

SENATE BILL NO. 608

May 19, 1999, Introduced by Senator JAYE and referred to the
Committee on Gaming and Casino Oversight.

A bill to license and regulate the conducting of bingo and certain forms of gambling; to provide for the conducting of charity games and numeral games; to impose certain duties and authority upon certain state departments, agencies, and officers; to provide a tax exemption; to provide for remedies and penalties; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "charitable gaming act".

3 Sec. 2. (1) "Advertising" means all printed matter, hand-
4 outs, flyers, radio, television, advertising signs, billboards,
5 and other media used to promote an event licensed under this
6 act.

1 (2) "Bingo" means a game of chance commonly known as bingo
2 in which prizes are awarded on the basis of designated numbers or
3 symbols on a card conforming to numbers or symbols selected at
4 random.

5 (3) "Bingo card" means a disposable or hard card that is
6 used in conjunction with a game of bingo to determine a winner.
7 Hard cards and disposable cards shall have printed on their face
8 a series number that has been assigned by the manufacturer.
9 Disposable cards shall have printed on their face a serial or
10 control number assigned by the manufacturer.

11 (4) "Bureau" means the bureau of state lottery created in
12 section 5 of the McCauley-Traxler-Law-Bowman-McNeely lottery act,
13 1972 PA 239, MCL 432.5.

14 (5) "Charitable purpose" means 1 or more of the following
15 causes, deeds, or activities that are beneficial to the general
16 public:

17 (a) Relief of poverty.

18 (b) Advancement of education.

19 (c) Advancement of religion.

20 (d) Protection of health or relief from disease, suffering,
21 or distress.

22 (e) Advancement of civic, governmental, or municipal
23 purposes.

24 (f) Protection of the environment and conservation of
25 wildlife.

26 (g) Defense of human rights and the elimination of prejudice
27 and discrimination.

1 (h) Any other purpose that the commissioner determines to be
2 beneficial to the general public.

3 (6) "Charity game" means the random resale of a series of
4 charity game tickets.

5 (7) "Charity game ticket" means a ticket commonly referred
6 to as a break open ticket or pull-tab that is approved and
7 acquired by the bureau and is sold by the bureau or a supplier to
8 a qualified organization, a portion of which is removed to dis-
9 cover whether the ticket is a winning ticket and whether the pur-
10 chaser may be awarded a prize.

11 (8) "Commissioner" means the commissioner of the bureau of
12 state lottery.

13 (9) "Coverall" means a type of pattern required to win a
14 bingo game, where all numbers on a bingo card must be called.

15 (10) "Disposable bingo card" means a bingo card that is
16 designed to be disposed after 1 use.

17 Sec. 3. (1) "Educational organization" means a nonprofit
18 organization within this state whose primary purpose is educa-
19 tional in nature and is designed to develop the capabilities of
20 individuals by instruction in any public or private elementary or
21 secondary school and that complies with the revised school code,
22 1976 PA 451, MCL 380.1 to 380.1852, or any nonprofit private or
23 public college or university approved by the state board of
24 education.

25 (2) "Educational subordinate organization" means a nonprofit
26 organization within this state that has separate bylaws or a
27 separate constitution and separately elected officers from the

1 nonprofit parent educational organization and that is all of the
2 following:

3 (a) Established exclusively to raise funds for activities
4 sponsored by the nonprofit parent educational organization.

5 (b) Directly under the control of the nonprofit parent edu-
6 cational organization.

7 (c) Authorized by the principal officer of the nonprofit
8 parent educational organization to conduct charitable gaming
9 events.

10 (d) An organization whose bylaws or constitution contains a
11 provision that upon dissolution of the organization all assets
12 and real and personal property of the organization shall be dis-
13 tributed to another nonprofit organization.

14 (3) "Equipment" means the objects and mechanical or electro-
15 mechanical devices used to determine or assist in determining the
16 winners of prizes at events licensed under this act. Equipment
17 does not include playing cards, dice, bingo chips, daubers,
18 objects used in determining winners in a licensed raffle, or
19 other items determined not to be equipment by the commissioner.

20 (4) "Event" means a licensed bingo, millionaire party,
21 raffle, charity game, or numeral game.

22 (5) "Fraternal organization" means a nonprofit organization
23 within this state, except a college fraternity or sorority, that
24 is a branch, lodge, or chapter of a national or state organiza-
25 tion and exists for a common purpose, brotherhood, sisterhood, or
26 other interests of its members and whose national, state, or
27 local bylaws, constitution, or articles of incorporation contain

1 a provision for the distribution of all assets and real and
2 personal property of the local organization upon dissolution to
3 another nonprofit organization.

4 (6) "General public" means the society as a whole or a con-
5 siderable part thereof.

6 (7) "Hard bingo card" means a bingo card that is designed to
7 be used more than once.

8 (8) "Large bingo" means a series of bingo occasions that
9 occur on a regular basis during which the total value of all
10 prizes awarded is more than \$1,000.00.

11 (9) "Large raffle" means an event where the total value of
12 all prizes awarded through raffle drawings exceeds \$1,000.00 per
13 occasion.

14 (10) "Lawful purpose" means 1 or more of the authorized pur-
15 poses that are stated in the qualified organization's written
16 constitution, charter, articles of incorporation, or bylaws and
17 that is on file with the bureau.

18 (11) "Licensee" means a qualified organization licensed
19 under this act.

20 (12) "Local civic organization" means a nonprofit organiza-
21 tion within this state, not affiliated with a state or national
22 organization that meets all of the following criteria:

23 (a) The organization has been recognized by a resolution
24 adopted by the local unit of government in which the organization
25 conducts its principal activities.

1 (b) The constitution, articles of incorporation, or bylaws
2 of the organization contain a provision that requires the
3 organization to remain nonprofit.

4 (c) The entire assets of the organization are pledged to
5 charitable purposes.

6 (d) The constitution, articles of incorporation, or bylaws
7 of the organization contain a provision that all assets, real
8 property, and personal property shall revert to the benefit of
9 the local unit of government that issued the resolution or
10 another nonprofit organization upon dissolution of the
11 organization.

12 (13) "Location" means a building, enclosure, part of a
13 building or enclosure, or any distinct portion of real estate
14 that is used for the purpose of conducting events licensed under
15 this act. Location also means all components or buildings that
16 comprise 1 architectural entity or that serve a unified func-
17 tional purpose.

