

HOUSE BILL No. 5706

March 18, 1998, Introduced by Rep. Profit and referred to the Committee on Regulatory Affairs.

A bill to amend 1972 PA 382, entitled
"Traxler-McCauley-Law-Bowman bingo act,"
by amending sections 2, 5, 10, and 10a (MCL 432.102, 432.105,
432.110, and 432.110a), as amended by 1981 PA 229.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

5 (2) "Bureau" means the bureau of state lottery ~~as~~ created
6 ~~by Act No. 239 of the Public Acts of 1972, as amended, being~~
7 ~~sections 432.1 to 432.47 of the Michigan Compiled Laws~~ UNDER THE
8 MCCAULEY-TRAXLER-LAW-BOWMAN-MCNEELY LOTTERY ACT, 1972 PA 239, MCL
9 432.1 TO 432.47.

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

6 (4) "Charity game ticket" means a ticket ~~which~~ THAT is
7 approved and acquired by the bureau and is distributed and sold
8 by the bureau or a licensed supplier to a qualified organization
9 for random resale in conjunction with a licensed bingo game or a
10 licensed millionaire party ~~whereby~~ WHERE upon removal of a por-
11 tion of the ticket to discover whether the ticket is a winning
12 ticket the purchaser may be awarded a prize. These tickets are
13 commonly referred to as "break open tickets".

14 (5) "Commissioner" means the commissioner of state lottery.
15 ~~as defined by section 3 of Act No. 239 of the Public Acts of~~
16 ~~1972.~~

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

26 (7) "Location" means a single building, hall, enclosure, or
27 outdoor area used for ~~the purpose of~~ playing bingo ~~,~~ or

1 conducting a millionaire party pursuant to a license issued under
2 this act.

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

7 (9) "Millionaire party" means an event at which wagers are
8 placed upon games of chance customarily associated with a gamb-
9 ling casino through the use of imitation money ~~which~~ THAT has a
10 nominal value that is EQUAL TO OR greater than the value of the
11 currency for which it was exchanged or is exchangeable.

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

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

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

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

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

1 games in conjunction with its functions and pursuant to this act
2 under either a bingo license or a millionaire party license.

3 ~~(7) Upon application the commissioner may issue a license~~
4 ~~for a period which exceeds the 72-hour period set forth in sub-~~
5 ~~section (5). If an extension is granted it shall not exceed 24~~
6 ~~hours. A fee of \$50.00 shall be charged for each additional~~
7 ~~24-hour period.~~ THE COMMISSIONER MAY ISSUE NOT MORE THAN 5 MIL-
8 LIONAIRE PARTY LICENSES TO A QUALIFIED ORGANIZATION IN 1 CALENDAR
9 YEAR. EACH LICENSE SHALL BE VALID FOR A SINGLE LOCATION. A MIL-
10 LIONAIRE PARTY LICENSE MAY BE ISSUED FOR NOT MORE THAN 5 CONSECU-
11 TIVE DAYS. THE BUREAU SHALL NOT ISSUE MORE THAN 1 MILLIONAIRE
12 PARTY LICENSE TO A QUALIFIED ORGANIZATION FOR THE SAME DAY.

13 (8) If not ineligible pursuant to section 18, a qualified
14 organization ~~eligible pursuant to section 3~~ may apply for a
15 millionaire party license to conduct a raffle for a fee as speci-
16 fied in ~~section 5(5). No other~~ SUBSECTION (5). OTHER games of
17 chance ~~will~~ SHALL NOT be required. A qualified organization
18 may, by rule of the commissioner, be excused from the requirement
19 of obtaining a license to conduct a raffle if the total aggregate
20 market value of the prize or prizes to be awarded in the raffle
21 exceeds \$100.00 but does not exceed \$500.00. However, in lieu of
22 the license, a qualified organization shall register the raffle
23 on a form provided by the bureau and pay a fee, as may be deter-
24 mined by the commissioner, to cover the cost of registration.
25 Whether licensed or registered, a qualified organization shall
26 comply with the requirements of sections 9 and 10, and with rules
27 promulgated pursuant to the authority granted in sections 12 and

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

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

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

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

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

26 (5) A licensee shall not advertise bingo except to the
27 extent and in the manner permitted by rule of the commissioner.

1 If the commissioner permits a licensee to advertise bingo, the
2 licensee shall indicate in the advertisement the purposes for
3 which the net proceeds will be used by the licensee.

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

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

23 Sec. 10a. ~~In~~ ALL OF THE FOLLOWING REQUIREMENTS APPLY TO
24 the conduct of a millionaire party:

25 (a) A person less than 18 years of age shall not be permit-
26 ted to wager.

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

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

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