

**SUBSTITUTE FOR
HOUSE BILL NO. 4173**

A bill to amend 1972 PA 382, entitled "Traxler-McCauley-Law-Bowman bingo act," by amending sections 2, 3, 3a, 4, 4a, 8, 9, 10, 11b, 12, 13, 14, 15, 16, 18, and 19 (MCL 432.102, 432.103, 432.103a, 432.104, 432.104a, 432.108, 432.109, 432.110, 432.111b, 432.112, 432.113, 432.114, 432.115, 432.116, 432.118, and 432.119), sections 2 and 9 as amended by 2008 PA 401, sections 3, 4a, and 12 as amended by 2012 PA 189, sections 3a, 8, 10, and 11b as amended by 2006 PA 427, sections 4, 13, 14, 15, 16, and 18 as amended by 1999 PA 108, and section 19 as amended by 1995 PA 263, by designating sections 1 to 20 as article 1, and by adding article 2; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:



1 **ARTICLE 1**

2 Sec. 2. As used in this act:

3 (a) "Active service" and "active state service" mean those
4 terms as defined in section 105 of the Michigan military act, 1967
5 PA 150, MCL 32.505.

6 (b) "Advertising" means all printed matter, handouts, flyers,
7 radio **broadcasts**, television **broadcasts**, ~~advertising signs,~~
8 billboards, and other media used to promote an event. ~~licensed~~
9 ~~under this act.~~

10 (c) "Bingo" means a game of chance commonly known as bingo in
11 which prizes are awarded on the basis of designated numbers or
12 symbols conforming to numbers or symbols selected at random.

13 (d) **"Board" means the Michigan gaming control board created by**
14 **section 4 of the Michigan gaming control and revenue act, 1996 IL**
15 **1, MCL 432.204.**

16 (e) ~~(d)~~—"Bureau" means the bureau of state lottery as created
17 by section 5 of the McCauley-Traxler-Law-Bowman-McNeely lottery
18 act, 1972 PA 239, MCL 432.5.

19 (f) ~~(e)~~—"Charity game" means the random resale of a series of
20 charity game tickets.

21 (g) ~~(f)~~—"Charity game ticket" means a ticket commonly referred
22 to as a break-open ticket or pull-tab that is approved and acquired
23 by the bureau and is distributed and sold by the bureau or a
24 ~~licensed~~ supplier to a qualified organization, a portion of which
25 is removed to discover whether the ticket is a winning ticket. ~~and~~
26 ~~whether the purchaser may be awarded a prize.~~

27 (h) ~~(g)~~—"Commissioner" means the commissioner of state lottery
28 appointed under section 7 of the McCauley-Traxler-Law-Bowman-
29 McNeely lottery act, 1972 PA 239, MCL 432.7.



1 (i) ~~(h)~~ "Coverall pattern" means a pattern required to win a
2 bingo game in which all numbers on a bingo card are required to be
3 called.

4 (j) "Educational organization" means an organization in this
5 state that is organized not for pecuniary profit, whose primary
6 purpose is educational in nature and designed to develop the
7 capabilities of individuals by instruction in any public or private
8 elementary or secondary school that complies with the revised
9 school code, 1976 PA 451, MCL 380.1 to 380.1852, or any private or
10 public college or university that is organized not for pecuniary
11 profit and that is approved by the state board of education.

12 (k) "Equipment" means the objects and mechanical,
13 electromechanical, or electronic devices used to determine or
14 assist in determining the winners of prizes at an event.

15 (l) "Event" means, in article 1, an occasion of bingo games, a
16 raffle, a charity game, or a numeral game conducted under a license
17 issued under article 1, and in article 2, an occasion of a
18 millionaire party conducted under a license issued under article 2.

19 (m) "Executive director" means the executive director of the
20 board, appointed under section 4 of the Michigan gaming control and
21 revenue act, 1996 IL 1, MCL 432.204.

22 (n) "Fraternal organization" means an organization in this
23 state, other than a college fraternity or sorority, that meets all
24 of the following criteria:

25 (i) Is organized not for pecuniary profit.

26 (ii) Is a branch, lodge, or chapter of a national or state
27 organization or, only for the purpose of conducting a small raffle
28 or a large raffle under this act, if not a branch, lodge, or
29 chapter of a national or state organization, is exempt from



1 **taxation under section 501(c) of the internal revenue code of 1986,**
 2 **26 USC 501.**

3 **(iii) Exists for the common purpose, brotherhood, or other**
 4 **interests of its members.**

5 Sec. 3. As used in this act:

6 ~~(a) "Educational organization" means an organization within~~
 7 ~~this state that is organized not for pecuniary profit, whose~~
 8 ~~primary purpose is educational in nature and designed to develop~~
 9 ~~the capabilities of individuals by instruction in any public or~~
 10 ~~private elementary or secondary school that complies with the~~
 11 ~~revised school code, 1976 PA 451, MCL 380.1 to 380.1852, or any~~
 12 ~~private or public college or university that is organized not for~~
 13 ~~pecuniary profit and that is approved by the state board of~~
 14 ~~education.~~

15 ~~(b) "Fraternal organization" means an organization within this~~
 16 ~~state, other than a college fraternity or sorority, that meets all~~
 17 ~~of the following criteria:~~

18 ~~(i) Is organized not for pecuniary profit.~~

19 ~~(ii) Is a branch, lodge, or chapter of a national or state~~
 20 ~~organization or, only for the purpose of conducting a small raffle~~
 21 ~~or a large raffle under this act, if not a branch, lodge, or~~
 22 ~~chapter of a national or state organization, is exempt from~~
 23 ~~taxation under section 501(c) of the internal revenue code of 1986,~~
 24 ~~26 USC 501.~~

25 ~~(iii) Exists for the common purpose, brotherhood, or other~~
 26 ~~interests of its members.~~

27 **(a) "Large bingo" means a series of bingo occasions that occur**
 28 **on a regular basis during which the total value of all prizes**
 29 **awarded for bingo games at a single occasion does not exceed**



1 \$3,500.00 and the total value of all prizes awarded for 1 bingo
 2 game does not exceed \$1,100.00, except that a prize awarded through
 3 a Michigan progressive jackpot bingo game is not subject to these
 4 limitations.

5 (b) "Large raffle" means an event where the total value of all
 6 prizes awarded through raffle drawings exceeds \$500.00 per
 7 occasion.

8 (c) "Licensee" means a person, ~~or including a~~ qualified
 9 organization, licensed under this act.

10 (d) "Location" means a building, enclosure, part of a building
 11 or enclosure, or a distinct portion of real property that is used
 12 for the purpose of conducting an event. Location includes all
 13 components or buildings that compose 1 architectural entity or that
 14 serve a unified functional purpose.

15 (e) "Manufacturer" means a person licensed under section 11c
 16 who manufactures numeral game tickets for sale to suppliers for use
 17 in an event.

18 (f) ~~(d)~~ "Member" means an individual who qualified for
 19 membership in a qualified organization under its bylaws, articles
 20 of incorporation, charter, rules, or other written statement.