18 Sec. 4. (1) "Manufacturer" means a person who manufactures
19 numeral game tickets for sale to suppliers for use in certain
20 events licensed under this act.

21 (2) "Member" or "bona fide member" means an individual who
22 meets an organization's established membership criteria and who
23 participates in the organization to further its lawful purpose.
24 Member includes parents of students, administrators, alumni, and
25 faculty of educational organizations.

26 (3) "Michigan progressive jackpot" means a bingo game
27 conducted in conjunction with a licensed large bingo occasion,

1 where the value of the prize is carried forward to the next bingo
2 occasion, if no player bingos in a predetermined number of allow-
3 able calls.

4 (4) "Millionaire party" means an event at which wagers are
5 placed upon games of chance customarily associated with a gambl-
6 ing casino through the use of imitation money or chips that have
7 a nominal value equal to or greater than the value of the cur-
8 rency for which they can be exchanged.

9 (5) "Numeral game" means the random resale of a series of
10 numeral tickets by a qualified organization under a numeral game
11 license or in conjunction with a licensed millionaire party or
12 large raffle.

13 (6) "Numeral game ticket" means a paper strip on which pre-
14 printed numerals are covered by folding the strip and banding the
15 folded strip with a separate piece of paper, whereby upon break-
16 ing the paper strip that bands the ticket, the purchaser discov-
17 ers whether the ticket is a winning ticket and the purchaser may
18 be awarded a merchandise prize.

19 (7) "Occasion" means the hours and corresponding day or
20 individual dates for which a license is issued.

21 (8) "Person" means an individual, partnership, corporation,
22 association, limited liability company, governmental entity, or
23 other legal entity.

24 (9) "Principal officer" means the highest ranking officer of
25 the qualified organization according to its written constitution,
26 charter, articles of incorporation, or bylaws.

1 (10) "Prize" means anything of value, including, but not
2 limited to, money or merchandise that is given to a player for
3 attending or winning a game at an event. A nonmonetary item is
4 valued at its fair market value.

5 Sec. 5. (1) "Qualified organization" means a bona fide
6 religious, religious subordinate, educational, educational subor-
7 dinate, service, local civic, senior citizens, fraternal, or
8 veterans' organization that operates without profit to its mem-
9 bers and that either has been in existence continuously as such
10 an organization for a period of 5 years or is exempt from taxa-
11 tion imposed by the single business tax act, 1975 PA 228, MCL
12 208.1 to 208.145. Qualified organization includes a candidate
13 committee, political committee, political party committee, ballot
14 question committee, independent committee, or any other committee
15 as defined by, and organized pursuant to, the Michigan campaign
16 finance act, 1976 PA 388, MCL 169.201 to 169.282.

17 (2) "Religious organization" means any 1 of the following
18 nonprofit organizations within this state that, unless it is a
19 religious organization that is a corporate sole as provided in
20 1867 PA 207, MCL 458.1 to 458.2, has a provision in its bylaws,
21 constitution, or articles of incorporation that requires the dis-
22 tribution of all assets and real and personal property of the
23 organization upon dissolution to another nonprofit organization:

24 (a) An organization, church, mosque, synagogue, body of com-
25 municants, or group that gathers in common membership for mutual
26 support and edification in piety, worship, and religious
27 observances.

1 (b) A society of individuals that unites for religious
2 purposes at a definite place.

3 (c) A church related private school.

4 (3) "Religious subordinate organization" means a nonprofit
5 organization within this state that has separate bylaws or a sep-
6 arate constitution and separately elected officers from its
7 parent religious organization and that is all of the following:

8 (a) Established exclusively to raise funds for activities
9 sponsored by the parent religious organization.

10 (b) Directly under the control of the parent religious
11 organization.

12 (c) Authorized by the principal officer of the parent reli-
13 gious organization to conduct charitable gaming events.

14 (d) An organization whose bylaws or constitution contain a
15 provision that upon dissolution of the organization all assets
16 and real and personal property of the organization shall be dis-
17 tributed to another nonprofit organization.

18 (4) "Senior citizens organization" means a nonprofit organi-
19 zation within this state that consists of not fewer than 15 mem-
20 bers who are 60 years of age or older and exists for their mutual
21 support and to advance the causes of elderly or retired persons
22 and whose bylaws, constitution, or articles of incorporation con-
23 tain a provision for the distribution of all assets and real and
24 personal property of the organization upon dissolution to another
25 nonprofit organization.

26 (5) "Service organization" means a nonprofit organization
27 within this state that is a branch, lodge, or chapter of a

1 national or state organization that is authorized by its written
2 constitution, charter, articles of incorporation, or bylaws to
3 engage in a fraternal, civic, or service purpose and whose
4 national, state, or local bylaws, constitution, or articles of
5 incorporation contain a provision for the distribution of all
6 assets and real and personal property of the local organization
7 upon dissolution to another nonprofit organization.

8 (6) "Single gathering" means 1 scheduled assembly or meeting
9 with a specified beginning and ending time that is conducted or
10 sponsored by the qualified organization. Single gathering does
11 not include the regular operating hours of a club or similar
12 facility and does not include a meeting conducted solely for the
13 purpose of conducting a raffle.

14 (7) "Small bingo" means a series of bingo occasions that
15 occur on a regular basis during which the total value of all
16 prizes awarded through bingo at a single occasion is \$1,000.00.

17 (8) "Small raffle" means an event during which the total
18 value of all prizes awarded through raffle drawings is \$1,000.00
19 per occasion.

20 (9) "Special bingo" means a single or consecutive series of
21 bingo occasions during which the total value of all prizes
22 awarded through bingo at a single occasion does not exceed
23 \$1,000.00 and the total value of all prizes awarded for a single
24 game is \$1,000.00.

25 (10) "Supplier" means a person licensed under this act to
26 rent, sell, or lease equipment or to sell charity game or numeral
27 game tickets to qualified organizations licensed under this act.

1 (11) "Ticket seller's prize" means a prize awarded to a
2 raffle ticket seller based on the number of tickets sold by the
3 raffle ticket seller or based on the results of a raffle
4 drawing.

