

HOUSE BILL NO. 6456

December 01, 2020, Introduced by Rep. Cole and referred to the Committee on Ways and Means.

A bill to amend 1972 PA 382, entitled "Traxler-McCauley-Law-Bowman bingo act," by amending sections 3, 3a, 4, 4a, 12, 13, 14, 15, and 16 (MCL 432.103, 432.103a, 432.104, 432.104a, 432.112, 432.113, 432.114, 432.115, and 432.116), as amended by 2019 PA 159.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. As used in this act:
- 2 (a) "Large bingo" means a series of bingo occasions that occur
- 3 on a regular basis during which the total value of all prizes
- 4 awarded for bingo games at a single occasion does not exceed

1 \$3,500.00 and the total value of all prizes awarded for 1 bingo
2 game does not exceed \$1,100.00, except that a prize awarded through
3 a Michigan progressive jackpot bingo game is not subject to these
4 limitations.

5 (b) "Large raffle" means an event ~~where~~**at which** the total
6 value of all prizes awarded through raffle drawings exceeds \$500.00
7 per occasion.

8 (c) "Licensee" means a person, including a qualified
9 organization, licensed under this act.

10 (d) "Location" means, **except as otherwise provided in section**
11 **5d**, a building, enclosure, part of a building or enclosure, or a
12 distinct portion of real property that is used for the purpose of
13 conducting an event. Location includes all components or buildings
14 that compose 1 architectural entity or that serve a unified
15 functional purpose.

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

19 (f) "Member" means an individual who qualified for membership
20 in a qualified organization under its bylaws, articles of
21 incorporation, charter, rules, or other written statement.

22 (g) "Michigan national guard" and "military" mean those terms
23 as defined in section 105 of the Michigan military act, 1967 PA
24 150, MCL 32.505.

25 (h) "Michigan progressive jackpot" means a bingo game
26 conducted in conjunction with a licensed large bingo occasion in
27 which the value of the prize is carried forward to the next bingo
28 occasion if no player wins in a predetermined number of allowable
29 calls. Michigan progressive jackpot may include bingo games

1 conducted by more than 1 licensee that are linked together for the
2 purpose of a common jackpot prize and consolation prize as
3 prescribed by the commissioner.

4 (i) "Millionaire party" means an event at which wagers are
5 placed on games of chance customarily associated with a gambling
6 casino through the use of imitation money or chips that have a
7 nominal value equal to or greater than the value of the currency
8 for which they can be exchanged.

9 (j) "Numeral game" means the random resale of a series of
10 numeral game tickets.

11 (k) "Numeral game ticket" means a paper strip on which
12 preprinted numerals are covered by folding the strip and banding
13 the folded strip with a separate piece of paper, so that on
14 breaking the paper that bands the folding strip the purchaser
15 discovers whether the ticket is a winning ticket.

16 (l) "Occasion" means a single day for which a license to
17 conduct games is issued under this act.

18 Sec. 3a. As used in this act:

19 (a) "Person" means an individual, firm, association,
20 corporation, or other legal entity.

21 (b) "Principal officer" means the highest ranking officer of
22 the qualified organization according to its written constitution,
23 charter, articles of incorporation, or bylaws.

24 (c) "Prize" means anything of value, including, but not
25 limited to, money or merchandise that is given to a player for
26 attending or winning a game at an event. A nonmonetary item is
27 valued at its retail value. Prize does not include advertising
28 given away by a qualified organization in accordance with rules
29 promulgated under this act.

1 (d) "Qualified organization" means, subject to subdivision
2 (e), either of the following:

3 (i) A bona fide religious, educational, service, senior
4 citizens, fraternal, or veterans' organization that operates
5 without profit to its members and that either has been in existence
6 continuously as an organization for a period of 5 years or is
7 exempt from taxation under section 501(c) of the internal revenue
8 code of 1986, 26 USC 501(c).

9 (ii) Only for the purpose of conducting a small raffle or a
10 large raffle under this act, a component of the military or the
11 Michigan national guard whose members are in active service or
12 active state service.

