

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 187**

A bill to amend 1972 PA 382, entitled  
"Traxler-McCauley-Law-Bowman bingo act,"  
by amending sections 2, 3, 3a, 4, 4a, 8, 9, 10, 11b, 12, 13, 14,  
15, 16, and 19 (MCL 432.102, 432.103, 432.103a, 432.104,  
432.104a, 432.108, 432.109, 432.110, 432.111b, 432.112, 432.113,  
432.114, 432.115, 432.116, and 432.119), sections 2 and 9 as  
amended by 2008 PA 401, sections 3, 4a, and 12 as amended by 2012  
PA 189, sections 3a, 8, 10, and 11b as amended by 2006 PA 427,  
sections 4, 13, 14, 15, and 16 as amended by 1999 PA 108, and  
section 19 as amended by 1995 PA 263, and to designate sections 1  
to 20 as article 1; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1

**ARTICLE 1**

2

Sec. 2. As used in this act:

(a) "Active service" and "active state service" mean those terms as defined in section 105 of the Michigan military act, 1967 PA 150, MCL 32.505.

(b) "Advertising" means all printed matter, handouts, flyers, radio **BROADCASTS**, television **BROADCASTS**, ~~advertising~~ signs, billboards, and other media used to promote an event. ~~licensed under this act.~~

(c) "Bingo" means a game of chance commonly known as bingo in which prizes are awarded on the basis of designated numbers or symbols conforming to numbers or symbols selected at random.

**(D) "BOARD" MEANS THE MICHIGAN GAMING CONTROL BOARD CREATED BY SECTION 4 OF THE MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL 432.204.**

**(E)** ~~(d)~~ "Bureau" means the bureau of state lottery as created by section 5 of the McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL 432.5.

**(F)** ~~(e)~~ "Charity game" means the random resale of a series of charity game tickets.

**(G)** ~~(f)~~ "Charity game ticket" means a ticket commonly referred to as a break-open ticket or pull-tab that is approved and acquired by the bureau and is distributed and sold by the bureau or a ~~licensed~~ supplier to a qualified organization, a portion of which is removed to discover whether the ticket is a winning ticket. ~~and whether the purchaser may be awarded a prize.~~

**(H)** ~~(g)~~ "Commissioner" means the commissioner of state lottery appointed under section 7 of the McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL 432.7.

1       (I) ~~(h)~~ "Coverall pattern" means a pattern required to win a  
2 bingo game in which all numbers on a bingo card are required to  
3 be called.

4       (J) "EDUCATIONAL ORGANIZATION" MEANS AN ORGANIZATION IN THIS  
5 STATE THAT IS ORGANIZED NOT FOR PECUNIARY PROFIT, WHOSE PRIMARY  
6 PURPOSE IS EDUCATIONAL IN NATURE AND DESIGNED TO DEVELOP THE  
7 CAPABILITIES OF INDIVIDUALS BY INSTRUCTION IN ANY PUBLIC OR  
8 PRIVATE ELEMENTARY OR SECONDARY SCHOOL THAT COMPLIES WITH THE  
9 REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1 TO 380.1852, OR ANY  
10 PRIVATE OR PUBLIC COLLEGE OR UNIVERSITY THAT IS ORGANIZED NOT FOR  
11 PECUNIARY PROFIT AND THAT IS APPROVED BY THE STATE BOARD OF  
12 EDUCATION.

13       (K) "EQUIPMENT" MEANS THE OBJECTS AND MECHANICAL,  
14 ELECTROMECHANICAL, OR ELECTRONIC DEVICES USED TO DETERMINE OR  
15 ASSIST IN DETERMINING THE WINNERS OF PRIZES AT AN EVENT.

16       (L) "EVENT" MEANS, IN ARTICLE 1, AN OCCASION OF BINGO GAMES,  
17 A RAFFLE, A CHARITY GAME, OR A NUMERAL GAME CONDUCTED UNDER A  
18 LICENSE ISSUED UNDER ARTICLE 1, AND IN ARTICLE 2, AN OCCASION OF  
19 A MILLIONAIRE PARTY CONDUCTED UNDER A LICENSE ISSUED UNDER  
20 ARTICLE 2.

21       (M) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE  
22 BOARD, APPOINTED UNDER SECTION 4 OF THE MICHIGAN GAMING CONTROL  
23 AND REVENUE ACT, 1996 IL 1, MCL 432.204.

24       (N) "FRATERNAL ORGANIZATION" MEANS AN ORGANIZATION IN THIS  
25 STATE, OTHER THAN A COLLEGE FRATERNITY OR SORORITY, THAT MEETS  
26 ALL OF THE FOLLOWING CRITERIA:

27       (i) IS ORGANIZED NOT FOR PECUNIARY PROFIT.

(ii) IS A BRANCH, LODGE, OR CHAPTER OF A NATIONAL OR STATE ORGANIZATION OR, ONLY FOR THE PURPOSE OF CONDUCTING A SMALL RAFFLE OR A LARGE RAFFLE UNDER THIS ACT, IF NOT A BRANCH, LODGE, OR CHAPTER OF A NATIONAL OR STATE ORGANIZATION, IS EXEMPT FROM TAXATION UNDER SECTION 501(C) OF THE INTERNAL REVENUE CODE OF 1986, 26 USC 501.

