

Act No. 118
Public Acts of 1994
Approved by the Governor
May 12, 1994
Filed with the Secretary of State
May 12, 1994

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1994**

Introduced by Senator DiNello

ENROLLED SENATE BILL No. 3

AN ACT to amend sections 3 and 7a of Act No. 382 of the Public Acts of 1972 entitled as amended An act to license and regulate the conducting of bingo and certain other forms of gambling to provide for the conducting of charity games to impose certain duties and authority upon certain state departments agencies and officers to provide a tax exemption and to provide penalties section 3 as amended and section 7a as added by Act No. 229 of the Public Acts of 1981 being sections 432 103 and 432 107a of the Michigan Compiled Laws

The People of the State of Michigan enact

Section 1 Sections 3 and 7a of Act No. 382 of the Public Acts of 1972 section 3 as amended and section 7a as added by Act No. 229 of the Public Acts of 1981 being sections 432 103 and 432 107a of the Michigan Compiled Laws are amended to read as follows

Sec 3 (1) Educational organization means an organization within this state that is organized not for pecuniary profit whose primary purpose is educational in nature and designed to develop the capabilities of individuals by instruction in any public or private elementary or secondary school that complies with the school code of 1976 Act No. 451 of the Public Acts of 1976 as amended being sections 380 1 to 380 1852 of the Michigan Compiled Laws or any private or public college or university that is organized not for pecuniary profit and that is approved by the state board of education

(2) Fraternal organization means an organization within this state except a college fraternity or sorority that is organized not for pecuniary profit that is a branch lodge or chapter of a national or state organization and that exists for the common business brotherhood or other interests of its members

(3) Licensee means a person or qualified organization licensed pursuant to this act

(4) Member means an individual who qualified for membership in a qualified organization pursuant to its bylaws articles of incorporation charter rules or other written statement

(5) Person means a natural person firm association corporation or other legal entity

(6) Qualified organization means a bona fide religious educational service senior citizens fraternal or veterans organization that operates without profit to its members and that either has been in existence continuously as an organization for a period of 5 years or is exempt from taxation imposed by the single business tax act Act No. 228 of the Public Acts of 1975 as amended being sections 208 1 to 208 145 of the Michigan Compiled Laws Qualified organization does not include a candidate committee political committee political party committee ballot question committee independent committee or any other committee as defined by and organized pursuant to the Michigan campaign finance act Act No. 388 of the Public Acts of 1976 as amended being sections 169 201 to 169 282 of the Michigan Compiled Laws

(7) Religious organization means any of the following

(a) An organization church body of communicants or group that is organized not for pecuniary profit and that gathers in common membership for mutual support and edification in piety worship and religious observances

(b) A society of individuals that is organized not for pecuniary profit and that unites for religious purposes at a definite place

(c) A church related private school that is organized not for pecuniary profit

(8) Senior citizens organization means an organization within this state that is organized not for pecuniary profit that consists of at least 15 members who are 60 years of age or older and that exists for their mutual support and for the advancement of the causes of elderly or retired persons

(9) Service organization means either of the following

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

(b) A local civic organization that is organized not for pecuniary profit that is not affiliated with a state or national organization that is recognized by resolution adopted by the local governmental subdivision in which the organization conducts its principal activities whose constitution charter articles of incorporation or bylaws contain a provision for the perpetuation of the organization as a nonprofit organization whose entire assets are pledged to charitable purposes and whose constitution charter articles of incorporation or bylaws contain a provision that all assets real property and personal property shall revert to the benefit of the local governmental subdivision that granted the resolution upon dissolution of the organization

(10) Veterans organization means an organization within this state or a branch lodge or chapter within this state of a state organization or of a national organization chartered by the congress of the United States that is organized not for pecuniary profit the membership of which consists of individuals who were members of the armed services or forces of the United States

Sec 7a (1) The bureau may authorize a qualified organization licensed to conduct a bingo game or a millionaire party to conduct a charity game in conjunction with and at the time and location of the licensed bingo game or the licensed millionaire party

(2) All charity game tickets used in the conduct of a charity game shall be purchased by the qualified organization from the bureau or a licensed supplier The bureau shall determine the number of charity game tickets that constitute a charity game The bureau also shall determine the price at which the qualified organization shall resell each charity game ticket and shall have that price printed on each charity game ticket

(3) The bureau or a licensed supplier shall sell charity game tickets to a qualified organization which is eligible to conduct a charity game at a percentage to be determined by the bureau of the gross revenues which are realized by the resale of all the charity game tickets for that game at the price established by the bureau The percentage retained by the qualified organization shall be equal to the percentage received by the bureau for the sale of charity game tickets A qualified organization which conducts a charity game shall be solely responsible for paying prizes won by purchasers of winning charity game tickets When all charity game tickets are resold for that game prizes distributed shall have an aggregate value of as near as practicable not less than 65% of the resale value of all the charity game tickets for that charity game

(4) The bureau shall determine the number of winning charity game tickets provided on a random basis for resale for any 1 charity game and shall establish the value of the prize won by each winning charity game ticket

(5) A charity game ticket shall not have a price for resale by a qualified organization of less than 30 cents and a charity game shall not have a single maximum prize exceeding \$300 00

(6) The bureau shall have a bureau control number for identification purposes imprinted upon each charity game ticket

(7) A value of prizes awarded for a charity game shall not be included within the prize limitations of a licensed bingo game or millionaire party in conjunction with which the charity game is held

(8) A charity game ticket shall not be sold to a person under 18 years of age This subsection shall not prohibit the purchase of a charity game ticket by a person 18 years of age or older for the purpose of making a gift to a person under 18 years of age and shall not prohibit a person under 18 years of age from receiving a prize or prizes won in a charity game conducted pursuant to this act

(9) A qualified organization eligible to conduct a charity game shall not advertise the event except to the extent and in the manner permitted by rule of the commissioner

Section 2 This amendatory act shall take effect April 1 1995

Secretary of the Senate

Co Clerk of the House of Representatives

Approved

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Governor