  
4 in a bingo game. ~~, for a day, or for a special occasion.~~

5 (d) The games of chance and other activities that may be  
6 conducted during a millionaire party.

7 (3) The commissioner shall promulgate rules requiring the  
8 licensing AND REGULATION of all persons, ELIGIBLE PURSUANT TO  
9 SECTION 18, WHO ARE selling, leasing, MANUFACTURING, or distrib-  
10 uting CHARITY GAME TICKETS AND equipment used in conducting  
11 bingo, a millionaire party, or a charity game.

12 (4) Licensed ~~suppliers shall be~~ DISTRIBUTORS OF CHARITY  
13 GAME TICKETS SHALL HAVE THEIR PRINCIPAL OFFICE LOCATED IN THIS  
14 STATE AND SHALL BE authorized to sell charity game tickets only  
15 upon approval of the commissioner according to rules promulgated  
16 by the commissioner. ~~The commissioner shall require suppliers~~  
17 ~~authorized to sell charity game tickets to post a performance~~  
18 ~~bond which shall be an amount not less than \$50,000.00 and not~~  
19 ~~greater than \$100,000.00.~~ THE COMMISSIONER SHALL REQUIRE  
20 LICENSED DISTRIBUTORS AUTHORIZED TO SELL CHARITY GAME TICKETS TO  
21 POST A BOND. THE BOND SHALL RUN TO THE BUREAU OF STATE LOTTERY  
22 WITH SUFFICIENT SURETY CONDITIONED FOR COMPLIANCE WITH THIS ACT.  
23 THE AMOUNT OF THE BOND SHALL BE NOT LESS THAN \$50,000.00 AND NOT  
24 GREATER THAN \$100,000.00 AS REQUIRED BY RULE OF THE COMMISSIONER.  
25 Qualified organizations licensed to conduct bingo, ~~or~~ a mil-  
26 lionaire party, OR A CHARITY GAME shall obtain equipment only  
27 from licensed ~~suppliers~~ DISTRIBUTORS and shall obtain charity

1 game tickets only from ~~the bureau or a licensed supplier.~~ A  
2 ~~licensed supplier shall remit to the bureau an amount equal to~~  
3 ~~the qualified organization's purchase price of the charity game~~  
4 ~~tickets less an amount which shall be not less than the sum of~~  
5 ~~\$ .000 for each ticket sold plus 1.0% of the total resale value~~  
6 ~~for all charity game tickets sold.~~ A supplier AN AUTHORIZED  
7 LICENSED DISTRIBUTOR. A LICENSED DISTRIBUTOR shall pay an annual  
8 license fee of ~~-\$300.00 to the bureau~~ \$1,000.00 FOR THE FIRST  
9 LOCATION AND \$500.00 FOR EACH ADDITIONAL LOCATION WHERE BUSINESS  
10 IS CONDUCTED OR EQUIPMENT IS STORED. AN ADDITIONAL ANNUAL FEE OF  
11 \$1,500.00 SHALL BE PAID BY THE LICENSED DISTRIBUTOR FOR EACH  
12 SALES OFFICE FROM WHICH THE DISTRIBUTOR IS LICENSED TO SELL CHAR-  
13 ITY GAME TICKETS.

14 (5) A LICENSED MANUFACTURER SHALL PAY AN ANNUAL LICENSE FEE  
15 OF \$3,500.00, EXCEPT THAT THE FEE FOR THE FIRST LICENSE ISSUED TO  
16 A PERSON UNDER THIS SUBSECTION SHALL BE \$5,000.00. A LICENSE MAY  
17 BE REISSUED ANNUALLY UPON THE SUBMITTING OF AN APPLICATION FOR  
18 RENEWAL PROVIDED BY THE COMMISSIONER AND UPON THE LICENSEE'S PAY-  
19 MENT OF THE LICENSE FEE.

20 (6) IF THE COMMISSIONER DENIES AN APPLICATION FOR A  
21 MANUFACTURER'S OR DISTRIBUTOR'S LICENSE, A FEE OF \$100.00 SHALL  
22 BE RETAINED BY THE BUREAU TO COVER THE COST OF PROCESSING THE  
23 APPLICATION.

