

SENATE BILL No. 178

February 28, 1989, Introduced by Senators DI NELLO, IRWIN, BARCIA and GEO. HART and referred to the Committee on Regulatory 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 section 1a.

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 section 1a is 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, SUPPLIES, and ALL OTHER materials customarily
17 used OR INTENDED FOR USE in the operation of a ~~gambling casino~~
18 ~~on those occasions when a license for the operation of a million-~~
19 ~~aire party is issued~~ BINGO, CHARITY GAME, OR MILLIONAIRE PARTY.

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

24 (8) "Special occasion" means a single gathering or session
25 at which a series of successive bingo games or other gambling
26 events authorized by this act are played pursuant to a special
27 license issued under section 7.

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

6 (10) "DISTRIBUTOR" MEANS A PERSON WHO SELLS, LEASES, OFFERS
7 FOR SALE, OR OTHERWISE FURNISHES TO A LICENSED QUALIFIED ORGANI-
8 ZATION OR ANOTHER LICENSED DISTRIBUTOR ANY EQUIPMENT OR CHARITY
9 GAME TICKETS. DISTRIBUTOR DOES NOT INCLUDE PERSONS WHO SELL
10 MINOR ITEMS AS AN INCIDENTAL PORTION OF BUSINESS, AS DETERMINED
11 BY THE COMMISSIONER.

12 (11) "MANUFACTURER" MEANS A PERSON WHO MANUFACTURES, FABRI-
13 CATES FOR SALE, OFFERS FOR SALE, SELLS, OR OTHERWISE FURNISHES TO
14 A LICENSED DISTRIBUTOR ANY EQUIPMENT OR CHARITY GAME TICKETS.

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

25 (2) "Fraternal organization" means an organization within
26 this state, except college fraternities OR SORORITIES, not for
27 pecuniary profit, which is a branch, lodge, or chapter of a

1 national or state organization and exists for the common
2 business, brotherhood, SISTERHOOD, or other interests of its
3 members.

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

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

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

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

23 (7) "Religious organization" means an organization, church,
24 body of communicants, or group, not for pecuniary profit, gath-
25 ered in common membership for mutual support and edification in
26 piety, worship, and religious ~~observances~~ OBSERVANCES; or any
27 society, not for pecuniary profit, of individuals united for

1 religious purposes at a definite place; or a church related
2 private school, not for pecuniary profit.

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

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

24 (10) "Veterans' organization" means an organization within
25 this state, or a branch, or lodge, or chapter within this state
26 of a state organization or of a national organization chartered
27 by the congress of the United States, not for pecuniary profit,

1 the membership of which consists of individuals who were members
2 of the armed services or forces of the United States.

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

7 (2) The application shall include:

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

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

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

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

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

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

24 (g) A sworn statement attesting to the nonprofit character
25 of the applicant organization, signed by the presiding officer
26 and the secretary of that organization.

1 (h) Other information considered advisable by the
2 commissioner.

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

18 Sec. 5. (1) ~~Upon~~ AFTER a determination by the commis-
19 sioner that the applicant is a qualified organization and is ~~not~~
20 ~~ineligible~~ ELIGIBLE pursuant to section 18, and upon the
21 applicant's payment to the bureau of a fee of \$150.00, the com-
22 missioner may issue a license for the conducting of bingo to the
23 applicant. A license may be reissued annually upon the submit-
24 ting of an application for reissuance provided by the commis-
25 sioner and upon the licensee's payment of \$150.00. A license
26 expires at midnight on the last day of February.

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

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

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

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

1 license issued for the 3 consecutive day period. An applicant
2 shall be eligible only for two 24-hour licenses or one 72-hour
3 license per year. Only one 72-hour license shall be issued at
4 the same location in a 7-day period.

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

10 (7) Upon application the commissioner may issue a license
11 for a period which exceeds the 72-hour period set forth in sub-
12 section (5). If an extension is granted it shall not exceed 24
13 hours. A fee of \$50.00 shall be charged for each additional
14 24-hour 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. 6. (1) Each bingo license shall contain the name and
9 address of the licensee, the location at which the licensee is
10 permitted to conduct bingo, the day of the week on which the
11 licensee is permitted to conduct bingo and the expiration date of
12 the license.