21 (g) ~~(e)~~ "Michigan national guard" and "military" mean those
 22 terms as defined in section 105 of the Michigan military act, 1967
 23 PA 150, MCL 32.505.

24 ~~(f) "Person" means a natural person, firm, association,
 25 corporation, or other legal entity.~~

26 ~~(g) "Qualified organization" means, subject to subdivision~~

27 ~~(h), either of the following:~~

28 ~~(i) A bona fide religious, educational, service, senior
 29 citizens, fraternal, or veterans' organization that operates~~



1 ~~without profit to its members and that either has been in existence~~
2 ~~continuously as an organization for a period of 5 years or is~~
3 ~~exempt from taxation under section 501(c) of the internal revenue~~
4 ~~code of 1986, 26 USC 501.~~

5 ~~(ii) Only for the purpose of conducting a small raffle or a~~
6 ~~large raffle under this act, a component of the military or the~~
7 ~~Michigan national guard whose members are in active service or~~
8 ~~active state service.~~

9 ~~(h) "Qualified organization" does not include a candidate~~
10 ~~committee, political committee, political party committee, ballot~~
11 ~~question committee, independent committee, or any other committee~~
12 ~~as defined by, and organized under, the Michigan campaign finance~~
13 ~~act, 1976 PA 388, MCL 169.201 to 169.282.~~

14 ~~(i) "Religious organization" means any of the following:~~

15 ~~(i) An organization, church, body of communicants, or group~~
16 ~~that is organized not for pecuniary profit and that gathers in~~
17 ~~common membership for mutual support and edification in piety,~~
18 ~~worship, and religious observances.~~

19 ~~(ii) A society of individuals that is organized not for~~
20 ~~pecuniary profit and that unites for religious purposes at a~~
21 ~~definite place.~~

22 ~~(iii) A church related private school that is organized not for~~
23 ~~pecuniary profit.~~

24 ~~(j) "Senior citizens organization" means an organization~~
25 ~~within this state that is organized not for pecuniary profit, that~~
26 ~~consists of at least 15 members who are 60 years of age or older,~~
27 ~~and that exists for their mutual support and for the advancement of~~
28 ~~the causes of elderly or retired persons.~~

29 ~~(k) "Service organization" means either of the following:~~



1 ~~(i) A branch, lodge, or chapter of a national or state~~
2 ~~organization that is organized not for pecuniary profit and that is~~
3 ~~authorized by its written constitution, charter, articles of~~
4 ~~incorporation, or bylaws to engage in a fraternal, civic, or~~
5 ~~service purpose within the state.~~

6 ~~(ii) A local civic organization that is organized not for~~
7 ~~pecuniary profit; that is not affiliated with a state or national~~
8 ~~organization; that is recognized by resolution adopted by the local~~
9 ~~governmental subdivision in which the organization conducts its~~
10 ~~principal activities; whose constitution, charter, articles of~~
11 ~~incorporation, or bylaws contain a provision for the perpetuation~~
12 ~~of the organization as a nonprofit organization; whose entire~~
13 ~~assets are used for charitable purposes; and whose constitution,~~
14 ~~charter, articles of incorporation, or bylaws contain a provision~~
15 ~~that all assets, real property, and personal property shall revert~~
16 ~~to the benefit of the local governmental subdivision that granted~~
17 ~~the resolution upon dissolution of the organization.~~

18 ~~(l) "Veterans' organization" means an organization within this~~
19 ~~state, or a branch, lodge, or chapter within this state of a state~~
20 ~~organization or of a national organization chartered by the~~
21 ~~congress of the United States, that is organized not for pecuniary~~
22 ~~profit, the membership of which consists of individuals who were~~
23 ~~members of the armed services or armed forces of the United States.~~
24 ~~Veterans' organization includes an auxiliary of a veterans'~~
25 ~~organization that is a national organization chartered by the~~
26 ~~congress of the United States.~~

27 **(h) "Michigan progressive jackpot" means a bingo game**
28 ~~conducted in conjunction with a licensed large bingo occasion in~~
29 ~~which the value of the prize is carried forward to the next bingo~~



1 occasion if no player wins in a predetermined number of allowable
2 calls. Michigan progressive jackpot may include bingo games
3 conducted by more than 1 licensee that are linked together for the
4 purpose of a common jackpot prize and consolation prize as
5 prescribed by the commissioner.

6 (i) "Millionaire party" means an event at which wagers are
7 placed on games of chance customarily associated with a gambling
8 casino through the use of imitation money or chips that have a
9 nominal value equal to or greater than the value of the currency
10 for which they can be exchanged.

11 (j) "Numeral game" means the random resale of a series of
12 numeral game tickets.

13 (k) "Numeral game ticket" means a paper strip on which
14 preprinted numerals are covered by folding the strip and banding
15 the folded strip with a separate piece of paper, so that on
16 breaking the paper that bands the folding strip the purchaser
17 discovers whether the ticket is a winning ticket.

18 (l) "Occasion" means a single day for which a license to
19 conduct games is issued under this act.

20 Sec. 3a. ~~(1) "Equipment" means the objects and mechanical or~~
21 ~~electromechanical devices used to determine or assist in~~
22 ~~determining the winners of prizes at events licensed under this~~
23 ~~act.~~

24 ~~(2) "Event" means each occasion of a bingo, millionaire party,~~
25 ~~raffle, charity game, or numeral game licensed under this act.~~

26 ~~(3) "Large bingo" means a series of bingo occasions that occur~~
27 ~~on a regular basis during which the total value of all prizes~~
28 ~~awarded through bingo at a single occasion does not exceed~~
29 ~~\$3,500.00 and the total value of all prizes awarded for 1 game does~~



1 ~~not exceed \$1,100.00, except that a prize awarded through a~~
2 ~~Michigan progressive jackpot bingo game is not subject to these~~
3 ~~limitations.~~

4 ~~(4) "Large raffle" means an event where the total value of all~~
5 ~~prizes awarded through raffle drawings exceed \$500.00 per occasion.~~

6 ~~(5) "Location" means a building, enclosure, part of a building~~
7 ~~or enclosure, or a distinct portion of real estate that is used for~~
8 ~~the purpose of conducting events licensed under this act. Location~~
9 ~~also means all components or buildings that comprise 1~~
10 ~~architectural entity or that serve a unified functional purpose.~~

11 ~~(6) "Manufacturer" means a person licensed under section 11c~~
12 ~~who manufactures numeral game tickets for sale to suppliers for use~~
13 ~~in an event.~~

14 ~~(7) "Michigan progressive jackpot" means a bingo game~~
15 ~~conducted in conjunction with a licensed large bingo occasion,~~
16 ~~where the value of the prize is carried forward to the next bingo~~
17 ~~occasion if no player bingos in a predetermined number of allowable~~
18 ~~calls. Michigan progressive jackpot may include bingo games~~
19 ~~conducted by more than 1 licensee that are linked together for the~~
20 ~~purpose of a common jackpot prize and consolation prize as~~
21 ~~prescribed by the commissioner.~~

