

# HOUSE BILL No. 5293

November 13, 2003, Introduced by Reps. Sheltroun, Brown, Rivet, Adamini and Elkins and referred to the Committee on Regulatory Reform.

A bill to amend 1972 PA 382, entitled "Traxler-McCauley-Law-Bowman bingo act," by amending sections 3a, 4, 4a, 14, and 18 (MCL 432.103a, 432.104, 432.104a, 432.114, and 432.118), sections 3a and 4a as added and sections 4, 14, and 18 as amended by 1999 PA 108, and by adding section 7e.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 3a. (1) "Equipment" means the objects and mechanical  
2 or electromechanical devices used to determine or assist in  
3 determining the winners of prizes at events licensed under this  
4 act.

5       (2) "Event" means each occasion of a bingo, millionaire  
6 party, raffle, charity game, or numeral game licensed under this  
7 act.

8       (3) "Large bingo" means a series of bingo occasions that

1 occur on a regular basis during which the total value of all  
2 prizes awarded through bingo at a single occasion does not exceed  
3 \$2,000.00 and the total value of all prizes awarded for 1 game  
4 does not exceed \$500.00, except that a prize awarded through a  
5 Michigan progressive jackpot bingo game ~~shall not be~~ **is not**  
6 subject to these limitations.

7 (4) "Large raffle" means an event where the total value of  
8 all prizes awarded through raffle drawings ~~exceed~~ **exceeds**  
9 \$500.00 per occasion.

10 (5) "Location" means a building, enclosure, part of a  
11 building or enclosure, or a distinct portion of real estate that  
12 is used for the purpose of conducting events licensed under this  
13 act. Location also means all components or buildings that  
14 comprise 1 architectural entity or that serve a unified  
15 functional purpose.

16 (6) "Manufacturer" means a person licensed under section 11c  
17 who manufactures numeral game tickets for sale to suppliers for  
18 use in an event.

19 (7) "Michigan progressive jackpot" means a bingo game  
20 conducted in conjunction with a licensed large bingo occasion,  
21 where the value of the prize is carried forward to the next bingo  
22 occasion if no player bingos in a predetermined number of  
23 allowable calls. Michigan progressive jackpot may include bingo  
24 games conducted by more than 1 licensee that are linked together  
25 for the purpose of a common jackpot prize and consolation prize  
26 as prescribed by the commissioner.

27 (8) "Millionaire party" means an event at which wagers are

1 placed upon games of chance customarily associated with a  
2 gambling casino through the use of imitation money or chips that  
3 have a nominal value equal to or greater than the value of the  
4 currency for which they can be exchanged.

5 (9) "Numeral game" means the random resale of a series of  
6 numeral game tickets by a qualified organization under a numeral  
7 game license or in conjunction with a licensed millionaire party  
8 or large raffle.

9 (10) "Numeral game ticket" means a paper strip on which  
10 preprinted numerals are covered by folding the strip and banding  
11 the folded strip with a separate piece of paper, if upon breaking  
12 the paper strip that bands the ticket, the purchaser discovers  
13 whether the ticket is a winning ticket and the purchaser may be  
14 awarded a merchandise prize.

15 (11) "Occasion" means the hours of the day for which a  
16 license is issued.

17 (12) **"Poker run" means an activity in which participants pay**  
18 **admission fees, travel to a number of predetermined destinations,**  
19 **obtain a card at each destination, and end at a final destination**  
20 **where the winning participant or participants are determined**  
21 **based on the cards obtained.**

22 (13) ~~-(12)-~~ "Principal officer" means the highest ranking  
23 officer of the qualified organization according to its written  
24 constitution, charter, articles of incorporation, or bylaws.

25 (14) ~~-(13)-~~ "Prize" means anything of value, including, but  
26 not limited to, money or merchandise that is given to a player  
27 for attending or winning a game at an event. A nonmonetary item

1 is valued at its retail value.

