

STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1996

Introduced by Reps. Goschka, Pitoniak and McBryde

ENROLLED HOUSE BILL No. 4950

AN ACT to amend sections 2, 5, 10, and 10a 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," as amended by Act No. 229 of the Public Acts of 1981, being sections 432.102, 432.105, 432.110, and 432.110a of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Sections 2, 5, 10, and 10a of Act No. 382 of the Public Acts of 1972, as amended by Act No. 229 of the Public Acts of 1981, being sections 432.102, 432.105, 432.110, and 432.110a of the Michigan Compiled Laws, are amended to read as follows:

Sec. 2. (1) "Bingo" means that specific kind of game of chance commonly known as bingo in which prizes are awarded on the basis of designated numbers or symbols on a card conforming to numbers or symbols selected at random.

(2) "Bureau" means the bureau of state lottery as created by the McCauley-Traxler-Law-Bowman-McNeely lottery act, Act No. 239 of the Public Acts of 1972, being sections 432.1 to 432.47 of the Michigan Compiled Laws.

(3) "Charity game" means the random resale of a series of charity game tickets by a qualified organization that has purchased the charity game tickets from the bureau or a licensed supplier in conjunction with a licensed bingo game or a licensed millionaire party.

(4) "Charity game ticket" means a ticket that is approved and acquired by the bureau and is distributed and sold by the bureau or a licensed supplier to a qualified organization for random resale in conjunction with a licensed bingo game or a licensed millionaire party whereby upon removal of a portion of the ticket to discover whether the ticket is a winning ticket the purchaser may be awarded a prize. These tickets are commonly referred to as "break open tickets".

(5) "Commissioner" means the commissioner of state lottery.

(6) "Equipment" means the receptacle and numbered objects drawn from it, the master board upon which the objects are placed as drawn, the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them, and the boards or signs, however operated, used to announce or display the numbers or designations as they are drawn. Equipment includes devices and materials customarily used in the operation of a gambling casino on those occasions when a license for the operation of a millionaire party is issued.

(7) "Location" means a single building, hall enclosure, or outdoor area used for playing bingo or conducting a millionaire party pursuant to a license issued under this act.

(8) "Special occasion" means a single gathering or session at which a series of successive bingo games or other gambling events authorized by this act are played pursuant to a special license issued under section 7.

(9) "Millionaire party" means an event at which wagers are placed upon games of chance customarily associated with a gambling casino through the use of imitation money that has a nominal value that is equal to or greater than the value of the currency for which it was exchanged or is exchangeable.

Sec. 5. (1) Upon a determination by the commissioner that the applicant is a qualified organization and is not ineligible pursuant to section 18, and upon the applicant's payment to the bureau of a fee of \$150.00, the commissioner may issue a license for the conducting of bingo to the applicant. A license may be reissued annually upon the submitting of an application for reissuance provided by the commissioner and upon the licensee's payment of \$150.00. A license expires at 12 midnight on the last day of February.

(2) A qualified organization not ineligible pursuant to section 18 may be licensed by the commissioner, upon the applicant's payment to the bureau of a fee of \$55.00, to conduct bingo on the same day each week. The aggregate retail value of all prizes or merchandise awarded on a single day shall not exceed \$300.00, with the prize for each game not to exceed \$25.00 in value.

(3) A licensee may hold only 1 license and that license is valid for only 1 location. Not more than 7 licensees may conduct bingo during a 7-day period at any 1 location.

(4) A license is not assignable or transferable.

(5) Upon a determination by the commissioner that the applicant is a qualified organization and is not ineligible pursuant to section 18, and upon the applicant's payment to the bureau of a fee as set forth in this subsection, the commissioner may issue to the applicant a license for the conducting of a millionaire party. A license may be reissued annually upon the submitting of an application for reissuance provided by the commissioner and upon the licensee's payment of a fee as set forth in this subsection. A licensee may hold only 1 license for the conducting of a millionaire party. That license shall be valid for only 1 location and is not assignable or transferable. Except as provided in subsection (7), the duration of the gambling event shall not exceed 24 hours for each day for the 2 nonconsecutive days or 72 hours for the 3 consecutive day period. A fee of \$50.00 shall be charged for a license issued for each day for the 2 nonconsecutive days. A fee of \$100.00 shall be charged for a license issued for the 3 consecutive day period. An applicant shall be eligible only for 4 24-hour licenses or 2 72-hour licenses per year. Only 1 72-hour license shall be issued at the same location in a 7-day period.

