

TRAXLER-MCCAULEY-LAW-BOWMAN BINGO ACT (EXCERPT)

Act 382 of 1972

ARTICLE 2

432.132 Definitions; B to L; application of definitions in article 1.

Sec. 32. (1) As used in this article:

(a) "Bona fide member" means a member who participates in the qualified organization to further its lawful purposes and the spouse of such a member.

(b) "Dealer" means an individual who does any of the following in a millionaire party game:

(i) Performs the act of dealing.

(ii) Assists in supervising the dealers.

(iii) Provides technical advice to the millionaire party chairperson.

(c) "Demarcated area" means the physical area in which licensed millionaire party gaming will be conducted, the boundaries of which are marked with rope or tape or separated in an access-controlled area of the location.

(d) "Lawful purpose" means a purpose that would qualify an organization to be exempt from taxation under subsection 501(c) of the internal revenue code of 1986, 26 USC 501.

(e) "Lessor" means a person who rents a location to a millionaire party licensee for the purpose of conducting an event.

(f) "Location owner" means the person that owns a location or an employee or agent of the person.

(2) The definitions in sections 2, 3, and 3a and the rules promulgated under this act apply to this article, unless a term defined in 1 of those sections is defined differently in this article.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.133 Application for millionaire party license; procedure, form, and contents.

Sec. 33. (1) An applicant for a license to conduct a millionaire party shall submit to the executive director a written application on a form prescribed by the executive director.

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

(a) The name and address of the applicant.

(b) The name and address of each officer of the applicant.

(c) The name of each individual who will serve as a dealer at the event and, as to each individual, whether the individual has been convicted of, forfeited bond on a charge of, or pled guilty to any of the following:

(i) A felony.

(ii) A gambling offense.

(iii) Criminal fraud.

(iv) Forgery.

(v) Larceny.

(vi) Filing a false report with a governmental agency.

(d) The location at which the applicant will conduct the event.

(e) A description of the demarcated area for the event and an explanation of how the demarcated area will be marked.

(f) The dates of the event.

(g) Sufficient facts relating to the applicant's incorporation or organization to enable the executive director to determine whether the applicant is a qualified organization.

(h) A sworn statement attesting to the nonprofit status of the applicant, signed by the principal officer of the applicant.

(i) Other information the executive director considers necessary.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.134 Issuance of millionaire party license; conditions; limitations; fee.

Sec. 34. (1) If the executive director determines that an applicant for a millionaire party license is a qualified organization and otherwise eligible and suitable and the applicant paid to this state a fee of \$50.00 per day that the applicant proposes to conduct the millionaire party, the executive director may issue a millionaire party license to the applicant.

(2) A qualified organization may be issued up to 4 millionaire party licenses in 1 calendar year. Each

license is valid for only 1 location as stated on the license.

(3) A millionaire party license may be issued for up to 4 consecutive days.

(4) The executive director shall not issue more than 1 millionaire party license to a qualified organization for any 1 day.

(5) The executive director shall not issue millionaire party licenses that would allow more than 2 millionaire party events to be conducted at a single location on the same date or at the same time.

(6) The executive director shall not issue millionaire party licenses that would allow millionaire party events to be conducted more than 4 days per week at a single location.

(7) A millionaire party license must state the hours for each event day on which the millionaire party may be conducted. The executive director shall not permit a millionaire party to begin before 8 a.m. or continue past 2 a.m. on the following day.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.135 Compliance required; assignability or transferability.

Sec. 35. (1) A millionaire party licensee shall comply with this act and the rules promulgated under this act.

(2) A millionaire party licensee shall comply with the terms and requirements of the license.

(3) A millionaire party license is not assignable or transferrable, and a licensee shall not assign or transfer a millionaire party license.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.136 Advertising of millionaire party.

Sec. 36. (1) A millionaire party licensee may advertise the event if the advertising complies with rules promulgated under this article.

(2) An advertisement under this section must state the purposes for which the proceeds from the event will be used.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.137 Written rental agreement; requirements; location owner or lessor; prohibited conduct.

Sec. 37. (1) A millionaire party licensee shall not enter into an agreement with a location owner or lessor unless the agreement is expressed in a written rental agreement that is approved by the executive director.

(2) A location owner or lessor, a partner, member, director, officer, agent, or employee of a location owner or lessor, a shareholder of a privately held corporation that is a location owner or lessor, or a person residing in the same household as any of these shall not do any of the following:

(a) Be an officer of a qualified organization conducting a millionaire party at the location.

(b) Participate as a player in any event being conducted at the location.

