



December 16, 2008

Charitable Gaming
Directive No. 3.08.04

Michigan Progressive Jackpot Electronically Linked Bingo Game

BACKGROUND

Section 3a (7) of Act 382 of the Public Acts of 1972 as amended, states in part, "...Michigan progressive jackpot may include bingo games that are linked together for the purpose of a common jackpot prize and consolation prize as prescribed by the commissioner." The Commissioner prescribes that the Michigan progressive jackpot electronically linked bingo game be conducted in accordance with this directive.

DEFINITIONS

1. "Awarded jackpot" means the actual ELBG jackpot prize amount awarded to the winning player(s).
2. "ELBG" means the Michigan progressive jackpot electronically linked bingo game.
3. "ELBG card" means the individual bingo face that is used only for the ELBG.
4. "First session" means the first bingo occasion in a new Progression of the ELBG.
5. "Hall Authorization Agreement" means the agreement signed by the Location owner authorizing the installation of all required ELBG equipment.
6. "Location" means the site at which a Participant conducts the ELBG.
7. "Lottery" means the Michigan Bureau of State Lottery, Charitable Gaming Division.
8. "Operator" means a business authorized by Lottery to provide the equipment and operate an ELBG program.
9. "Participant" means an organization issued a large bingo license that participates in the ELBG.
10. "Participant Agreement" means the signed agreement between the Participant and the Operator.
11. "Progression" means the sequence of Sessions beginning with the First session and ending when an ELBG jackpot prize is won.
12. "Session" means the period of time during which the ELBG is conducted.

TERMS AND CONDITIONS

13. The Operator shall submit an ELBG management plan providing all specifications required by Attachment 1.
14. The ELBG management plan must be approved by Lottery before the Operator may implement the ELBG program.
15. Any changes to a previously approved management plan must be submitted for the prior approval of Lottery.

16. Upon reasonable notice, Lottery may revoke its approval of the Operator's management plan.
17. The Operator shall post a bond in an amount determined by the Commissioner to cover any loss of funds for payment of ELBG prizes. The required bond amount may be modified at the discretion of the Commissioner.
18. A Participant Agreement must be executed prior to participating in the ELBG.
19. A Participant may only participate in the ELBG at Locations where the Location owner has signed a Hall Authorization Agreement.
20. A Participant may conduct two Michigan progressive jackpot bingo games provided one of the games is the ELBG.
21. A Participant shall not interrupt a Michigan progressive jackpot bingo game to conduct another Michigan progressive jackpot bingo game.
22. The Participant shall conduct at least one regular bingo game other than the ELBG during a licensed bingo occasion.
23. The Participant shall allow assistance for persons with mental or physical disabilities that prevent or restrict a person from playing the ELBG. Such assistance may be, but is not limited to:
 - a. Reserving or saving seats.
 - b. Assistance in the purchasing of ELBG cards.
 - c. Assistance in playing the ELBG.
24. If more than 1 room or area is used for the ELBG, then the following provisions shall apply:
 - a. All bingo numbers called shall be clearly visible to the players in all of the rooms or areas.
 - b. A worker shall be present at all times in each room or area while the ELBG is in progress.
25. A player may observe the Participant's verification of a winning ELBG card.

ELBG CARDS

26. ELBG cards shall not be sold as part of a book or package if the Participant offers a discount for the purchase of more than one book.
27. The Participant shall be accountable for all ELBG cards.
28. A Participant that is issued more than 1 large bingo license shall maintain separate ELBG card inventories for each license.
29. ELBG cards shall be stored on-site at the bingo Location and shall be available for inspection unless otherwise approved in writing by Lottery.
30. The Participant shall not exchange, sell, share, or mix ELBG cards with ELBG cards belonging to another Participant.

ELBG JACKPOT PRIZE

31. An ELBG jackpot prize winner is entitled only to the Awarded jackpot amount which is comprised of the actual jackpot prize monies collected by the Operator for that particular Progression, or the amount approved by the Commissioner, whichever is greater.

32. If the Operator collects past due prize monies from a Participant, the past due monies will be added to the ELBG jackpot prize of the next Session.
33. If an ELBG jackpot prize remains unclaimed for 90 days from the date the prize is won, the unclaimed ELBG jackpot prize shall be added to the First session ELBG jackpot prize of a subsequent Progression.