5 (12) "Veterans' organization" means a nonprofit organization
6 within this state that is a branch, lodge, or chapter of a state
7 organization or national organization chartered by the congress
8 of the United States, the membership of which consists of indi-
9 viduals who were members of the armed services or forces of the
10 United States, and whose national, state, or local bylaws, con-
11 stitution, or articles of incorporation contain a provision for
12 the distribution of all assets and real and personal property of
13 the local organization upon dissolution to another nonprofit
14 organization.

15 (13) "Worker" means a person, 18 years of age or older,
16 assisting in the conduct of bingo, a millionaire party, a charity
17 game, or a numeral game.

18 Sec. 6. (1) Each applicant for a license to conduct a
19 bingo, millionaire party, raffle, charity game, or numeral game
20 shall submit to the bureau a written application on a form pre-
21 scribed by the commissioner.

22 (2) The application shall include all of the following:

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

24 (b) The name and address of each officer of the applicant
25 organization.

26 (c) The location at which the applicant will conduct the
27 event.

1 (d) The day or dates of the event.

2 (e) The member or members of the applicant organization who
3 will be responsible for the conduct of the event.

4 (f) Sufficient facts relating to the applicant's incorpora-
5 tion or organization to enable the commissioner to determine
6 whether the applicant is a qualified organization.

7 (g) A sworn statement attesting to the nonprofit status of
8 the applicant organization that is signed by the principal offi-
9 cer of that organization.

10 (h) Other information the commissioner considers necessary.

11 Sec. 7. (1) Except as provided in subsections (2) and (3),
12 when the commissioner determines that the applicant is a quali-
13 fied organization and is not ineligible pursuant to section 34
14 and the applicant has paid to the bureau the appropriate fee, the
15 commissioner may issue 1 or more of the following licenses:

16	<u>License</u>	<u>Fee</u>
17	(a) Large bingo.....	\$150.00
18	(b) Small bingo.....	\$ 55.00
19	(c) Special bingo.....	\$ 25.00
20	(d) Millionaire party.....	\$ 50.00 per day
21	(e) Large raffle.....	\$ 50.00 per drawing date
22	(f) Small raffle:	
23	(i) One to 3 drawing dates.....	\$ 15.00
24	(ii) Four or more drawing dates...	\$ 5.00 per drawing date
25	(g) Annual charity game.....	\$200.00
26	(h) Special charity game.....	\$ 15.00 per day

1 (i) Numeral game..... \$ 15.00 per day

2 (2) Under extreme hardship conditions as determined by the
3 commissioner, the commissioner may waive 1 or more requirements
4 of a qualified organization to permit the licensing of a special
5 bingo, millionaire party, or raffle, if all of the following con-
6 ditions are met:

7 (a) The organization applying for the license is a nonprofit
8 organization.

9 (b) The entire proceeds of the event, less the actual rea-
10 sonable expense of conducting the event, are donated or used for
11 a charitable purpose, organization, or cause.

12 (c) None of the individuals connected with the conduct of
13 the event is compensated in any manner for his or her
14 participation.

15 (d) The organization complies with all other provisions of
16 this act and rules promulgated under this act.

17 (3) Under extreme hardship conditions as determined by the
18 commissioner, the commissioner may allow an individual or a group
19 of individuals to obtain a license to conduct a special bingo,
20 millionaire party, or raffle if all of the following conditions
21 are met:

22 (a) The entire proceeds of the event, less the actual rea-
23 sonable expense of conducting the event, are donated or used for
24 a charitable purpose, organization, or cause.

25 (b) None of the individuals connected with the conduct of
26 the event is compensated in any manner for his or her
27 participation.

1 (c) The individual or group of individuals complies with all
2 other provisions of this act and the rules promulgated under this
3 act.

4 (4) The commissioner may issue a joint license to 1 or more
5 qualified organizations to conduct an event licensed under this
6 act.

7 Sec. 8. (1) Each event license shall contain all of the
8 following:

9 (a) Name of the qualified organization.

10 (b) Location within this state at which the licensee is per-
11 mitted to conduct the event.

12 (c) The day of the week or dates on which the licensee is
13 permitted to conduct the event.

14 (d) The time during which the event will be conducted.

15 (e) The expiration date for a large or small bingo license
16 or an annual charity game license.

17 (2) The licensee shall display the license conspicuously at
18 the location where the event is being conducted at all times
19 during the conduct of the event.

20 Sec. 9. (1) A large or small bingo license may be reissued
21 annually upon submitting an application for renewal provided by
22 the commissioner and payment of the appropriate fee.

23 (2) A qualified organization may hold more than 1 bingo
24 license.

25 (3) A small or large bingo license is valid for not more
26 than 1 day per week.

1 (4) Not more than 10 bingo licenses shall be issued for a
2 7-day period at any 1 location.

3 (5) Large and small bingo licenses expire at 12 midnight on
4 the last day of February.

5 (6) Not more than 1 bingo license shall be issued to a qual-
6 ified organization for any 1 day.

7 (7) Not more than 2 bingo licenses shall be issued for the
8 same day at any 1 location.

9 (8) When more than 1 bingo license is issued for the same
10 location on the same day, there shall be a minimum of 2 hours
11 between the ending time of the first bingo occasion and the
12 beginning time of the second bingo occasion.

13 (9) A special bingo license may be issued for up to 7 con-
14 secutive days.

15 (10) A qualified organization may be issued up to 4 special
16 bingo licenses per calendar year.

17 Sec. 10. Recreational bingo may be conducted by a senior
18 citizens club, group, or home consisting of members who are 60
19 years of age or older without obtaining a license if all of the
20 following conditions are met:

21 (a) The bingo is conducted solely for the amusement and rec-
22 reation of the members and guests of the senior citizens club,
23 group, or home and not used for fund-raising.

24 (b) Only members, guests of members, and employees of the
25 senior citizens club, group, or home may participate in the oper-
26 ation of the bingo.

1 (c) Players are not charged more than 25 cents for a bingo
2 card.

3 (d) All revenue from the bingo is used for prizes and rea-
4 sonable expenses incurred in operating the bingo, and no person
5 is compensated for participating in the conduct of the bingo.