22 ~~(8) "Millionaire party" means an event at which wagers are~~
23 ~~placed upon games of chance customarily associated with a gambling~~
24 ~~casino through the use of imitation money or chips that have a~~
25 ~~nominal value equal to or greater than the value of the currency~~
26 ~~for which they can be exchanged.~~

27 ~~(9) "Numeral game" means the random resale of a series of~~
28 ~~numeral game tickets by a qualified organization under a numeral~~
29 ~~game license or in conjunction with a licensed millionaire party or~~



1 ~~large raffle.~~

2 ~~(10) "Numeral game ticket" means a paper strip on which~~
3 ~~preprinted numerals are covered by folding the strip and banding~~
4 ~~the folded strip with a separate piece of paper, if upon breaking~~
5 ~~the paper strip that bands the ticket, the purchaser discovers~~
6 ~~whether the ticket is a winning ticket and the purchaser may be~~
7 ~~awarded a merchandise prize.~~

8 ~~(11) "Occasion" means the hours of the day for which a license~~
9 ~~is issued.~~**As used in this act:**

10 **(a) "Person" means an individual, firm, association,**
11 **corporation, or other legal entity.**

12 **(b) ~~(12)~~"Principal officer" means the highest ranking officer**
13 **of the qualified organization according to its written**
14 **constitution, charter, articles of incorporation, or bylaws.**

15 **(c) ~~(13)~~"Prize" means anything of value, including, but not**
16 **limited to, money or merchandise that is given to a player for**
17 **attending or winning a game at an event. A nonmonetary item is**
18 **valued at its retail value. Prize does not include advertising**
19 **material given away by a qualified organization in accordance with**
20 **rules promulgated under this act.**

21 ~~(14) "Single gathering" means 1 scheduled assembly or meeting~~
22 ~~with a specified beginning and ending time that is conducted or~~
23 ~~sponsored by the qualified organization. Single gathering does not~~
24 ~~include the regular operating hours of a club or similar facility~~
25 ~~and does not include a meeting conducted solely for the purpose of~~
26 ~~conducting a raffle.~~

27 **(d) "Qualified organization" means, subject to subdivision**
28 **(e), either of the following:**

29 **(i) A bona fide religious, educational, service, senior**



1 citizens, fraternal, or veterans' organization that operates
2 without profit to its members and that either has been in existence
3 continuously as an organization for a period of 5 years or is
4 exempt from taxation under section 501(c) of the internal revenue
5 code of 1986, 26 USC 501(c).

6 (ii) Only for the purpose of conducting a small raffle or a
7 large raffle under this act, a component of the military or the
8 Michigan national guard whose members are in active service or
9 active state service.

10 (e) "Qualified organization" does not include a candidate
11 committee, political committee, political party committee, ballot
12 question committee, independent committee, or any other committee
13 as defined by, and organized under, the Michigan campaign finance
14 act, 1976 PA 388, MCL 169.201 to 169.282.

15 (f) "Raffle" means an event for which raffle tickets are sold
16 and at which a winner or winners are determined, either by randomly
17 selecting stubs from all of the raffle tickets sold for an event or
18 by an alternative method that is approved in writing by the bureau,
19 and a preannounced prize is awarded.

20 (g) "Religious organization" means any of the following:

21 (i) An organization, church, body of communicants, or group in
22 this state that is organized not for pecuniary profit and that
23 gathers in common membership for mutual support and edification in
24 piety, worship, and religious observances.

25 (ii) A society of individuals in this state that is organized
26 not for pecuniary profit and that unites for religious purposes at
27 a definite place.

28 (iii) A church-related private school in this state that is
29 organized not for pecuniary profit.



1 (h) "Senior citizens organization" means an organization in
 2 this state that is organized not for pecuniary profit, that
 3 consists of at least 15 members who are 60 years of age or older,
 4 and that exists for their mutual support and for the advancement of
 5 the causes of elderly or retired persons.

6 (i) "Service organization" means either of the following:

7 (i) A branch, lodge, or chapter in this state of a national or
 8 state organization that is organized not for pecuniary profit and
 9 that is authorized by its written constitution, charter, articles
 10 of incorporation, or bylaws to engage in a fraternal, civic, or
 11 service purpose in this state.

12 (ii) A local civic organization in this state that is organized
 13 not for pecuniary profit; that is not affiliated with a state or
 14 national organization; that is recognized by resolution adopted by
 15 the local governmental subdivision in which the organization
 16 conducts its principal activities; whose constitution, charter,
 17 articles of incorporation, or bylaws contain a provision for the
 18 perpetuation of the organization as a nonprofit organization; whose
 19 entire assets are used for charitable purposes; and whose
 20 constitution, charter, articles of incorporation, or bylaws contain
 21 a provision that all assets, real property, and personal property
 22 must revert to the benefit of the local governmental subdivision
 23 that granted the resolution or another nonprofit organization on
 24 dissolution of the organization.

25 (j) ~~(15)~~ "Small bingo" means a series of bingo occasions that
 26 occur on a regular basis during which the total value of all prizes
 27 awarded ~~through~~ **for** bingo **games** at a single occasion does not
 28 exceed \$300.00 and the total value of all prizes awarded for a
 29 single bingo game does not exceed \$25.00.



1 **(k)** ~~(16)~~ "Small raffle" means an event during which the total
2 value of all prizes awarded through raffle drawings does not exceed
3 \$500.00 during 1 occasion.

4 **(l)** ~~(17)~~ "Special bingo" means a single or consecutive series
5 of bingo occasions during which the total value of all prizes
6 awarded ~~through~~ **for** bingo **games** at a single occasion does not
7 exceed \$3,500.00 and the total value of all prizes awarded for a
8 single bingo game does not exceed \$1,100.00.

9 **(m)** ~~(18)~~ "Supplier" means a person licensed under this act to
10 rent, sell, or lease equipment or to sell charity game or numeral
11 game tickets to qualified organizations licensed under this act.

12 **(n)** "Veterans' organization" means an organization in this
13 state, or a branch, lodge, or chapter in this state of a state
14 organization or of a national organization chartered by the
15 Congress of the United States, that is organized not for pecuniary
16 profit, the membership of which consists of individuals who were
17 members of the armed services or armed forces of the United States.
18 Veterans' organization includes an auxiliary of a veterans'
19 organization that is a national organization chartered by the
20 Congress of the United States.

21 Sec. 4. (1) ~~Each~~ **An** applicant for a license to conduct a
22 bingo, ~~millionaire party,~~ raffle, charity game, or numeral game
23 **event** shall submit to the bureau a written application on a form
24 prescribed by the commissioner.

25 (2) The application ~~shall~~ **under subsection (1) must** include
26 all of the following:

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

28 (b) The name and address of each officer of the applicant
29 organization.



1 (c) The location at which the applicant will conduct the
2 event.