13 (e) "Qualified organization" does not include a candidate
14 committee, political committee, political party committee, ballot
15 question committee, independent committee, or any other committee
16 as defined by, and organized under, the Michigan campaign finance
17 act, 1976 PA 388, MCL 169.201 to 169.282.

18 (f) "Raffle" means an event for which raffle tickets are sold
19 and at which a winner or winners are determined, either by randomly
20 selecting stubs from all of the raffle tickets sold for an event or
21 by an alternative method that is approved in writing by the ~~bureau,~~
22 **board**, and a preannounced prize is awarded.

23 (g) "Religious organization" means any of the following:

24 (i) An organization, church, body of communicants, or group in
25 this state that is organized not for pecuniary profit and that
26 gathers in common membership for mutual support and edification in
27 piety, worship, and religious observances.

28 (ii) A society of individuals in this state that is organized
29 not for pecuniary profit and that unites for religious purposes at

1 a definite place.

2 (iii) A church-related private school in this state that is
3 organized not for pecuniary profit.

4 (h) "Senior citizens organization" means an organization in
5 this state that is organized not for pecuniary profit, that
6 consists of at least 15 members who are 60 years of age or older,
7 and that exists for their mutual support and for the advancement of
8 the causes of elderly or retired persons.

9 (i) "Service organization" means either of the following:

10 (i) A branch, lodge, or chapter in this state of a national or
11 state organization that is organized not for pecuniary profit and
12 that is authorized by its written constitution, charter, articles
13 of incorporation, or bylaws to engage in a fraternal, civic, or
14 service purpose in this state.

15 (ii) A local civic organization in this state that is organized
16 not for pecuniary profit; that is not affiliated with a state or
17 national organization; that is recognized by resolution adopted by
18 the local governmental subdivision in which the organization
19 conducts its principal activities; whose constitution, charter,
20 articles of incorporation, or bylaws contain a provision for the
21 perpetuation of the organization as a nonprofit organization; whose
22 entire assets are used for charitable purposes; and whose
23 constitution, charter, articles of incorporation, or bylaws contain
24 a provision that all assets, real property, and personal property
25 must revert to the benefit of the local governmental subdivision
26 that granted the resolution or another nonprofit organization on
27 dissolution of the organization.

28 (j) "Small bingo" means a series of bingo occasions that occur
29 on a regular basis during which the total value of all prizes

1 awarded for bingo games at a single occasion does not exceed
2 \$300.00 and the total value of all prizes awarded for a single
3 bingo game does not exceed \$25.00.

4 (k) "Small raffle" means an event during which the total value
5 of all prizes awarded through raffle drawings does not exceed
6 \$500.00 during 1 occasion.

7 (l) "Special bingo" means a single or consecutive series of
8 bingo occasions during which the total value of all prizes awarded
9 for bingo games at a single occasion does not exceed \$3,500.00 and
10 the total value of all prizes awarded for a single bingo game does
11 not exceed \$1,100.00.

12 (m) "Supplier" means a person licensed under this act to rent,
13 sell, or lease equipment or to sell charity game or numeral game
14 tickets to qualified organizations licensed under this act.

15 (n) "Veterans' organization" means an organization in this
16 state, or a branch, lodge, or chapter in this state of a state
17 organization or of a national organization chartered by the
18 Congress of the United States, that is organized not for pecuniary
19 profit, the membership of which consists of individuals who were
20 members of the armed services or armed forces of the United States.
21 Veterans' organization includes an auxiliary of a veterans'
22 organization that is a national organization chartered by the
23 Congress of the United States.

24 Sec. 4. (1) An applicant for a license to conduct a bingo,
25 ~~raffle,~~ charity game, or numeral game event shall submit to the
26 bureau a written application on a form prescribed by the
27 commissioner.