(iii) EXISTS FOR THE COMMON PURPOSE, BROTHERHOOD, OR OTHER INTERESTS OF ITS MEMBERS.

Sec. 3. As used in this act:

~~———— (a) "Educational organization" means an organization within this state that is organized not for pecuniary profit, whose primary purpose is educational in nature and designed to develop the capabilities of individuals by instruction in any public or private elementary or secondary school that complies with the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, or any private or public college or university that is organized not for pecuniary profit and that is approved by the state board of education.~~

~~———— (b) "Fraternal organization" means an organization within this state, other than a college fraternity or sorority, that meets all of the following criteria:~~

~~———— (i) Is organized not for pecuniary profit.~~

~~———— (ii) Is a branch, lodge, or chapter of a national or state organization or, only for the purpose of conducting a small raffle or a large raffle under this act, if not a branch, lodge, or chapter of a national or state organization, is exempt from taxation under section 501(c) of the internal revenue code of~~

1 ~~1986, 26 USC 501.~~

2 ~~—— (iii) Exists for the common purpose, brotherhood, or other~~  
3 ~~interests of its members.~~

4 (A) "LARGE BINGO" MEANS A SERIES OF BINGO OCCASIONS THAT  
5 OCCUR ON A REGULAR BASIS DURING WHICH THE TOTAL VALUE OF ALL  
6 PRIZES AWARDED FOR BINGO GAMES AT A SINGLE OCCASION DOES NOT  
7 EXCEED \$3,500.00 AND THE TOTAL VALUE OF ALL PRIZES AWARDED FOR 1  
8 BINGO GAME DOES NOT EXCEED \$1,100.00, EXCEPT THAT A PRIZE AWARDED  
9 THROUGH A MICHIGAN PROGRESSIVE JACKPOT BINGO GAME IS NOT SUBJECT  
10 TO THESE LIMITATIONS.

11 (B) "LARGE RAFFLE" MEANS AN EVENT WHERE THE TOTAL VALUE OF  
12 ALL PRIZES AWARDED THROUGH RAFFLE DRAWINGS EXCEEDS \$500.00 PER  
13 OCCASION.

14 (c) "Licensee" means a person, ~~or~~ INCLUDING A qualified  
15 organization, licensed under this act.

16 (D) "LOCATION" MEANS A BUILDING, ENCLOSURE, PART OF A  
17 BUILDING OR ENCLOSURE, OR A DISTINCT PORTION OF REAL PROPERTY  
18 THAT IS USED FOR THE PURPOSE OF CONDUCTING AN EVENT. LOCATION  
19 INCLUDES ALL COMPONENTS OR BUILDINGS THAT COMPOSE 1 ARCHITECTURAL  
20 ENTITY OR THAT SERVE A UNIFIED FUNCTIONAL PURPOSE.

21 (E) "MANUFACTURER" MEANS A PERSON LICENSED UNDER SECTION 11C  
22 WHO MANUFACTURES NUMERAL GAME TICKETS FOR SALE TO SUPPLIERS FOR  
23 USE IN AN EVENT.

24 (F) ~~(d)~~—"Member" means an individual who qualified for  
25 membership in a qualified organization under its bylaws, articles  
26 of incorporation, charter, rules, or other written statement.

27 (G) ~~(e)~~—"Michigan national guard" and "military" mean those

terms as defined in section 105 of the Michigan military act,  
1967 PA 150, MCL 32.505.

~~(f) "Person" means a natural person, firm, association,  
corporation, or other legal entity.~~

~~(g) "Qualified organization" means, subject to subdivision  
(h), either of the following:~~

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

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

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

~~(i) "Religious organization" means any of the following:~~

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

~~(ii) A society of individuals that is organized not for~~

~~pecuniary profit and that unites for religious purposes at a definite place.~~

~~—— (iii) A church related private school that is organized not for pecuniary profit.~~

~~—— (j) "Senior citizens organization" means an organization within this state that is organized not for pecuniary profit, that consists of at least 15 members who are 60 years of age or older, and that exists for their mutual support and for the advancement of the causes of elderly or retired persons.~~

~~—— (k) "Service organization" means either of the following:~~

~~—— (i) A branch, lodge, or chapter of a national or state organization that is organized not for pecuniary profit and that is authorized by its written constitution, charter, articles of incorporation, or bylaws to engage in a fraternal, civic, or service purpose within the state.~~

~~—— (ii) A local civic organization that is organized not for pecuniary profit; that is not affiliated with a state or national organization; that is recognized by resolution adopted by the local governmental subdivision in which the organization conducts its principal activities; whose constitution, charter, articles of incorporation, or bylaws contain a provision for the perpetuation of the organization as a nonprofit organization; whose entire assets are used for charitable purposes; and whose constitution, charter, articles of incorporation, or bylaws contain a provision that all assets, real property, and personal property shall revert to the benefit of the local governmental subdivision that granted the resolution upon dissolution of the~~

1 organization.