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

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

6 (f) Sufficient facts relating to the applicant's incorporation
7 or organization to enable the commissioner to determine whether the
8 applicant is a qualified organization.

9 (g) A sworn statement attesting to the nonprofit status of the
10 applicant organization, signed by the principal officer of ~~that~~**the**
11 organization.

12 (h) Other information the commissioner considers necessary.

13 Sec. 4a. (1) Except as provided in subsections (2) and (3), if
14 the commissioner determines that ~~the~~**an** applicant **under section 4**
15 is a qualified organization, ~~and~~ is not ineligible under section
16 18, and ~~the applicant~~ has paid to the bureau the appropriate fee,
17 the commissioner may issue 1 or more of the following licenses:

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



- 1 (g) ~~(h)~~ Special charity game.....\$ 15.00 per day
- 2 (h) ~~(i)~~ Numeral game..... \$ 15.00 per day

3 (2) Under extreme hardship conditions as determined by the
 4 commissioner, the commissioner may waive 1 or more requirements ~~of~~
 5 **for a person to be** a qualified organization ~~described in section 3~~
 6 **under section 3a(d)** to permit the licensing of a special bingo ~~7~~
 7 ~~millionaire party, or raffle event,~~ if all of the following
 8 conditions are met:

9 (a) The organization applying for the license is a nonprofit
 10 organization.

11 (b) The entire proceeds of the event, less the actual
 12 reasonable expense of conducting the event, are donated or used for
 13 a charitable purpose, organization, or cause.

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

16 (d) The organization complies with all other **applicable**
 17 provisions of this ~~act~~**article** and rules promulgated under this
 18 ~~act~~**article**.

19 (3) Under extreme hardship conditions as determined by the
 20 commissioner, the commissioner may allow an individual or a group
 21 of individuals to obtain a license to conduct a special bingo ~~7~~
 22 ~~millionaire party, event~~ or raffle if all of the following
 23 conditions are met:

24 (a) The entire proceeds of the event, less the actual
 25 reasonable expense of conducting the event, are donated or used for
 26 a charitable purpose, organization, or cause.

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

29 (c) The individual or group of individuals complies with all



1 other **applicable** provisions of this ~~act~~**article** and the rules
 2 promulgated under this ~~act~~**article**.

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

6 (5) A license **issued under this section** is not assignable or
 7 transferable.

8 (6) ~~The~~**A** licensee ~~is responsible for ensuring~~**shall ensure**
 9 that the events **conducted under a license issued under this section**
 10 are conducted in compliance with **the applicable provisions of this**
 11 ~~act~~**article** and rules **promulgated under this article**.

12 (7) ~~A~~**Except as otherwise provided in this section, a** licensee
 13 shall only conduct events licensed under this ~~act~~**section** during
 14 the hours and on the ~~day and~~ date or dates stated on the license.

15 (8) In connection with an application for a small raffle
 16 license or a large raffle license, in determining whether a
 17 fraternal organization that is not a branch, lodge, or chapter of a
 18 national or state organization is a qualified organization, the
 19 commissioner shall only consider whether the organization meets
 20 requirements that are applicable under this ~~act~~**article** that are
 21 unrelated to whether the organization is a branch, lodge, or
 22 chapter of a national or state organization.

23 Sec. 8. **(1)** All fees and revenue collected by the commissioner
 24 or bureau under this act ~~shall~~**must** be paid into the state lottery
 25 fund **created under section 41 of the McCauley-Traxler-Law-Bowman-**
 26 **McNeely lottery act, 1972 PA 239, MCL 432.41.** All necessary
 27 expenses incurred by the bureau in the administration and
 28 enforcement of any activity authorized by this act and in the
 29 initiation, implementation, and ongoing operation of any activity



1 authorized by this act ~~shall~~**must** be financed from the state
2 lottery fund.

3 (2) All fees and revenue collected by the executive director
4 or board under this act must be paid into the state lottery fund
5 created under section 41 of the McCauley-Traxler-Law-Bowman-McNeely
6 lottery act, 1972 PA 239, MCL 432.41. All necessary expenses
7 incurred by the executive director or board in the administration
8 and enforcement of any activity authorized by this act and in the
9 initiation, implementation, and ongoing operation of any activity
10 authorized by this act must be financed from the state lottery
11 fund.

12 (3) The amount of ~~these~~necessary expenses ~~shall~~**incurred**
13 **under subsections (1) and (2) must** not exceed the amount of
14 revenues received from the sale of charity game tickets and all
15 fees collected under this act. At the end of each fiscal year all
16 money, including interest, in the state lottery fund ~~which~~**that** is
17 attributable to fees and revenue collected under this act but ~~which~~
18 **that** has not been expended under this section ~~shall~~**must** be
19 deposited in the state general fund.

20 Sec. 9. (1) Except as provided in subsection (2), the entire
21 net proceeds of an event ~~shall~~**conducted under a license issued**
22 **under this article must** be devoted exclusively to the lawful
23 purposes of the licensee. A licensee shall not incur or pay an item
24 of expense in connection with ~~the~~holding, operating, or conducting
25 ~~of~~an event except the following expenses in ~~reasonable~~amounts
26 **that the commissioner determines to be reasonable:**

27 (a) The purchase or rental of equipment necessary for
28 conducting an event and payment of services reasonably necessary
29 for the repair of equipment.



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

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

3 (d) Janitorial services.

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

6 (f) Other reasonable expenses incurred by the licensee, not
7 inconsistent with this ~~act, article~~, as permitted by rule of the
8 commissioner.

9 (2) A qualified organization described in section ~~3(g)(ii)~~
10 **3a(d)(ii)** shall use the entire net proceeds of an event, after
11 paying items of expense incurred in reasonable amounts in
12 connection with the holding, operating, or conducting of the event
13 and listed in subsection (1), only for the expense of training or
14 purchasing goods or services for the support of the activities of
15 the component.

16 Sec. 10. (1) Only a member of the qualified organization shall
17 participate in the management of an event.

18 (2) A person shall not receive any commission, salary, pay,
19 profit, or wage for participating in the management or operation of
20 **a bingo event, a millionaire party, a raffle, or a charity game**
21 except as provided by rule promulgated under this ~~act, article~~.

22 (3) Except by special permission of the commissioner, a
23 licensee shall conduct bingo ~~or a millionaire party~~ **games** only with
24 equipment that it owns, uses under a bureau-approved rental
25 contract, or is purchasing or renting at a reasonable rate from a
26 supplier.

27 (4) A licensee shall not advertise **a bingo event** except to the
28 extent and in the manner permitted by rule promulgated under this
29 ~~act, article~~. If the commissioner permits a licensee to advertise **a**



1 bingo **event**, the licensee shall indicate in the advertisement the
 2 purposes for which the net proceeds will be used by the licensee.