(c) Participate in any aspect of an event being conducted at the location, including providing dealers, equipment, or workers, unless all of the following conditions exist:

(i) The location is owned or rented by a qualified organization and used by the qualified organization on a continual basis for the regular use of its members.

(ii) The qualified organization is the millionaire party licensee and is conducting the event.

(iii) The executive director has granted a waiver for the participation.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.138 Supplier of equipment; approval of rental agreement required.

Sec. 38. A millionaire party licensee shall only conduct an event with equipment that it owns, rents from another qualified organization under a rental agreement approved by the executive director, or purchases or rents from a supplier.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.139 Limitation on dealers; compliance required.

Sec. 39. (1) A millionaire party licensee shall use only the following as dealers at an event:

- (a) A bona fide member.
- (b) An employee of a supplier.
- (2) An individual shall not act as a dealer if the individual has been convicted of, forfeited bond on a charge of, or pled guilty to any of the following offenses:
 - (a) A felony.
 - (b) A gambling offense.
 - (c) Criminal fraud.
 - (d) Forgery.
 - (e) Larceny.
 - (f) Filing a false report with a governmental agency.
- (3) An individual who is not listed as a dealer on the application for a millionaire party license shall not act as a dealer at an event conducted under the license.
- (4) A millionaire party licensee shall ensure that the dealers at an event conducted under the license comply with this act, rules promulgated under this act, and any directives of the executive director.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.140 Bona fide members; presence required; duties of members; prohibited conduct.

Sec. 40. (1) The executive director shall not require more than 2 bona fide members of the millionaire party licensee, not including any bona fide member acting as a dealer, to be present at all times during an event.

(2) If fewer than 2 bona fide members are present at any time during an event, the millionaire party licensee shall immediately report this to the executive director. The executive director may require the licensee to stop conducting the event.

(3) One of the bona fide members listed on the application for the millionaire party license shall act as the millionaire party chairperson. An individual shall not serve as chairperson of millionaire parties conducted by more than 1 qualified organization during a calendar year.

(4) A bona fide member of a millionaire party licensee who is present at the event shall wear a vest, button, or other distinctive apparel to identify the bona fide member as a member of the millionaire party licensee and as not being an employee or agent of the location owner, lessor, or supplier.

(5) Unless permitted by this act, a rule promulgated under this act, or written authorization of the executive director, only a bona fide member of the millionaire party licensee may perform any of the following duties at an event conducted under the license:

- (a) Monitoring a game or verifying that the game is conducted in conformance with the rules of the game.
- (b) Verifying the age of a player.

(6) A bona fide member of a millionaire party licensee shall not play a game at an event at which the bona fide member is working or assisting.

(7) A bona fide member of a millionaire party licensee shall not share in a prize awarded at an event at which the bona fide member is working or assisting.

(8) A bona fide member of a millionaire party licensee shall not purchase, play, or accept a charity game ticket or numeral game ticket offered for sale by the licensee at an event at which the bona fide member is working or assisting.

(9) A bona fide member of a millionaire party licensee shall not split a prize with a player or accept a tip of any kind at an event conducted under the license, unless the tip is a cash tip given to the bona fide member for serving as a dealer at the event.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.141 Millionaire party licensee; requirements; prohibited conduct; individual less than 18 years old; alcoholic beverages; limitation on exchange for imitation money or chips; conduct of charity game or numeral game.

Sec. 41. (1) A millionaire party licensee shall ensure that an event conducted under the license is conducted in compliance with this act and the rules promulgated under this act.

(2) A millionaire party licensee shall post the license so that it is conspicuously visible at the location where the event is being conducted at all times during the event.

(3) A millionaire party licensee shall not conduct gaming under the license anywhere outside of the demarcated area approved by the executive director.

(4) A millionaire party licensee shall ensure that access to the demarcated area is controlled.

(5) A millionaire party licensee shall not allow an individual who is less than 18 years old to enter the demarcated area when gaming is being conducted there.

(6) If alcoholic beverages are served at an event, an individual in the demarcated area who is 18 years old or older but less than 21 years old must be identified by wearing a mark indicating that a member or agent of the millionaire party licensee has verified the individual's age and identification.

(7) A millionaire party licensee shall not receive more than \$20,000.00 in exchange for imitation money or chips on any day under the license. However, if the licensee conducts the millionaire party without using dealers from a supplier and owns the location at which the millionaire party is held and if the license is for fewer than 4 days of gaming, the daily limit under this subsection is determined by dividing \$80,000.00 by the number of days of gaming allowed under the license.

