



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4081 (Substitute H-2 as reported without amendment)

Sponsor: Representative Tom Barrett

House Committee: Regulatory Reform

Senate Committee: Regulatory Reform

CONTENT

The bill would add Article 2 to the Bingo Act to regulate the conduct of millionaire parties. The bill would do the following:

- Rescind any rules promulgated by the Executive Director of the Michigan Gaming Control Board under the Act before the bill's effective date, and require the Executive Director to promulgate rules to implement Article 2.
- Provide for the issuance of a millionaire party license.
- Specify standards for the conduct of millionaire parties.
- Establish requirements for the presence and participation of members of a qualified organization at a millionaire party the organization conducted.
- Limit the amount that a licensee could use to pay expenses to 45% of the gross profit from an event, and otherwise regulate a millionaire party licensee's payment of expenses.
- Require a millionaire party licensee to maintain an event record and file a financial statement.
- Provide for the issuance of a license to act as a supplier to millionaire parties, and impose a \$300 application fee.
- Prohibit a person who was connected to the sale, rental, or distribution of millionaire party equipment, or a person residing in the same household as the supplier, from being involved with the rental or leasing of a facility used for an event.
- Specify requirements of the Executive Director relative to millionaire parties.
- Specify civil penalties for violations of the Act.

The bill is tie-barred to Senate Bill 35. (Senate Bill 35 (H-1), as passed by the House, would amend existing provisions of the Act, which would be designated Article 1. The Senate bill is tie-barred to House Bill 4081.)

MCL 432.132-432.151

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The Michigan Gaming Control Board, which is located in the Department of Treasury, would experience some additional costs in implementing the bill. The Board's responsibilities would include changing the rules that govern millionaire parties, enforcing the statute, processing licenses, and conducting audits. The related costs would be covered by the license fees that are collected and deposited in the Lottery Fund. Since the bill would not change the license fee rate, only increases and decreases in the number of licenses issued during a year would result in changes in the revenue to the Gaming Control Board. At this time, it is unknown how the bill would affect the number of licenses issued in a single year. The Department would have to keep the administrative costs under the amount collected from the licensees and

under the \$4.0 million cap budgeted for administration and oversight of millionaire parties. If the administrative costs were lower than the amount of revenue brought into the Lottery Fund, then the additional funds would be transferred to the General Fund at the end of the fiscal year, which would result in additional General Fund revenue. At this time, it is expected that the costs of the administrative and enforcement changes would be minimal.

Any civil fine revenue resulting from the bill would increase revenue to public libraries. Otherwise, the bill would have no fiscal impact on local government.

Date Completed: 5-11-17

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