24 (7) APPLICANTS FOR A MANUFACTURER'S OR DISTRIBUTOR'S LICENSE  
25 SHALL REIMBURSE THE BUREAU FOR REASONABLE COSTS INCURRED FOR  
26 BACKGROUND INVESTIGATIONS WITH RELATION TO THEIR APPLICATION FOR  
27 LICENSE.

1 (8) A MANUFACTURER OR DISTRIBUTOR SHALL NOT BE INVOLVED IN  
2 THE LEASING OR RENTAL OF ANY PREMISES FOR THE CONDUCT OF LICENSED  
3 ACTIVITIES CONDUCTED BY A QUALIFIED ORGANIZATION.

4 (9) A PERSON WHO RENTS OR LEASES PREMISES FOR THE CONDUCT OF  
5 THE LICENSED ACTIVITIES CONDUCTED BY A QUALIFIED ORGANIZATION  
6 SHALL NOT RECEIVE DIRECT OR INDIRECT FINANCIAL BENEFIT FROM A  
7 PERSON LICENSED AS A MANUFACTURER OR DISTRIBUTOR TO ENCOURAGE OR  
8 REQUIRE THE SALE OF CHARITY GAME TICKETS TO LICENSED QUALIFIED  
9 ORGANIZATIONS WHO RENT OR LEASE THE PREMISES.

10 (10) A PERSON LICENSED AS A DISTRIBUTOR SHALL NOT SELL OR  
11 OTHERWISE MAKE AVAILABLE IN THIS STATE ANY EQUIPMENT OR CHARITY  
12 GAME TICKETS UNLESS THE DISTRIBUTOR FIRST DETERMINES THAT THE  
13 PURCHASER OR LESSEE IS A LICENSED QUALIFIED ORGANIZATION,  
14 LICENSED DISTRIBUTOR, OR A PERSON THE BUREAU DETERMINES IS EXEMPT  
15 FROM LICENSURE UNDER THIS ACT.

16 (11) A MANUFACTURER SHALL NOT SELL OR OTHERWISE MAKE AVAIL-  
17 ABLE IN THIS STATE BINGO CARDS OR SHEETS OR CHARITY GAME TICKETS  
18 TO A DISTRIBUTOR UNLESS THE MANUFACTURER FIRST DETERMINES THAT  
19 THE PURCHASER IS A LICENSED DISTRIBUTOR OR A PERSON THE BUREAU  
20 DETERMINES IS EXEMPT FROM LICENSURE UNDER THIS ACT.

21 (12) A LICENSED MANUFACTURER SHALL FILE WITH THE COMMIS-  
22 SIONER A REPORT OF ALL SALES OF BINGO CARDS OR SHEETS AND CHARITY  
23 GAME TICKETS TO ANY LICENSED DISTRIBUTOR IN THIS STATE IN SUCH  
24 DETAIL AND WITH SUCH FREQUENCY AS MAY BE REQUIRED BY RULE OF THE  
25 COMMISSIONER.

26 (13) A LICENSED DISTRIBUTOR SHALL FILE WITH THE COMMISSIONER  
27 A REPORT OF ALL SALES AND RENTALS OF EQUIPMENT AND CHARITY GAME

1 TICKETS IN SUCH DETAIL AND WITH SUCH FREQUENCY AS MAY BE REQUIRED  
2 BY RULE OF THE COMMISSIONER.

3 (14) A PERSON APPLYING FOR A LICENSE UNDER THIS SUBSECTION,  
4 OR ANY AUTHORIZED SALES REPRESENTATIVE OF THE APPLICANT, MAY BE  
5 PROHIBITED BY THE BUREAU FROM DOING BUSINESS IN THIS STATE WITH  
6 LICENSED QUALIFIED ORGANIZATIONS OR LICENSED PERSONS IF THE  
7 APPLICANT OR APPLICANT'S REPRESENTATIVE HAS BEEN CONVICTED OF A  
8 FELONY, GAMBLING OFFENSE, CRIMINAL FRAUD, FORGERY, THEFT, OR  
9 FILING A FALSE REPORT WITH A GOVERNMENT AGENCY.