(8) A millionaire party licensee may conduct a charity game as provided in section 7b and may conduct a numeral game as provided in section 7c. If a millionaire party licensee conducts a charity game or a numeral game, the executive director has sole enforcement and supervision authority over the conduct of the game.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.142 Payment of expenses; compensation.

Sec. 42. (1) A millionaire party licensee shall not pay an expense related to an event unless all of the following apply:

(a) The expense is incurred in connection with the conduct of the event.

(b) The expense is necessary and reasonable and falls into 1 of the following categories of expense:

(i) The purchase or rental of equipment necessary for conducting the event and payment of services reasonably necessary for the repair of equipment.

(ii) Cash prizes or the purchase of prizes of merchandise.

(iii) Rental of the location at which the event is conducted. The rental expense must not exceed \$250.00 for each event day.

(iv) Janitorial services.

(v) The fee required for issuance or reissuance of a license to conduct the event.

(vi) Other reasonable expenses incurred by the licensee, not inconsistent with this act, as permitted by rule promulgated under this act.

(c) The expense is itemized.

(d) The expense is approved by the executive director in writing before the event.

(2) A millionaire party licensee shall not accept any compensation in connection with an event unless the compensation is expressly authorized by this article or a rule promulgated under this article.

(3) A millionaire party licensee shall not expend more than 45% of the gross profit from an event to pay expenses incurred in connection with the event.

(4) A person shall not accept any commission, salary, pay, profit, or wage for participating in the management or operation of a millionaire party except as allowed under a rule promulgated under this act.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.142a Direct or indirect relationship with supplier of equipment; prohibit.

Sec. 42a. A person who is directly or indirectly connected to the sale, rental, or distribution of millionaire party equipment or a person residing in the same household as the supplier shall not be involved directly or indirectly with the rental or leasing of a facility used for an event.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.143 Record of event; inspection of record; financial statement; inspection of location.

Sec. 43. (1) A millionaire party licensee shall keep a record of each event as required by the executive director.

(2) The millionaire party licensee shall allow an authorized representative of the executive director to inspect during reasonable business hours a record kept under subsection (1) and all financial accounts into which proceeds from the event are deposited or transferred.

(3) A millionaire party licensee shall file with the executive director a financial statement signed by the principal officer of the qualified organization. The financial statement must contain a list of the qualified members of the millionaire party licensee who were present as to each event and a disclosure of receipts and expenses related to the conduct of each event as required by rule promulgated under this act. If the revenue

from a millionaire party is represented to be used or applied by a millionaire party licensee for a charitable purpose, the licensee shall file a copy of the financial statement with the attorney general under the supervision of trustees for charitable purposes act, 1961 PA 101, MCL 14.251 to 14.266.

(4) A millionaire party licensee and a location owner or lessee shall allow an authorized representative of the executive director or the state police or a peace officer of a political subdivision in which the event is being conducted to inspect the location, or an intended location, during business hours.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.146 Application for supplier to millionaire party; form; fee; list of dealers; report of supplier activity; conspiracy prohibited.

Sec. 46. (1) A person that applies for a license or renewal of a license to operate as a supplier to millionaire party licensees shall submit a written application to the executive director on a form prescribed by the executive director.

(2) An applicant under this section shall pay an annual license fee of \$300.00 at the time of the application.

(3) If an applicant under this section wishes to provide dealers to millionaire party licensees, the applicant shall include with its application a list containing the name of each individual who will work for the applicant as a dealer at millionaire parties and, as to each individual, whether the individual has been convicted of, forfeited bond on a charge of, or pled guilty to any of the following:

- (a) A felony.
- (b) A gambling offense.
- (c) Criminal fraud.
- (d) Forgery.
- (e) Larceny.
- (f) Filing a false report with a governmental agency.

(4) If, after the application is submitted as described in subsection (1) or after the supplier's license is issued, there are any changes in the individuals who will work for the supplier as dealers at millionaire parties, the applicant or supplier shall immediately provide an updated list containing all of the information required under subsection (3).

(5) A supplier licensed under this section shall submit to the executive director reports as required by the executive director regarding the supplier's activities under this article.

(6) A supplier's license expires at 12 midnight on September 30 of each year.

(7) A person shall not obtain a supplier license on behalf of another person. A person shall not have another person obtain a supplier license on the person's behalf. A person, other than a person approved by the executive director, shall not directly or indirectly receive a payment from, pay an expense for, or have an ownership or equity stake in, a supplier.

(8) Two or more persons shall not conspire for 1 or more persons to obtain a supplier's license for the purpose of allowing any person who is not a supplier to enjoy the benefits of the license.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.148 Enforcement; supervision; and administration of article.

