



SENATE BILL No. 1077

March 24, 1994, Introduced by Senator EMMONS and referred
to the Committee on State Affairs and Military/Veteran
Affairs

A bill to amend sections 3, 7a, and 10 of Act No 382 of the
Public Acts of 1972, entitled as amended
"Traxler-McCauley-Law-Bowman bingo act,"
sections 3 and 10 as amended and section 7a as added by Act
No 229 of the Public Acts of 1981, being sections 432 103
432 107a, and 432 110 of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 3, 7a and 10 of Act No 382 of the
2 Public Acts of 1972, sections 3 and 10 as amended and section 7a
3 as added by Act No 229 of the Public Acts of 1981, being sec-
4 tions 432 103, 432 107a, and 432 110 of the Michigan Compiled
5 Laws, are amended to read as follows

6 Sec 3 (1) "Educational organization" means an
7 organization within this state — THAT IS ORGANIZED not for
8 pecuniary profit, whose primary purpose is educational in nature

1 and designed to develop the capabilities of individuals by
2 instruction in any public or private elementary or secondary
3 school ~~which~~ THAT complies with THE SCHOOL CODE OF 1976, Act
4 No 451 of the Public Acts of 1976, as amended, being sections
5 380 1 to 380 1852 of the Michigan Compiled Laws or any private
6 or public college or university — THAT IS ORGANIZED not for
7 pecuniary profit —, and THAT IS approved by the state board of
8 education

9 (2) "Fraternal organization" means an organization within
10 this state, except A college ~~fraternities~~ FRATERNITY OR
11 SORORITY, THAT IS ORGANIZED not for pecuniary profit ~~—, which~~
12 THAT is a branch lodge, or chapter of a national or state
13 organization and THAT exists for the common business brother-
14 hood, or other interests of its members

15 (3) "Licensee" means a PERSON OR qualified organization
16 licensed pursuant to this act

17 (4) "Member" means an individual who qualified for member-
18 ship in a qualified organization pursuant to its bylaws articles
19 of incorporation charter rules or other written statement

20 (5) "Person" means a natural person, firm association cor-
21 poration, or other legal entity

22 (6) "Qualified organization" means a bona fide religious
23 educational, service, senior citizens fraternal, or veterans'
24 organization ~~which~~ THAT operates without profit to its members
25 and ~~which~~ THAT either has been in existence continuously as
26 ~~such~~ an organization for a period of 5 years or is exempt from
27 taxation imposed by THE SINGLE BUSINESS TAX ACT, Act No 228 of

1 the Public Acts of 1975, as amended, being sections 208 1 to
 2 208 145 of the Michigan Compiled Laws Qualified organization
 3 ~~shall also~~ DOES NOT include a candidate committee as defined
 4 by, and ~~which is~~ organized pursuant to, THE MICHIGAN CAMPAIGN
 5 FINANCE ACT, Act No 388 of the Public Acts of 1976, as amended
 6 being sections 169 201 to 169 282 of the Michigan Compiled Laws

7 (7) "Religious organization" means ~~an~~ ANY OF THE
 8 FOLLOWING

9 (A) AN organization, church, body of communicants or group
 10 ~~—, THAT IS ORGANIZED not for pecuniary profit —, gathered~~ AND
 11 THAT GATHERS in common membership for mutual support and edifica-
 12 tion in piety, worship, and religious ~~observances or any~~
 13 OBSERVANCES

14 (B) A society ~~—not for pecuniary profit—~~ of individuals
 15 ~~united~~ THAT IS ORGANIZED NOT FOR PECUNIARY PROFIT AND THAT
 16 UNITES for religious purposes at a definite place ~~—or a—~~

17 (C) A church related private school ~~—, THAT IS ORGANIZED~~
 18 not for pecuniary profit

19 (8) "Senior citizens organization" means an organization
 20 within this state ~~— THAT IS ORGANIZED not for pecuniary profit~~
 21 ~~which~~ THAT consists of at least 15 members who are 60 years of
 22 age or older, and THAT exists for their mutual support and
 23 ~~advancing~~ FOR THE ADVANCEMENT OF the causes of elderly or
 24 retired persons

25 (9) "Service organization" means ~~a~~ EITHER OF THE
 26 FOLLOWING

1 (A) A branch lodge or chapter of a national or state
2 organization — THAT IS ORGANIZED not for pecuniary profit —
3 ~~which~~ AND THAT is authorized by its written constitution
4 charter, articles of incorporation, or bylaws to engage in a fra-
5 ternal, civic, or service purpose within the state ~~— and a~~

6 (B) A local civic organization — THAT IS ORGANIZED not for
7 pecuniary profit ~~— and~~ THAT IS not affiliated with a state or
8 national organization ~~—, which~~ THAT is recognized by resolution
9 adopted by the ~~city~~ LOCAL GOVERNMENTAL SUBDIVISION in which the
10 organization conducts its principal activities — whose consti-
11 tution, charter, articles of incorporation or bylaws contain a
12 provision for the perpetuation of the organization as a nonprofit
13 organization whose entire assets are pledged to charitable
14 purposes ~~—~~ and whose constitution charter, articles of incor-
15 poration, or bylaws contain a provision that all assets real
16 property, and personal property shall revert to the benefit of
17 the ~~city government~~ LOCAL GOVERNMENTAL SUBDIVISION THAT GRANTED
18 THE RESOLUTION upon dissolution of the organization

