



# HOUSE BILL No. 4950

June 13, 1995, Introduced by Reps. Goschka, Pitoniak and McBryde and referred to the Committee on Regulatory Affairs.

A bill to amend sections 2, 5, 110, and 110a of Act No. 382 of the Public Acts of 1972, entitled as amended "Traxler-McCauley-Law-Bowman bingo act," 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:

1 Section 1. Sections 2, 5, 110, and 110a of Act No. 382 of  
2 the Public Acts of 1972, as amended by Act No. 229 of the Public  
3 Acts of 1981, being sections 432.102, 432.105, 432.110, and  
4 432.110a of the Michigan Compiled Laws, are amended to read as  
5 follows:

6 Sec. 2. (1) "Bingo" means that specific kind of game of  
7 chance commonly known as bingo in which prizes are awarded on the

1 basis of designated numbers or symbols on a card conforming to  
2 numbers or symbols selected at random.

3 (2) "Bureau" means the bureau of state lottery as created by  
4 THE MCCAULEY-TRAXLER-LAW-BOWMAN-MCNEELY LOTTERY ACT, Act No. 239  
5 of the Public Acts of 1972, ~~as amended,~~ being sections 432.1 to  
6 432.47 of the Michigan Compiled Laws.

7 (3) "Charity game" means the random resale of a series of  
8 charity game tickets by a qualified organization ~~which~~ THAT has  
9 purchased the charity game tickets from the bureau or a licensed  
10 supplier in conjunction with a licensed bingo game or a licensed  
11 millionaire party.

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

20 (5) "Commissioner" means the commissioner of state lottery.  
21 ~~as defined by section 3 of Act No. 239 of the Public Acts of~~  
22 ~~1972.~~

23 (6) "Equipment" means the receptacle and numbered objects  
24 drawn from it, the master board upon which ~~such~~ THE objects are  
25 placed as drawn, the cards or sheets bearing numbers or other  
26 designations to be covered and the objects used to cover them,  
27 and the boards or signs, however operated, used to announce or

1 display the numbers or designations as they are drawn. Equipment  
2 includes devices and materials customarily used in the operation  
3 of a gambling casino on those occasions when a license for the  
4 operation of a millionaire party is issued.

5 (7) "Location" means a single building, hall, enclosure, or  
6 outdoor area used for ~~the purpose of~~ playing bingo ~~,~~ or con-  
7 ducting a millionaire party pursuant to a license issued under  
8 this act.

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

13 (9) "Millionaire party" means an event at which wagers are  
14 placed upon games of chance customarily associated with a gambl-  
15 ing casino through the use of imitation money ~~which~~ THAT has a  
16 nominal value that is EQUAL TO OR greater than the value of the  
17 currency for which it was exchanged or is exchangeable.

18 Sec. 5. (1) Upon a determination by the commissioner that  
19 the applicant is a qualified organization and is not ineligible  
20 pursuant to section 18, and upon the applicant's payment to the  
21 bureau of a fee of \$150.00, the commissioner may issue a license  
22 for the conducting of bingo to the applicant. A license may be  
23 reissued annually upon the submitting of an application for reis-  
24 suance provided by the commissioner and upon the licensee's pay-  
25 ment of \$150.00. A license expires at midnight on the last day  
26 of February.

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

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

11 (4) A license is not assignable or transferable.

12 (5) Upon a determination by the commissioner that the appli-  
13 cant is a qualified organization and is not ineligible pursuant  
14 to section 18, and upon the applicant's payment to the bureau of  
15 a fee as set forth in this subsection, the commissioner may issue  
16 to the applicant a license for the conducting of a millionaire  
17 party. A license may be reissued annually upon the submitting of  
18 an application for reissuance provided by the commissioner and  
19 upon the licensee's payment of a fee as set forth in this  
20 subsection. A licensee may hold only 1 license for the conduct-  
21 ing of a millionaire party. That license shall be valid for only  
22 1 location and is not assignable or transferable. Except as pro-  
23 vided in subsection (7), the duration of the gambling event shall  
24 not exceed 24 hours for each day for the 2 nonconsecutive days or  
25 72 hours for the 3 consecutive day period. A fee of \$50.00 shall  
26 be charged for a license issued for each day for the 2  
27 nonconsecutive days. A fee of \$100.00 shall be charged for a

1 license issued for the 3 consecutive day period. An applicant  
2 shall be eligible only for ~~two~~ 4 24-hour licenses or ~~one~~ 2  
3 72-hour ~~license~~ LICENSES per year. Only ~~one~~ 1 72-hour  
4 license shall be issued at the same location in a 7-day period.

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

9 (7) Upon application, the commissioner may issue a license  
10 for a period ~~which~~ THAT exceeds the 72-hour period set forth in  
11 subsection (5). If an extension is granted, it shall not exceed  
12 24 hours. A fee of \$50.00 shall be charged for each additional  
13 24-hour period.

14 (8) If not ineligible pursuant to section 18, a qualified  
15 organization ~~eligible pursuant to section 3~~ may apply for a  
16 millionaire party license to conduct a raffle for a fee as speci-  
17 fied in ~~section 5(5). No other~~ SUBSECTION (5). OTHER games of  
18 chance will NOT be required. A qualified organization may, by  
19 rule of the commissioner, be excused from the requirement of  
20 obtaining a license to conduct a raffle if the total aggregate  
21 market value of the prize or prizes to be awarded in the raffle  
22 exceeds \$100.00 but does not exceed \$500.00. However, in lieu of  
23 the license, a qualified organization shall register the raffle  
24 on a form provided by the bureau and pay a fee, as may be deter-  
25 mined by the commissioner, to cover the cost of registration.  
26 Whether licensed or registered, a qualified organization shall  
27 comply with the requirements of sections 9 and 10, and with rules

1 promulgated pursuant to the authority granted in sections 12 and  
2 13. If at a single gathering all raffle tickets are sold, and  
3 the drawing is held and the total aggregate market value of the  
4 prize or prizes to be awarded is \$100.00 or less, then the quali-  
5 fied organization is excused from the requirements of obtaining a  
6 license and registering with the commissioner under this act.

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

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

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

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

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

6 (6) ~~Except as provided in section 10a(c), the aggregate~~  
7 ~~market value of all prizes or merchandise awarded~~ NOT MORE THAN  
8 \$15,000.00 MAY BE RECEIVED BY THE QUALIFIED ORGANIZATION IN  
9 EXCHANGE FOR IMITATION MONEY OR CHIPS in 1 day of a millionaire  
10 party. ~~shall not exceed \$2,000.00.~~ A person participating in  
11 the event shall not be awarded prizes or merchandise having an  
12 aggregate value greater than \$500.00. Personal limitation on  
13 winnings shall be given at the location of the event. A prize of  
14 merchandise shall not be redeemable or convertible into cash  
15 directly or indirectly.

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

25 Sec. 10a. In the conduct of a millionaire party, ALL OF THE  
26 FOLLOWING APPLY:

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

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

8 (c) Only games of chance in which participants compete  
9 against the licensee ~~shall be~~ ARE permitted ~~—~~ AND partici-  
10 pants in the games shall not be permitted to directly compete  
11 against each other, other than as participants in an auction sale  
12 or a raffle, as defined by the commissioner, ~~which~~ THAT is held  
13 in conjunction with a millionaire party. ~~The prizes awarded at~~  
14 ~~a raffle are not subject to the limitations of section 10(6).~~

15 (d) The licensee under the millionaire party license ~~shall~~  
16 ~~be~~ IS responsible for insuring that the requirements of this  
17 section are complied with.