Sec. 48. The executive director shall enforce and supervise the administration of this article. The executive director shall employ personnel as necessary to implement this article.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.149 Rules.

Sec. 49. (1) Any rules promulgated by the executive director under this act before the effective date of the amendatory act that added this article remain in effect unless directly inconsistent with the amendatory act that added this article.

(2) The executive director may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this article.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.150 Denial, suspension, or revocation of license; procedure; subpoenas; fine; period of ineligibility after revocation.

Sec. 50. (1) The executive director may deny, suspend, summarily suspend, or revoke a license issued under this article if the licensee or an officer, director, agent, member, or employee of the licensee violates this article or a rule promulgated under this article. The executive director may summarily suspend a license for a period of not more than 60 days pending prosecution, investigation, or public hearing.

(2) A proceeding to suspend or revoke a license is a contested case and must be conducted in accordance with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(3) On petition of the executive director, the circuit court after a hearing may issue subpoenas to compel the attendance of witnesses and the production of documents, papers, books, records, and other evidence before it in a matter over which the executive director has jurisdiction, control, or supervision under this article. If a person subpoenaed to attend in any such proceeding or hearing fails to obey the command of the subpoena without reasonable cause, or if a person in attendance in any such proceeding or hearing refuses, without lawful cause, to be examined or to answer a legal or pertinent question or to exhibit a book, account, record, or other document when ordered to do so by the court, the person may be punished as being in contempt of the court.

(4) For each violation of this act, any rules promulgated under this act, or any order issued under this act, the executive director may impose a civil penalty of up to \$2,500.00 and may issue a cease and desist order, or obtain injunctive relief. In addition to any civil penalty imposed under this subsection, a person may be liable for a fine of up to the amount of any illegal payments made or received.

(5) A qualified organization, a millionaire party chairperson, and a principal officer are jointly and severally liable for any penalties and fines levied under subsection (4).

(6) A supplier and the owners and co-owners of a supplier are jointly and severally liable for any penalties and fines levied under subsection (4).

(7) A person whose license is revoked under this section is ineligible to apply for a license for 5 years.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.151 Violations; penalty.

Sec. 51. (1) Except as otherwise provided in subsection (2), a person who willfully violates this act is guilty of a misdemeanor punishable by imprisonment for not more than 6 months or a fine of not more than \$1,000.00, or both, for doing any of the following:

(a) Cheating at an event.

(b) Using millionaire party proceeds for something other than a lawful purpose of the qualified organization.

(c) Knowingly making a wager if the person is less than 18 years of age or permitting a person who is less than 18 years of age to make a wager.

(d) Using chips not authorized for use at a millionaire party.

(e) Willfully failing to appear before and provide an item to the executive director at the time and place specified in a subpoena issued by the executive director.

(f) Willfully refusing, without just cause, to testify or provide items in an answer to a subpoena or subpoena duces tecum issued by the executive director.

(g) For a location owner or lessor, a shareholder of a privately held corporation that owns or leases a location, a partner or officer, an agent or employee of a lessor, or an individual residing in the same household as a location owner or lessor, a shareholder of a privately held corporation that owns or leases a location, or a partner, officer, or agent of a location owner, making or receiving a payment from any person, other than for the preapproved payment of rent, for any aspect of a millionaire party. This subdivision does not apply to the sale of food or drink.

(h) Conducting or permitting a person who is not licensed under this act to conduct activities required to be licensed under this act.

(i) Violating section 46(7) or (8).

(2) A person is guilty of a misdemeanor punishable by imprisonment for not more than 1 year or a fine of not more than \$2,500.00, or both for doing any of the following:

(a) Knowingly making a false statement on an application for a license under this act.

(b) Knowingly making a false statement, orally or in writing, to the executive director or his or her authorized representative.

(3) A person convicted under this section is ineligible to receive or maintain a license under this act.

(4) In addition to the fines provided in this section, a person may be liable for a fine up to the amount of any payments made or received in violation of this act.

(5) This section does not prohibit a person who violates this act from being charged with, convicted of, or

punished for any other violation of law, including the Michigan penal code, 1931 PA 328, MCL 750.1 to 750.568, and the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act

432.152 Annual report to governor and legislature.

Sec. 52. The executive director shall report annually to the governor and the legislature about the operation of events licensed under this article, abuses that the executive director may have encountered, and recommendations for changes in this act.

History: Add. 2019, Act 159, Imd. Eff. Dec. 20, 2019.

Popular name: Bingo Act