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

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

23 (4) EACH CHARITY GAME LICENSE SHALL CONTAIN THE NAME OF THE
24 LICENSEE, THE ADDRESS AT WHICH THE LICENSEE IS PERMITTED TO SELL
25 CHARITY GAME TICKETS, THE DAY OF THE WEEK AND HOURS ON WHICH THE
26 LICENSEE IS PERMITTED TO SELL CHARITY GAME TICKETS, AND THE
27 EXPIRATION DATE OF THE LICENSE. THE LICENSEE SHALL DISPLAY THE

1 LICENSE CONSPICUOUSLY AT THE LOCATION WHERE THE CHARITY GAME
2 TICKETS ARE BEING SOLD AND AT ALL TIMES DURING THE SALE OF
3 TICKETS.

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

13 (2) AFTER A DETERMINATION BY THE COMMISSIONER THAT THE
14 APPLICANT IS A QUALIFIED ORGANIZATION AND UPON PAYMENT OF A FEE
15 OF \$50.00, THE COMMISSIONER MAY ISSUE A LICENSE TO SELL CHARITY
16 GAME TICKETS NOT IN CONJUNCTION WITH A LICENSED BINGO GAME OR
17 LICENSED MILLIONAIRE PARTY IF THE QUALIFIED ORGANIZATION SELLS
18 THE TICKETS ONLY AT A PREMISES OWNED AND OPERATED BY THE QUALI-
19 FIED ORGANIZATION FOR THE REGULAR USE OF ITS MEMBERS. A LICENSE
20 MAY BE REISSUED ANNUALLY UPON THE SUBMISSION OF AN APPLICATION
21 FOR REISSUANCE PROVIDED BY THE COMMISSIONER AND PAYMENT OF A FEE
22 OF \$50.00. THE FEE FOR A CERTIFIED COPY OF THE LICENSE SHALL BE
23 \$5.00.

24 (3) ~~(2)~~ All charity game tickets used in the conduct of a
25 charity game shall be purchased by the qualified organization
26 from ~~the bureau or~~ a licensed ~~supplier.~~ ~~The bureau shall~~
27 ~~determine the number of charity game tickets that constitute a~~

~~1 charity game. The bureau also shall determine the price at which
2 the qualified organization shall resell each charity game ticket
3 and shall have that price printed on each charity game ticket.~~

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

14 (4) ~~(3) The bureau or a licensed supplier.~~ A LICENSED
15 DISTRIBUTOR shall ONLY sell charity game tickets to a qualified
16 organization, which is eligible to conduct a charity game ~~at a~~
17 ~~percentage to be determined by the bureau, of the gross revenues~~
18 ~~which are realized by the resale of all the charity game tickets~~
19 ~~for that game at the price established by the bureau. The per-~~
20 ~~centage retained by the qualified organization shall be equal to~~
21 ~~the percentage received by the bureau for the sale of charity~~
22 ~~game tickets.~~ AND SHALL COLLECT A FEE OF 10% OF THE GROSS
23 RECEIPTS LESS THE PRIZES FOR EACH CHARITY GAME SOLD WHICH SHALL
24 BE PAID BY THE QUALIFIED ORGANIZATION TO THE LICENSED DISTRIBUTOR
25 AT THE TIME OF SALE AS PROVIDED BY RULE OF THE COMMISSIONER. THE
26 LICENSED DISTRIBUTOR SHALL REMIT THE FEES MONTHLY TO THE
27 COMMISSIONER BY THE TENTH DAY OF EACH MONTH AND REPORT TO THE

1 COMMISSIONER WITH THE FREQUENCY AND IN THE MANNER PRESCRIBED BY
2 RULE OF THE COMMISSIONER. IN ADDITION TO OTHER PENALTIES PRO-
3 VIDED IN THIS ACT, A LATE FEE OF NOT MORE THAN 20% OF THE AMOUNT
4 DUE MAY BE ASSESSED BY THE COMMISSIONER AGAINST A LICENSED DIS-
5 TRIBUTOR WHO FAILS TO REMIT THE REQUIRED FEES WITHIN 10 DAYS
6 AFTER THE DATE OWING. A qualified organization which conducts a
7 charity game shall be solely responsible for paying prizes won by
8 purchasers of winning charity game tickets. When all charity
9 game tickets are resold for that game, prizes distributed shall
10 have an aggregate value of ~~, as near as practicable,~~ not less
11 than ~~60%~~ 65% of the resale value of all the charity game tick-
12 ets for that charity game.