3 ~~(5) The holder of a millionaire party license shall not~~
 4 ~~advertise the event, except to the extent and in the manner~~
 5 ~~permitted by rule promulgated under this act. If the commissioner~~
 6 ~~permits a licensee to advertise the event, the licensee shall~~
 7 ~~indicate in the advertising the purposes for which the net proceeds~~
 8 ~~will be used by the licensee.~~

9 Sec. 11b. (1) ~~Each~~ **An** applicant for a license or renewal of a
 10 license to operate as a supplier of equipment, charity game
 11 tickets, or numeral game tickets to qualified organizations
 12 licensed under this act shall submit a written application to the
 13 bureau on a form prescribed by the commissioner.

14 (2) ~~The~~ **An** applicant **under this section** shall pay an annual
 15 license fee of \$300.00 at the time of the application.

16 (3) A supplier's license **issued under this section** expires at
 17 12 midnight on September 30 of each year.

18 (4) The commissioner shall require suppliers authorized to
 19 sell charity game tickets, numeral game tickets, or both, to post a
 20 performance bond of not less than \$50,000.00 and not greater than
 21 \$1,000,000.00.

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

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



1 (7) ~~The~~ **A supplier shall collect a** fee ~~collected by a supplier~~
 2 from ~~the~~ **a** qualified organization for each game of numeral tickets
 3 sold ~~shall be~~ **that equals** \$5.00 per 1,000 tickets or any portion of
 4 1,000 tickets.

5 (8) ~~The~~ **A supplier shall remit the** fees collected ~~by the~~
 6 ~~supplier for each numeral game sold shall be remitted~~ **under**
 7 **subsection (7)** to the bureau by the fifteenth day of the month
 8 following the month in which the numeral game is sold. ~~A~~ **The**
 9 **commissioner may assess a** late fee of 25% of the amount due ~~may be~~
 10 ~~assessed by the commissioner against any~~ **a** supplier who fails to
 11 remit the fees by the required filing date.

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

15 (10) A person who is directly or indirectly connected to the
 16 sale, rental, or distribution of bingo ~~or millionaire party~~
 17 equipment, or the sale of charity game tickets or numeral game
 18 tickets, or a person residing in the same household as the supplier
 19 shall not be involved directly or indirectly with the rental or
 20 leasing of a facility used for an event.

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

25 Sec. 12. (1) The bureau shall enforce and supervise the
 26 administration of this ~~act.~~ **article**. The commissioner shall employ
 27 personnel as necessary to implement this ~~act.~~ **article**.

28 (2) The bureau may select fraternal organizations that are not
 29 a branch, lodge, or chapter of a national or state organization to



1 audit to ensure that the organizations are in compliance with this
2 ~~act.~~ **article.**

3 Sec. 13. The commissioner shall promulgate rules pursuant to
4 the administrative procedures act of 1969, 1969 PA 306, MCL 24.201
5 to 24.328, to implement this ~~act.~~ **article.**

6 Sec. 14. (1) ~~Each~~ **A licensee under this article** shall keep a
7 record of each event as required by the commissioner. ~~The~~ **A**
8 **licensee shall allow a representative authorized by the bureau to**
9 **inspect a record kept under this subsection** and all financial
10 accounts into which proceeds from events ~~licensed under this act~~
11 are deposited or transferred ~~shall be open to inspection by a duly~~
12 ~~authorized representative of the bureau during reasonable business~~
13 hours.

14 (2) ~~Each~~ **A licensee under this article** shall file with the
15 commissioner a financial statement signed by the principal officer
16 of the qualified organization of receipts and expenses related to
17 the conduct of each event as ~~may be~~ required by rule promulgated
18 under this ~~act.~~ **article.** If the revenue from a bingo, ~~game,~~
19 ~~millionaire party,~~ raffle, numeral game, or charity game **event** is
20 represented to be used or applied by a licensee **under this article**
21 for a charitable purpose, the licensee shall file a copy of the
22 financial statement with the attorney general under the supervision
23 of trustees for charitable purposes act, 1961 PA 101, MCL 14.251 to
24 14.266.

25 (3) ~~The~~ **A licensee under this article shall allow an**
26 **authorized representative of the bureau or the department of state**
27 **police or a law enforcement officer of a political subdivision of**
28 **this state to inspect the** location ~~at which events licensed under~~
29 ~~this act are conducted or at which an applicant or licensee intends~~



1 ~~to conduct an event licensed under this act shall be open to~~
 2 ~~inspection at all times by a duly authorized representative of the~~
 3 ~~bureau or by the state police or a peace officer of a political~~
 4 ~~subdivision of this state.~~ **or an intended location during business**
 5 **hours.**

6 Sec. 15. ~~Annually the~~ **The** commissioner shall report **annually**
 7 to the governor and the legislature about the operation of events
 8 licensed under this act ~~within this state,~~ **article**, abuses that the
 9 bureau may have encountered, and recommendations for changes in
 10 this act.

11 Sec. 16. (1) The commissioner may deny, suspend, summarily
 12 suspend, or revoke ~~any a~~ license issued under this act ~~article~~ if
 13 the licensee or an officer, director, agent, member, or employee of
 14 the licensee violates this act ~~article~~ or **a** rule promulgated under
 15 this act. ~~article~~. The commissioner may summarily suspend a license
 16 for a period of not more than 60 days pending prosecution,
 17 investigation, or public hearing.

18 (2) A proceeding to suspend or revoke a license ~~shall be~~
 19 ~~considered~~ **under this article is** a contested case ~~and shall be~~
 20 governed by the administrative procedures act of 1969, 1969 PA 306,
 21 MCL 24.201 to 24.328.

22 (3) ~~Upon~~ **On** petition of the commissioner, the circuit court
 23 after a hearing may issue subpoenas to compel the attendance of
 24 witnesses and the production of documents, papers, books, records,
 25 and other evidence before it in a matter over which it has
 26 jurisdiction, control, or supervision. If a person subpoenaed to
 27 attend in any such proceeding or hearing fails to obey the command
 28 of the subpoena without reasonable cause, or if a person in
 29 attendance in any such proceeding or hearing refuses, without



1 lawful cause, to be examined or to answer a legal or pertinent
 2 question or to exhibit a book, account, record, or other document
 3 when ordered to do so by the court, that person may be punished as
 4 a **being in** contempt of the court.

5 (4) With approval of the commissioner, a **bingo** hall licensee,
 6 in lieu of a suspension of its license, may elect to pay a fine
 7 equal to the amount of rent that would have been paid by ~~the~~ bingo
 8 licensees during the period of the suspension. ~~This~~ **The bingo hall**
 9 **licensee shall pay this** fine ~~shall be paid~~ to the bureau on or
 10 before the date agreed to in the suspension agreement entered into
 11 by the bureau and the **bingo** hall licensee.

12 Sec. 18. (1) A licensee whose license is revoked ~~in~~
 13 ~~consequence of a violation of~~ **for violating** this act or a rule
 14 promulgated under this act is ineligible to apply for a license for
 15 ~~a period of 2~~ years.

