

SUBSTITUTE FOR  
HOUSE BILL NO. 4594

A bill to amend 1972 PA 382, entitled  
"Traxler-McCauley-Law-Bowman bingo act,"  
by amending sections 2, 3, and 9 (MCL 432.102, 432.103, and  
432.109), sections 2 and 9 as amended by 1999 PA 108 and section 3  
as amended by 2006 PA 427.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 2. AS USED IN THIS ACT:

2       (A) "ACTIVE SERVICE" AND "ACTIVE STATE SERVICE" MEAN THOSE  
3       TERMS AS DEFINED IN SECTION 105 OF THE MICHIGAN MILITARY ACT, 1967  
4       PA 150, MCL 32.505.

5       (B) ~~(1)~~—"Advertising" means all printed matter, handouts,  
6       flyers, radio, television, advertising signs, billboards, and other  
7       media used to promote an event licensed under this act.

8       (C) ~~(2)~~—"Bingo" means a game of chance commonly known as bingo  
9       in which prizes are awarded on the basis of designated numbers or

1 symbols conforming to numbers or symbols selected at random.

2 (D) ~~(3)~~ "Bureau" means the bureau of state lottery as created  
3 by **SECTION 5 OF** the McCauley-Traxler-Law-Bowman-McNeely lottery  
4 act, 1972 PA 239, MCL ~~432.1 to 432.47~~ **432.5**.

5 (E) ~~(4)~~ "Charity game" means the random resale of a series of  
6 charity game tickets.

7 (F) ~~(5)~~ "Charity game ticket" means a ticket commonly referred  
8 to as a ~~break-open~~ **BREAK-OPEN** ticket or pull-tab that is approved  
9 and acquired by the bureau and is distributed and sold by the  
10 bureau or a licensed supplier to a qualified organization, a  
11 portion of which is removed to discover whether the ticket is a  
12 winning ticket and whether the purchaser may be awarded a prize.

13 (G) ~~(6)~~ "Commissioner" means the commissioner of state lottery  
14 ~~as defined by section 3~~ **APPOINTED UNDER SECTION 7** of the McCauley-  
15 Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL ~~432.3~~  
16 **432.7**.

17 (H) ~~(7)~~ "Coverall pattern" means a pattern required to win a  
18 bingo game in which all numbers on a bingo card are required to be  
19 called.

20 **Sec. 3. AS USED IN THIS ACT:**

21 (A) ~~(1)~~ "Educational organization" means an organization  
22 within this state that is organized not for pecuniary profit, whose  
23 primary purpose is educational in nature and designed to develop  
24 the capabilities of individuals by instruction in any public or  
25 private elementary or secondary school that complies with the  
26 revised school code, 1976 PA 451, MCL 380.1 to 380.1852, or any  
27 private or public college or university that is organized not for

1 pecuniary profit and that is approved by the state board of  
2 education.

3 (B) ~~(2)~~—"Fraternal organization" means an organization within  
4 this state, except a college fraternity or sorority, that is  
5 organized not for pecuniary profit; that is a branch, lodge, or  
6 chapter of a national or state organization; and that exists for  
7 the common purpose, brotherhood, or other interests of its members.

8 (C) ~~(3)~~—"Licensee" means a person or qualified organization  
9 licensed under this act.

10 (D) ~~(4)~~—"Member" means an individual who qualified for  
11 membership in a qualified organization under its bylaws, articles  
12 of incorporation, charter, rules, or other written statement.

13 (E) "MICHIGAN NATIONAL GUARD" AND "MILITARY" MEAN THOSE TERMS  
14 AS DEFINED IN SECTION 105 OF THE MICHIGAN MILITARY ACT, 1967 PA  
15 150, MCL 32.505.

16 (F) ~~(5)~~—"Person" means a natural person, firm, association,  
17 corporation, or other legal entity.