6 Sec. 11. (1) Only a bingo licensee may advertise its
7 bingo. A bingo licensee may use any legal means to advertise its
8 bingo. Advertising costs shall not exceed 3% of gross revenues
9 from the bingo on a calendar year basis. For special bingos,
10 advertising costs shall be reasonable as determined by the
11 commissioner.

12 (2) All bingo advertising shall include the name of the
13 licensee and the purposes for which the net proceeds will be
14 used.

15 Sec. 12. (1) A bingo licensee is not required to charge an
16 admission fee or sell an admission hard card.

17 (2) There shall be no restriction placed on the price of
18 hard or disposable bingo cards, except that all like cuts and
19 packets of disposable bingo cards shall be sold at the same
20 price.

21 (3) Bingo balls used in the conduct of a licensed bingo game
22 may be of more than 1 color as long as the balls associated with
23 each letter are of similar color.

24 (4) Authorized bingo equipment includes pushout cards that
25 are designed to be operated without daubing or covering with
26 chips.

1 (5) A bingo licensee may use a cash register system in place
2 of verification slips and the master control sheet if that system
3 complies with the most current cash register program issued by
4 the bureau.

5 (6) All laws applying to the seating of the handicapped
6 apply at licensed bingo games. Seat saving is not prohibited.

7 (7) A person may be chairperson for more than 1 bingo only
8 if the additional bingo licenses, for which they will act as
9 chairperson, are granted to the same qualified organization.

10 (8) Licensed raffle tickets may be sold, with consent of the
11 bingo licensee, at a licensed bingo. Raffle drawings shall not
12 be conducted less than 2 hours before, during, or less than 2
13 hours after the bingo occasion at the location listed on the
14 bingo license.

15 (9) A bingo licensee, conducting a game at its own location,
16 is not required to call back the numbers of a winning bingo if
17 the licensee uses an electronic bingo verifier. Licensees play-
18 ing at a licensed hall are not required to call back the numbers
19 of a winning bingo, if the licensed hall uses an electronic bingo
20 verifier that can verify bingo paper manufactured by not fewer
21 than 3 different companies.

22 Sec. 13. (1) The value of a prize or consolation prize
23 awarded during a Michigan progressive jackpot bingo game is not
24 subject to a prize limitation.

25 (2) The prize awarded to the winner of a Michigan progres-
26 sive jackpot bingo game may be a predetermined amount that is not
27 less than \$1,000.00 on the first occasion.

1 (3) If a Michigan progressive jackpot prize is not won in
2 the predetermined number of allowable calls, the game shall be
3 played to its conclusion for a predetermined consolation prize.

4 (4) If a Michigan progressive jackpot prize is not won in
5 the predetermined number of allowable calls, the entire prize
6 amount shall be carried forward to the next scheduled occasion.

7 (5) When a Michigan progressive jackpot prize has been car-
8 ried forward from a previous occasion, the new prize amount will
9 include the entire amount carried forward, plus 50% of the dis-
10 posable cards sales for the Michigan progressive jackpot bingo
11 game for the current occasion.

12 (6) No arrangement of numbers other than a coverall card
13 pattern shall be required or allowed to win a Michigan progres-
14 sive jackpot bingo game.

15 (7) The game shall be played only on disposable bingo cards,
16 where each number called is indelibly marked by the player who
17 purchased the card.

18 (8) All cards shall be sold at a uniform price with no dis-
19 count for the purchase of more than 1 card.

20 (9) All disposable bingo cards used in the Michigan progres-
21 sive jackpot bingo game shall be sold prior to the drawing of the
22 first number in that game.

23 (10) Whenever a Michigan progressive jackpot bingo game is
24 conducted, the licensee shall post a notice and announce the fol-
25 lowing information:

1 (a) The maximum number of allowable calls in which the
2 player must complete a coverall pattern in order to win a
3 Michigan progressive jackpot prize on that occasion.

4 (b) The prize amount offered to the winner of the Michigan
5 progressive jackpot game and the consolation prize for that
6 occasion.

7 (c) The date the next occasion will occur in that particular
8 progression if the jackpot is not awarded.

9 (11) A Michigan progressive jackpot bingo game shall be con-
10 ducted in the following manner:

11 (a) On the first occasion a player shall not be required to
12 obtain bingo in less than 50 numbers called to win the jackpot
13 prize.

14 (b) The number of allowable calls required to win the jack-
15 pot shall be increased by 1 number on each successive occasion in
16 a particular progression.

17 (c) Once a Michigan progressive jackpot bingo game has been
18 started, the progressive jackpot prize shall be offered at each
19 successive occasion for that licensee until the jackpot prize has
20 been won.

21 (d) A Michigan progressive jackpot progression shall only be
22 terminated or interrupted by 1 of the following:

23 (i) Determining a winner of the Michigan progressive jackpot
24 prize.

25 (ii) Expiration, suspension, or revocation of the license to
26 conduct bingo.

1 (iii) A previously announced scheduled interruption, such as
2 a legal holiday or other temporary closing.

3 (iv) A valid emergency condition under which the licensee is
4 unable to conduct the game.

5 (12) Only 1 Michigan progressive jackpot bingo game shall be
6 in progress at 1 time per licensed occasion.

7 (13) Prizes for a Michigan progressive jackpot bingo game
8 shall be awarded as follows:

9 (a) The Michigan progressive jackpot prize shall be awarded
10 to the player or players who complete the coverall pattern within
11 the predesignated number of allowable calls.

12 (b) A consolation prize shall be awarded on each occasion at
13 which a Michigan progressive jackpot game is played, except on
14 the occasion that the jackpot prize is won.

15 (c) The consolation prize shall be awarded to the player or
16 players who complete a coverall card pattern on each occasion,
17 regardless of the number of calls in excess of the predesignated
18 number of allowable calls required to win the Michigan progres-
19 sive jackpot bingo game.

20 (14) The jackpot prize shall be awarded by a check written
21 from the licensee's bingo checking account.

22 (15) Except as otherwise provided in this section, all other
23 provisions of this act or rules apply to the conduct of a
24 Michigan progressive jackpot game.

25 (16) If an organization's bingo license will expire or is
26 suspended, summarily suspended, revoked, or surrendered before
27 the last occasion of a particular progression, the jackpot prize

1 shall be awarded and the winner determined on the last authorized
2 occasion regardless of the number of calls required to determine
3 the winner.