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

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

21 (6) ~~The bureau shall have a bureau control number for iden-~~
22 ~~tification purposes imprinted upon each charity game ticket.~~

23 EACH CHARITY GAME SHALL HAVE IMPRINTED UPON THE TICKETS BY THE
24 MANUFACTURER A SERIAL NUMBER UNIQUE TO THAT GAME FOR IDENTIFICA-
25 TION AND TRACKING PURPOSES AS REQUIRED BY RULE OF THE
26 COMMISSIONER. A MANUFACTURER SHALL NOT BE ELIGIBLE TO SELL OR
27 OFFER FOR SALE CHARITY GAME TICKETS IN THIS STATE UNLESS THE

1 MANUFACTURER FIRST DEMONSTRATES TO THE COMMISSIONER ITS ABILITY
2 TO IDENTIFY AND TRACK BY SERIAL NUMBER THE PURCHASER OR HOLDER OF
3 ALL CHARITY GAME TICKETS IT MANUFACTURES.

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

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

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

19 Sec. 8. All fees and revenue collected by the commissioner
20 or bureau under this act shall be paid into the state lottery
21 fund. All necessary expenses incurred by the bureau in the
22 administration and enforcement of this act and in the initiation,
23 implementation, and ongoing operation of charity games shall be
24 financed from the state lottery fund. The amount of these neces-
25 sary expenses shall not exceed the amount of revenues received
26 from the sale of charity game tickets and all fees collected
27 under this act. ~~, except that this limitation shall not apply~~

1 ~~before October 1, 1983.~~ At the end of each fiscal year all
2 money, including interest, in the state lottery fund which is
3 attributable to fees and revenue collected pursuant to this act
4 but which has not been expended pursuant to this section shall be
5 deposited in the state ~~general fund~~ SCHOOL AID FUND AND SHALL
6 BE DISTRIBUTED AS PROVIDED BY LAW.

7 Sec. 9. The entire net proceeds of a bingo game, ~~or~~ a
8 millionaire party, OR CHARITY GAME TICKET SALE shall be devoted
9 exclusively to the lawful purposes of the licensee. ~~The entire~~
10 ~~net proceeds of a charity game shall be devoted exclusively to~~
11 ~~the lawful purposes of the qualified organization which conducted~~
12 ~~the charity game.~~ An item of expense shall not be incurred or
13 paid in connection with the holding, operating, or conducting of
14 bingo, ~~or~~ a millionaire party, OR CHARITY GAME TICKET SALE
15 except the ~~following~~ bona fide expenses in reasonable amounts
16 OF ALL OF THE FOLLOWING:

17 (a) The purchase or rental of equipment necessary for con-
18 ducting a bingo game, ~~or~~ a millionaire party, OR A CHARITY GAME
19 and payment of services reasonably necessary for the repair of
20 equipment.

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

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

24 (d) Janitorial services.

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

1 (f) Other reasonable expenses incurred by the licensee, not
2 inconsistent with this act, as permitted by rule of the
3 commissioner.

4 Sec. 10. (1) A person other than a bona fide member of the
5 qualified organization shall not participate in the management of
6 bingo, a millionaire party, or ~~a~~ THE SALE OF charity game
7 TICKETS. Persons other than bona fide members of the qualified
8 organization may participate in the operation of bingo, a mil-
9 lionaire party, or ~~a~~ THE SALE OF charity game TICKETS as pro-
10 vided by rule of the commissioner. A PERSON WHO HAS BEEN CON-
11 VICTED OF A FELONY, GAMBLING OFFENSE, CRIMINAL FRAUD, FORGERY,
12 THEFT, OR THE FILING OF A FALSE REPORT WITH A GOVERNMENT AGENCY
13 MAY BE PROHIBITED BY THE BUREAU FROM PARTICIPATING IN THE MANAGE-
14 MENT OR OPERATION OF AN ACTIVITY LICENSED UNDER THIS ACT.