2 ~~—— (I) "Veterans' organization" means an organization within~~  
3 ~~this state, or a branch, lodge, or chapter within this state of a~~  
4 ~~state organization or of a national organization chartered by the~~  
5 ~~congress of the United States, that is organized not for~~  
6 ~~pecuniary profit, the membership of which consists of individuals~~  
7 ~~who were members of the armed services or armed forces of the~~  
8 ~~United States. Veterans' organization includes an auxiliary of a~~  
9 ~~veterans' organization that is a national organization chartered~~  
10 ~~by the congress of the United States.~~

11 (H) "MICHIGAN PROGRESSIVE JACKPOT" MEANS A BINGO GAME  
12 CONDUCTED IN CONJUNCTION WITH A LICENSED LARGE BINGO OCCASION IN  
13 WHICH THE VALUE OF THE PRIZE IS CARRIED FORWARD TO THE NEXT BINGO  
14 OCCASION IF NO PLAYER WINS IN A PREDETERMINED NUMBER OF ALLOWABLE  
15 CALLS. MICHIGAN PROGRESSIVE JACKPOT MAY INCLUDE BINGO GAMES  
16 CONDUCTED BY MORE THAN 1 LICENSEE THAT ARE LINKED TOGETHER FOR  
17 THE PURPOSE OF A COMMON JACKPOT PRIZE AND CONSOLATION PRIZE AS  
18 PRESCRIBED BY THE COMMISSIONER.

19 (I) "MILLIONAIRE PARTY" MEANS AN EVENT AT WHICH WAGERS ARE  
20 PLACED ON GAMES OF CHANCE CUSTOMARILY ASSOCIATED WITH A GAMBLING  
21 CASINO THROUGH THE USE OF IMITATION MONEY OR CHIPS THAT HAVE A  
22 NOMINAL VALUE EQUAL TO OR GREATER THAN THE VALUE OF THE CURRENCY  
23 FOR WHICH THEY CAN BE EXCHANGED.

24 (J) "NUMERAL GAME" MEANS THE RANDOM RESALE OF A SERIES OF  
25 NUMERAL GAME TICKETS.

26 (K) "NUMERAL GAME TICKET" MEANS A PAPER STRIP ON WHICH  
27 PREPRINTED NUMERALS ARE COVERED BY FOLDING THE STRIP AND BANDING



1 THE FOLDED STRIP WITH A SEPARATE PIECE OF PAPER, SO THAT ON  
2 BREAKING THE PAPER THAT BANDS THE FOLDING STRIP THE PURCHASER  
3 DISCOVERS WHETHER THE TICKET IS A WINNING TICKET.

4 (1) "OCCASION" MEANS A SINGLE DAY FOR WHICH A LICENSE TO  
5 CONDUCT GAMES IS ISSUED UNDER THIS ACT.

6 Sec. 3a. ~~(1) "Equipment" means the objects and mechanical or~~  
7 ~~electromechanical devices used to determine or assist in~~  
8 ~~determining the winners of prizes at events licensed under this~~  
9 ~~act.~~

10 ~~—— (2) "Event" means each occasion of a bingo, millionaire~~  
11 ~~party, raffle, charity game, or numeral game licensed under this~~  
12 ~~act.~~

13 ~~—— (3) "Large bingo" means a series of bingo occasions that~~  
14 ~~occur on a regular basis during which the total value of all~~  
15 ~~prizes awarded through bingo at a single occasion does not exceed~~  
16 ~~\$3,500.00 and the total value of all prizes awarded for 1 game~~  
17 ~~does not exceed \$1,100.00, except that a prize awarded through a~~  
18 ~~Michigan progressive jackpot bingo game is not subject to these~~  
19 ~~limitations.~~

20 ~~—— (4) "Large raffle" means an event where the total value of~~  
21 ~~all prizes awarded through raffle drawings exceed \$500.00 per~~  
22 ~~occasion.~~

23 ~~—— (5) "Location" means a building, enclosure, part of a~~  
24 ~~building or enclosure, or a distinct portion of real estate that~~  
25 ~~is used for the purpose of conducting events licensed under this~~  
26 ~~act. Location also means all components or buildings that~~  
27 ~~comprise 1 architectural entity or that serve a unified~~

functional purpose.

~~———— (6) "Manufacturer" means a person licensed under section 11e who manufactures numeral game tickets for sale to suppliers for use in an event.~~

~~———— (7) "Michigan progressive jackpot" means a bingo game conducted in conjunction with a licensed large bingo occasion, where the value of the prize is carried forward to the next bingo occasion if no player bingos in a predetermined number of allowable calls. Michigan progressive jackpot may include bingo games conducted by more than 1 licensee that are linked together for the purpose of a common jackpot prize and consolation prize as prescribed by the commissioner.~~

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

~~———— (9) "Numeral game" means the random resale of a series of numeral game tickets by a qualified organization under a numeral game license or in conjunction with a licensed millionaire party or large raffle.~~

~~———— (10) "Numeral game ticket" means a paper strip on which preprinted numerals are covered by folding the strip and banding the folded strip with a separate piece of paper, if upon breaking the paper strip that bands the ticket, the purchaser discovers whether the ticket is a winning ticket and the purchaser may be awarded a merchandise prize.~~

~~1 (11) "Occasion" means the hours of the day for which a~~  
~~2 license is issued.~~ **AS USED IN THIS ACT:**

**3 (A) "PERSON" MEANS AN INDIVIDUAL, FIRM, ASSOCIATION,**  
**4 CORPORATION, OR OTHER LEGAL ENTITY.**

**5 (B) ~~(12)~~** "Principal officer" means the highest ranking  
**6 officer of the qualified organization according to its written**  
**7 constitution, charter, articles of incorporation, or bylaws.**