GAME RECORDS AND REPORTING REQUIREMENTS

34. The Participant shall complete the Michigan Progressive Jackpot Coverall Record.
35. The Participant shall complete the Michigan Progressive Jackpot Bingo Game form except for the following lines:
 - a. "Prior occasion's progressive jackpot prize"
 - b. "Progressive jackpot prize or amount carried forward"
 - c. "If progressive jackpot awarded, enter check number"
36. The ELBG jackpot prize contributions and Consolation prizes paid shall be reported as "Michigan Progressive Jackpot Prizes" on the Large or Small Bingo Financial Statement.
37. The ELBG fees paid by the Participant to the Operator shall be reported as "Other Expenses" on the Large Bingo Financial Statement.

DISCLAIMER

38. If an ELBG player has a dispute with the Lottery, the Operator, or the Participant, as to whether an ELBG card(s) is valid, whether an ELBG card(s) is a winner, the rules of the game, ELBG game conduct, the amount of the Awarded jackpot, or for any other reason, the Participant may refund the price of the ELBG card(s). This shall be the sole and exclusive remedy of the ELBG player in the event of any disputes.

TERMINATION OF ELBG

39. Upon reasonable notice, the Commissioner may terminate the ELBG at any time.

OPERATOR PROMOTIONS

40. Promotional activity conducted by the Operator must comply with all federal, state, and local laws. The prizes awarded by the Operator as a promotional activity must specifically comply with the following:
 - a. Prizes awarded through the conduct of the ELBG are not subject to the limitations set forth at MCL 432.103a and must not be awarded from the funds collected for the ELBG jackpot prize or Bonus prize.
 - b. For prizes awarded by any other method than through the conduct of the ELBG:
 - i. The Participant shall record the prize on the Bingo Prize Payout Log.
 - ii. The total prizes awarded for a single game shall not exceed \$1,100.
 - iii. The total prizes awarded during the bingo occasion shall not exceed \$3,500.

HOUSE RULES

41. House rules must be in accordance with Bingo Rule R 432.21314 and shall also contain the following information:
- a. The amount of a Consolation prize, if awarded, for the ELBG.
 - b. The following statements:
 - i. If an ELBG player has a dispute with the Lottery, the Operator, or the bingo licensee, as to whether a ELBG card(s) is valid, whether a ELBG card(s) is a winner, the rules of the game, ELBG game conduct, the amount of the Awarded jackpot, or for any other reason, a refund of the price of the ELBG card(s) may be made at the discretion of the bingo chairperson. This shall be the sole and exclusive remedy of the ELBG player in the event of any disputes.
 - ii. It is an ELBG player's responsibility to ensure that he or she receive a corresponding receipt for the ELBG cards purchased indicating the ELBG cards have been activated.
 - iii. An ELBG card(s) may not be considered valid without a corresponding receipt indicating the ELBG card(s) has been activated.

Signed copy available upon request

M. Scott Bowen, Lottery Commissioner

Date

ATTACHMENT 1

ELECTRONICALLY LINKED BINGO GAME (ELBG) Management Plan Specifications

A business wishing to implement an ELBG program must submit for the Lottery's prior approval a management plan that includes the following specifications:

1. Detailed description of the communications network including a description of the equipment to be installed at each participating location.
2. Detailed network security plan.
3. Contingency plan for communications disruptions and hardware or software malfunctions.
4. Method for generating the bingo numbers at the host facility. If a random number generator (RNG) is used, submit certification of the RNG from an independent reputable gaming laboratory.
5. Method to verify winning cards.
6. Sample of the ELBG bingo card.
7. Process for card distribution and inventory tracking.
8. Sample of a report summarizing card sales that will be printed by each bingo licensee at the end of the linked bingo session.
9. Process for transferring fees and prize monies to the Operator.
10. Detailed description of revenue distribution.
11. Detailed description of the proposed game including rules of play.
12. Description of prize(s) including how the prize(s) is won, funded, and paid out.
13. Eligibility criteria for bingo licensees to participate in the ELBG.
14. A sample of the Participant Agreement that includes all terms and conditions for a bingo licensee to participate in the ELBG.
15. A sample of the Hall Authorization Agreement that grants permission for the installation of equipment at a participating location.
16. Proof of a performance bond in the amount of \$100,000 to cover the loss of funds held by the Operator to pay prizes.
17. Detailed marketing and advertising plan.