10 (15) A DISTRIBUTOR SHALL CONSIDER PURCHASING CHARITY GAME  
11 TICKETS FROM A LICENSED MICHIGAN-BASED MANUFACTURER.

12 (16) ALL PERSONS WHO OWN OR LEASE PREMISES ON WHICH A QUALI-  
13 FIED ORGANIZATION INTENDS TO CONDUCT BINGO, EXCEPT FOR PREMISES  
14 ON WHICH THE QUALIFIED ORGANIZATION OR AN AFFILIATE OF THE QUALI-  
15 FIED ORGANIZATION INTENDING TO CONDUCT BINGO ALSO HAS ITS OFFICE  
16 OR HEADQUARTERS OR CONDUCTS ITS REGULAR ACTIVITIES, AND WHICH IS  
17 NOT LEASED TO ANOTHER ORGANIZATION TO CONDUCT BINGO SHALL ANNU-  
18 ALLY REGISTER WITH THE COMMISSION. THE FEE FOR REGISTRATION  
19 UNDER THIS SUBSECTION SHALL BE AS FOLLOWS:

20 (A) IN THE CASE OF A LICENSED QUALIFIED ORGANIZATION THAT  
21 LEASES ITS PREMISES TO ANOTHER LICENSED QUALIFIED ORGANIZATION,  
22 \$250.00 PER YEAR.

23 (B) IN THE CASE OF A PERSON WHO OWNS THE PREMISES BUT IS NOT  
24 A LICENSED QUALIFIED ORGANIZATION, \$500.00 PER YEAR.

25 (17) AS A CONDITION OF REGISTRATION, THE PERSON WHO OWNS OR  
26 LEASES THE PREMISES SHALL DEMONSTRATE THAT EQUIPMENT RELATED TO  
27 THE CONDUCT OF BINGO OR CHARITY GAMES IS OPERABLE.

1 (18) A PERSON WHO IS NOT A QUALIFIED ORGANIZATION AND WHO  
2 WISHES TO CONDUCT A GAME THAT DOES NOT CONSTITUTE PROHIBITED GAM-  
3 BLING UNDER SECTION 301 OF THE MICHIGAN PENAL CODE, ACT NO. 328  
4 OF THE PUBLIC ACTS OF 1931, BEING SECTION 750.301 OF THE MICHIGAN  
5 COMPILED LAWS, MAY RENT OR PURCHASE EQUIPMENT FROM A LICENSED  
6 SUPPLIER IN ORDER TO CONDUCT A NONGAMBLING BINGO OR NONGAMBLING  
7 MILLIONAIRE PARTY, IF THE PERSON COMPLIES WITH THIS SUBSECTION.  
8 THE PERSON SHALL SUBMIT AN APPLICATION FOR SPECIAL PERMISSION TO  
9 A LICENSED SUPPLIER BEFORE THE GAME IS CONDUCTED. THE APPLICA-  
10 TION SHALL BE IN A FORM APPROVED BY THE BUREAU. THE APPLICATION  
11 SHALL BE MADE AVAILABLE TO APPLICANTS BY THE LICENSED SUPPLIER.  
12 A COMPLETED APPLICATION SHALL BE FORWARDED BY THE LICENSED SUP-  
13 PLIER TO THE BUREAU, AS DETERMINED BY THE COMMISSIONER. THE COM-  
14 MISSIONER MAY PROMULGATE RULES TO PRESCRIBE REPORTING AND AUDIT-  
15 ING PROCEDURES FOR NONGAMBLING EVENTS TO ENSURE COMPLIANCE WITH  
16 THIS SUBSECTION.

17 Sec. 13. (1) The commissioner shall promulgate rules to  
18 implement this act pursuant to THE ADMINISTRATIVE PROCEDURES ACT  
19 OF 1969, Act No. 306 of the Public Acts of 1969, as amended,  
20 being sections 24.201 to ~~24.315~~ 24.328 of the Michigan Compiled  
21 Laws.