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

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

25 (4) Except as provided in section 5(2), the aggregate retail
26 value of all prizes or merchandise awarded in a single day of
27 bingo shall not exceed \$2,000.00, and the prize awarded for 1

1 game shall not exceed \$500.00 cash or its equivalent. ~~A prize~~
2 ~~of merchandise shall not be redeemable or convertible into cash~~
3 ~~directly or indirectly.~~

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

9 (6) Except as provided in section 10a(c), the aggregate
10 market value of all prizes or merchandise awarded in 1 day of a
11 millionaire party shall not exceed \$2,000.00. A person partici-
12 pating in the event shall not be awarded prizes or merchandise
13 having an aggregate value greater than \$500.00. Personal limita-
14 tion on winnings shall be given at the location of the event. A
15 prize of merchandise shall not be redeemable or convertible into
16 cash directly or indirectly.

17 (7) A millionaire party may be described in the licensee's
18 advertising as a Las Vegas party. The holder of a millionaire
19 party license shall not advertise the event, except to the extent
20 and in the manner permitted by rule of the commissioner. If the
21 commissioner permits a licensee to advertise the event, the
22 licensee shall indicate in the advertising the purposes for which
23 the net proceeds will be used by the licensee, and shall give
24 notice of the \$500.00 personal limitation on winnings required by
25 subsection (6).

1 Sec. 12. (1) The bureau shall enforce and supervise the
2 administration of this act. The commissioner shall employ
3 personnel as necessary to implement this act.

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

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

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

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

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

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

18 (4) Licensed ~~suppliers shall be~~ DISTRIBUTORS OF CHARITY
19 GAME TICKETS SHALL HAVE THEIR PRINCIPAL OFFICE LOCATED IN THIS
20 STATE AND SHALL BE authorized to sell charity game tickets only
21 upon approval of the commissioner according to rules promulgated
22 by the commissioner. ~~The commissioner shall require suppliers~~
23 ~~authorized to sell charity game tickets to post a performance~~
24 ~~bond which shall be an amount not less than \$50,000.00 and not~~
25 ~~greater than \$100,000.00.~~ Qualified organizations licensed to
26 conduct bingo, ~~or~~ a millionaire party, OR A CHARITY GAME shall
27 obtain equipment only from licensed ~~suppliers~~ DISTRIBUTORS and

1 shall obtain charity game tickets only from ~~the bureau or a~~
2 ~~licensed supplier. A licensed supplier shall remit to the bureau~~
3 ~~an amount equal to the qualified organization's purchase price of~~
4 ~~the charity game tickets less an amount which shall be not less~~
5 ~~than the sum of \$.008 for each ticket sold plus 1.0% of the total~~
6 ~~resale value for all charity game tickets sold. A supplier AN~~
7 AUTHORIZED LICENSED DISTRIBUTOR. A LICENSED DISTRIBUTOR shall
8 pay an annual license fee of ~~\$300.00 to the bureau~~ \$1,000.00
9 FOR THE FIRST LOCATION AND \$500.00 FOR EACH ADDITIONAL LOCATION
10 WHERE BUSINESS IS CONDUCTED OR EQUIPMENT IS STORED. AN ADDI-
11 TIONAL ANNUAL FEE OF \$1,500.00 SHALL BE PAID BY THE LICENSED DIS-
12 TRIBUTOR FOR EACH SALES OFFICE FROM WHICH THE DISTRIBUTOR IS
13 LICENSED TO SELL CHARITY 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 PERSON SHALL NOT BE LICENSED AS A MANUFACTURER OR
2 DISTRIBUTOR WHO IS, OR WHOSE AGENT, EMPLOYEE, OR PERSON RESIDING
3 WITHIN THEIR HOUSEHOLD IS, DIRECTLY OR INDIRECTLY INVOLVED IN
4 LEASING OR RENTING ANY PREMISES FOR THE CONDUCT OF LICENSED
5 ACTIVITIES CONDUCTED BY A QUALIFIED ORGANIZATION.