**8 (C) ~~(13)~~** "Prize" means anything of value, including, but not  
**9 limited to, money or merchandise that is given to a player for**  
**10 attending or winning a game at an event. A nonmonetary item is**  
**11 valued at its retail value. Prize does not include advertising**  
**12 material given away by a qualified organization in accordance**  
**13 with rules promulgated under this act.**

**14 ~~(14) "Single gathering" means 1 scheduled assembly or~~**  
**15 ~~meeting with a specified beginning and ending time that is~~**  
**16 ~~conducted or sponsored by the qualified organization. Single~~**  
**17 ~~gathering does not include the regular operating hours of a club~~**  
**18 ~~or similar facility and does not include a meeting conducted~~**  
**19 ~~solely for the purpose of conducting a raffle.~~**

**20 (D) "QUALIFIED ORGANIZATION" MEANS, SUBJECT TO SUBDIVISION**

**21 (E), EITHER OF THE FOLLOWING:**

**22 (i) A BONA FIDE RELIGIOUS, EDUCATIONAL, SERVICE, SENIOR**  
**23 CITIZENS, FRATERNAL, OR VETERANS' ORGANIZATION THAT OPERATES**  
**24 WITHOUT PROFIT TO ITS MEMBERS AND THAT EITHER HAS BEEN IN**  
**25 EXISTENCE CONTINUOUSLY AS AN ORGANIZATION FOR A PERIOD OF 5 YEARS**  
**26 OR IS EXEMPT FROM TAXATION UNDER SECTION 501(C) OF THE INTERNAL**  
**27 REVENUE CODE OF 1986, 26 USC 501(C).**

1           (ii) ONLY FOR THE PURPOSE OF CONDUCTING A SMALL RAFFLE OR A  
2 LARGE RAFFLE UNDER THIS ACT, A COMPONENT OF THE MILITARY OR THE  
3 MICHIGAN NATIONAL GUARD WHOSE MEMBERS ARE IN ACTIVE SERVICE OR  
4 ACTIVE STATE SERVICE.

5           (E) "QUALIFIED ORGANIZATION" DOES NOT INCLUDE A CANDIDATE  
6 COMMITTEE, POLITICAL COMMITTEE, POLITICAL PARTY COMMITTEE, BALLOT  
7 QUESTION COMMITTEE, INDEPENDENT COMMITTEE, OR ANY OTHER COMMITTEE  
8 AS DEFINED BY, AND ORGANIZED UNDER, THE MICHIGAN CAMPAIGN FINANCE  
9 ACT, 1976 PA 388, MCL 169.201 TO 169.282.

10          (F) "RAFFLE" MEANS AN EVENT FOR WHICH RAFFLE TICKETS ARE  
11 SOLD AND AT WHICH A WINNER OR WINNERS ARE DETERMINED, EITHER BY  
12 RANDOMLY SELECTING STUBS FROM ALL OF THE RAFFLE TICKETS SOLD FOR  
13 AN EVENT OR BY AN ALTERNATIVE METHOD THAT IS APPROVED IN WRITING  
14 BY THE BOARD, AND A PREANNOUNCED PRIZE IS AWARDED.

15          (G) "RELIGIOUS ORGANIZATION" MEANS ANY OF THE FOLLOWING:

16           (i) AN ORGANIZATION, CHURCH, BODY OF COMMUNICANTS, OR GROUP  
17 IN THIS STATE THAT IS ORGANIZED NOT FOR PECUNIARY PROFIT AND THAT  
18 GATHERS IN COMMON MEMBERSHIP FOR MUTUAL SUPPORT AND EDIFICATION  
19 IN PIETY, WORSHIP, AND RELIGIOUS OBSERVANCES.

20           (ii) A SOCIETY OF INDIVIDUALS IN THIS STATE THAT IS ORGANIZED  
21 NOT FOR PECUNIARY PROFIT AND THAT UNITES FOR RELIGIOUS PURPOSES  
22 AT A DEFINITE PLACE.

23           (iii) A CHURCH-RELATED PRIVATE SCHOOL IN THIS STATE THAT IS  
24 ORGANIZED NOT FOR PECUNIARY PROFIT.

25           (H) "SENIOR CITIZENS ORGANIZATION" MEANS AN ORGANIZATION IN  
26 THIS STATE THAT IS ORGANIZED NOT FOR PECUNIARY PROFIT, THAT  
27 CONSISTS OF AT LEAST 15 MEMBERS WHO ARE 60 YEARS OF AGE OR OLDER,

1 AND THAT EXISTS FOR THEIR MUTUAL SUPPORT AND FOR THE ADVANCEMENT  
2 OF THE CAUSES OF ELDERLY OR RETIRED PERSONS.

3 (I) "SERVICE ORGANIZATION" MEANS EITHER OF THE FOLLOWING:

4 (i) A BRANCH, LODGE, OR CHAPTER IN THIS STATE OF A NATIONAL  
5 OR STATE ORGANIZATION THAT IS ORGANIZED NOT FOR PECUNIARY PROFIT  
6 AND THAT IS AUTHORIZED BY ITS WRITTEN CONSTITUTION, CHARTER,  
7 ARTICLES OF INCORPORATION, OR BYLAWS TO ENGAGE IN A FRATERNAL,  
8 CIVIC, OR SERVICE PURPOSE IN THIS STATE.

