

PART 2. GAMING LICENSING

R 432.21201 Definitions.

Rule 201. (1) As used in this part, "bona fide," when referring to an organization, means a nonprofit organization that meets all of the requirements of the act and these rules and is organized and operated to accomplish the purposes stated in the act for that organization category and in the organization's bylaws, constitution, charter, or articles of incorporation.

(2) As used in this part, "gaming license," means a valid large bingo, small bingo, special bingo, large raffle, small raffle, annual charity game ticket, special charity game ticket, or numeral game license issued by the bureau.

432.21202 Qualification requirements.

Rule 202. (1) Each applicant applying for a gaming license who has not previously qualified shall first submit qualification information as required by the bureau.

(2) Except as provided in the act, each applicant shall provide proof that its bylaws, constitution, articles of incorporation, or the bylaws or constitution of its parent organization include a statement of dissolution. The statement of dissolution shall state that all assets of the qualifying organization remaining upon dissolution, after satisfying its debts, be distributed to the local government or another nonprofit organization.

(3) The bureau, at its discretion, may require a previously qualified organization to submit updated qualification information to assure the organization's continued eligibility under the act.

(4) In addition to the requirements of the act, the commissioner shall consider certain factors when determining if an applicant or licensee qualifies as a "branch," "lodge," or "chapter." These include, but are not limited to, the following:

(a) Charter or similar document issued by the national or state organization upon acceptance as a branch, lodge, or chapter.

(b) Conditions established by the national or state organization for the revocation or suspension of the charter or relationship.

(c) Dues or financial support submitted to the national or state organization by the branch, lodge, or chapter.

(d) Degree of control exerted by the national or state organization over the activities of the branch, lodge, or chapter.

(e) Oversight and control provided by the national or state organization over the financial affairs of the branch, lodge, or chapter, including the audit of financial records of the branch, lodge, or chapter.

(f) Standard bylaws adopted by the branch, lodge, or chapter or bylaws submitted to the national or state organization for approval.

(g) Appointed or elected officers of the branch, lodge, or chapter who are responsible for the activities of the branch, lodge, or chapter.

(h) Ability of the branch, lodge, or chapter to influence activities (normally demonstrated by voting privileges) at the state or national level.

R 432.21203 Minimum Age.

Rule 203. The principal officer of a qualified organization submitting a gaming license application shall be 18 years of age or older.

R 432.21204 Gaming license applications.

Rule 204. (1) A qualified organization, unless ineligible under the act, shall be eligible to apply for a gaming license.

(2) A qualified organization shall submit an application for a gaming license on a form provided by or approved in writing by the bureau.

(3) In addition to the gaming license application, the applicant shall submit additional information as directed by the bureau.

(4) The gaming license application shall be accompanied by the appropriate fee.

(5) If a gaming license application is cancelled or denied, then the bureau may retain a portion of the original statutory fee submitted to cover processing costs.

(6) An applicant shall disclose to the bureau whether any individual, officer, or agent of the applicant has ever been convicted or becomes convicted of, or forfeited bond upon 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.

(7) Any changes to the information provided on or attached to the gaming license application shall be immediately reported to the bureau in writing.

R 432.21205 Additional eligibility factors.

Rule 205. In addition to the requirements of the act, the commissioner shall consider the following factors when reviewing a gaming license application or renewal application:

- (a) The honesty and integrity of the applicant.
- (b) The veracity and accuracy of any information supplied to the bureau by the applicant.
- (c) The applicant's indebtedness to local, state, or federal government.
- (d) A pending lawsuit or bankruptcy proceeding involving the applicant.
- (e) The applicant's current or past history of compliance with the act, these rules, terms of probation, directives of the bureau, public policy of the state of Michigan, or any other local, state, or federal law or regulation.
- (f) Criminal convictions of the applicant or any individual, officer, or agent of the applicant for any of the following offenses:
 - (i) A violation of the act.
 - (ii) A felony.
 - (iii) A gambling offense.
 - (iv) Criminal fraud.
 - (v) Forgery.
 - (vi) Larceny.
 - (vii) Filing a false report with a governmental agency.
- (g) Any other information considered advisable by the commissioner.

R 432.21206 Gaming license terms and conditions.

Rule 206. (1) Upon the issuance of a gaming license, the qualified organization agrees to all of the following terms and conditions:

- (a) To be bound by and comply with the act, these rules, terms of probation, directives of the bureau, public policy of the state of Michigan, and any other local, state, and federal laws and regulations.
- (b) To not assign or transfer the gaming license.
- (c) To maintain current and accurate records of all operations in conjunction with licensed gaming events in conformity with the act, these rules, terms of probation, and directives of the bureau.

(d) To conduct the licensed gaming event in accordance with the information submitted on the application approved by the bureau.

(e) To conduct the licensed gaming event only on the day, days of the week, date, dates, time, and at the specific location within Michigan that is stated on the license.

(f) To immediately report to the bureau in writing any change in the information stated on or attached to the gaming license application.

(g) To hold the bureau and the state harmless from any liability, including, but not limited to, taxes and legal expenses.

(2) The location at which the licensed gaming event takes place shall be open to inspection by an authorized representative of the bureau during the occasion.

(3) A person shall not refuse to cooperate with, hinder, or obstruct in any way, an authorized representative of the bureau while the representative is in the performance of official duties.

R 432.21207 Changes to qualification information.

Rule 207. (1) A qualified organization shall immediately report to the bureau in writing any change to the organization's qualification documentation.

(2) A qualified organization shall immediately submit a copy of the appropriate amended document to the bureau if there is a change in any of the following:

(a) Constitution.

(b) Bylaws.

(c) Articles of incorporation.

(d) Any other qualification document previously submitted to the bureau.

(e) Internal Revenue Service tax-exempt status.

R 432.21208 Request for gaming license changes; cancellations.

Rule 208. (1) To change the location, day, date, dates, or time of a licensed gaming event, a qualified organization shall submit a request to the bureau in writing not less than 20 days before the proposed change.

(2) If a special bingo, large raffle, small raffle, special charity game ticket, or numeral game cannot be held on the date approved by the bureau because of inclement weather or other emergency conditions, then the qualified organization may submit a request to the bureau in writing for a new licensed gaming event date.

(3) A qualified organization shall notify the bureau in writing not less than 10 days before the planned cancellation of a licensed gaming event.