28 (2) The application under subsection (1) must include all of
29 the following:

- 1 (a) The name and address of the applicant organization.
- 2 (b) The name and address of each officer of the applicant
3 organization.
- 4 (c) The location at which the applicant will conduct the
5 event.
- 6 (d) The day or dates of the event.
- 7 (e) The member or members of the applicant organization who
8 will be responsible for the conduct of the event.
- 9 (f) Sufficient facts relating to the applicant's incorporation
10 or organization to enable the commissioner to determine whether the
11 applicant is a qualified organization.
- 12 (g) A sworn statement attesting to the nonprofit status of the
13 applicant organization, signed by the principal officer of the
14 organization.
- 15 (h) Other information the commissioner considers necessary.
- 16 **(3) An applicant for a license to conduct a raffle shall**
17 **submit to the board a written application on a form prescribed by**
18 **the executive director.**
- 19 **(4) The application under subsection (3) must include all of**
20 **the following:**
- 21 (a) The name and address of the applicant organization.
- 22 (b) The name and address of each officer of the applicant
23 organization.
- 24 (c) The location at which the applicant will conduct the
25 event.
- 26 (d) The day or dates of the event.
- 27 (e) The member or members of the applicant organization who
28 will be responsible for the conduct of the event.
- 29 (f) Sufficient facts relating to the applicant's incorporation

1 or organization to enable the executive director to determine
2 whether the applicant is a qualified organization.

3 (g) A sworn statement attesting to the nonprofit status of the
4 applicant organization, signed by the principal officer of the
5 organization.

6 (h) Other information the executive director considers
7 necessary.

8 Sec. 4a. (1) Except as provided in subsections (2) and (3), if
9 the commissioner determines that an applicant under section 4 is a
10 qualified organization, is not ineligible under section 18, and has
11 paid to the bureau the appropriate fee, the commissioner may issue
12 1 or more of the following licenses:

13	License	Fee
14	(a) Large bingo.....	\$ 150.00
15	(b) Small bingo.....	\$ 55.00
16	(c) Special bingo.....	\$ 25.00
17	(d) Large raffle.....	\$ 50.00 per
18		drawing date
19	(e) Small raffle.....	\$ 15.00
20	(i) One to 3 drawing dates.....	\$ 15.00
21	(ii) Four or more drawing dates.....	\$ 5.00 per
22		drawing date
23	(d) (f) Annual charity game.....	\$ 200.00
24	(e) (g) Special charity game.....	\$ 15.00 per day
25	(f) (h) Numeral game.....	\$ 15.00 per day

26 (2) Under extreme hardship conditions as determined by the
27 commissioner, the commissioner may waive 1 or more requirements for
28 a person to be a qualified organization under section 3a(d) to
29 permit the licensing of a special bingo ~~or raffle~~ event, if all of

1 the following conditions are met:

2 (a) The organization applying for the license is a nonprofit
3 organization.

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

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

9 (d) The organization complies with all other applicable
10 provisions of this article and rules promulgated under this
11 article.

12 (3) Under extreme hardship conditions as determined by the
13 commissioner, the commissioner may allow an individual or a group
14 of individuals to obtain a license to conduct a special bingo event
15 ~~or raffle~~ if all of the following conditions are met:

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

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

21 (c) The individual or group of individuals complies with all
22 other applicable provisions of this article and the rules
23 promulgated under this article.

24 **(4) Except as provided in subsections (5) and (6), if the**
25 **executive director determines that an applicant under section 4 is**
26 **a qualified organization, is not eligible under section 18, and has**
27 **paid to the board the appropriate fee, the executive director may**
28 **issue 1 or more of the following licenses:**

29 **License** **Fee**

1 (a) Large raffle..... \$ 50.00 per drawing date

2 (b) Small raffle..... \$ 15.00

3 (i) One to 3 drawing dates..... \$ 15.00

4 (ii) Four or more drawing dates..... \$ 5.00 per drawing date

5 (5) Under extreme hardship conditions as determined by the
6 executive director, the executive director may waive 1 or more
7 requirements for a person to be a qualified organization under
8 section 3a(d) to permit the licensing of a raffle event, if all of
9 the following conditions are met:

10 (a) The organization applying for the license is a nonprofit
11 organization.