9 (ii) A LOCAL CIVIC ORGANIZATION IN THIS STATE THAT IS  
10 ORGANIZED NOT FOR PECUNIARY PROFIT; THAT IS NOT AFFILIATED WITH A  
11 STATE OR NATIONAL ORGANIZATION; THAT IS RECOGNIZED BY RESOLUTION  
12 ADOPTED BY THE LOCAL GOVERNMENTAL SUBDIVISION IN WHICH THE  
13 ORGANIZATION CONDUCTS ITS PRINCIPAL ACTIVITIES; WHOSE  
14 CONSTITUTION, CHARTER, ARTICLES OF INCORPORATION, OR BYLAWS  
15 CONTAIN A PROVISION FOR THE PERPETUATION OF THE ORGANIZATION AS A  
16 NONPROFIT ORGANIZATION; WHOSE ENTIRE ASSETS ARE USED FOR  
17 CHARITABLE PURPOSES; AND WHOSE CONSTITUTION, CHARTER, ARTICLES OF  
18 INCORPORATION, OR BYLAWS CONTAIN A PROVISION THAT ALL ASSETS,  
19 REAL PROPERTY, AND PERSONAL PROPERTY SHALL REVERT TO THE BENEFIT  
20 OF THE LOCAL GOVERNMENTAL SUBDIVISION THAT GRANTED THE RESOLUTION  
21 OR ANOTHER NONPROFIT ORGANIZATION ON DISSOLUTION OF THE  
22 ORGANIZATION.

23 (J) ~~(15)~~ "Small bingo" means a series of bingo occasions  
24 that occur on a regular basis during which the total value of all  
25 prizes awarded ~~through~~ **FOR** bingo **GAMES** at a single occasion does  
26 not exceed \$300.00 and the total value of all prizes awarded for  
27 a single bingo game does not exceed \$25.00.

1       (K) ~~(16)~~—"Small raffle" means an event during which the  
2 total value of all prizes awarded through raffle drawings does  
3 not exceed \$500.00 during 1 occasion.

4       (I) ~~(17)~~—"Special bingo" means a single or consecutive series  
5 of bingo occasions during which the total value of all prizes  
6 awarded ~~through~~ **FOR** bingo **GAMES** at a single occasion does not  
7 exceed \$3,500.00 and the total value of all prizes awarded for a  
8 single bingo game does not exceed \$1,100.00.

9       (M) ~~(18)~~—"Supplier" means a person licensed under this act  
10 to rent, sell, or lease equipment or to sell charity game or  
11 numeral game tickets to qualified organizations licensed under  
12 this act.

13       (N) **"VETERANS' ORGANIZATION" MEANS AN ORGANIZATION IN THIS**  
14 **STATE, OR A BRANCH, LODGE, OR CHAPTER IN THIS STATE OF A STATE**  
15 **ORGANIZATION OR OF A NATIONAL ORGANIZATION CHARTERED BY THE**  
16 **CONGRESS OF THE UNITED STATES, THAT IS ORGANIZED NOT FOR**  
17 **PECUNIARY PROFIT, THE MEMBERSHIP OF WHICH CONSISTS OF INDIVIDUALS**  
18 **WHO WERE MEMBERS OF THE ARMED SERVICES OR ARMED FORCES OF THE**  
19 **UNITED STATES. VETERANS' ORGANIZATION INCLUDES AN AUXILIARY OF A**  
20 **VETERANS' ORGANIZATION THAT IS A NATIONAL ORGANIZATION CHARTERED**  
21 **BY THE CONGRESS OF THE UNITED STATES.**

22       Sec. 4. (1) ~~Each~~ **AN** applicant for a license to conduct a  
23 bingo, ~~millionaire party,~~ raffle, charity game, or numeral game  
24 **EVENT** shall submit to the bureau a written application on a form  
25 prescribed by the commissioner.

26       (2) The application ~~shall~~ **UNDER SUBSECTION (1) MUST** include  
27 all of the following:

(a) The name and address of the applicant organization.

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

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

(d) The day or dates of the event.

(e) The member or members of the applicant organization who will be responsible for the conduct of the event.

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

(g) A sworn statement attesting to the nonprofit status of the applicant organization, signed by the principal officer of ~~that~~ **THE** organization.

(h) Other information the commissioner considers necessary.

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

	<u>License</u>	<u>Fee</u>
(a)	Large bingo.....	\$ 150.00
(b)	Small bingo.....	\$ 55.00
(c)	Special bingo.....	\$ 25.00
<del>(d)</del>	<del>Millionaire party.....</del>	<del>\$ 50.00 per day</del>
(D) <del>(e)</del>	Large raffle.....	\$ 50.00 per

drawing date

(E) ~~(f)~~ Small raffle:

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

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

drawing date

(F) ~~(g)~~ Annual charity game.....\$ 200.00

(G) ~~(h)~~ Special charity game.....\$ 15.00 per day

(H) ~~(i)~~ Numeral game.....\$ 15.00 per day

(2) Under extreme hardship conditions as determined by the commissioner, the commissioner may waive 1 or more requirements ~~of~~ **FOR A PERSON TO BE** a qualified organization ~~described in section 3~~ **UNDER SECTION 3A(D)** to permit the licensing of a special bingo ~~, millionaire party,~~ or raffle **EVENT**, if all of the following conditions are met:

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

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

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

(d) The organization complies with all other **APPLICABLE** provisions of this ~~act~~ **ARTICLE** and rules promulgated under this ~~act~~ **ARTICLE**.