6 (9) A PERSON LICENSED AS A MANUFACTURER OR DISTRIBUTOR SHALL
7 NOT SELL OR OTHERWISE MAKE AVAILABLE IN THIS STATE ANY EQUIPMENT
8 OR CHARITY GAME TICKETS UNLESS HE OR SHE HAS FIRST DETERMINED
9 THAT THE PURCHASER OR LESSEE IS A LICENSED QUALIFIED
10 ORGANIZATION. IN THE CASE OF WHOLESALE TRANSACTIONS, A PERSON
11 LICENSED AS A MANUFACTURER OR DISTRIBUTOR SHALL NOT SELL OR OTH-
12 ERWISE MAKE AVAILABLE IN THIS STATE ANY EQUIPMENT OR CHARITY GAME
13 TICKETS UNLESS THE MANUFACTURER OR DISTRIBUTOR FIRST DETERMINES
14 THAT THE PURCHASER OR LESSEE IS A LICENSED DISTRIBUTOR.

15 (10) A LICENSED MANUFACTURER AND DISTRIBUTOR SHALL FILE WITH
16 THE COMMISSIONER A REPORT OF ALL SALES AND RENTALS OF EQUIPMENT
17 OR CHARITY GAME TICKETS TO ANY LICENSED QUALIFIED ORGANIZATION OR
18 LICENSED DISTRIBUTOR IN THIS STATE IN SUCH DETAIL AND WITH SUCH
19 FREQUENCY AS MAY BE REQUIRED BY RULE OF THE COMMISSIONER.

20 (11) A PERSON APPLYING FOR A LICENSE UNDER THIS SUBSECTION,
21 OR ANY AUTHORIZED SALES REPRESENTATIVE OF THE APPLICANT, MAY BE
22 PROHIBITED BY THE BUREAU FROM DOING BUSINESS IN THIS STATE WITH
23 LICENSED QUALIFIED ORGANIZATIONS OR LICENSED PERSONS IF THE
24 APPLICANT OR APPLICANT'S REPRESENTATIVE HAS BEEN CONVICTED OF A
25 FELONY, GAMBLING OFFENSE, CRIMINAL FRAUD, FORGERY, THEFT, OR
26 FILING A FALSE REPORT WITH A GOVERNMENT AGENCY.

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

6 (2) ~~To facilitate the earliest possible implementation of~~
7 ~~this act with regard to charity games, the commissioner may adopt~~
8 ~~and promulgate temporary rules which shall not be subject to~~
9 ~~chapter 3 of Act No. 306 of the Public Acts of 1969, as amended.~~
10 ~~Temporary rules shall be filed in the office of the secretary of~~
11 ~~state and become effective after the date of filing as determined~~
12 ~~by the commissioner. Temporary rules shall not be effective~~
13 ~~after December 31, 1982.~~ THE COMMISSIONER SHALL CONTINUE TO SELL
14 CHARITY GAME TICKETS TO LICENSED DISTRIBUTORS AT COST PLUS A REA-
15 SONABLE HANDLING FEE AS DETERMINED BY THE COMMISSIONER UNTIL THE
16 DEPLETION OF THE BUREAU'S SUPPLY OF TICKETS IN EXISTENCE AND ON
17 ORDER ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT AMENDED
18 THIS SUBSECTION, AFTER WHICH TIME LICENSED DISTRIBUTORS SHALL
19 BEGIN TO SELL TICKETS IN ACCORDANCE WITH THE AMENDATORY PROVI-
20 SIONS OF THIS ACT.

21 (3) Rules adopted and promulgated by the commissioner shall
22 insure the integrity and honest operation of bingo games, mil-
23 lionaire parties, and THE SALE OF charity ~~games~~ GAME TICKETS
24 and shall be consistent with the legislative objective that
25 bingo, millionaire parties, and THE SALE OF charity ~~games~~ GAME
26 TICKETS shall be conducted in a friendly, social, and
27 noncommercial manner.