16 (2) A person convicted of an offense under section ~~17~~ **51** or
 17 any other gambling offense is ineligible to serve as an officer of
 18 a licensee or to participate in conducting bingo, a millionaire
 19 party, raffle, numeral game, or charity game for ~~a period of 1~~ year
 20 after the conviction becomes final. If the person is licensed under
 21 this act, the person shall forfeit the license and is ineligible to
 22 apply for the issuance or reissuance of the license for ~~a period of~~
 23 1 year after the conviction becomes final.

24 Sec. 19. (1) Except as provided in subsection (2), any other
 25 law providing a penalty or disability upon a person who conducts or
 26 participates in a **raffle**, bingo, ~~game~~, millionaire party, or
 27 charity game; who sells or possesses equipment used in conducting **a**
 28 **raffle**, bingo, or a millionaire party; who permits **a raffle**, bingo,
 29 a millionaire party, or a charity game to be conducted on his or



1 her premises; or who does other acts in connection with **a raffle,**
 2 bingo, a millionaire party, or a charity game does not apply to
 3 that conduct if done ~~pursuant to~~ **under** this act or rules
 4 promulgated under this act.

5 (2) Subsection (1) does not limit ~~in any way~~ the application
 6 of the Michigan campaign finance act, ~~Act No. 388 of the Public~~
 7 ~~Acts of 1976, being sections~~ **1976 PA 388, MCL 169.201 to 169.282,**
 8 ~~of the Michigan Compiled Laws,~~ including, but not limited to,
 9 section 41 of ~~Act No. 388 of the Public Acts of 1976, being section~~
 10 **the Michigan campaign finance act, 1976 PA 388, MCL 169.241,** ~~of the~~
 11 ~~Michigan Compiled Laws,~~ to fundraising **fund-raising** events
 12 conducted by or for the benefit of a committee that has filed or is
 13 required to file a statement of organization ~~pursuant to Act No.~~
 14 ~~388 of the Public Acts of 1976.~~ **under the Michigan campaign finance**
 15 **act, 1976 PA 388, MCL 169.201 to 169.282.**

16 ARTICLE 2

17 Sec. 32. (1) As used in this article:

18 (a) "Bona fide member" means a member who participates in the
 19 qualified organization to further its lawful purposes and the
 20 spouse of such a member.

21 (b) "Dealer" means an individual who does any of the following
 22 in a millionaire party game:

23 (i) Performs the act of dealing.

24 (ii) Assists in supervising the dealers.

25 (iii) Provides technical advice to the millionaire party
 26 chairperson.

27 (c) "Demarcated area" means the physical area in which
 28 licensed millionaire party gaming will be conducted, the boundaries
 29 of which are marked with rope or tape or separated in an access-



1 controlled area of the location.

2 (d) "Lawful purpose" means 1 or more of the authorized
3 purposes stated in a qualified organization's written bylaws,
4 constitution, charter, or articles of incorporation on file with
5 the executive director.

6 (e) "Lessor" means a person who rents a location to a
7 millionaire party licensee for the purpose of conducting an event.

8 (f) "Location owner" means the person that owns a location or
9 an employee or agent of the person.

10 (2) The definitions in sections 2, 3, and 3a and the rules
11 promulgated under this act apply to this article, unless a term
12 defined in 1 of those sections is defined differently in this
13 article.

14 Sec. 33. (1) An applicant for a license to conduct a
15 millionaire party shall submit to the executive director a written
16 application on a form prescribed by the executive director.

17 (2) The application under subsection (1) must include all of
18 the following:

19 (a) The name and address of the applicant.

20 (b) The name and address of each officer of the applicant.

21 (c) The name of each individual who will serve as a dealer at
22 the event and, as to each individual, whether the individual has
23 been convicted of, forfeited bond on a charge of, or pled guilty to
24 any of the following:

25 (i) A felony.

26 (ii) A gambling offense.

27 (iii) Criminal fraud.

28 (iv) Forgery.

29 (v) Larceny.



- 1 (vi) Filing a false report with a governmental agency.
- 2 (d) The location at which the applicant will conduct the
3 event.
- 4 (e) A description of the demarcated area for the event and an
5 explanation of how the demarcated area will be marked.
- 6 (f) The dates of the event.
- 7 (g) Sufficient facts relating to the applicant's incorporation
8 or organization to enable the executive director to determine
9 whether the applicant is a qualified organization.
- 10 (h) A sworn statement attesting to the nonprofit status of the
11 applicant, signed by the principal officer of the applicant.

12 (i) Other information the executive director considers
13 necessary.

14 Sec. 34. (1) If the executive director determines that an
15 applicant for a millionaire party license is a qualified
16 organization and otherwise eligible and suitable and the applicant
17 paid to this state a fee of \$50.00 per day that the applicant
18 proposes to conduct the millionaire party, the executive director
19 shall issue a millionaire party license to the applicant.

20 (2) A qualified organization may be issued up to 4 millionaire
21 party licenses in 1 calendar year. Each license is valid for only 1
22 location as stated on the license.

23 (3) A millionaire party license may be issued for up to 4
24 consecutive days.

25 (4) The executive director shall not issue more than 1
26 millionaire party license to a qualified organization for any 1
27 day.

28 (5) The executive director shall not issue millionaire party
29 licenses that would allow more than 2 millionaire party events to



1 be conducted at a single location on the same date or at the same
2 time.

3 (6) The executive director shall not issue millionaire party
4 licenses that would allow millionaire party events to be conducted
5 more than 4 days per week at a single location.

6 (7) A millionaire party license must state the hours for each
7 event day on which the millionaire party may be conducted. The
8 executive director shall not permit a millionaire party to begin
9 before 8 a.m. or continue past 2 a.m. on the following day.

10 Sec. 35. (1) A millionaire party licensee shall comply with
11 this act and the rules promulgated under this act.

12 (2) A millionaire party licensee shall comply with the terms
13 and requirements of the license.

14 (3) A millionaire party license is not assignable or
15 transferrable, and a licensee shall not assign or transfer a
16 millionaire party license.

17 Sec. 36. (1) A millionaire party licensee may advertise the
18 event if the advertising complies with rules promulgated under this
19 article.

20 (2) An advertisement under this section must state the
21 purposes for which the proceeds from the event will be used.

22 Sec. 37. (1) A millionaire party licensee shall not enter into
23 an agreement with a location owner or lessor unless the agreement
24 is expressed in a written rental agreement that is approved by the
25 executive director.

26 (2) A location owner or lessor, a partner, member, director,
27 officer, agent, or employee of a location owner or lessor, a
28 shareholder of a privately held corporation that is a location
29 owner or lessor, or a person residing in the same household as any



1 of these shall not do any of the following:

2 (a) Be an officer of a qualified organization conducting a
3 millionaire party at the location.

4 (b) Participate as a player in any event being conducted at
5 the location.

6 (c) Participate in any aspect of an event being conducted at
7 the location, including providing dealers, equipment, or workers,
8 unless all of the following conditions exist:

9 (i) The location is owned or rented by a qualified organization
10 and used by the qualified organization on a continual basis for the
11 regular use of its members.

12 (ii) The qualified organization is the millionaire party
13 licensee and is conducting the event.