(3) Under extreme hardship conditions as determined by the commissioner, the commissioner may allow an individual or a group



1 of individuals to obtain a license to conduct a special bingo ~~7~~  
2 ~~millionaire party, EVENT~~ or raffle if all of the following  
3 conditions are met:

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

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

10 (c) The individual or group of individuals complies with all  
11 other **APPLICABLE** provisions of this ~~act~~ **ARTICLE** and the rules  
12 promulgated under this ~~act~~ **ARTICLE**.

13 (4) Each event license issued to a qualified organization  
14 **UNDER THIS SECTION** is valid for only the location included on the  
15 license.

16 (5) A license **ISSUED UNDER THIS SECTION** is not assignable or  
17 transferable.

18 ~~(6) The A licensee is responsible for ensuring~~ **SHALL ENSURE**  
19 that the events **CONDUCTED UNDER A LICENSE ISSUED UNDER THIS**  
20 **SECTION** are conducted in compliance with **THE APPLICABLE**  
21 **PROVISIONS OF** this ~~act~~ **ARTICLE** and rules **PROMULGATED UNDER THIS**  
22 **ARTICLE**.

23 (7) ~~A~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A**  
24 licensee shall only conduct events licensed under this ~~act~~  
25 **SECTION** during the hours and on the ~~day and date~~ or dates stated  
26 on the license.

27 (8) In connection with an application for a small raffle

1 license or a large raffle license, in determining whether a  
 2 fraternal organization that is not a branch, lodge, or chapter of  
 3 a national or state organization is a qualified organization, the  
 4 commissioner shall only consider whether the organization meets  
 5 requirements that are applicable under this ~~act~~**ARTICLE** that are  
 6 unrelated to whether the organization is a branch, lodge, or  
 7 chapter of a national or state organization.

8       Sec. 8. (1) All fees and revenue collected by the  
 9 commissioner or bureau under this act shall be paid into the  
 10 state lottery fund **CREATED UNDER SECTION 41 OF THE MCCAULEY-**  
 11 **TRAXLER-LAW-BOWMAN-MCNEELY LOTTERY ACT, 1972 PA 239, MCL 432.41.**

12 All necessary expenses incurred by the bureau in the  
 13 administration and enforcement of any activity authorized by this  
 14 act and in the initiation, implementation, and ongoing operation  
 15 of any activity authorized by this act shall be financed from the  
 16 state lottery fund.

17       (2) **ALL FEES AND REVENUE COLLECTED BY THE EXECUTIVE DIRECTOR**  
 18 **OR BOARD UNDER THIS ACT SHALL BE PAID INTO THE STATE LOTTERY FUND**  
 19 **CREATED UNDER SECTION 41 OF THE MCCAULEY-TRAXLER-LAW-BOWMAN-**  
 20 **MCNEELY LOTTERY ACT, 1972 PA 239, MCL 432.41. ALL NECESSARY**  
 21 **EXPENSES INCURRED BY THE EXECUTIVE DIRECTOR OR BOARD IN THE**  
 22 **ADMINISTRATION AND ENFORCEMENT OF ANY ACTIVITY AUTHORIZED BY THIS**  
 23 **ACT AND IN THE INITIATION, IMPLEMENTATION, AND ONGOING OPERATION**  
 24 **OF ANY ACTIVITY AUTHORIZED BY THIS ACT SHALL BE FINANCED FROM THE**  
 25 **STATE LOTTERY FUND.**

26       (3) The amount of ~~these necessary expenses shall~~**INCURRED**  
 27 **UNDER SUBSECTIONS (1) AND (2) MAY** not exceed the amount of

1 revenues received from the sale of charity game tickets and all  
 2 fees collected under this act. At the end of each fiscal year all  
 3 money, including interest, in the state lottery fund ~~which~~**THAT**  
 4 is attributable to fees and revenue collected under this act but  
 5 ~~which~~**THAT** has not been expended under this section shall be  
 6 deposited in the state general fund.

7       Sec. 9. (1) Except as provided in subsection (2), the entire  
 8 net proceeds of an event **CONDUCTED UNDER A LICENSE ISSUED UNDER**  
 9 **THIS ARTICLE** shall be devoted exclusively to the lawful purposes  
 10 of the licensee. A licensee shall not incur or pay an item of  
 11 expense in connection with ~~the~~ holding, operating, or conducting  
 12 ~~of an event~~ except the following expenses in ~~reasonable~~ amounts  
 13 **THAT THE COMMISSIONER DETERMINES TO BE REASONABLE:**

14       (a) The purchase or rental of equipment necessary for  
 15 conducting an event and payment of services reasonably necessary  
 16 for the repair of equipment.

17       (b) Cash prizes or the purchase of prizes of merchandise.

18       (c) Rental of the location at which the event is conducted.

19       (d) Janitorial services.

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

22       (f) Other reasonable expenses incurred by the licensee, not  
 23 inconsistent with this ~~act~~, **ARTICLE**, as permitted by rule of the  
 24 commissioner.

