

# HOUSE BILL NO. 4172

February 14, 2019, Introduced by Reps. Witwer, Chirkun, Sowerby, Sneller, Cherry, Brenda Carter, Peterson, Cynthia Johnson, Stone, Shannon, Hertel, Elder, Sabo, Slagh, Garza, Tate, Bolden, Kuppa, Whitsett and Jones and referred to the Committee on Regulatory Reform.

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, 17, 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, 432.117, 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, and 16 as amended by 1999 PA 108, and section 19 as amended by 1995 PA 263, and by designating sections 1

to 20 as article 1; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**ARTICLE 1**

Sec. 2. As used in this act:

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

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

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

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

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

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

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

~~(h) (g)~~ "Commissioner" means the commissioner of state lottery

1 appointed under section 7 of the McCauley-Traxler-Law-Bowman-  
2 McNeely lottery act, 1972 PA 239, MCL 432.7.

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

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

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

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

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

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

27 (i) Is organized not for pecuniary profit.

28 (ii) Is a branch, lodge, or chapter of a national or state  
29 organization or, only for the purpose of conducting a small raffle

1 or a large raffle under this act, if not a branch, lodge, or  
 2 chapter of a national or state organization, is exempt from  
 3 taxation under section 501(c) of the internal revenue code of 1986,  
 4 26 USC 501.

5 (iii) Exists for the common purpose, brotherhood, or other  
 6 interests of its members.

7 Sec. 3. As used in this act:

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

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

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

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

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

29 (a) "Large bingo" means a series of bingo occasions that occur

1 on a regular basis during which the total value of all prizes  
2 awarded for bingo games at a single occasion does not exceed  
3 \$3,500.00 and the total value of all prizes awarded for 1 bingo  
4 game does not exceed \$1,100.00, except that a prize awarded through  
5 a Michigan progressive jackpot bingo game is not subject to these  
6 limitations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 ~~the causes of elderly or retired persons.~~

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

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

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

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

29 **(h) "Michigan progressive jackpot" means a bingo game**

1 conducted in conjunction with a licensed large bingo occasion in  
2 which the value of the prize is carried forward to the next bingo  
3 occasion if no player wins in a predetermined number of allowable  
4 calls. Michigan progressive jackpot may include bingo games  
5 conducted by more than 1 licensee that are linked together for the  
6 purpose of a common jackpot prize and consolation prize as  
7 prescribed by the commissioner.

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

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

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

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

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

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

28 ~~(3) "Large bingo" means a series of bingo occasions that occur~~  
29 ~~on a regular basis during which the total value of all prizes~~



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

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

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

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

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

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

29 ~~(9) "Numeral game" means the random resale of a series of~~

1 ~~numeral game tickets by a qualified organization under a numeral~~  
 2 ~~game license or in conjunction with a licensed millionaire party or~~  
 3 ~~large raffle.~~

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

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

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

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

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

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

29 **(d) "Qualified organization" means, subject to subdivision**

1 (e), either of the following:

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

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

12 (e) "Qualified organization" does not include 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 under, the Michigan campaign finance  
16 act, 1976 PA 388, MCL 169.201 to 169.282.

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

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

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

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

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

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

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

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

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

27           (j) ~~(15)~~ "Small bingo" means a series of bingo occasions that  
28 occur on a regular basis during which the total value of all prizes  
29 awarded ~~through~~ **for** bingo **games** at a single occasion does not

1 exceed \$300.00 and the total value of all prizes awarded for a  
2 single bingo game does not exceed \$25.00.

3 (k) ~~(16)~~ "Small raffle" means an event during which the total  
4 value of all prizes awarded through raffle drawings does not exceed  
5 \$500.00 during 1 occasion.

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

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

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

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

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

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

1 (b) The name and address of each officer of the applicant  
2 organization.

3 (c) The location at which the applicant will conduct the  
4 event.

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

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

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

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

14 (h) Other information the commissioner considers necessary.

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

<u>License</u>	<u>Fee</u>
(a) Large bingo.....	\$ 150.00
(b) Small bingo.....	\$ 55.00
(c) Special bingo.....	\$ 25.00
<del>(d) Millionaire party.....</del>	<del>\$ 50.00 per day</del>
<b>(d)</b> <del>(e)</del> Large raffle.....	\$ 50.00 per drawing date
<b>(e)</b> <del>(f)</del> Small raffle:	
(i) One to 3 drawing dates.....	\$ 15.00

1	(ii)	Four or more drawing dates.....	\$ 5.00 per
2			drawing date
3	<del>(g)</del> (f)	Annual charity game.....	\$ 200.00
4	<del>(h)</del> (g)	Special charity game.....	\$ 15.00 per day
5	<del>(i)</del> (h)	Numeral game.....	\$ 15.00 per day

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

12 (a) The organization applying for the license is a nonprofit  
13 organization.