14 (iii) The executive director has granted a waiver for the
15 participation.

16 Sec. 38. A millionaire party licensee shall only conduct an
17 event with equipment that it owns, rents from another qualified
18 organization under a rental agreement approved by the executive
19 director, or purchases or rents from a supplier.

20 Sec. 39. (1) A millionaire party licensee shall use only the
21 following as dealers at an event:

22 (a) A bona fide member.

23 (b) An employee of a supplier.

24 (2) An individual shall not act as a dealer if the individual
25 has been convicted of, forfeited bond on a charge of, or pled
26 guilty to any of the following offenses:

27 (a) A felony.

28 (b) A gambling offense.

29 (c) Criminal fraud.



1 (d) Forgery.

2 (e) Larceny.

3 (f) Filing a false report with a governmental agency.

4 (3) An individual who is not listed as a dealer on the
5 application for a millionaire party license shall not act as a
6 dealer at an event conducted under the license.

7 (4) A millionaire party licensee shall ensure that the dealers
8 at an event conducted under the license comply with this act, rules
9 promulgated under this act, and any directives of the executive
10 director.

11 Sec. 40. (1) At least 2 bona fide members of the millionaire
12 party licensee, not including any bona fide member acting as a
13 dealer, must be present at all times during an event.

14 (2) If fewer than 2 bona fide members are present at any time
15 during an event, the millionaire party licensee shall immediately
16 report this to the executive director. The executive director may
17 require the licensee to stop conducting the event.

18 (3) One of the bona fide members listed on the application for
19 the millionaire party license shall act as the millionaire party
20 chairperson. An individual shall not serve as chairperson of
21 millionaire parties conducted by more than 1 qualified organization
22 during a calendar year.

23 (4) A bona fide member of a millionaire party licensee who is
24 present at the event shall wear a vest, button, or other
25 distinctive apparel to identify the bona fide member as a member of
26 the millionaire party licensee and as not being an employee or
27 agent of the location owner, lessor, or supplier.

28 (5) Unless permitted by this act, a rule promulgated under
29 this act, or written authorization of the executive director, only



1 a bona fide member of the millionaire party licensee may perform
2 any of the following duties at an event conducted under the
3 license:

4 (a) Monitoring a game or verifying that the game is conducted
5 in conformance with the rules of the game.

6 (b) Verifying the age of a player.

7 (6) A bona fide member of a millionaire party licensee shall
8 not play a game at an event at which the bona fide member is
9 working or assisting.

10 (7) A bona fide member of a millionaire party licensee shall
11 not share in a prize awarded at an event at which the bona fide
12 member is working or assisting.

13 (8) A bona fide member of a millionaire party licensee shall
14 not purchase, play, or accept a charity game ticket or numeral game
15 ticket offered for sale by the licensee at an event at which the
16 bona fide member is working or assisting.

17 (9) A bona fide member of a millionaire party licensee shall
18 not split a prize with a player or accept a tip of any kind at an
19 event conducted under the license, unless the tip is a cash tip
20 given to the bona fide member for serving as a dealer at the event.

21 Sec. 41. (1) A millionaire party licensee shall ensure that an
22 event conducted under the license is conducted in compliance with
23 this act and the rules promulgated under this act.

24 (2) A millionaire party licensee shall post the license so
25 that it is conspicuously visible at the location where the event is
26 being conducted at all times during the event.

27 (3) A millionaire party licensee shall not conduct gaming
28 under the license anywhere outside of the demarcated area approved
29 by the executive director.



1 (4) A millionaire party licensee shall ensure that access to
2 the demarcated area is controlled.

3 (5) A millionaire party licensee shall not allow an individual
4 who is less than 18 years old to enter the demarcated area when
5 gaming is being conducted there.

6 (6) If alcoholic beverages are served at an event, an
7 individual in the demarcated area who is 18 years old or older but
8 less than 21 years old must be identified by wearing a mark
9 indicating that a member or agent of the millionaire party licensee
10 has verified the individual's age and identification.

11 (7) A millionaire party licensee shall not receive more than
12 \$20,000.00 in exchange for imitation money or chips on any day
13 under the license. However, if the licensee conducts the
14 millionaire party without using dealers from a supplier and owns
15 the location at which the millionaire party is held and if the
16 license is for fewer than 4 days of gaming, the daily limit under
17 this subsection is determined by dividing \$80,000.00 by the number
18 of days of gaming allowed under the license.

19 (8) A millionaire party licensee may conduct a charity game as
20 provided in section 7b and may conduct a numeral game as provided
21 in section 7c. If a millionaire party licensee conducts a charity
22 game or a numeral game, the executive director has sole enforcement
23 and supervision authority over the conduct of the game.

24 Sec. 42. (1) A millionaire party licensee shall not pay an
25 expense related to an event unless all of the following apply:

26 (a) The expense is incurred in connection with the conduct of
27 the event.

28 (b) The expense is necessary and reasonable and falls into 1
29 of the following categories of expense:



1 (i) The purchase or rental of equipment necessary for
 2 conducting the event and payment of services reasonably necessary
 3 for the repair of equipment.

4 (ii) Cash prizes or the purchase of prizes of merchandise.

5 (iii) Rental of the location at which the event is conducted.
 6 The rental expense must not exceed \$250.00 for each event day.

7 (iv) Janitorial services.

8 (v) The fee required for issuance or reissuance of a license
 9 to conduct the event.

10 (vi) Other reasonable expenses incurred by the licensee, not
 11 inconsistent with this act, as permitted by rule promulgated under
 12 this act.

13 (c) The expense is itemized.

14 (d) The expense is approved by the executive director in
 15 writing before the event.

16 (2) A millionaire party licensee shall not accept any
 17 compensation in connection with an event unless the compensation is
 18 expressly authorized by this article or a rule promulgated under
 19 this article.

20 (3) A millionaire party licensee shall not expend more than
 21 45% of the gross profit from an event to pay expenses incurred in
 22 connection with the event.

23 (4) A person shall not accept any commission, salary, pay,
 24 profit, or wage for participating in the management or operation of
 25 a millionaire party except as allowed under a rule promulgated
 26 under this act.

27 Sec. 42a. A person who is directly or indirectly connected to
 28 the sale, rental, or distribution of millionaire party equipment or
 29 a person residing in the same household as the supplier shall not



1 be involved directly or indirectly with the rental or leasing of a
2 facility used for an event.

3 Sec. 43. (1) A millionaire party licensee shall keep a record
4 of each event as required by the executive director.

5 (2) The millionaire party licensee shall allow an authorized
6 representative of the executive director to inspect during
7 reasonable business hours a record kept under subsection (1) and
8 all financial accounts into which proceeds from the event are
9 deposited or transferred.