22 (2) ~~To facilitate the earliest possible implementation of~~  
23 ~~this act with regard to charity games, the commissioner may adopt~~  
24 ~~and promulgate temporary rules which shall not be subject to~~  
25 ~~chapter 3 of Act No. 306 of the Public Acts of 1969, as amended.~~  
26 ~~Temporary rules shall be filed in the office of the secretary of~~  
27 ~~state and become effective after the date of filing as determined~~

1 ~~by the commissioner. Temporary rules shall not be effective~~  
2 ~~after December 31, 1982.~~ THE COMMISSIONER SHALL CONTINUE TO SELL  
3 CHARITY GAME TICKETS TO LICENSED DISTRIBUTORS AT COST PLUS A REA-  
4 SONABLE HANDLING FEE AS DETERMINED BY THE COMMISSIONER UNTIL THE  
5 DEPLETION OF THE BUREAU'S SUPPLY OF TICKETS IN EXISTENCE AND ON  
6 ORDER ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT AMENDED  
7 THIS SUBSECTION, AFTER WHICH TIME LICENSED DISTRIBUTORS SHALL  
8 BEGIN TO SELL TICKETS IN ACCORDANCE WITH THE AMENDATORY PROVI-  
9 SIONS OF THIS ACT.

10 (3) Rules adopted and promulgated by the commissioner shall  
11 insure the integrity and honest operation of bingo games, mil-  
12 lionaire parties, and THE SALE OF charity ~~games~~ GAME TICKETS  
13 and shall be consistent with the legislative objective that  
14 bingo, millionaire parties, and THE SALE OF charity ~~games~~ GAME  
15 TICKETS shall be conducted in a friendly, social, and noncommer-  
16 cial manner.

17 ~~(4) Charity game tickets shall not be sold by the bureau~~  
18 ~~other than at or from the bureau's central or regional offices.~~

19 Sec. 14. (1) Each ~~licensee~~ LICENSED QUALIFIED  
20 ORGANIZATION shall keep a record of bingo games, millionaire par-  
21 ties, and THE SALE OF charity ~~games conducted within the previ-~~  
22 ~~ous year~~ GAME TICKETS as provided by rule of the commissioner  
23 AND ON FORMS PROVIDED BY THE COMMISSIONER. The record shall be  
24 open to inspection by a ~~duly~~ authorized employee of the bureau  
25 during reasonable business hours. Upon the request of the com-  
26 missioner, the state auditor general or a certified public  
27 accountant firm appointed by the auditor general shall examine

1 and conduct a postaudit of a licensee's records, accounts, and  
2 transactions related to the QUALIFIED ORGANIZATION'S GENERAL FUND  
3 operation of the bingo game, millionaire party, or THE SALE OF  
4 charity game TICKETS.

5       (2) ~~Annually each licensee~~ A LICENSED QUALIFIED  
6 ORGANIZATION shall file with the commissioner a financial state-  
7 ment of receipts and expenses related to the conducting of the  
8 bingo game, millionaire party, or charity game TICKET SALES in  
9 such detail AND WITH SUCH FREQUENCY as may be required by rule of  
10 the commissioner. THE COMMISSIONER MAY ASSESS UP TO A \$100.00  
11 LATE FEE PENALTY FOR EACH REPORT NOT TIMELY SUBMITTED AFTER WRIT-  
12 TEN NOTICE. Where the revenue from a bingo game, millionaire  
13 party, or charity game TICKET SALES is represented to be used or  
14 applied by a licensee for a charitable purpose, the licensee  
15 shall file a copy of the financial statement with the attorney  
16 general pursuant to THE SUPERVISION OF TRUSTEES FOR CHARITABLE  
17 PURPOSES ACT, Act No. 101 of the Public Acts of 1961, as amended,  
18 being sections 14.251 to 14.266 of the Michigan Compiled Laws.

