



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 108 (as reported without amendment)
Sponsor: Senator Roger Kahn, M.D.
Committee: Economic Development and Regulatory Reform

(as enrolled)

Date Completed: 3-16-09

RATIONALE

The Bingo Act provides for the licensing of certain organizations to engage in charitable gaming, such as bingo games, millionaire parties, and raffles. Organizations that qualify for those licenses include veterans' organizations that operate without profit to their members and either have been in existence continuously for five years or are tax-exempt under Federal law. The Act's definition of "veterans' organization", however, does not include auxiliary units of those organizations. Some people believe that auxiliaries of veterans' organizations like the American Legion or Veterans of Foreign Wars should be eligible for charitable gaming licenses under the Bingo Act, just as their parent organizations are.

CONTENT

The bill would amend the Bingo Act to specify that the term "veterans' organization" would include an auxiliary of a nationally chartered veterans' organization.

Under the Act, the State Lottery Commissioner may issue any of various charitable gaming licenses to an applicant that is a "qualified organization", is not ineligible under the Act, and has paid the appropriate fee to the Lottery Bureau. The Act's definition of "qualified organization" includes a veterans' organization that operates without profit to its members and that either has been in existence continuously as an organization for five years or is tax-exempt under Section 501(c) of the Internal Revenue Code. "Veterans' organization" means an organization within Michigan, or a branch, lodge, or chapter within Michigan of a State organization or of

a national organization chartered by Congress, that is organized not for pecuniary profit, whose membership consists of individuals who were members of the Armed Services or Armed Forces of the United States.

Under the bill, "veterans' organization" also would include an auxiliary of a veterans' organization that is a national organization chartered by Congress.

MCL 432.103

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bill would allow auxiliary units of Congressionally chartered veterans organizations to hold charitable gaming operations, by providing for their licensure under the Bingo Act. The bill would apply to a small number of organizations. According to testimony before the Senate Committee on Economic Development and Regulatory Reform, auxiliary units of only seven organizations would qualify at present: the American Legion, AMVETS, Catholic War Veterans, Disabled American Veterans, the Military Order of the Purple Heart, the Polish Legion of American Veterans, and the Veterans of Foreign Wars. Evidently, charitable gaming licenses already are issued to auxiliaries, but they are not recognized in the Act.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Stephanie Yu

A0910\s108a

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.