25       (2) A qualified organization described in section ~~3(g)(ii)~~  
 26 **3A(D)(ii)** shall use the entire net proceeds of an event, after  
 27 paying items of expense incurred in reasonable amounts in

1 connection with the holding, operating, or conducting of the  
2 event and listed in subsection (1), only for the expense of  
3 training or purchasing goods or services for the support of the  
4 activities of the component.

5       Sec. 10. (1) Only a member of the qualified organization  
6 shall participate in the management of an event.

7       (2) A person shall not receive any commission, salary, pay,  
8 profit, or wage for participating in the management or operation  
9 of **A bingo EVENT**, ~~a millionaire party~~, a raffle, or a charity  
10 game except as provided by rule promulgated under this  
11 ~~act~~. **ARTICLE.**

12       (3) Except by special permission of the commissioner, a  
13 licensee shall conduct bingo ~~or a millionaire party~~ **GAMES** only  
14 with equipment that it owns, uses under a bureau-approved rental  
15 contract, or is purchasing or renting at a reasonable rate from a  
16 supplier.

17       (4) A licensee shall not advertise **A bingo EVENT** except to  
18 the extent and in the manner permitted by rule promulgated under  
19 this ~~act~~. **ARTICLE.** If the commissioner permits a licensee to  
20 advertise **A bingo EVENT**, the licensee shall indicate in the  
21 advertisement the purposes for which the net proceeds will be  
22 used by the licensee.

23 ~~—— (5) The holder of a millionaire party license shall not~~  
24 ~~advertise the event, except to the extent and in the manner~~  
25 ~~permitted by rule promulgated under this act. If the commissioner~~  
26 ~~permits a licensee to advertise the event, the licensee shall~~  
27 ~~indicate in the advertising the purposes for which the net~~

1 ~~proceeds will be used by the licensee.~~

2       Sec. 11b. (1) ~~Each~~ **AN** applicant for a license or renewal of  
3 a license to operate as a supplier of equipment, charity game  
4 tickets, or numeral game tickets to qualified organizations  
5 licensed under this ~~act~~ **ARTICLE** shall submit a written  
6 application to the bureau on a form prescribed by the  
7 commissioner.

8       (2) ~~The~~ **AN** applicant **UNDER THIS SECTION** shall pay an annual  
9 license fee of \$300.00 at the time of the application.

10       (3) A supplier's license **ISSUED UNDER THIS SECTION** expires  
11 at 12 midnight on September 30 of each year.

12       (4) The commissioner shall require suppliers authorized to  
13 sell charity game tickets, numeral game tickets, or both, to post  
14 a performance bond of not less than \$50,000.00 and not greater  
15 than \$1,000,000.00.

16       (5) A supplier shall remit to the bureau an amount equal to  
17 the qualified organization's purchase price of the charity game  
18 tickets less an amount that shall not be less than the sum of  
19 \$.008 for each ticket sold plus 1.0% of the total resale value  
20 for all charity game tickets sold.

21       (6) For each numeral game sold, the supplier shall issue to  
22 the licensed organization an invoice listing the manufacturer and  
23 serial number of each game.

24       (7) ~~The~~ **A SUPPLIER SHALL COLLECT A** fee ~~collected by a~~  
25 ~~supplier from the~~ **A** qualified organization for each game of  
26 numeral tickets sold ~~shall be~~ **THAT EQUALS** \$5.00 per 1,000 tickets  
27 or any portion of 1,000 tickets.

(8) ~~The~~ **A SUPPLIER SHALL REMIT THE** fees collected by the supplier for each numeral game sold shall be remitted **UNDER SUBSECTION (7)** to the bureau by the fifteenth day of the month following the month in which the numeral game is sold. ~~A~~ **THE COMMISSIONER MAY ASSESS A** late fee of 25% of the amount due ~~may be assessed by the commissioner against any~~ **A** supplier who fails to remit the fees by the required filing date.

(9) A supplier shall only display, offer for sale, sell, or otherwise make available to a qualified organization numeral game tickets that have been obtained from a manufacturer.

(10) A person who is directly or indirectly connected to the sale, rental, or distribution of bingo ~~or millionaire party~~ equipment, or the sale of charity game tickets or numeral game tickets, 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.

(11) A supplier **LICENSED UNDER THIS SECTION** shall submit to the bureau a report as required by the commissioner regarding the sale or rental of equipment and the sale of charity game tickets and numeral game tickets.

Sec. 12. (1) The bureau shall enforce and supervise the administration of this ~~act~~. **ARTICLE**. The commissioner shall employ personnel as necessary to implement this ~~act~~. **ARTICLE**.

(2) The bureau may select fraternal organizations that are not a branch, lodge, or chapter of a national or state organization to audit to ensure that the organizations are in compliance with this ~~act~~. **ARTICLE**.

1       Sec. 13. The commissioner shall promulgate rules pursuant to  
 2 the administrative procedures act of 1969, 1969 PA 306, MCL  
 3 24.201 to 24.328, to implement this ~~act~~. **ARTICLE.**

4       Sec. 14. (1) ~~Each~~ **A licensee UNDER THIS ARTICLE** shall keep a  
 5 record of each event as required by the commissioner. ~~The~~ **A**  
 6 **LICENSEE SHALL ALLOW A REPRESENTATIVE AUTHORIZED BY THE BUREAU TO**  
 7 **INSPECT A** record **KEPT UNDER THIS SUBSECTION** and all financial  
 8 accounts into which proceeds from events ~~licensed under this act~~  
 9 are deposited or transferred ~~shall be open to inspection by a~~  
 10 ~~duly authorized representative of the bureau during reasonable~~  
 11 business hours.

