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Senate Bill 564 (as introduced 6-24-21)
Sponsor: Senator Michael D. MacDonald
Committee: Regulatory Reform

(Senate-passed version)

Date Completed: 8-31-21

CONTENT

The bill would amend the Bingo Act to do the following:

- **Waive a \$50-per-day millionaire party license fee, beginning on the bill's effective date and before January 1, 2024.**
- **Allow a qualified organization to be issued up to six millionaire party licenses in calendar years 2021, 2022, and 2023.**
- **Allow, beginning on the bill's effective date until January 1, 2024, for a millionaire party licensee to receive up to \$30,000, instead of \$20,000, in exchange for imitation money or chips on any day the licensee conducts a millionaire party.**
- **Increase the daily limit, from \$80,000 to \$120,000, divided by the number of days of gaming allowed under the license, if millionaire party met certain conditions, beginning on the bill's effective date and before January 1, 2024.**

Under the Act, if the Executive Director of the Michigan Gaming Control Board determines that an applicant for a millionaire party license is a qualified organization and paid to the State \$50 per day the applicant proposes to conduct the millionaire party, the Executive Director may issue a license to the applicant. The bill would require the Executive Director to waive the \$50-per-day fee, beginning on the bill's effective date and before January 1, 2024. ("Millionaire party" means an event at which wagers are placed on games of chance customarily associated with a gambling casino through the use of imitation money or chips that have a nominal value equal to or greater than the value of the currency for which they can be exchanged.)

The Act allows a qualified organization to be issued up to four millionaire party licenses per calendar year. The bill would allow a qualified organization to be issued up to six millionaire party licenses in calendar years 2021, 2022, and 2023.

The Act prohibits the Executive Director from issuing millionaire party licenses that would allow events to be conducted more than four days per week at a single location. The bill would prohibit the Executive Director, beginning on the bill's effective date and before January 1, 2024, from limiting the number of days per week that millionaire party events could be conducted at a single location.

The Act generally limits a millionaire party licensee to receiving no more than \$20,000 in exchange for imitation money or chips on any day under the license. If the licensee conducts the millionaire party without using dealers from a supplier, owns the location in which the millionaire party is held, and the license is for fewer than four days of gaming, the daily limit

is determined by dividing \$80,000 by the number of days of gaming allowed by the license. The bill would increase these amounts to \$30,000 and \$120,000, respectively, beginning on the bill's effective date and before January 1, 2024.

MCL 432.134 & 432.141

Legislative Analyst: Christian Schmidt

FISCAL IMPACT

The bill would have a negative fiscal impact on the Michigan Gaming Control Board, as it would waive the \$50-per-day license fee for calendar years 2021, 2022, and 2023. In calendar year 2020, there were 1,494 party-event days, which generated \$74,700 in fee revenue. Before 2020, roughly 8,000 party-event days occurred annually on average, which represents \$400,000 generated in fee revenue annually. As gaming activity is expected to pick up after 2020, the number of party-event days likely will increase from 2020. The total potential revenue loss over 2021, 2022, and 2023 likely would be no more than \$1.0 million. The fee revenue that these parties generate does not represent a significant amount of the Michigan Gaming Control Board's total operating budget, but the loss of fee revenue could affect some oversight of the millionaire party gaming activities.

Fiscal Analyst: Cory Savino

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.