19       (3) The location at which the bingo, millionaire party, or  
20 SALE OF charity game TICKETS is being conducted or at which an  
21 applicant or licensee intends to conduct the bingo, millionaire  
22 party, or SALE OF charity game TICKETS AND THE LOCATION OR LOCA-  
23 TIONS AT WHICH LICENSED DISTRIBUTORS AND MANUFACTURERS OPERATE  
24 shall be open to inspection at all times by a ~~duly~~ authorized  
25 employee of the bureau or by the state police or a peace officer  
26 of a political subdivision of this state. WHENEVER AN AUTHORIZED  
27 EMPLOYEE OF THE BUREAU, THE STATE POLICE, OR A PEACE OFFICER OF A

1 POLITICAL SUBDIVISION OF THIS STATE HAS PROBABLE CAUSE TO BELIEVE  
2 THAT ANY EQUIPMENT OR CHARITY GAME TICKETS WERE OBTAINED FROM AN  
3 UNLICENSED SOURCE OR FAIL TO MEET THE RULES PROMULGATED UNDER  
4 THIS ACT, HE OR SHE SHALL REMOVE AND IMPOUND THE EQUIPMENT OR  
5 TICKETS FOR THE PURPOSE OF EXAMINATION AND DETENTION. THE TICK-  
6 ETS AND EQUIPMENT SHALL NOT BE DESTROYED EXCEPT PURSUANT TO A  
7 COURT ORDER.

8 (4) THE COMMISSIONER MAY PROMULGATE RULES TO ESTABLISH AND  
9 ASSESS FEE PENALTIES FOR VIOLATIONS OF THIS ACT OR RULES PROMUL-  
10 GATED UNDER THIS ACT AFTER A HEARING PURSUANT TO THE ADMINISTRA-  
11 TIVE PROCEDURES ACT OF 1969, ACT NO. 306 OF THE PUBLIC ACTS OF  
12 1969, BEING SECTIONS 24.201 TO 24.328 OF THE MICHIGAN COMPILED  
13 LAWS.

14 Sec. 17. (1) A person NOT A MANUFACTURER OR DISTRIBUTOR who  
15 ~~wilfully violates this act~~ DOES ANY OF THE FOLLOWING is guilty  
16 of a misdemeanor ~~and shall be fined~~ PUNISHABLE BY A FINE OF not  
17 more than \$1,000.00 or ~~imprisoned~~ IMPRISONMENT FOR not more  
18 than 6 months, or both: —

19 (A) WILLFULLY VIOLATES THIS ACT OR A RULE PROMULGATED UNDER  
20 THIS ACT.

21 (B) PROVIDES FALSE INFORMATION OR FAILS TO DISCLOSE INFORMA-  
22 TION REQUESTED ON AN APPLICATION OR FINANCIAL REPORT.

23 (C) CONDUCTS A BINGO OR MILLIONAIRE PARTY OR OFFERS CHARITY  
24 GAME TICKETS FOR SALE WITHOUT FIRST COMPLYING WITH THIS ACT.

25 (D) USES PROCEEDS IN AN AMOUNT OF NOT MORE THAN \$100.00 FROM  
26 A LICENSED ACTIVITY OTHER THAN FOR A PURPOSE AUTHORIZED UNDER  
27 THIS ACT.

1 (2) A PERSON WHO IS A MANUFACTURER OR DISTRIBUTOR AND WHO  
2 DOES ANY OF THE FOLLOWING IS GUILTY OF A MISDEMEANOR PUNISHABLE  
3 BY A FINE OF NOT MORE THAN \$5,000.00 OR IMPRISONMENT FOR NOT MORE  
4 THAN 12 MONTHS, OR BOTH, FOR A FIRST OFFENSE AND IS GUILTY OF A  
5 FELONY PUNISHABLE BY A FINE OF NOT MORE THAN \$10,000.00 OR  
6 IMPRISONMENT OF NOT MORE THAN 5 YEARS, OR BOTH, FOR A SECOND OR  
7 SUBSEQUENT OFFENSE:

8 (A) WILLFULLY VIOLATES THIS ACT OR A RULE PROMULGATED UNDER  
9 THIS ACT.