12       (2) ~~Each~~ **A licensee UNDER THIS ARTICLE** shall file with the  
 13 commissioner a financial statement signed by the principal  
 14 officer of the qualified organization of receipts and expenses  
 15 related to the conduct of each event as ~~may be required by rule~~  
 16 promulgated under this ~~act~~. **ARTICLE.** If the revenue from a bingo  
 17 ~~game, millionaire party, raffle, numeral game, or charity game~~  
 18 **EVENT** is represented to be used or applied by a licensee **UNDER**  
 19 **THIS ARTICLE** for a charitable purpose, the licensee shall file a  
 20 copy of the financial statement with the attorney general under  
 21 the supervision of trustees for charitable purposes act, 1961 PA  
 22 101, MCL 14.251 to 14.266.

23       (3) ~~The~~ **A LICENSEE UNDER THIS ARTICLE SHALL ALLOW AN**  
 24 **AUTHORIZED REPRESENTATIVE OF THE BUREAU OR THE DEPARTMENT OF**  
 25 **STATE POLICE OR A LAW ENFORCEMENT OFFICER OF A POLITICAL**  
 26 **SUBDIVISION OF THIS STATE TO INSPECT THE** location ~~at which events~~  
 27 ~~licensed under this act are conducted or at which an applicant or~~

~~licensee intends to conduct an event licensed under this act shall be open to inspection at all times by a duly authorized representative of the bureau or by the state police or a peace officer of a political subdivision of this state.~~ **OR AN INTENDED LOCATION DURING BUSINESS HOURS.**

Sec. 15. ~~Annually the~~ **THE** commissioner shall report **ANNUALLY** to the governor and the legislature about the operation of events licensed under this act ~~within this state,~~ **ARTICLE**, abuses that the bureau may have encountered, and recommendations for changes in this act.

Sec. 16. (1) The commissioner may deny, suspend, summarily suspend, or revoke ~~any~~ **A** license issued under this act ~~ARTICLE~~ if the licensee or an officer, director, agent, member, or employee of the licensee violates this act ~~ARTICLE~~ or **A** rule promulgated under this act. ~~ARTICLE~~. The commissioner 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 ~~shall be considered~~ **UNDER THIS ARTICLE IS** a contested case ~~and shall be~~ governed by the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(3) Upon petition of the commissioner, 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 it has jurisdiction, control, or supervision. If a person subpoenaed to attend in any such proceeding or hearing fails to obey the



1 command of the subpoena without reasonable cause, or if a person  
2 in attendance in any such proceeding or hearing refuses, without  
3 lawful cause, to be examined or to answer a legal or pertinent  
4 question or to exhibit a book, account, record, or other document  
5 when ordered to do so by the court, that person may be punished  
6 as ~~a~~-**BEING IN** contempt of the court.

7 (4) With approval of the commissioner, a **BINGO** hall  
8 licensee, in lieu of a suspension of its license, may elect to  
9 pay a fine equal to the amount of rent that would have been paid  
10 by ~~the~~ bingo licensees during the period of the suspension. This  
11 fine shall be paid to the bureau on or before the date agreed to  
12 in the suspension agreement entered into by the bureau and the  
13 **BINGO** hall licensee.

14 Sec. 19. (1) Except as provided in subsection (2), any other  
15 law providing a penalty or disability upon a person who conducts  
16 or participates in a **RAFFLE**, bingo game, millionaire party, or  
17 charity game; who sells or possesses equipment used in conducting  
18 **A RAFFLE**, bingo, or a millionaire party; who permits **A RAFFLE**,  
19 bingo, a millionaire party, or a charity game to be conducted on  
20 his or her premises; or who does other acts in connection with **A**  
21 **RAFFLE**, bingo, a millionaire party, or a charity game does not  
22 apply to that conduct if done pursuant to this act or rules  
23 promulgated under this act.

24 (2) Subsection (1) does not limit in any way the application  
25 of the Michigan campaign finance act, ~~Act No. 388 of the Public~~  
26 ~~Acts of 1976, being sections 1976 PA 388, MCL 169.201 to 169.282,~~  
27 ~~of the Michigan Compiled Laws,~~ including, but not limited to,

1 ~~section 41 of Act No. 388 of the Public Acts of 1976, being~~  
2 ~~section~~ **THE MICHIGAN CAMPAIGN FINANCE ACT, 1976 PA 388, MCL**  
3 ~~169.241, of the Michigan Compiled Laws, to fundraising~~ **FUND-**  
4 **RAISING** events conducted by or for the benefit of a committee  
5 that has filed or is required to file a statement of organization  
6 ~~pursuant to Act No. 388 of the Public Acts of 1976.~~ **UNDER THE**  
7 **MICHIGAN CAMPAIGN FINANCE ACT, 1976 PA 388, MCL 169.201 TO**  
8 **169.282.**

9       Enacting section 1. Sections 10a, 10b, and 20 of the  
10 Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 732.110a,  
11 432.110b, and 432.120, are repealed.

12       Enacting section 2. This amendatory act does not take effect  
13 unless House Bill No. 4293 of the 98th Legislature is enacted  
14 into law.