(6) A qualified organization may concurrently hold a bingo license and a millionaire party license, and may conduct charity games in conjunction with its functions and pursuant to this act under either a bingo license or a millionaire party license.

(7) Upon application, the commissioner may issue a license for a period that exceeds the 72-hour period set forth in subsection (5). If an extension is granted, it shall not exceed 24 hours. A fee of \$50.00 shall be charged for each additional 24-hour period.

(8) If not ineligible pursuant to section 18, a qualified organization may apply for a millionaire party license to conduct a raffle for a fee as specified in subsection (5). Other games of chance will not be required. A qualified organization may, by rule of the commissioner, be excused from the requirement of obtaining a license to conduct a raffle if the total aggregate market value of the prize or prizes to be awarded in the raffle exceeds \$100.00 but does not exceed \$500.00. However, in lieu of the license, a qualified organization shall register the raffle on a form provided by the bureau and pay a fee, as may be determined by the commissioner, to cover the cost of registration. Whether licensed or registered, a qualified organization shall comply with the requirements of sections 9 and 10, and with rules promulgated pursuant to the authority granted in sections 12 and 13. If at a single gathering all raffle tickets are sold, and the drawing is held and the total aggregate market value of the prize or prizes to be awarded is \$100.00 or less, then the qualified organization is excused from the requirements of obtaining a license and registering with the commissioner under this act.

Sec. 10. (1) A person other than a bona fide member of the qualified organization shall not participate in the management of bingo, a millionaire party, or a charity game. Persons other than bona fide members of the qualified organization may participate in the operation of bingo, a millionaire party, or a charity game as provided by rule of the commissioner.

(2) A person shall not receive any commission, salary, pay, profit, or wage for participating in the management or operation of bingo, a millionaire party, or a charity game except as provided by rule of the commissioner.

(3) Except by special permission of the commissioner, bingo, a millionaire party, or a charity game shall not be conducted with any equipment that is not owned, being purchased, or being rented at a reasonable rate by the qualified organization.

(4) Except as provided in section 5(2), the aggregate retail value of all prizes or merchandise awarded in a single day of bingo shall not exceed \$2,000.00, and the prize awarded for 1 game shall not exceed \$500.00 cash or its equivalent. A prize of merchandise shall not be redeemable or convertible into cash directly or indirectly.

(5) A licensee shall not advertise bingo except to the extent and in the manner permitted by rule of the commissioner. If the commissioner permits a licensee to advertise bingo, the licensee shall indicate in the advertisement the purposes for which the net proceeds will be used by the licensee.

(6) Not more than \$15,000.00 may be received by the qualified organization in exchange for imitation money or chips in 1 day of a millionaire party. A person participating in the event shall not be awarded prizes or merchandise having an aggregate value greater than \$500.00. Personal limitation on winnings shall be given at the location of the event. A prize of merchandise shall not be redeemable or convertible into cash directly or indirectly.

(7) A millionaire party may be described in the licensee's advertising as a Las Vegas party. The holder of a millionaire party license shall not advertise the event, except to the extent and in the manner permitted by rule of the commissioner. If the commissioner permits a licensee to advertise the event, the licensee shall indicate in the advertising the purposes for which the net proceeds will be used by the licensee, and shall give notice of the \$500.00 personal limitation on winnings required by subsection (6).

Sec. 10a. In the conduct of a millionaire party, all of the following apply:

(a) A person less than 18 years of age shall not be permitted to wager.

(b) A wager shall not be placed on a contest other than a game of chance taking place at the location and during the time period approved for the event, and in no event shall a wager be placed upon an athletic event or upon a game involving personal skill.

(c) Only games of chance in which participants compete against the licensee are permitted and participants in the games shall not be permitted to directly compete against each other, other than as participants in an auction sale or a raffle, as defined by the commissioner, that is held in conjunction with a millionaire party. The prizes awarded at a raffle are not subject to the limitations of section 10(6).

(d) The licensee under the millionaire party license is responsible for insuring that the requirements of this section are complied with.

This act is ordered to take immediate effect.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.