2       **(15)** ~~-(14)-~~ "Single gathering" means 1 scheduled assembly or  
3 meeting with a specified beginning and ending time that is  
4 conducted or sponsored by the qualified organization. Single  
5 gathering does not include the regular operating hours of a club  
6 or similar facility and does not include a meeting conducted  
7 solely for the purpose of conducting a raffle.

8       **(16)** ~~-(15)-~~ "Small bingo" means a series of bingo occasions  
9 that occur on a regular basis during which the total value of all  
10 prizes awarded through bingo at a single occasion does not exceed  
11 \$300.00 and the total value of all prizes awarded for a single  
12 bingo game does not exceed \$25.00.

13       **(17)** ~~-(16)-~~ "Small raffle" means an event during which the  
14 total value of all prizes awarded through raffle drawings does  
15 not exceed \$500.00 during 1 occasion.

16       **(18)** ~~-(17)-~~ "Special bingo" means a single or consecutive  
17 series of bingo occasions during which the total value of all  
18 prizes awarded through bingo at a single occasion does not exceed  
19 \$2,000.00 and the total value of all prizes awarded for a single  
20 bingo game does not exceed \$500.00.

21       **(19)** ~~-(18)-~~ "Supplier" means a person licensed under this act  
22 to rent, sell, or lease equipment or to sell charity game or  
23 numeral game tickets to qualified organizations licensed under  
24 this act.

25       Sec. 4. (1) Each applicant for a license to conduct ~~a~~  
26 bingo, **a** millionaire party, raffle, charity game, ~~or~~ numeral  
27 game, **or poker run** shall submit to the bureau a written

1 application on a form prescribed by the commissioner.

2 (2) ~~The~~ **An application under subsection (1)** shall include  
3 all of the following:

4 (a) The name and address of the applicant organization.

5 (b) The name and address of each officer of the applicant  
6 organization.

7 (c) ~~The~~ **Except as provided in section 7e, the** location at  
8 which the applicant will conduct the event.

9 (d) The day or dates of the event.

10 (e) The member or members of the applicant organization who  
11 will be responsible for the conduct of the event.

12 (f) Sufficient facts relating to the applicant's  
13 incorporation or organization to enable the commissioner to  
14 determine whether the applicant is a qualified organization.

15 (g) A sworn statement attesting to the nonprofit status of  
16 the applicant organization, signed by the principal officer of  
17 that organization.

18 (h) Other information **required by this act or that** the  
19 commissioner considers necessary.

20 Sec. 4a. (1) Except as provided in subsections (2) and (3),  
21 if the commissioner determines that the applicant is a qualified  
22 organization and is not ineligible under section 18 and the  
23 applicant has paid to the bureau the appropriate fee, the  
24 commissioner may issue 1 or more of the following licenses:

<u>License</u>	<u>Fee</u>
25 (a) Large bingo.....	\$150.00
26 (b) Small bingo.....	\$ 55.00

- 1 (c) Special bingo..... \$ 25.00  
 2 (d) Millionaire party..... \$ 50.00 per day  
 3 (e) Large raffle..... \$ 50.00 per drawing date  
 4 (f) Small raffle: .....  
 5 (i) One to 3 drawing dates..... \$ 15.00  
 6 (ii) Four or more drawing dates \$ 5.00 per drawing date  
 7 (g) Annual charity game..... \$200.00  
 8 (h) Special charity game..... \$ 15.00 per day  
 9 (i) Numeral game..... \$ 15.00 per day  
 10 **(j) Poker run..... \$ 50.00**

11 (2) Under extreme hardship conditions as determined by the  
 12 commissioner, the commissioner may waive 1 or more requirements  
 13 of a qualified organization described in section 3 to permit the  
 14 licensing of a special bingo, millionaire party, or raffle, if  
 15 all of the following conditions are met:

16 (a) The organization applying for the license is a nonprofit  
 17 organization.

18 (b) The entire proceeds of the event, less the actual  
 19 reasonable expense of conducting the event, are donated or used  
 20 for a charitable purpose, organization, or cause.