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

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

17 (d) The organization complies with all other applicable
18 provisions of this article and rules promulgated under this
19 article.

20 (6) Under extreme hardship conditions as determined by the
21 executive director, the executive director may allow an individual
22 or a group of individuals to obtain a license to conduct a raffle
23 if all of the following conditions are met:

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

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

29 (c) The individual or group of individuals complies with all

1 **other applicable provisions of this article and the rules**
 2 **promulgated under this article.**

3 (7) ~~(4)~~—Each event license issued to a qualified organization
 4 under this section is valid for only the location included on the
 5 license.

6 (8) ~~(5)~~—A license issued under this section is not assignable
 7 or transferable.

8 (9) ~~(6)~~—A licensee shall ensure that the events conducted
 9 under a license issued under this section are conducted in
 10 compliance with the applicable provisions of this article and rules
 11 promulgated under this article.

12 (10) ~~(7)~~—Except as otherwise provided in this section, a
 13 licensee shall only conduct events licensed under this section
 14 during the hours and on the date or dates stated on the license.

15 (11) ~~(8)~~—In connection with an application for a small raffle
 16 license or a large raffle license, in determining whether a
 17 fraternal organization that is not a branch, lodge, or chapter of a
 18 national or state organization is a qualified organization, the
 19 ~~commissioner~~ **executive director** shall only consider whether the
 20 organization meets requirements that are applicable under this
 21 article that are unrelated to whether the organization is a branch,
 22 lodge, or chapter of a national or state organization.

23 Sec. 12. (1) ~~The~~ **Except as otherwise provided in subsection**
 24 **(3), the** bureau shall enforce and supervise the administration of
 25 this article. ~~The~~ **Except as otherwise provided in subsection (3),**
 26 **the** commissioner shall employ personnel as necessary to implement
 27 this article.

28 (2) ~~The~~ **Except as otherwise provided in subsection (3), the**
 29 bureau may select fraternal organizations that are not a branch,

1 lodge, or chapter of a national or state organization to audit to
 2 ensure that the organizations are in compliance with this article.

3 (3) For raffles, all of the following apply:

4 (a) The board shall enforce and supervise the administration
 5 of this article.

6 (b) The executive director shall employ personnel as necessary
 7 to implement this article.

8 (c) The board may select fraternal organizations that are not
 9 a branch, lodge, or chapter of a national or state organization to
 10 audit to ensure that the organizations are in compliance with this
 11 article.

12 Sec. 13. (1) ~~The~~ Except as otherwise provided in subsection
 13 (2), the commissioner shall promulgate rules pursuant to the
 14 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
 15 24.328, to implement this article.

16 (2) For raffles, the executive director shall promulgate rules
 17 pursuant to the administrative procedures act of 1969, 1969 PA 306,
 18 MCL 24.201 to 24.328, to implement this article.

19 Sec. 14. (1) ~~A~~ Except as otherwise provided in this section, a
 20 licensee under this article shall keep a record of each event as
 21 required by the commissioner. ~~A~~ Except as otherwise provided in
 22 this section, a licensee shall allow a representative authorized by
 23 the bureau to inspect a record kept under this subsection and all
 24 financial accounts into which proceeds from events are deposited or
 25 transferred during reasonable business hours.

26 (2) ~~A~~ Except as otherwise provided in this section, a licensee
 27 under this article shall file with the commissioner a financial
 28 statement signed by the principal officer of the qualified
 29 organization of receipts and expenses related to the conduct of

1 each event as required by rule promulgated under this article. If
 2 the revenue from a bingo, ~~raffle~~, numeral game, or charity game
 3 event is represented to be used or applied by a licensee under this
 4 article for a charitable purpose, the licensee shall file a copy of
 5 the financial statement with the attorney general under the
 6 supervision of trustees for charitable purposes act, 1961 PA 101,
 7 MCL 14.251 to 14.266.

8 (3) ~~A~~ **Except as otherwise provided in this section, a** licensee
 9 under this article shall allow an authorized representative of the
 10 bureau or the department of state police or a law enforcement
 11 officer of a political subdivision of this state to inspect the
 12 location or an intended location during business hours.