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

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

19 (d) The organization complies with all other **applicable**  
20 provisions of this ~~act~~**article** and rules promulgated under this  
21 ~~act~~**article**.

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

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

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

3 (c) The individual or group of individuals complies with all  
4 other **applicable** provisions of this ~~act~~**article** and the rules  
5 promulgated under this ~~act~~**article**.

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

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

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

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

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

26 Sec. 8. **(1)** All fees and revenue collected by the commissioner  
27 or bureau under this act ~~shall~~**must** be paid into the state lottery  
28 fund **created under section 41 of the McCauley-Traxler-Law-Bowman-**  
29 **McNeely lottery act, 1972 PA 239, MCL 432.41.** All necessary



1 expenses incurred by the bureau in the administration and  
2 enforcement of any activity authorized by this act and in the  
3 initiation, implementation, and ongoing operation of any activity  
4 authorized by this act ~~shall~~**must** be financed from the state  
5 lottery fund.

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

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

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

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

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

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

6 (d) Janitorial services.

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

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

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

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

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

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

1           (4) A licensee shall not advertise a bingo **event** except to the  
 2 extent and in the manner permitted by rule promulgated under this  
 3 ~~act.~~ **article**. If the commissioner permits a licensee to advertise a  
 4 bingo **event**, the licensee shall indicate in the advertisement the  
 5 purposes for which the net proceeds will be used by the licensee.

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

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

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

19           (3) A supplier's license **issued under this section** expires at  
 20 12 midnight on September 30 of each year.

21           (4) The commissioner shall require suppliers authorized to  
 22 sell charity game tickets, numeral game tickets, or both, to post a  
 23 performance bond of not less than \$50,000.00 and not greater than  
 24 \$1,000,000.00.

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

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

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

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

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

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

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

28 Sec. 12. (1) The bureau shall enforce and supervise the  
 29 administration of this ~~act.~~ **article**. The commissioner shall employ

1 personnel as necessary to implement this ~~act~~**article**.

2 (2) The bureau may select fraternal organizations that are not  
3 a branch, lodge, or chapter of a national or state organization to  
4 audit to ensure that the organizations are in compliance with this  
5 ~~act~~**article**.

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

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

17 (2) ~~Each~~**A licensee under this article** shall file with the  
18 commissioner a financial statement signed by the principal officer  
19 of the qualified organization of receipts and expenses related to  
20 the conduct of each event as ~~may be~~ required by rule promulgated  
21 under this ~~act~~**article**. If the revenue from a bingo, ~~game,~~  
22 ~~millionaire party,~~ raffle, numeral game, or charity game **event** is  
23 represented to be used or applied by a licensee **under this article**  
24 for a charitable purpose, the licensee shall file a copy of the  
25 financial statement with the attorney general under the supervision  
26 of trustees for charitable purposes act, 1961 PA 101, MCL 14.251 to  
27 14.266.

28 (3) ~~The~~**A licensee under this article shall allow an**  
29 **authorized representative of the bureau or the department of state**

1 **police or a law enforcement officer of a political subdivision of**  
 2 **this state to inspect the** location at which events licensed under  
 3 ~~this act are conducted or at which an applicant or licensee intends~~  
 4 ~~to conduct an event licensed under this act shall be open to~~  
 5 ~~inspection at all times by a duly authorized representative of the~~  
 6 ~~bureau or by the state police or a peace officer of a political~~  
 7 ~~subdivision of this state.~~ **or an intended location during business**  
 8 **hours.**

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

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

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

25       (3) ~~Upon~~ **On** petition of the commissioner, the circuit court  
 26 after a hearing may issue subpoenas to compel the attendance of  
 27 witnesses and the production of documents, papers, books, records,  
 28 and other evidence before it in a matter over which it has  
 29 jurisdiction, control, or supervision. If a person subpoenaed to

1 attend in any such proceeding or hearing fails to obey the command  
 2 of the subpoena without reasonable cause, or if a person in  
 3 attendance in any such proceeding or hearing refuses, without  
 4 lawful cause, to be examined or to answer a legal or pertinent  
 5 question or to exhibit a book, account, record, or other document  
 6 when ordered to do so by the court, that person may be punished as  
 7 ~~a-being in~~ contempt of the court.