4 Sec. 14. (1) A qualified organization may be issued up to 4
5 millionaire party licenses in 1 calendar year.

6 (2) A millionaire party license may be issued for up to 4
7 consecutive days.

8 (3) The bureau shall not issue more than 1 millionaire party
9 license to a qualified organization for any 1 day.

10 Sec. 15. (1) Only a millionaire party licensee may adver-
11 tise a millionaire party. A lessor, premise owner, or an agent
12 of a lessor or premise owner shall not advertise a millionaire
13 party in any manner. A lessor, premise owner, or an agent of a
14 lessor or premise owner shall not advertise or suggest that he or
15 she is sponsoring the millionaire party in conjunction with the
16 licensee or that he or she is directly or indirectly involved
17 with the licensee or the millionaire party.

18 (2) Advertising for a millionaire party is permitted by any
19 legal means.

20 (3) Expenditures for advertising shall be necessary and
21 reasonable.

22 (4) Advertising shall contain the following information:

23 (a) The complete name of the licensee.

24 (b) The license number.

25 (c) The purpose for which the net proceeds will be used.

26 (d) The personal limitation of winnings required by this
27 subsection.

1 (5) When advertising the event, the licensee may use the
2 word casino or any word or words to describe their millionaire
3 party.

4 Sec. 16. (1) A person less than 18 years of age shall not
5 be permitted to wager in a millionaire party.

6 (2) A wager shall not be placed on a contest other than a
7 game of chance taking place at the location and during the time
8 period as stated on the license. A wager shall not be placed
9 upon an athletic event or upon a game involving personal skill.

10 (3) Only games of chance, approved by the commissioner, in
11 which participants compete against the licensee are permitted.
12 Participants in the games shall not be permitted to directly com-
13 pete against each other other than as participants in an auction
14 sale or a raffle that is held in conjunction with a millionaire
15 party.

16 (4) A millionaire party licensee may conduct a raffle, char-
17 ity game, or numeral game in conjunction with a licensed million-
18 aire party without obtaining a separate license, as long as the
19 raffle, charity game, or numeral game is conducted in compliance
20 with this act and the rules promulgated under this act.

21 (5) A location owner or the employees of a location owner
22 shall not participate in the operation or conduct of a million-
23 aire party, charity game, or numeral game unless the location
24 owner is a qualified organization and has obtained a license to
25 conduct a millionaire party at that location.

26 Sec. 17. (1) A qualified organization may apply for an
27 unlimited number of small and large raffle licenses.

1 (2) Only 1 small raffle license may be issued for a location
2 each day.

3 (3) All drawing locations shall be the same if a small
4 raffle license is issued for more than 1 date.

5 (4) A qualified organization is excused from the require-
6 ments of obtaining a license under this act if the qualified
7 organization is sponsoring a single gathering and conducts a
8 raffle before which there is no presale of tickets and the total
9 aggregate market value of the prize or prizes to be awarded that
10 day is \$100.00 or less.

11 Sec. 18. (1) Raffle ticket sellers shall only participate
12 as a ticket holder in the raffle for which they are selling
13 raffle tickets by purchasing a raffle ticket. Ticket sellers
14 shall not receive a free or discounted raffle ticket for the
15 raffle for which they are selling raffle tickets.

16 (2) The total value of a ticket seller incentive prize
17 awarded at a small raffle shall be included in the prize limita-
18 tion in section 5(8).

19 (3) A licensee may conduct a raffle where winners are deter-
20 mined by a means other than a random drawing of ticket stubs only
21 if the licensee receives prior written approval from the commis-
22 sioner for the alternate method for determining the winner or
23 winners.

24 Sec. 19. (1) The commissioner may issue an annual charity
25 game license to a qualified organization for a location owned and
26 operated by the qualified organization for the regular use of its

1 members, or rented or leased on a continual basis for the regular
2 use of its members.

3 (2) A qualified organization may be issued only 1 annual
4 charity game license per year.

5 (3) An annual charity game license expires at 12 midnight on
6 July 31 of each year.

7 (4) An annual charity game license may be reissued annually
8 if the qualified organization submits an application for renewal
9 provided by the commissioner and pays the appropriate fee.

10 (5) A special charity game license may be issued for up to 4
11 consecutive days.

12 (6) A qualified organization may be issued up to 4 special
13 charity game licenses per calendar year.

14 (7) A qualified organization that is licensed to conduct
15 bingo, a millionaire party, or large raffle may also sell charity
16 game tickets and conduct a charity game at the same time and
17 location and in conjunction with the licensed bingo, millionaire
18 party, or large raffle without obtaining an additional license.

19 Sec. 20. (1) All charity game tickets used in the conduct
20 of a charity game shall only be purchased by the qualified organ-
21 ization from the bureau or a supplier.

22 (2) The bureau shall determine the number of charity game
23 tickets that constitute a charity game.

24 (3) The bureau shall determine the price at which the quali-
25 fied organization shall resell each charity game ticket and shall
26 have that price printed on each charity game ticket.

1 (4) The bureau or a supplier shall sell charity game tickets
2 to a licensed organization that is eligible to conduct a charity
3 game at a price to be determined by the bureau.

4 (5) The qualified organization shall retain only the percen-
5 tage that is equal to the percentage received by the bureau for
6 the sale of charity game tickets.

7 (6) A qualified organization that conducts a charity game
8 shall be solely responsible for paying prizes won by purchasers
9 of winning charity game tickets.

10 (7) When all charity game tickets for a particular charity
11 game are resold, prizes distributed shall have an aggregate value
12 of, as near as practicable, not less than 60% of the resale value
13 of all the charity game tickets for that charity game.

14 (8) The bureau shall determine the number of winning charity
15 game tickets that will be provided on a random basis for resale
16 for any 1 charity game and shall establish the value of the prize
17 won by each winning charity game ticket.

18 (9) The bureau shall have imprinted on each charity game
19 ticket a bureau control number for identification purposes.

20 (10) The prize limitations of a licensed bingo game or mil-
21 lionaire party in conjunction with which a charity game is held
22 do not include the value of the prizes awarded for the charity
23 game.

24 (11) Secondary games of chance, approved in writing by the
25 commissioner, may be conducted with charity game tickets.

