



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1111 (as enacted)
Senate Bill 1112 (as enacted)
Sponsor: Senator Michael D. MacDonald (S.B. 1111)
Senator Jeremy Moss (S.B. 1112)
Senate Committee: Regulatory Reform
House Committee: Appropriations

PUBLIC ACT 269 of 2022

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Date Completed: 2-22-23

CONTENT

Senate Bill 1111 amends the Lawful Internet Gaming Act to require the Michigan Gaming Control Board to spend money from the Internet Gaming Fund, on appropriation, for the costs incurred by the Executive Director of the Board or the Board in the administration and enforcement of millionaire party activity under the Traxler-McCauley-Law-Bowman Bingo Act.

Senate Bill 1112 amends the Traxler-McCauley-Law-Bowman Bingo Act to specify that all necessary expenses incurred by the Executive Director or Board in the administration and enforcement of millionaire party activity will have to be financed from the Internet Gaming Fund instead of the State Lottery Fund.

The bills will take effect on March 29, 2023.

Senate Bill 1111

The Lawful Internet Gaming Act, among other things, establishes the Internet Gaming Fund and specifies that the Michigan Gaming Control Board is the administrator of the Fund. The Board must spend money from the Fund, on appropriation, for the Board's costs to regulate and enforce internet gaming under the Act. After that, the Board must spend money from the Fund for the following:

- Each year, \$500,000 to the Compulsive Gaming Prevention Fund.
- Each year, \$2.0 million to the First Responder Presumed Coverage Fund.

All money remaining after those expenditures must be deposited into the State School Aid Fund.

Under the bill, before disbursements to the Compulsive Gaming Prevention Fund, the Board will have to spend money from the Internet Gaming Fund, on appropriation, for the costs incurred by the Executive Director or Board in the administration and enforcement of millionaire party activity under the Traxler-McCauley-Law-Bowman Bingo Act as well as the costs incurred by the Board to regulate and enforce internet gaming, as currently required under the Act.

Senate Bill 1112

Under the Bingo Act, all fees and revenue collected by the Executive Director or Board must be paid to the State Lottery Fund. All necessary expenses incurred by the Executive Director or Board in the administration and enforcement of any activity authorized by the Act in the initiation, implementation, and ongoing operation of any activity authorized by the Act must be financed from the State Lottery Fund.

Under the bill, all necessary expenses incurred by the Executive Director or Board in the administration and enforcement of millionaire party activity authorized by the Act and in the initiation, implementation, and ongoing operation of millionaire party activity authorized by the Act will have to be financed from the Internet Gaming Fund.

Under the Act, the amount of necessary expenses incurred by the Commissioner of State Lottery or the Bureau of State Lottery and the Executive Director or the Board to administer or enforce the Act and in the initiation, implementation, and ongoing operation of any activity authorized under the Act may not exceed the amount of revenue received from the sale of charity game tickets and all fees collected under the Act. Under the bill, this provision applies only the necessary expenses incurred by the Commissioner or Bureau.

MCL 432.316 (S.B. 1111)
432.108 (S.B. 1112)

BACKGROUND

A millionaire party is an event at which imitation money or chips are used for wagers on certain games, such as casino card games. Under the Bingo Act, only charitable organizations that meet specified requirements may hold millionaire party events. A charitable organization must submit a qualification form to the Gaming Control Board for consideration before it may become eligible to apply for a millionaire party license. Once an organization is authorized to hold a millionaire party, it must comply with other requirements prescribed by the Gaming Control Board.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bills will have no overall fiscal impact on the State and no fiscal impact on local units of government. The bills will not have a gross fiscal impact on the Michigan Gaming Control Board, which regulates millionaire party activity. However, they will change the source of funding to support the necessary regulatory activity, from millionaire party revenue to internet gaming revenue. The funding will be capped at the amount annually appropriated. Revenue generated from millionaire party licensing instead will lapse to the School Aid Fund at the end of the fiscal year.

Fiscal Analyst: Cory Savino, PhD

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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.