10 (3) A millionaire party licensee shall file with the executive
11 director a financial statement signed by the principal officer of
12 the qualified organization. The financial statement must contain a
13 list of the qualified members of the millionaire party licensee who
14 were present as to each event and a disclosure of receipts and
15 expenses related to the conduct of each event as required by rule
16 promulgated under this act. If the revenue from a millionaire party
17 is represented to be used or applied by a millionaire party
18 licensee for a charitable purpose, the licensee shall file a copy
19 of the financial statement with the attorney general under the
20 supervision of trustees for charitable purposes act, 1961 PA 101,
21 MCL 14.251 to 14.266.

22 (4) A millionaire party licensee and a location owner or
23 lessee shall allow an authorized representative of the executive
24 director or the state police or a peace officer of a political
25 subdivision in which the event is being conducted to inspect the
26 location, or an intended location, during business hours.

27 Sec. 46. (1) A person that applies for a license or renewal of
28 a license to operate as a supplier to millionaire party licensees
29 shall submit a written application to the executive director on a



1 form prescribed by the executive director.

2 (2) An applicant under this section shall pay an annual
3 license fee of \$300.00 at the time of the application.

4 (3) If an applicant under this section wishes to provide
5 dealers to millionaire party licensees, the applicant shall include
6 with its application a list containing the name of each individual
7 who will work for the applicant as a dealer at millionaire parties
8 and, as to each individual, whether the individual has been
9 convicted of, forfeited bond on a charge of, or pled guilty to any
10 of the following:

11 (a) A felony.

12 (b) A gambling offense.

13 (c) Criminal fraud.

14 (d) Forgery.

15 (e) Larceny.

16 (f) Filing a false report with a governmental agency.

17 (4) If, after the application is submitted as described in
18 subsection (1) or after the suppliers license is issued, there are
19 any changes in the individuals who will work for the supplier as
20 dealers at millionaire parties, the applicant or supplier shall
21 immediately provide an updated list containing all of the
22 information required under subsection (3).

23 (5) A supplier licensed under this section shall submit to the
24 executive director reports as required by the executive director
25 regarding the supplier's activities under this article.

26 (6) A supplier's license expires at 12 midnight on September
27 30 of each year.

28 (7) A person shall not obtain a supplier license on behalf of
29 another person. A person shall not have another person obtain a



1 supplier license on the person's behalf. A person, other than a
2 person approved by the executive director, shall not directly or
3 indirectly receive a payment from, pay an expense for, or have an
4 ownership or equity stake in, a supplier.

5 (8) Two or more persons shall not conspire for 1 or more
6 persons to obtain a supplier's license for the purpose of allowing
7 any person who is not a supplier to enjoy the benefits of the
8 license.

9 Sec. 48. The executive director shall enforce and supervise
10 the administration of this article. The executive director shall
11 employ personnel as necessary to implement this article.

12 Sec. 49. (1) Any rules promulgated by the executive director
13 under this act before the effective date of the amendatory act that
14 added this article remain in effect unless directly inconsistent
15 with the amendatory act that added this article.

16 (2) The executive director may promulgate rules pursuant to
17 the administrative procedures act of 1969, 1969 PA 306, MCL 24.201
18 to 24.328, to implement this article.

19 Sec. 50. (1) The executive director may deny, suspend,
20 summarily suspend, or revoke a license issued under this article if
21 the licensee or an officer, director, agent, member, or employee of
22 the licensee violates this article or a rule promulgated under this
23 article. The executive director may summarily suspend a license for
24 a period of not more than 60 days pending prosecution,
25 investigation, or public hearing.

26 (2) A proceeding to suspend or revoke a license is a contested
27 case and must be conducted in accordance with the administrative
28 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

29 (3) On petition of the executive director, the circuit court



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

13 (4) For each violation of this act, any rules promulgated
14 under this act, or any order issued under this act, the executive
15 director may impose a civil penalty of up to \$2,500.00 and may
16 issue a cease and desist order, or obtain injunctive relief. In
17 addition to any civil penalty imposed under this subsection, a
18 person may be liable for a fine of up to the amount of any illegal
19 payments made or received.

20 (5) A qualified organization, a millionaire party chairperson,
21 and a principal officer are jointly and severally liable for any
22 penalties and fines levied under subsection (4).

23 (6) A supplier and the owners and co-owners of a supplier are
24 jointly and severally liable for any penalties and fines levied
25 under subsection (4).

26 (7) A person whose license is revoked under this section is
27 ineligible to apply for a license for 5 years.

28 Sec. 51. (1) Except as otherwise provided in subsection (2), a
29 person who willfully violates this act is guilty of a misdemeanor



1 punishable by imprisonment for not more than 6 months or a fine of
2 not more than \$1,000.00, or both, for doing any of the following:

3 (a) Cheating at an event.

4 (b) Using millionaire party proceeds for something other than
5 a lawful purpose of the qualified organization.

6 (c) Knowingly making a wager if the person is less than 18
7 years of age or permitting a person who is less than 18 years of
8 age to make a wager.

9 (d) Using chips not authorized for use at a millionaire party.

10 (e) Willfully failing to appear before and provide an item to
11 the executive director at the time and place specified in a
12 subpoena issued by the executive director.

13 (f) Willfully refusing, without just cause, to testify or
14 provide items in an answer to a subpoena or subpoena duces tecum
15 issued by the executive director.

16 (g) For a location owner or lessor, a shareholder of a
17 privately held corporation that owns or leases a location, a
18 partner or officer, an agent or employee of a lessor, or an
19 individual residing in the same household as a location owner or
20 lessor, a shareholder of a privately held corporation that owns or
21 leases a location, or a partner, officer, or agent of a location
22 owner, making or receiving a payment from any person, other than
23 for the preapproved payment of rent, for any aspect of a
24 millionaire party. This subdivision does not apply to the sale of
25 food or drink.

26 (h) Conducting or permitting a person who is not licensed
27 under this act to conduct activities required to be licensed under
28 this act.

29 (i) Violating section 46(7) or (8).



1 (2) A person is guilty of a felony punishable by imprisonment
2 for not more than 2 years or a fine of not more than \$2,500.00, or
3 both for doing any of the following:

4 (a) Knowingly making a false statement on an application for a
5 license under this act.

6 (b) Knowingly making a false statement, orally or in writing,
7 to the executive director or his or her authorized representative.

8 (3) A person convicted under this section is ineligible to
9 receive or maintain a license under this act.

10 (4) In addition to the fines provided in this section, a
11 person may be liable for a fine up to the amount of any payments
12 made or received in violation of this act.

13 (5) This section does not prohibit a person who violates this
14 act from being charged with, convicted of, or punished for any
15 other violation of law, including the Michigan penal code, 1931 PA
16 328, MCL 750.1 to 750.568, and the Michigan gaming control and
17 revenue act, 1996 IL 1, MCL 432.201 to 432.226.

18 Sec. 52. The executive director shall report annually to the
19 governor and the legislature about the operation of events licensed
20 under this article, abuses that the executive director may have
21 encountered, and recommendations for changes in this act.

22 Enacting section 1. Sections 10a, 10b, 17, and 20 of the
23 Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.110a,
24 432.110b, 432.117, and 432.120, are repealed.