26 (12) A charity game ticket shall not be sold to a person
27 under 18 years of age. This subsection does not prohibit the

1 purchase of a charity game ticket by a person 18 years of age or
2 older for the purpose of making a gift to a person under 18 years
3 of age, and does not prohibit a person under 18 years of age from
4 receiving a prize or prizes won in a charity game conducted under
5 this act.

6 Sec. 21. A qualified organization eligible to conduct a
7 charity game may advertise the charity game by any legal means.
8 The cost of advertising the charity game shall not exceed 3% of
9 the gross revenues from the charity game for the calendar year.

10 Sec. 22. (1) A numeral game license may be issued to a
11 qualified organization to conduct a numeral game at a specific
12 location for up to 7 consecutive days.

13 (2) A qualified organization that is licensed to conduct a
14 millionaire party or a large raffle may also sell numeral game
15 tickets and conduct a numeral game at the time and location and
16 in conjunction with the event without obtaining an additional
17 license.

18 Sec. 23. (1) All numeral game tickets used in the conduct
19 of a numeral game shall be purchased by the qualified organiza-
20 tion from a supplier. The logo or name of the manufacturer and
21 the serial number must be visible before breaking the band on the
22 ticket.

23 (2) The value of merchandise prizes offered at a numeral
24 game shall be a minimum of 50% of the ideal gross receipts from
25 the game. For the purposes of this subsection, "ideal gross
26 receipts" means the total amount of receipts that would be

1 received if every individual ticket in a series is sold at face
2 value.

3 (3) Winning numbers for a numeral game shall be determined
4 by use of a series of common ending numbers contained within the
5 pool of numbers making up the numeral game. The winning numbers
6 may not be determined randomly.

7 (4) The prize list, associated winning numbers, and rules of
8 play shall be posted before the numeral game is offered for sale
9 or any tickets are opened.

10 (5) A numeral game ticket shall not be sold to a person
11 under 18 years of age. This subsection does not prohibit the
12 purchase of a numeral game ticket by a person 18 years of age or
13 older for the purpose of making a gift to a person under 18 years
14 of age, and does not prohibit a person under 18 years of age from
15 receiving a prize or prizes won in a numeral game conducted pur-
16 suant to this act.

17 (6) The licensee shall have available for inspection by an
18 authorized representative of the bureau a copy of the invoice
19 from the supplier showing the manufacturer's name and serial
20 number for each numeral game being conducted at the site where
21 the numeral game is being conducted.

22 Sec. 24. (1) A qualified organization may concurrently hold
23 a bingo license, a millionaire party license, a raffle license, a
24 charity game license, and a numeral game license.

25 (2) Events licensed under this act may be conducted between
26 the hours of 9 a.m. and 2 a.m. The licensee shall state the time
27 during which the licensee intends to conduct the gaming activity

1 on the application. The issued license shall also state the
2 times during which the licensee is allowed to conduct gaming
3 activity.

4 (3) Each event license issued to a qualified organization is
5 valid for only the location included on the license.

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

7 Sec. 25. (1) Except by written prior approval of the com-
8 missioner, only a member of the qualified organization shall par-
9 ticipate in the management or recordkeeping of events licensed
10 under this act.

11 (2) A person may receive not more than \$15.00 per occasion
12 for participating in the management or operation of a bingo, mil-
13 lionaire party, or any other licensed event as approved by the
14 commissioner.

15 (3) Except by special permission of the commissioner, a
16 licensee shall only conduct bingo or a millionaire party with
17 equipment that it owns, uses under a bureau-approved rental con-
18 tract, or is purchasing or renting from a supplier.

19 (4) The licensee is responsible for ensuring that the events
20 are conducted in compliance with this act and rules.

21 (5) A licensee shall only conduct events licensed under this
22 act during the hours and on the day and date or dates stated on
23 the license.

24 (6) A qualified organization licensed to conduct bingo, mil-
25 lionaire parties, and charity games shall only obtain equipment
26 from suppliers and shall only obtain charity game tickets and
27 numeral game tickets from the bureau or a supplier.

1 (7) At least 50% of all workers shall be members or spouses
2 of members of the licensee or of a legally organized auxiliary of
3 the licensee.

4 Sec. 26. (1) Each licensee shall keep a record of each
5 event licensed under this act as required by the commissioner.
6 The record shall be open to inspection or audit by an authorized
7 representative of the bureau.

8 (2) A qualified organization may establish a checking or
9 savings account in a financial institution located in this state
10 for the purpose of depositing proceeds derived from events
11 licensed under this act. A qualified organization is not
12 required to transfer proceeds from licensed events to its general
13 fund.

14 (3) Lawful expenses of the qualified organization may be
15 paid by check from the checking account described in subsection
16 (2). Expenses may not be paid directly from a savings account.

17 (4) All financial accounts into which proceeds derived from
18 events licensed under this act are deposited or transferred shall
19 be open to inspection by an authorized representative of the
20 bureau.

21 (5) Each licensee shall file with the commissioner a finan-
22 cial statement signed by the principal officer of the qualified
23 organization of receipts and expenses related to the conduct of
24 each event licensed under this act, except small raffles, in such
25 detail as may be required by the commissioner. If the revenue
26 from a bingo, millionaire party, raffle, charity game, or numeral
27 game is represented to be used or applied by a licensee for a

1 charitable purpose, the licensee shall file a copy of the
2 financial statement with the attorney general under the supervi-
3 sion of trustees for charitable purposes act, 1961 PA 101, MCL
4 14.251 to 14.266.

5 (6) The location at which events licensed under this act are
6 conducted or at which an applicant or licensee intends to conduct
7 an event licensed under this act shall be open to inspection at
8 all times by an authorized representative of the bureau or by the
9 state police or a peace officer of a political subdivision of
10 this state.

11 (7) All game records and documents that support entries made
12 in the game records of events licensed under this act shall be
13 available upon request to an authorized representative of the
14 bureau for inspection or audit and shall be kept by the licensee
15 for not less than the calendar year in which the event occurs
16 plus 3 additional years.

17 Sec. 27. The entire net proceeds of events licensed under
18 this act shall be devoted exclusively to the lawful purposes of
19 the licensee. A licensee shall not incur or pay an item of
20 expense in connection with the holding, operating, or conducting
21 of an event licensed under this act, except for the following
22 expenses in reasonable amounts:

23 (a) The purchase or rental of equipment necessary for con-
24 ducting events licensed under this act and payment of services
25 reasonably necessary for the repair of equipment.