10 (B) PROVIDES FALSE INFORMATION OR FAILS TO DISCLOSE INFORMA-  
11 TION REQUESTED ON AN APPLICATION OR FINANCIAL REPORT.

12 (C) MANUFACTURES, OFFERS FOR SALE, SELLS, DISTRIBUTES, OR  
13 POSSESSES FOR RESALE BINGO SHEETS OR CHARITY GAME TICKETS OTHER  
14 THAN AS AUTHORIZED BY THIS ACT.

15 (D) MANUFACTURES, OFFERS FOR SALE, SELLS, DISTRIBUTES, OR  
16 LEASES EQUIPMENT OR CHARITY GAME TICKETS IN THIS STATE WITHOUT  
17 FIRST OBTAINING A LICENSE UNDER THIS ACT.

18 (3) A PERSON WHO USES PROCEEDS IN AN AMOUNT WHICH EXCEEDS  
19 \$100.00 FROM A LICENSED OR REGISTERED ACTIVITY FOR OTHER THAN A  
20 PURPOSE AUTHORIZED UNDER THIS ACT IS GUILTY OF A FELONY AND SHALL  
21 BE FINED NOT MORE THAN \$10,000.00 OR IMPRISONED NOT MORE THAN 5  
22 YEARS, OR BOTH.

23 (4) A PERSON WHO DOES EITHER OF THE FOLLOWING IS GUILTY OF A  
24 MISDEMEANOR, PUNISHABLE BY A FINE OF NOT MORE THAN \$5,000.00 OR  
25 IMPRISONMENT FOR NOT MORE THAN 2 YEARS, OR BOTH:

1 (A) HINDERS OR OBSTRUCTS THE COMMISSIONER OR AN AUTHORIZED  
2 EMPLOYEE OF THE BUREAU, KNOWING THAT PERSON TO BE THE  
3 COMMISSIONER OR AN AUTHORIZED EMPLOYEE OF THE BUREAU.

4 (B) ASSAULTS OR BATTERS THE COMMISSIONER OR AN AUTHORIZED  
5 EMPLOYEE OF THE BUREAU, KNOWING THAT PERSON TO BE THE COMMIS-  
6 SIONER OR AN AUTHORIZED EMPLOYEE OF THE BUREAU.

7 (5) IN ADDITION TO OTHER PENALTIES PROVIDED FOR IN THIS ACT,  
8 A PERSON WHO DOES ANY OF THE FOLLOWING IS SUBJECT TO A FINE EQUAL  
9 TO THE GROSS PROCEEDS DERIVED FROM THE UNLICENSED ACTIVITIES AND  
10 TO THE CONFISCATION AND FORFEITURE OF ALL CHARITY GAME TICKETS  
11 AND EQUIPMENT FOUND TO BE RELATED TO THE CONDUCT OF THOSE  
12 ACTIVITIES:

13 (A) CONDUCTS A BINGO OR MILLIONAIRE PARTY OR SELLS CHARITY  
14 GAME TICKETS WITHOUT FIRST OBTAINING A LICENSE AS REQUIRED BY  
15 THIS ACT.

16 (B) MANUFACTURES, SELLS, DISTRIBUTES, OR LEASES EQUIPMENT OR  
17 SELLS CHARITY GAME TICKETS WITHOUT FIRST OBTAINING A LICENSE AS  
18 REQUIRED BY THIS ACT.

19 (C) CONTINUES TO CONDUCT BINGO OR MILLIONAIRE PARTIES, OR  
20 CONTINUES TO SELL CHARITY GAME TICKETS AFTER A LICENSE SUSPENSION  
21 OR REVOCATION.

22 (D) MANUFACTURES, SELLS, DISTRIBUTES, OR LEASES EQUIPMENT OR  
23 SELLS CHARITY GAME TICKETS AFTER A LICENSE SUSPENSION OR  
24 REVOCATION.