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

3 Sec. 14. (1) Each ~~licensee~~ LICENSED QUALIFIED
4 ORGANIZATION shall keep a record of bingo games, millionaire par-
5 ties, and THE SALE OF charity ~~games conducted within the previ-~~
6 ~~ous year~~ GAME TICKETS as provided by rule of the commissioner
7 AND ON FORMS PROVIDED BY THE COMMISSIONER. The record shall be
8 open to inspection by a ~~duly~~ authorized employee of the bureau
9 during reasonable business hours. Upon the request of the com-
10 missioner, the state auditor general or a certified public
11 accountant firm appointed by the auditor general shall examine
12 and conduct a postaudit of a licensee's records, accounts, and
13 transactions related to the QUALIFIED ORGANIZATION'S GENERAL FUND
14 operation of the bingo game, millionaire party, or THE SALE OF
15 charity game TICKETS.

16 (2) ~~Annually each licensee~~ A LICENSED QUALIFIED
17 ORGANIZATION shall file with the commissioner a financial state-
18 ment of receipts and expenses related to the conducting of the
19 bingo game, millionaire party, or charity game TICKET SALES in
20 such detail AND WITH SUCH FREQUENCY as may be required by rule of
21 the commissioner. THE COMMISSIONER MAY ASSESS UP TO A \$100.00
22 LATE FEE PENALTY FOR EACH REPORT NOT TIMELY SUBMITTED AFTER WRIT-
23 TEN NOTICE. Where the revenue from a bingo game, millionaire
24 party, or charity game TICKET SALES is represented to be used or
25 applied by a licensee for a charitable purpose, the licensee
26 shall file a copy of the financial statement with the attorney
27 general pursuant to THE SUPERVISION OF TRUSTEES FOR CHARITABLE

1 PURPOSES ACT, Act No. 101 of the Public Acts of 1961, as amended,
2 being sections 14.251 to 14.266 of the Michigan Compiled Laws.

3 (3) The location at which the bingo, millionaire party, or
4 SALE OF charity game TICKETS is being conducted or at which an
5 applicant or licensee intends to conduct the bingo, millionaire
6 party, or SALE OF charity game TICKETS AND THE LOCATION OR LOCA-
7 TIONS AT WHICH LICENSED DISTRIBUTORS AND MANUFACTURERS OPERATE
8 shall be open to inspection at all times by a ~~duly~~ authorized
9 employee of the bureau or by the state police or a peace officer
10 of a political subdivision of this state. WHENEVER AN AUTHORIZED
11 EMPLOYEE OF THE BUREAU, THE STATE POLICE, OR A PEACE OFFICER OF A
12 POLITICAL SUBDIVISION OF THIS STATE HAS PROBABLE CAUSE TO BELIEVE
13 THAT ANY EQUIPMENT OR CHARITY GAME TICKETS WERE OBTAINED FROM AN
14 UNLICENSED SOURCE OR FAIL TO MEET THE RULES PROMULGATED UNDER
15 THIS ACT, HE OR SHE SHALL REMOVE AND IMPOUND THE EQUIPMENT OR
16 TICKETS FOR THE PURPOSE OF EXAMINATION AND DETENTION. THE TICK-
17 ETS AND EQUIPMENT SHALL NOT BE DESTROYED EXCEPT PURSUANT TO A
18 COURT ORDER.

19 Sec. 17. (1) A person who ~~wilfully violates this act~~ DOES
20 ANY OF THE FOLLOWING is guilty of a misdemeanor ~~and shall be~~
21 ~~fined~~ PUNISHABLE BY A FINE OF not more than ~~\$1,000.00~~
22 \$5,000.00 or ~~imprisoned~~ IMPRISONMENT FOR not more than ~~6~~ 12
23 months, or both: ~~—~~

24 (A) WILLFULLY VIOLATES THIS ACT OR A RULE PROMULGATED UNDER
25 THIS ACT.

26 (B) PROVIDES FALSE INFORMATION OR FAILS TO DISCLOSE
27 INFORMATION REQUESTED ON AN APPLICATION OR FINANCIAL REPORT.

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

3 (D) MANUFACTURES, OFFERS FOR SALE, SELLS, DISTRIBUTES, OR
4 POSSESSES CHARITY GAME TICKETS OTHER THAN THOSE AUTHORIZED BY
5 THIS ACT.