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

1 (c) Rental of the location at which the licensed event is
2 conducted.

3 (d) Janitorial services.

4 (e) The fee required for issuance or reissuance of a license
5 to conduct the event.

6 (f) Contractual security services provided the activity is
7 conducted in compliance with the private security guard act of
8 1968, 1968 PA 330, MCL 338.1051 to 338.1085.

9 (g) Other reasonable expenses incurred by the licensee, not
10 inconsistent with this act, as permitted by the commissioner.

11 Sec. 28. (1) Each applicant for a license or renewal of a
12 license to operate a bingo hall under this act shall submit a
13 written application to the bureau on a form prescribed by the
14 commissioner.

15 (2) When the commissioner determines that an applicant is
16 eligible and the facility meets the standards established by the
17 commissioner and the applicant pays an appropriate fee, the
18 bureau may issue a hall license to operate a facility that will
19 be rented to bingo licensees.

20 (3) A hall license expires at 12 midnight on the last day of
21 February, or if the applicant does not own the facility, on the
22 expiration date of the applicant's lease or rental agreement if
23 that date is prior to the last day of February of the current
24 licensing period.

25 (4) The hall licensing fee is \$50.00 for each large bingo
26 occasion for which the hall will be rented during any 1 week.

1 (5) To increase the number of large bingo occasions
2 conducted under a hall licensee's original or renewal
3 application, a hall licensee shall submit a written request on a
4 form provided by the commissioner, plus an additional \$50.00 for
5 each additional large bingo occasion that will be conducted
6 during the week.

7 (6) A hall licensed under this section may use the word
8 bingo in its name.

9 (7) A hall owner or the employees of a hall shall not par-
10 ticipate in the operation or conduct of a licensed bingo or char-
11 ity game unless the owner is a qualified organization and has
12 obtained a license to conduct a licensed bingo or charity game at
13 that hall.

14 (8) A person who is directly or indirectly connected with
15 the rental of a hall licensed under this act and a person resid-
16 ing in the same household as the hall licensee shall not directly
17 or indirectly act as a supplier.

18 (9) A person who is directly or indirectly connected with
19 the rental of a hall licensed under this act shall not influence
20 a licensee's choice of a supplier.

21 Sec. 29. (1) Each applicant for a license or renewal of a
22 license to operate as a supplier of equipment, charity game tick-
23 ets, or numeral game tickets to qualified organizations licensed
24 under this act shall submit a written application to the bureau
25 on a form prescribed by the commissioner.

26 (2) The applicant shall pay an annual license fee of \$300.00
27 at the time of the application.

1 (3) A supplier's license expires at 12 midnight on September
2 30 of each year.

3 (4) The commissioner shall require suppliers authorized to
4 sell charity game tickets and numeral game tickets to post a per-
5 formance bond of not less than \$50,000.00 and not greater than
6 \$200,000.00.

7 (5) A supplier shall remit to the bureau an amount equal to
8 the qualified organization's purchase price of the charity game
9 tickets less an amount that shall not be less than the sum of
10 \$.008 for each ticket sold plus 1.0% of the total resale value
11 for all charity game tickets sold.

12 (6) For each numeral game sold, the supplier shall issue to
13 the licensed organization an invoice listing the manufacturer and
14 serial number of each game.

15 (7) The fee collected by a supplier from the qualified
16 organization for each game of numeral tickets sold shall be \$5.00
17 per 1,000 tickets or any portion of a 1,000 tickets in the game.

18 (8) The fees collected by the supplier for each numeral game
19 sold shall be remitted to the bureau by the fifteenth day of the
20 month following the month in which the numeral game is sold. A
21 late fee of 25% of the amount due may be assessed by the commis-
22 sioner against any supplier who fails to remit the fees by the
23 required filing date.

24 (9) A supplier shall only display, offer for sale, sell, or
25 otherwise make available to a qualified organization numeral game
26 tickets that have been obtained from a licensed manufacturer.

1 (10) A supplier, during the term of the license, may rent or
2 sell equipment or supplies to nonlicensees for nongambling
3 purposes.

4 (11) A supplier is not required to file the price of equip-
5 ment and supplies to be sold or rented with the bureau.

6 (12) A supplier or the supplier's representative shall only
7 be present at a licensed event by invitation of the licensee.
8 The supplier or the supplier's representative may provide advice
9 on the conduct of games, but shall not participate or assist in
10 the conduct of the games.

11 (13) The bureau may require a supplier to submit to the
12 bureau the serial numbers of all disposable bingo paper sold to a
13 licensee.

14 (14) A person who is directly or indirectly connected to the
15 sale, rental, or distribution of bingo or millionaire party
16 equipment, or the sale of charity game tickets or numeral game
17 tickets, or a person residing in the same household as the sup-
18 plier shall not be involved directly or indirectly with the
19 rental or leasing of a facility used for events licensed under
20 this act.

21 (15) A supplier shall submit to the bureau a report as
22 required by the commissioner regarding the sale or rental of
23 equipment and the sale of charity game tickets and numeral game
24 tickets.

25 (16) All records for the sale or rental of equipment and the
26 sale of charity game tickets and numeral game tickets to
27 qualified organizations shall be available upon request to an

1 authorized representative of the bureau for inspection or audit
2 and shall be kept by the supplier for not less than the current
3 calendar year plus 3 additional years.

4 Sec. 30. (1) Each applicant for a license or renewal of a
5 license to act as a manufacturer shall submit to the bureau a
6 written application on a form prescribed by the commissioner.

7 (2) The annual license fee is \$300.00.

8 (3) The license expires at 12 midnight on June 30 of each
9 year.

10 (4) Only numeral games and numeral game tickets approved by
11 the commissioner may be distributed to suppliers within this
12 state.

13 (5) All records supporting the sale of numeral game tickets
14 to suppliers shall be available upon request to an authorized
15 representative of the bureau for inspection or audit and shall be
16 kept by the licensed manufacturer for not less than the calendar
17 year in which the sale is made plus 3 additional years.

18 (6) Each licensed manufacturer shall submit to the bureau a
19 report as required by the commissioner regarding the sale of
20 numeral tickets to suppliers.