25 SEC. 17A. (1) A PERSON WHO DOES ANY OF THE FOLLOWING IS  
26 GUILTY OF A MISDEMEANOR:

1 (A) ALTERS OR ATTEMPTS TO ALTER A BINGO CARD OR SHEET FOR  
 2 HIMSELF OR HERSELF, OR FOR ANOTHER PERSON AND USES THAT CARD OR  
 3 SHEET TO CLAIM OR ATTEMPT TO CLAIM A PRIZE.

4 (B) IN THE CASE OF A PERSON WORKING AT A BINGO EVENT,  
 5 ASSISTS OR ATTEMPTS TO ASSIST IN ANY WAY A PLAYER TO WIN A GAME  
 6 WHEN THE PLAYER HAS NOT VALIDLY WON THE BINGO GAME.

7 (C) IN THE CASE OF A PERSON PLAYING BINGO, ACCEPTS OR  
 8 ATTEMPTS TO OBTAIN ASSISTANCE FROM A WORKER FOR THE PURPOSE OF  
 9 WINNING A GAME WHEN THE PLAYER HAS NOT VALIDLY WON THE BINGO  
 10 GAME.

11 (2) A VIOLATION OF SUBSECTION (1) WHICH INVOLVES AN AMOUNT  
 12 OF MONEY OF LESS THAN \$100.00 IS PUNISHABLE BY A FINE OF NOT MORE  
 13 THAN \$1,000.00 OR IMPRISONMENT FOR NOT MORE THAN 90 DAYS, OR  
 14 BOTH.

15 (3) A VIOLATION OF SUBSECTION (1) WHICH INVOLVES AN AMOUNT  
 16 OF MONEY OF \$100.00 OR MORE IS PUNISHABLE BY A FINE OF NOT MORE  
 17 THAN \$5,000.00 OR IMPRISONMENT OF NOT MORE THAN 2 YEARS.

18 Sec. 18. (1) A licensee whose license is revoked in conse-  
 19 quence of a violation of this act or a rule promulgated under  
 20 this act is ineligible, for a period of 1 year after the revoca-  
 21 tion, to apply for a license or to conduct a charity game.  
 22 ~~exempted from licensing requirements by section 4(3).~~

23 (2) A person convicted of an offense under section 17 or any  
 24 other gambling OR THEFT offense is ineligible to serve as an  
 25 officer of a licensee or to participate in conducting bingo, a  
 26 millionaire party, or a charity game OR IN MANUFACTURING,  
 27 SELLING, LEASING, OR DISTRIBUTING EQUIPMENT OR SELLING CHARITY

1 GAME TICKETS for a period of 1 year after the conviction becomes  
2 final. If the person is licensed pursuant to this act, the  
3 person shall forfeit the license and is ineligible to apply for  
4 the issuance or reissuance of the license for a period of 1 year  
5 after the conviction becomes final.

6 (3) If a license is suspended, in addition to other penal-  
7 ties which may be imposed, the commissioner may declare the vio-  
8 lator ineligible to conduct a game of bingo, a millionaire party,  
9 or charity game OR TO MANUFACTURE, SELL, LEASE, OR DISTRIBUTE  
10 EQUIPMENT OR SELL CHARITY GAME TICKETS or to apply for a license  
11 under this act for a period not exceeding 1 year.

12 (4) The licensee shall return its license to the commis-  
13 sioner on or before the effective date of a suspension, revoca-  
14 tion, or forfeiture. Whether returned or not, the license shall  
15 not be valid beyond the effective date of the suspension, revoca-  
16 tion, or forfeiture.

17 Sec. 19. Any other law providing a penalty or disability  
18 upon a person who conducts or participates in a bingo game, mil-  
19 lionaire party, or charity game; who MANUFACTURES, DISTRIBUTES,  
20 sells, or possesses CHARITY GAME TICKETS OR equipment used in  
21 conducting bingo or a millionaire party; who permits bingo, a  
22 millionaire party, or a charity game to be conducted on his or  
23 her premises; or who does other acts in connection with bingo, a  
24 millionaire party, or a charity game shall not apply to such con-  
25 duct when done pursuant to this act or rules promulgated under  
26 this act.

1       Section 2. This amendatory act shall take effect upon the  
2 expiration of 90 days after the date of its enactment.