

CHARITABLE GAMING: DEFINITION OF “OCCASION”

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House Bill 5902 as referred to second committee

Sponsor: Rep. John Chirkun

1st Committee: Regulatory Reform

2nd Committee: Ways and Means

Complete to 10-16-20

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5902 would amend the Traxler-McCauley-Law-Bowman Bingo Act to revise the definition, for purposes of the act, of the term *occasion*.

Currently, it means “a single day for which a license to conduct games is issued under this act.”

Under the bill, it would mean “the hours of the day for which a license is issued.”

MCL 432.103

BRIEF DISCUSSION:

When legislation was enacted last year to amend the charitable gaming statute, the new law, among other changes, revised the definition of the term “occasion” from meaning *the hours of the day for which a license is issued* to the current definition of *a single day for which a license to conduct games is issued under the act*. Prior to the change made by 2019 PA 159, and under provisions contained in the Michigan Administrative Code, qualified charities could offer multiple bingo games per day,¹ and halls could hold up to 14 licensed events a week.² Further, a charity could be licensed to conduct a bingo event and a raffle on the same day at the same location, though not at the same time.³ Though the change made by 2019 PA 159 appears to be a minor clarification, in effect it conflicts with the administrative code provisions and restricts charities and halls from the longstanding practice of holding more than one event a day. This is because a statute carries more force of law than a departmental rule.

Charities raise money for many worthy causes. The ongoing COVID pandemic not only is increasing the reliance by many on services provided by charities, but is making it more difficult for charities to hold fundraisers. Preventing halls from hosting more than one bingo occasion per day, or preventing a charity from conducting a raffle after a bingo event held at the same location ends, makes it even harder to raise funds. House Bill 5902 would resolve the problem by restoring the original meaning of the term “occasion.” The statute and the departmental rules would once again be in sync, and bingo events could be offered in a manner beneficial both to the charities and to their supporters.

¹ R 432.21305 of the Michigan Administrative Code.

² R 432.22006(2) of the Michigan Administrative Code.

³ R 432.21513(5) of the Michigan Administrative Code.

FISCAL IMPACT:

The bill would increase charitable gaming revenues by an unknown amount due to the estimated increase in authorized games. Prior to 2019 PA 159, the definition of *occasion* mirrored the language proposed by HB 5902. The definitional change under 2019 PA 159 effectively reduced the number of daily games at authorized locations to one, thereby reducing charitable gaming revenues. Due to reporting lags and closures caused by the COVID-19 pandemic, an estimate of the reduction of charitable gaming revenues due to this definitional change cannot be determined with any accuracy.

After deducting Charitable Gaming Division expenses, net revenue is deposited in the state's general fund. The general fund transfer totaled \$1.9 million in FY 2019.

POSITIONS:

The following entities indicated support for the bill (9-1-20):

- Michigan Lottery Bureau
- Michigan Charitable Gaming Association

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.