18 (G) ~~(6)~~—"Qualified organization" means, a—**SUBJECT TO**  
19 **SUBDIVISION (H), EITHER OF THE FOLLOWING:**

20 (i) A bona fide religious, educational, service, senior  
21 citizens, fraternal, or veterans' organization that operates  
22 without profit to its members and that either has been in existence  
23 continuously as an organization for a period of 5 years or is  
24 exempt from taxation under 26 USC 501(c). ~~Qualified organization~~

25 (ii) **ONLY FOR THE PURPOSE OF CONDUCTING A SMALL RAFFLE OR A**  
26 **LARGE RAFFLE UNDER THIS ACT, A COMPONENT OF THE MILITARY OR THE**  
27 **MICHIGAN NATIONAL GUARD WHOSE MEMBERS ARE IN ACTIVE SERVICE OR**

1   **ACTIVE STATE SERVICE.**

2           **(H) "QUALIFIED ORGANIZATION"** does not include a candidate  
3   committee, political committee, political party committee, ballot  
4   question committee, independent committee, or any other committee  
5   as defined by, and organized under, the Michigan campaign finance  
6   act, 1976 PA 388, MCL 169.201 to 169.282.

7           **(I) ~~(7)~~**—"Religious organization" means any of the following:

8           **(i) ~~(a)~~**An organization, church, body of communicants, or group  
9   that is organized not for pecuniary profit and that gathers in  
10   common membership for mutual support and edification in piety,  
11   worship, and religious observances.

12          **(ii) ~~(b)~~**A society of individuals that is organized not for  
13   pecuniary profit and that unites for religious purposes at a  
14   definite place.

15          **(iii) ~~(c)~~**A church related private school that is organized not  
16   for pecuniary profit.

17          **(J) ~~(8)~~**—"Senior citizens organization" means an organization  
18   within this state that is organized not for pecuniary profit, that  
19   consists of at least 15 members who are 60 years of age or older,  
20   and that exists for their mutual support and for the advancement of  
21   the causes of elderly or retired persons.

22          **(K) ~~(9)~~**—"Service organization" means either of the following:

23          **(i) ~~(a)~~**A branch, lodge, or chapter of a national or state  
24   organization that is organized not for pecuniary profit and that is  
25   authorized by its written constitution, charter, articles of  
26   incorporation, or bylaws to engage in a fraternal, civic, or  
27   service purpose within the state.

(ii) ~~(b)~~—A local civic organization that is organized not for pecuniary profit; that is not affiliated with a state or national organization; that is recognized by resolution adopted by the local governmental subdivision in which the organization conducts its principal activities; whose constitution, charter, articles of incorporation, or bylaws contain a provision for the perpetuation of the organization as a nonprofit organization; whose entire assets are used for charitable purposes; and whose constitution, charter, articles of incorporation, or bylaws contain a provision that all assets, real property, and personal property shall revert to the benefit of the local governmental subdivision that granted the resolution upon dissolution of the organization.

(l) ~~(10)~~—"Veterans' organization" means an organization within this state, or a branch, lodge, or chapter within this state of a state organization or of a national organization chartered by the congress of the United States, that is organized not for pecuniary profit, the membership of which consists of individuals who were members of the armed services or **ARMED** forces of the United States.

Sec. 9. (1) ~~The~~ **EXCEPT AS PROVIDED IN SUBSECTION (2), THE** entire net proceeds of an event shall be devoted exclusively to the lawful purposes of the licensee. A licensee shall not incur or pay an item of expense in connection with the holding, operating, or conducting of an event except the following expenses in reasonable amounts:

(a) The purchase or rental of equipment necessary for conducting an event and payment of services reasonably necessary for the repair of equipment.

1 (b) Cash prizes or the purchase of prizes of merchandise.

2 (c) Rental of the location at which the event is conducted.

3 (d) Janitorial services.

4 (e) The fee required for issuance or reissuance of a license  
5 to conduct the event.

6 (f) Other reasonable expenses incurred by the licensee, not  
7 inconsistent with this act, as permitted by rule of the  
8 commissioner.

9 (2) A QUALIFIED ORGANIZATION DESCRIBED IN SECTION 3 (G) (ii)  
10 SHALL USE THE ENTIRE NET PROCEEDS OF AN EVENT, AFTER PAYING ITEMS  
11 OF EXPENSE INCURRED IN REASONABLE AMOUNTS IN CONNECTION WITH THE  
12 HOLDING, OPERATING, OR CONDUCTING OF THE EVENT AND LISTED IN  
13 SUBSECTION (1), ONLY FOR THE EXPENSE OF TRAINING OR PURCHASING  
14 GOODS OR SERVICES FOR THE SUPPORT OF THE ACTIVITIES OF THE  
15 COMPONENT.