

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 4472 (Substitute S-2 as reported)
Sponsor: Representative James Koetje
House Committee: Gaming and Casino Oversight
Senate Committee: Gaming and Casino Oversight

CONTENT

The bill would amend the Bingo Act to do the following:

- Increase the number of bingo events and millionaire parties that a qualified organization may conduct.
- Create the Michigan progressive jackpot bingo game, in which jackpots not won could be carried to the next bingo event and could exceed current jackpot limits.
- Establish licensure requirements for charity games, numeral games, raffles, bingo hall operators, and manufacturers of numeral game tickets.
- Replace the current maximum prize limit on millionaire parties.
- Allow certain charity games and numeral games to be conducted separately from bingo and/or millionaire parties.
- Exempt from licensure certain recreational bingo.
- Allow the Lottery Commissioner to waive licensure requirements for hardship conditions.
- Establish and revise annual fees for various games.

(A "qualified organization" is a bona fide religious, educational, service, senior citizens, fraternal, or veteran's organization that operates without profit to its members.)

MCL 432.102 et al.

Legislative Analyst: G. Towne

FISCAL IMPACT

Under current law, administrative costs associated with the operation of charitable gaming are financed from the Lottery Fund. At the end of the fiscal year, all money, including interest, in the State Lottery Fund that is attributable to charitable gaming is deposited in the General Fund. According to an official from the Bureau of State Lottery, the Charitable Gaming Division of the Bureau reported a gross revenue of \$13.6 million and expenses totaling \$6.6 million. Approximately \$7 million in excess revenue from charitable gaming was deposited in the General Fund in 1998.

The bill would increase State revenues by approximately \$3 million. Approximately \$45,000 could be generated by increased bingo license fees and by allowing organizations to hold more than one bingo license. Approximately \$23,000 could be generated by the increased number of millionaire party licenses an organization could hold. Approximately \$133,500 could be generated from the new charity game license fee. New licenses for operating numeral games, manufacturing numeral games, and operating bingo halls could generate an additional \$36,000. Finally, the bill's provisions allowing organizations to sell charity tickets year round could generate an additional \$3 million.

The bill would have no fiscal impact on local government.

Date Completed: 5-24-99

Fiscal Analyst: E. Limbs