

Legislative Analysis



MILITARY UNITS: ALLOW TO HOLD RAFFLES

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House Bill 4594 (Substitute H-1)

Sponsor: Rep. Tory Rocca

Committee: Regulatory Reform

First Analysis (9-14-07)

BRIEF SUMMARY: The bill would allow active Michigan National Guard and military units to hold small and large raffles under certain circumstances.

FISCAL IMPACT: The bill would have no fiscal impact on state or local units of government.

THE APPARENT PROBLEM:

Under the Bingo Act, a qualified organization, primarily service organizations and other non-profit organizations, may hold various types of gaming to raise money for operational expenses and to support charitable activities and services. Currently, the definition of a "qualified organization" does not include components of the Michigan National Guard, which comprise the Army National Guard and the Air National Guard. Under federal regulations, components of the armed services can conduct charitable gaming on federal land. However, no comparable provision currently exists for state military establishments, either on state-owned property or in general.

Recently, members of a Detroit-based Army National Guard unit requested legislation that would allow them to conduct raffles to raise money needed for repairs of facilities located on the base, for additional training (i.e., evasive driving and police control techniques), and for equipment needed by deploying units such as a Jaws of Life to extract soldiers from damaged vehicles, digital cameras to assist with evidence collection in policing activities, and computers. Reportedly, due to reductions in appropriations over the last several years, funds have not been available to make general repairs to base facilities or to purchase special equipment not provided through federal or state appropriations. Raffles could be an important fund-raising tool for components of the National Guard to meet these unfunded needs.

THE CONTENT OF THE BILL:

The bill would amend the Traxler-McCauley-Law-Bowman Bingo Act to allow, under certain circumstances, components of active Michigan National Guard and military units to hold small and large raffles for the purpose of raising funds to be used for training and/or purchasing goods or services for the support of the activities of the component.

The bill would revise the definition of "qualified organization" to include a component of the military or the Michigan National Guard (as defined in the Michigan Military Act) whose members are in active service or active state service, but only for the purpose of

conducting a small raffle or a large raffle. Net proceeds, after deducting allowable expenses, could only be used for the expense of training or purchasing goods for the support of members of the component. The bill would apply to components of the Army National Guard, the Air National Guard, and the defense force when actually in existence as provided in the act.

(The Michigan Military Act defines "military" to mean "a reference to all components of the state military establishment," and "Michigan National Guard" to mean the "Army National Guard and the Air National Guard." The term "military establishment" means the "organized militia of this state" and includes the employees and equipment assigned or necessary to carry out the provisions of the act. More precisely, the act specifies that the "organized militia" consists of the Army National Guard, the Air National Guard, and the defense force when actually in existence.)

MCL 432.102, 432.103, and 432.109)

BACKGROUND INFORMATION:

The Traxler-McCauley-Law-Bowman Bingo Act defines a "large raffle" as an event where the total value of all prizes awarded through raffle drawings exceeds \$500 per occasion. A "small raffle" means an event during which the total value of all prizes awarded through raffle drawings does not exceed \$500 during one occasion.

A qualified organization may apply for an unlimited number of small and large raffle licenses, but only one small raffle license may be issued for a location each day.

ARGUMENTS:

For:

Due to the economic slowdown over the past few years, state appropriations to the Michigan National Guard no longer provide for all needs. For example, a Guard facility in Detroit recently had two air handling systems stolen for their copper but there are no available funds to replace those systems. Among other things, funds are also needed to repair \$100,000 in water damage to the gym floor, to fix an automatic door that does not close all the way, and to install a rolling punch-key gate for a lot to secure vehicles at night.

Moreover, the Detroit unit will deploy this December or January to Iraq. They will be providing support to supply convoys and would like to purchase a Jaws of Life to aid in extracting troops should a vehicle be damaged by a road-side bomb. They would also like to hire instructors from a police academy to train their drivers in evasive techniques and in policing control activities. Digital cameras could be used to collect evidence in criminal and administrative actions, and, if linked with computers, could be used at checkpoints and other venues to identify whether a person was a suspected terrorist or an innocent civilian. Raffles could be an important fund-raising tool for such purposes. An

automaker has expressed a willingness to donate a vehicle for the unit to hold a raffle; reportedly, raffles for vehicles can raise as much as \$60,000.

However, before this can happen, the law must be changed to include components of the Michigan National Guard as an organization allowed to do charitable gaming. Since the Detroit unit's deployment is rapidly approaching, they are hoping for quick passage of the bill. However, the bill would also aid other Guard units around the state, as well, as some need additional funds to do repairs and upkeep needed to meet new Homeland Security directives and regulations.

The bill does not create a new form of gaming; gaming as a means of fund raising for charitable purposes has been allowed for decades. The bill would merely identify a group that has been overlooked far too long. Moreover, the bill would restrict the type of gaming that a component of the Guard could conduct to just small and large raffles. Many look upon raffles as a way of making a donation, with the possibility of winning a prize. The bill would create a wonderful opportunity for the citizens of Michigan to show their support for members of the Michigan National Guard and would enable Guard components to purchase necessary goods and services that current funding levels do not allow for.

POSITIONS:

Two members of an Army National Guard unit based in Detroit testified in support of the bill. (9-12-07)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.