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

15 Sec. 17. (1) ~~A-Except as otherwise provided in subsections (2)~~  
 16 **and (3), a** person who ~~wilfully~~ **willfully** violates this act is  
 17 guilty of a misdemeanor ~~and shall be fined not more than \$1,000.00~~  
 18 ~~or imprisoned~~ **punishable by imprisonment for** not more than 6 months  
 19 **or a fine of not more than \$1,000.00, or both.**

20 (2) **A person is guilty of a misdemeanor punishable by**  
 21 **imprisonment for not more than 1 year or a fine of not more than**  
 22 **\$1,500.00, or both, for doing any of the following:**

23 (a) **Cheating at a charitable gambling game.**

24 (b) **Using millionaire party proceeds for something other than**  
 25 **the lawful purpose of the organization.**

26 (c) **Knowingly making a wager if the person is less than 18**  
 27 **years of age or permitting a person less than 18 years of age to**  
 28 **make a wager.**

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

1 (e) Willfully failing to appear before or provide an item to  
2 the executive director at the time and place specified in a  
3 subpoena issued by the executive director.

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

7 (g) For a location owner or lessor, a shareholder of a  
8 privately held corporate-owned or leased location, partner,  
9 officer, agent, or employee of a lessor, or person residing in the  
10 same household as a location owner or lessor, shareholder of a  
11 privately held corporate-owned or leased location, partner,  
12 officer, or agent of a location owner where a millionaire party  
13 occurs, making or receiving a payment from any person, other than  
14 for the preapproved payment of rent, for any aspect of a  
15 millionaire party. This subdivision does not apply to the sale of  
16 food and drink.

17 (h) Conducting or permitting a person who is not licensed  
18 under this act to conduct activities required to be licensed under  
19 this act.

20 (3) A person is guilty of a misdemeanor punishable by  
21 imprisonment for not more than 2 years or a fine of not more than  
22 \$2,500.00, or both, for doing any of the following:

23 (a) Knowingly making a false statement on an application for a  
24 license provided in this act.

25 (b) Knowingly making false statements, either orally or in  
26 writing, to the executive director or his or her authorized  
27 representatives.

28 (4) A person convicted under this section is ineligible to  
29 receive or maintain a license under this act.



1           (5) In addition to the fines described in this section, a  
2 person may be liable for a fine up to the amount of any illegal  
3 payments made or received in violation of this act.

4           (6) This section does not prohibit a person who violates this  
5 act from being charged with, convicted of, or punished for any  
6 other violation of law, including the Michigan penal code, 1931 PA  
7 328, MCL 750.1 to 750.568, and the Michigan gaming control and  
8 revenue act, 1996 IL 1, MCL 432.201 to 432.226.

9           Sec. 19. (1) Except as provided in subsection (2), any other  
10 law providing a penalty or disability upon a person who conducts or  
11 participates in a **raffle**, bingo, ~~game~~, millionaire party, or  
12 charity game; who sells or possesses equipment used in conducting a  
13 **raffle**, bingo, or a millionaire party; who permits a **raffle**, bingo,  
14 a millionaire party, or a charity game to be conducted on his or  
15 her premises; or who does other acts in connection with a **raffle**,  
16 bingo, a millionaire party, or a charity game does not apply to  
17 that conduct if done ~~pursuant to~~ **under** this act or rules  
18 promulgated under this act.

19           (2) Subsection (1) does not limit ~~in any way~~ the application  
20 of the Michigan campaign finance act, ~~Act No. 388 of the Public~~  
21 ~~Acts of 1976, being sections~~ **1976 PA 388, MCL 169.201 to 169.282,**  
22 ~~of the Michigan Compiled Laws,~~ including, but not limited to,  
23 section 41 of Act No. ~~388 of the Public Acts of 1976, being section~~  
24 **the Michigan campaign finance act, 1976 PA 388, MCL 169.241,** ~~of the~~  
25 ~~Michigan Compiled Laws,~~ to ~~fundraising~~ **fund-raising** events  
26 conducted by or for the benefit of a committee that has filed or is  
27 required to file a statement of organization ~~pursuant to Act No.~~  
28 ~~388 of the Public Acts of 1976.~~ **under the Michigan campaign finance**  
29 **act, 1976 PA 388, MCL 169.201 to 169.282.**

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

4           Enacting section 2. This amendatory act does not take effect  
5 unless Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
6 01601'19) of the 100th Legislature is enacted into law.