19 (10) "Veterans' organization" means an organization within
20 this state, or a branch, ~~or~~ lodge or chapter within this state
21 of a state organization or of a national organization chartered
22 by the congress of the United States THAT IS ORGANIZED not for
23 pecuniary profit, the membership of which consists of individuals
24 who were members of the armed services or forces of the United
25 States

26 Sec 7a (1) The bureau may authorize a qualified
27 organization licensed to conduct a bingo game or a millionaire

1 party to conduct a charity game in conjunction with and at the
2 time and location of the licensed bingo game or the licensed mil-
3 lionaire party

4 (2) All charity game tickets used in the conduct of a char-
5 ity game shall be purchased by the qualified organization from
6 the bureau or a licensed supplier The bureau shall determine
7 the number of charity game tickets that constitute a charity
8 game The bureau also shall determine the price at which the
9 qualified organization shall resell each charity game ticket and
10 shall have that price printed on each charity game ticket

11 (3) The bureau or a licensed supplier shall sell charity
12 game tickets to a qualified organization, which is eligible to
13 conduct a charity game, at a percentage to be determined by the
14 bureau, of the gross revenues which are realized by the resale of
15 all the charity game tickets for that game at the price estab-
16 lished by the bureau The percentage retained by the qualified
17 organization shall be equal to the percentage received by the
18 bureau for the sale of charity game tickets A qualified organi-
19 zation which conducts a charity game shall be solely responsible
20 for paying prizes won by purchasers of winning charity game
21 tickets When all charity game tickets are resold for that game
22 prizes distributed shall have an aggregate value of as near as
23 practicable, not less than ~~60%~~ 65% of the resale value of all
24 the charity game tickets for that charity game

25 (4) The bureau shall determine the number of winning charity
26 game tickets provided on a random basis for resale for any 1

1 charity game and shall establish the value of the prize won by
2 each winning charity game ticket

3 (5) A charity game ticket shall not have a price for resale
4 by a qualified organization of less than 30 cents and a charity
5 game shall not have a single maximum prize exceeding ~~-\$200-00-~~
6 \$300 00

7 (6) The bureau shall have a bureau control number for iden-
8 tification purposes imprinted upon each charity game ticket

9 (7) A value of prizes awarded for a charity game shall not
10 be included within the prize limitations of a licensed bingo game
11 or millionaire party in conjunction with which the charity game
12 is held

13 (8) A charity game ticket shall not be sold to a person
14 under 18 years of age This subsection shall not prohibit the
15 purchase of a charity game ticket by a person 18 years of age or
16 older for the purpose of making a gift to a person under 18 years
17 of age, and shall not prohibit a person under 18 years of age
18 from receiving a prize or prizes won in a charity game conducted
19 pursuant to this act

20 (9) A qualified organization eligible to conduct a charity
21 game shall not advertise the event, except to the extent and in
22 the manner permitted by rule of the commissioner

23 Sec 10 (1) A person other than a bona fide member of the
24 qualified organization shall not participate in the management of
25 bingo, a millionaire party, or a charity game Persons other
26 than bona fide members of the qualified organization may

1 participate in the operation of bingo a millionaire party or a
2 charity game as provided by rule of the commissioner

3 (2) A person shall not receive any commission, salary, pay,
4 profit, or wage for participating in the management or operation
5 of bingo, a millionaire party, or a charity game except as pro-
6 vided by rule of the commissioner

7 (3) Except by special permission of the commissioner bingo
8 a millionaire party, or a charity game shall not be conducted
9 with any equipment which is not owned, being purchased, or being
10 rented at a reasonable rate by the qualified organization

11 (4) Except as provided in section 5(2) the aggregate retail
12 value of all prizes or merchandise awarded in a single day of
13 bingo shall not exceed ~~-\$2,000-00-~~ \$3,500 00 and the prize
14 awarded for 1 game shall not exceed ~~-\$500-00-~~ \$2 000 00 cash or
15 its equivalent A prize of merchandise shall not be redeemable
16 or convertible into cash directly or indirectly

17 (5) A licensee shall not advertise bingo except to the
18 extent and in the manner permitted by rule of the commissioner
19 If the commissioner permits a licensee to advertise bingo the
20 licensee shall indicate in the advertisement the purposes for
21 which the net proceeds will be used by the licensee

22 (6) Except as provided in section 10a(c) the aggregate
23 market value of all prizes or merchandise awarded in 1 day of a
24 millionaire party shall not exceed ~~-\$2,000-00-~~ \$5,000 00 A
25 person participating in the event shall not be awarded prizes or
26 merchandise having an aggregate value greater than \$500 00
27 Personal limitation on winnings shall be given at the location of

1 the event A prize of merchandise shall not be redeemable or
2 convertible into cash directly or indirectly

3 (7) A millionaire party may be described in the licensee's
4 advertising as a Las Vegas party The holder of a millionaire
5 party license shall not advertise the event, except to the extent
6 and in the manner permitted by rule of the commissioner If the
7 commissioner permits a licensee to advertise the event, the
8 licensee shall indicate in the advertising the purposes for which
9 the net proceeds will be used by the licensee and shall give
10 notice of the \$500 00 personal limitation on winnings required by
11 subsection (6)