21 Sec. 31. (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 shall regulate the holding, operation,
25 or conducting of bingo, millionaire parties, raffles, charity
26 games, and numeral games including all of the following:

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

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

3 (c) The games of chance and other activities that may be
4 conducted during a millionaire party.

5 Sec. 32. The commissioner may promulgate rules pursuant to
6 the administrative procedures act of 1969, 1969 PA 306, MCL
7 24.201 to 24.328, that ensure the integrity and honest operation
8 of bingo, millionaire parties, raffles, charity games, and
9 numeral games and are consistent with the legislative objective
10 that bingo, millionaire parties, raffles, charity games, and
11 numeral games be conducted in a friendly, social, and noncommer-
12 cial manner.

13 Sec. 33. (1) The commissioner may deny, suspend, or revoke
14 a license issued under this act if the licensee or an officer,
15 director, agent, member, or employee of the licensee violates
16 this act or a rule promulgated under this act. The commissioner
17 may summarily suspend a license issued under this act in accord-
18 ance with section 92 of the administrative procedures act of
19 1969, 1969 PA 306, MCL 24.292.

20 (2) A person whose license has been suspended or revoked
21 under subsection (1) may request a contested case hearing under
22 the administrative procedures act of 1969, 1969 PA 306, MCL
23 24.201 to 24.328. The commissioner may suspend a license for a
24 period of not more than 60 days pending a prosecution, investiga-
25 tion, or public hearing.

26 (3) Upon petition of the commissioner, the circuit court
27 after a hearing may issue subpoenas to compel the attendance of

1 witnesses and the production of documents, paper, books, records,
2 and other evidence before it in any matter over which it has
3 jurisdiction, control, or supervision. If a person subpoenaed to
4 attend any such proceeding or hearing fails to obey the command
5 of the subpoena without reasonable cause, or if a person in
6 attendance in any such proceeding or hearing refuses, without
7 lawful cause, to be examined or to answer a legal or pertinent
8 question or to exhibit a book, account, record, or other document
9 when ordered to do so by the court, that person may be found in
10 contempt of the court.

11 (4) With approval of the commissioner, a person licensed as
12 a hall under section 28 of this act, in lieu of a suspension of
13 their license, may elect to pay a fine equal to the amount of
14 rent that would have been paid by the bingo licensees during the
15 period of the suspension. This fine shall be paid to the bureau
16 on or before the date agreed to in the suspension agreement
17 entered into by the bureau and the hall licensee.

18 Sec. 34. (1) A licensee whose license is revoked because of
19 a violation of this act or a rule promulgated under this act is
20 ineligible to apply for a license for a period of 2 years after
21 the revocation.

22 (2) A person convicted of an offense under section 35 or any
23 other gambling offense is ineligible to serve as an officer of a
24 licensee or to participate in conducting a bingo game, million-
25 aire party, raffle, charity game, or numeral game for a period of
26 1 year after the conviction becomes final. If the person is
27 licensed under this act, the person shall forfeit the license and

1 is ineligible to apply for the issuance or reissuance of the
2 license for a period of 1 year after the conviction becomes
3 final.

4 (3) If a license is suspended, in addition to other penal-
5 ties that may be imposed, the commissioner may prohibit the vio-
6 lator from conducting a bingo game, millionaire party, raffle,
7 charity game, or numeral game or applying for a license under
8 this act for a period of not more than 1 year.

9 (4) The licensee shall return its license to the commis-
10 sioner on or before the effective date of a revocation or
11 forfeiture. The license is not valid beyond the effective date
12 of the suspension, revocation, or forfeiture even if the licensee
13 has not returned it to the commissioner.

14 Sec. 35. A person who willfully violates this act is guilty
15 of a misdemeanor and shall be fined not more than \$1,000.00 or
16 imprisoned for not more than 6 months, or both.

17 Sec. 36. (1) Any other law providing a penalty or disabil-
18 ity upon a person who engages in 1 of the following does not
19 apply to such conduct when done pursuant to this act or rules
20 promulgated under this act:

21 (a) Conducts or participates in a bingo game, millionaire
22 party, raffle, charity game, or numeral game.

23 (b) Sells or possesses equipment used in conducting a bingo
24 game, millionaire party, raffle, charity game, or numeral game.

25 (c) Permits a bingo game, millionaire party, raffle, charity
26 game, or numeral game to be conducted on his or her premises.

1 (d) Does other acts in connection with a bingo game,
2 millionaire party, raffle, charity game, or numeral game.

3 (2) Subsection (1) does not in any way limit the application
4 of the Michigan campaign finance act, 1976 PA 388, MCL 169.201 to
5 169.282, including but not limited to section 41 of the Michigan
6 campaign finance act, 1976 PA 388, MCL 169.241, to fundraising
7 events conducted by or for the benefit of a committee that has
8 filed or is required to file a statement of organization under
9 the Michigan campaign finance act, 1976 PA 388, MCL 169.201 to
10 169.282.

11 Sec. 37. State or local taxes of any kind shall not be
12 imposed upon the recipient of a prize awarded by a licensee
13 during a licensed event conducted in conformity with this act.

14 Sec. 38. All fees and revenue collected by the commissioner
15 or bureau under this act shall be paid into the state lottery
16 fund created in section 41 of the
17 McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL
18 432.41. All necessary expenses incurred by the bureau in the
19 administration and enforcement of this act and in the operation
20 of charity games shall be funded from the state lottery fund.
21 The amount of these necessary expenses shall not exceed the
22 amount of revenues received from the sale of charity game tickets
23 and all fees collected under this act. At the end of each fiscal
24 year, all money, including interest, in the state lottery fund
25 that is attributable to fees and revenue collected under this act
26 but that has not been expended under this section shall be
27 deposited in the general fund.

1 Sec. 39. The commissioner shall make an annual report to
2 the governor and the legislature about the operation of events
3 licensed under this act within this state, abuses that the bureau
4 has encountered, and recommendations for changes in this act.

5 Sec. 40. This act takes effect 6 months after the date of
6 its enactment.

7 Sec. 41. The Traxler-McCauley-Law-Bowman bingo act, 1972 PA
8 382, MCL 432.101 to 432.120, is repealed.