21 (c) None of the individuals connected with the conduct of the  
 22 event is compensated in any manner for his or her participation.

23 (d) The organization complies with all other provisions of  
 24 this act and rules promulgated under this act.

25 (3) Under extreme hardship conditions as determined by the  
 26 commissioner, the commissioner may allow an individual or a group  
 27 of individuals to obtain a license to conduct a special bingo,

1 millionaire party, or raffle if all of the following conditions  
2 are met:

3 (a) The entire proceeds of the event, less the actual  
4 reasonable expense of conducting the event, are donated or used  
5 for a charitable purpose, organization, or cause.

6 (b) None of the individuals connected with the conduct of the  
7 event is compensated in any manner for his or her participation.

8 (c) The individual or group of individuals complies with all  
9 other provisions of this act and the rules promulgated under this  
10 act.

11 (4) Each event license issued to a qualified organization is  
12 valid for only the location included on the license.

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

14 (6) The licensee is responsible for ensuring that the events  
15 are conducted in compliance with this act and rules.

16 (7) A licensee shall only conduct events licensed under this  
17 act during the hours and on the day and date or dates stated on  
18 the license.

19 **Sec. 7e. (1) The commissioner may issue a poker run license**  
20 **to a qualified organization.**

21 (2) The application for a poker run license shall include, in  
22 addition to the requirements of section 4, all of the following:

23 (a) Instead of a location, the exact address of each  
24 destination and the route that the participants will follow.

25 (b) A statement that the qualified organization will hold  
26 this state and its agencies, departments, commissions, and  
27 employees harmless from any liability for personal injury, death,

1 or property damage that may result from the operation of the  
2 poker run.

3 (c) A statement that the qualified organization will obtain  
4 written agreement from each participant as required by subsection  
5 (3).

6 (3) A qualified organization conducting a poker run shall  
7 obtain a written agreement from each participant in the poker run  
8 that the participant will not consume intoxicating liquor and  
9 will abide by all traffic or other applicable laws, ordinances,  
10 and regulations during the poker run. The qualified organization  
11 shall ensure that a participant complies with the agreement.

12 Sec. 14. (1) Each licensee shall keep a record of each  
13 event as required by the commissioner. The record and all  
14 financial accounts into which proceeds from events licensed under  
15 this act are deposited or transferred shall be open to inspection  
16 by a duly authorized representative of the bureau during  
17 reasonable business hours.

18 (2) Each licensee shall file with the commissioner a  
19 financial statement signed by the principal officer of the  
20 qualified organization of receipts and expenses related to the  
21 conduct of each event as may be required by rule promulgated  
22 under this act. If the revenue from a bingo game, millionaire  
23 party, raffle, numeral game, ~~or~~ charity game, **or poker run** is  
24 represented to be used or applied by a licensee for a charitable  
25 purpose, the licensee shall file a copy of the financial  
26 statement with the attorney general under the supervision of  
27 trustees for charitable purposes act, 1961 PA 101, MCL 14.251 to

1 14.266.

2 (3) The location at which events licensed under this act are  
3 conducted or at which an applicant or licensee intends to conduct  
4 an event licensed under this act shall be open to inspection at  
5 all times by ~~a duly~~ **an** authorized representative of the bureau  
6 or by the state police or a peace officer of a political  
7 subdivision of this state.

8 Sec. 18. (1) A licensee whose license is revoked in  
9 consequence of a violation of this act or a rule promulgated  
10 under this act is ineligible to apply for a license for a period  
11 of 2 years.

12 (2) A person convicted of an offense under section 17 or any  
13 other gambling offense is ineligible to serve as an officer of a  
14 licensee or to participate in conducting bingo, a millionaire  
15 party, raffle, numeral game, ~~or~~ charity game, **or poker run** for  
16 a period of 1 year after the conviction becomes final. If the  
17 person is licensed under this act, the person shall forfeit the  
18 license and is ineligible to apply for the issuance or reissuance  
19 of the license for a period of 1 year after the conviction  
20 becomes final.