

CHARITABLE GAMING: DEFINITION OF “OCCASION”

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House Bill 4431 as introduced
Sponsor: Rep. Kevin Hertel
Committee: Regulatory Reform
Complete to 4-26-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4431 would amend the Traxler-McCauley-Law-Bowman Bingo Act to delete the provision that defines the term *occasion* for purposes of the act.

Currently, *occasion* means a single day for which a license to conduct games is issued under the act.

MCL 432.103

BACKGROUND INFORMATION:

When 2019 PA 159 was enacted to amend the charitable gaming statute, the new law, among other changes, changed the definition of the term “occasion” from meaning *the hours of the day for which a license is issued* to its current definition of *a single day for which a license to conduct games is issued under the act*.

However, the definition of “occasion” in the Michigan Administrative Code (MAC), which was the same as the previous statutory definition, remained unchanged.¹ Prior to this change in the definition, and under provisions in the MAC, qualified charities could offer multiple bingo games per day² and halls could hold up to 14 licensed events a week.³ Further, a charity could be licensed to conduct a bingo event and a raffle on the same day at the same location, though not at the same time.⁴

Although the change made by 2019 PA 159 appears to be a minor clarification, it effectively restricts charities and halls from the longstanding practice of holding more than one event a day. This is because, in the event of a conflict between them, a statute carries more force of law than a departmental rule. Eliminating the definition of “occasion” from the bingo statute would allow the departmental rules to prevail and restore the practices that were limited by 2019 PA 159.

¹ R 432.21101(2)(o): https://www.michigan.gov/documents/cg/BSL-CG-RulesPart01_189386_7.pdf

² R 432.21305: https://www.michigan.gov/documents/cg/BSL-CG-RulesPart03_189388_7.pdf

³ R 432.22006(2): https://www.michigan.gov/documents/cg/BSL-CG-RulesPart10_189394_7.pdf

⁴ R 432.21513(5): https://www.michigan.gov/documents/cg/BSL-CG-RulesPart05_189390_7.pdf

FISCAL IMPACT:

The bill would increase charitable gaming revenues by an unknown amount due to the estimated increase in authorized games. Prior to 2019 PA 159, the definition of occasion mirrored the language effectively proposed by HB 4431. The definitional change under 2019 PA 159 effectively reduced the number of daily games at authorized locations to one, thereby reducing charitable gaming revenues. Due to reporting lags and closures caused by the COVID-19 pandemic, an estimate of the reduction of charitable gaming revenues due to this definitional change cannot be determined with any accuracy.

After deducting Charitable Gaming Division expenses, net revenue is deposited in the state's general fund. The general fund transfer totaled \$1.9 million in FY 2019, which is the last full pre-pandemic year.

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