6 (E) MANUFACTURES, OFFERS FOR SALE, SELLS, DISTRIBUTES, OR
7 LEASES EQUIPMENT OR CHARITY GAME TICKETS IN THIS STATE WITHOUT
8 FIRST OBTAINING A LICENSE UNDER THIS ACT.

9 (F) USES PROCEEDS IN AN AMOUNT OF NOT MORE THAN \$100.00 FROM
10 A LICENSED ACTIVITY OTHER THAN FOR A PURPOSE AUTHORIZED UNDER
11 THIS ACT.

12 (2) A PERSON WHO USES PROCEEDS IN AN AMOUNT WHICH EXCEEDS
13 \$100.00 FROM A LICENSED OR REGISTERED ACTIVITY FOR OTHER THAN A
14 PURPOSE AUTHORIZED UNDER THIS ACT IS GUILTY OF A FELONY AND SHALL
15 BE FINED NOT MORE THAN \$10,000.00 OR IMPRISONED NOT MORE THAN 5
16 YEARS, OR BOTH.

17 (3) A PERSON WHO DOES EITHER OF THE FOLLOWING IS GUILTY OF A
18 MISDEMEANOR, PUNISHABLE BY A FINE OF NOT MORE THAN \$5,000.00 OR
19 IMPRISONMENT FOR NOT MORE THAN 2 YEARS, OR BOTH:

20 (A) HINDERS OR OBSTRUCTS THE COMMISSIONER OR AN AUTHORIZED
21 EMPLOYEE OF THE BUREAU, KNOWING THAT PERSON TO BE THE COMMIS-
22 SIONER OR AN AUTHORIZED EMPLOYEE OF THE BUREAU.

23 (B) ASSAULTS OR BATTERS THE COMMISSIONER OR AN AUTHORIZED
24 EMPLOYEE OF THE BUREAU, KNOWING THAT PERSON TO BE THE COMMIS-
25 SIONER OR AN AUTHORIZED EMPLOYEE OF THE BUREAU.

26 (4) IN ADDITION TO OTHER PENALTIES PROVIDED FOR IN THIS ACT,
27 A PERSON WHO DOES ANY OF THE FOLLOWING IS SUBJECT TO A FINE EQUAL

1 TO THE GROSS PROCEEDS DERIVED FROM THE UNLICENSED ACTIVITIES AND
2 TO THE CONFISCATION AND FORFEITURE OF ALL CHARITY GAME TICKETS
3 AND EQUIPMENT FOUND TO BE RELATED TO THE CONDUCT OF THOSE
4 ACTIVITIES:

5 (A) CONDUCTS A BINGO OR MILLIONAIRE PARTY OR SELLS CHARITY
6 GAME TICKETS WITHOUT FIRST OBTAINING A LICENSE AS REQUIRED BY
7 THIS ACT.

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

11 (C) CONTINUES TO CONDUCT BINGO OR MILLIONAIRE PARTIES, OR
12 CONTINUES TO SELL CHARITY GAME TICKETS AFTER A LICENSE SUSPENSION
13 OR REVOCATION.

14 (D) MANUFACTURES, SELLS, DISTRIBUTES, OR LEASES EQUIPMENT OR
15 SELLS CHARITY GAME TICKETS AFTER A LICENSE SUSPENSION OR
16 REVOCATION.

17 Sec. 18. (1) A licensee whose license is revoked in conse-
18 quence of a violation of this act or a rule promulgated under
19 this act is ineligible, for a period of 1 year after the revoca-
20 tion, to apply for a license or to conduct a charity game.

21 ~~exempted from licensing requirements by section 4(3).~~

22 (2) A person convicted of an offense under section 17 or any
23 other gambling OR THEFT offense is ineligible to serve as an
24 officer of a licensee or to participate in conducting bingo, a
25 millionaire party, or a charity game OR IN MANUFACTURING, SELL-
26 ING, LEASING, OR DISTRIBUTING EQUIPMENT OR SELLING CHARITY GAME
27 TICKETS for a period of 1 year after the conviction becomes

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

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

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

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

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