13 (4) **A raffle licensee under this article shall keep a record**
 14 **of each event as required by the executive director. A raffle**
 15 **licensee shall allow a representative authorized by the board to**
 16 **inspect a record kept under this subsection and all financial**
 17 **accounts into which proceeds from events are deposited or**
 18 **transferred during reasonable business hours.**

19 (5) **A raffle licensee under this article shall file with the**
 20 **executive director a financial statement signed by the principal**
 21 **officer of the qualified organization of receipts and expenses**
 22 **related to the conduct of each event as required by rule**
 23 **promulgated under this article. If the revenue from a raffle event**
 24 **is represented to be used or applied by a licensee under this**
 25 **article for a charitable purpose, the raffle licensee shall file a**
 26 **copy of the financial statement with the attorney general under the**
 27 **supervision of trustees for charitable purposes act, 1961 PA 101,**
 28 **MCL 14.251 to 14.266.**

29 (6) **A raffle licensee under this article shall allow an**

1 authorized representative of the board or the department of state
 2 police or a law enforcement officer of a political subdivision of
 3 this state to inspect the location or an intended location during
 4 business hours.

5 Sec. 15. (1) ~~The~~ **Except as otherwise provided in subsection**
 6 **(2), the** commissioner shall report annually to the governor and the
 7 legislature about the operation of events licensed under this
 8 article, abuses that the bureau may have encountered, and
 9 recommendations for changes in this act.

10 **(2) The executive director shall report annually to the**
 11 **governor and the legislature about the operation of raffle events**
 12 **licensed under this article, abuses that the board may have**
 13 **encountered, and recommendations for changes in this act.**

14 Sec. 16. (1) ~~The~~ **Except as otherwise provided in subsection**
 15 **(2), the** commissioner may deny, suspend, summarily suspend, or
 16 revoke a license issued under this article if the licensee or an
 17 officer, director, agent, member, or employee of the licensee
 18 violates this article or a rule promulgated under this article. ~~The~~
 19 **Except as otherwise provided in subsection (2), the** commissioner
 20 may summarily suspend a license for a period of not more than 60
 21 days pending prosecution, investigation, or public hearing.

22 **(2) The executive director may deny, suspend, summarily**
 23 **suspend, or revoke a raffle license issued under this article if**
 24 **the licensee or an officer, director, agent, member, or employee of**
 25 **the licensee violates this article or a rule promulgated under this**
 26 **article. The executive may summarily suspend a raffle license for a**
 27 **period of not more than 60 days pending prosecution, investigation,**
 28 **or public hearing.**

29 **(3) ~~(2)~~—A proceeding to suspend or revoke a license under this**

1 article is a contested case governed by the administrative
2 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

3 (4) ~~(3)~~—On petition of the commissioner, **or for raffles, on**
4 **petition of the executive director**, the circuit court after a
5 hearing may issue subpoenas to compel the attendance of witnesses
6 and the production of documents, papers, books, records, and other
7 evidence before it in a matter over which it has jurisdiction,
8 control, or supervision. If a person subpoenaed to attend in any
9 such proceeding or hearing fails to obey the command of the
10 subpoena without reasonable cause, or if a person in attendance in
11 any such proceeding or hearing refuses, without lawful cause, to be
12 examined or to answer a legal or pertinent question or to exhibit a
13 book, account, record, or other document when ordered to do so by
14 the court, that person may be punished as being in contempt of the
15 court.

16 (5) ~~(4)~~—With approval of the commissioner, a bingo hall
17 licensee, in lieu of a suspension of its license, may elect to pay
18 a fine equal to the amount of rent that would have been paid by
19 bingo licensees during the period of the suspension. The bingo hall
20 licensee shall pay this fine to the bureau on or before the date
21 agreed to in the suspension agreement entered into by the bureau
22 and the bingo hall licensee.

23 Enacting section 1. This amendatory act does not take effect
24 unless House Bill No. 5862 of the 100th Legislature is enacted into
25 law.