

**DEPARTMENT OF TREASURY**

**EXECUTIVE DIRECTOR OF THE MICHIGAN GAMING CONTROL BOARD**

**MILLIONAIRE PARTIES**

(By authority conferred on the executive director of the Michigan gaming control board by section 49 of the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.149)

**PART 1. GENERAL PROVISIONS**

**R 432.101 Definitions.**

Rule 101. (1) As used in these rules:

(a) "Act" means the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101 to 432.152.

(b) "Administrative procedures act" means the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(c) "Charitable purpose" means 1 or more of the following causes, deeds, or activities that are beneficial to the general public:

(i) Relief of poverty.

(ii) Advancement of education.

(iii) Advancement of religion.

(iv) Protection of health or relief from disease, suffering, or distress.

(v) Advancement of civic, governmental, or municipal purposes.

(vi) Protection of the environment and conservation of wildlife.

(vii) Defense of human rights and the elimination of prejudice and discrimination.

(viii) Any other purpose that the executive director determines to be beneficial to the general public.

(d) "Compliance meeting" means a meeting as prescribed by the administrative procedures act, conducted by the executive director, where the licensee has an opportunity to show compliance with the act, these rules, terms of probation, directives, public policy of this state, or any other local, state, or federal law or regulation.

(e) "Compliance meeting notice" means the document issued by the executive director before the compliance meeting to inform a licensee of the date, time, and location of the compliance meeting.

(f) "Contested case hearing" means a formal hearing before a hearing officer conducted as prescribed by the administrative procedures act.

(g) "Contested case hearing notice" means the document issued by the executive director before the contested case hearing to inform a licensee of the date, time, and location of the contested case hearing.

(h) "Day" means the standard 24-hour period, except when referring to the issuance of a millionaire party license, when it means the time period from 8 a.m. of 1 day to 2 a.m. of the following day.

- (i) “General public” means society as a whole or any considerable part of society.
- (j) “Gross profit” means total revenue less chip redemptions and prizes. Gross profit does not include the license fee.
- (k) “Gross revenue” means the monetary value received by the licensee for all fees charged to participate in the millionaire party before any deductions for prizes or other expenses.
- (l) “Imitation money or chips” means imitation money or chips that have a nominal value equal to or greater than the value of the currency that they can be exchanged for.
- (m) “Informal meeting” means a meeting conducted by the executive director, at his or her discretion, where the executive director discusses the failure of the licensee to comply with the act, these rules, terms of probation, directives, public policy of this state, or any other local, state, or federal law or regulation.
- (n) “License” means a millionaire party or supplier license that is issued by the executive director.
- (o) “Millionaire party equipment” means any authorized item used to conduct authorized games at a millionaire party.
- (p) “Millionaire party licensee” means the qualified organization that has been issued a license to conduct a millionaire party.
- (q) “Privately held corporation” means a corporation that does not trade its stock in a stock exchange or in over-the-counter transactions.
- (r) “Probation” means a license status requiring strict compliance with the act, these rules, directives, public policy of this state, and specific conditions established by the executive director.
- (s) “Probation violation” means failure to abide by any of the terms of probation.
- (t) “Probationary period” means the time interval of probation.
- (u) “Terms of probation” means the conditions established at the discretion of the executive director that must be complied with during the probationary period.
- (v) “Violation notice” means a document issued by the executive director, at his or her discretion, to a licensee charging a violation of the act, these rules, terms of probation, directives, public policy of this state, or any other local, state, or federal law or regulation.
- (w) “Week” means a period of 7 days beginning with Sunday and ending with Saturday.
- (x) “Worker” means an individual who assists or participates in the management, conduct, or operation of a millionaire party. Worker does not include an individual employed by or an agent of a lessor, location owner, or licensed supplier at a licensed millionaire party event.
- (2) A term defined in the act has the same meaning when used in these rules.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

### **R 432.102 Rescinded.**

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

### **R 432.103 Permanent dissolution; utilization of assets; report.**

Rule 103. Upon permanent dissolution of a qualified organization, all assets, real property, and personal property must be utilized for the lawful purpose of the qualified organization and must not be distributed to any private individual or shareholder. All remaining assets upon dissolution must be distributed to the local government or another nonprofit organization as stated in the qualified organization's bylaws, constitution, charter, or articles of incorporation. The disbursement of remaining assets must be reported to the executive director in writing.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

**R 432.104 Restricted use of profits.**

Rule 104. Profits from the millionaire party shall not be used for the benefit of any individual, member, or shareholder of the qualified organization except to directly further the lawful purposes of the qualified organization.

History: 2014 AACCS.

**R 432.105 Violation notice.**

Rule 105. (1) The executive director may issue a violation notice to a licensee for failure to maintain compliance with the act, these rules, terms of probation, directives, public policy of this state, or any other local, state, or federal law or regulation.

(2) The licensee shall respond to the violation notice in writing within the time period specified in the notice and inform the executive director what action has been taken to correct the violation cited. The response must be signed by the principal officer of the qualified organization or the owner or owners of the licensed supplier cited for the violation.

(3) The executive director may initiate further administrative action if a response to the notice is not received or the response does not resolve the violation.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

**R 432.106 Informal meeting.**

Rule 106. (1) The executive director may require the principal officer of the qualified organization or the owner or owners of the licensed supplier to attend an informal meeting to discuss violations of the act, these rules, terms of probation, directives, public policy of this state, or any other local, state, or federal law or regulation. The purpose of this meeting is to assist the licensee in achieving compliance with the act, these rules, terms of probation, directives, public policy of this state, or any other local, state, or federal law or regulation.

(2) A licensee may agree to be placed on probation as a result of the meeting described in subrule (1) of this rule.

(3) The purpose of the meeting described in subrule (1) of this rule is to forestall the need to take further action, up to, and including, the conduct of a contested case hearing.

(4) The meeting described in subrule (1) of this rule is not required if the executive director determines that the violations of the act, these rules, terms of probation, directives, public policy of this state, or any other local, state, or federal law or regulation warrants action prescribed by R 432.108 to R 432.110.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

### **R 432.107 Probation.**

Rule 107. (1) The executive director may place a licensee on probation or may condition the renewal of a license with terms of probation when the licensee has violated the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.

(2) The continuation of the probationary license is conditioned upon the strict compliance with the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.

(3) Failure of a licensee to comply with the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation is a probation violation.

(4) The executive director may summarily suspend a probationary license if the licensee violates the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation as prescribed by R 432.110.

History: 2014 AACCS.

### **R 432.108 License denial.**

Rule 108. (1) If the executive director determines that an applicant, who does not hold a license for which the applicant is applying, is not in compliance with the act, these rules, terms of probation for another license, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation, then the executive director may refuse to issue a license to the applicant.

(2) The submission of a check in payment of a fee that is not paid by the financial institution on which it is drawn shall be grounds for immediate denial of an application for a license.

(3) The executive director may refuse to issue a license to a qualified organization to conduct a millionaire party if the executive director determines that a location owner or lessor of a location to be used for the conduct of a millionaire party is not in compliance with the requirements of the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal law or regulation.

(4) A denial under this rule may be appealed under the administrative procedures act.

History: 2014 AACCS.

**R 432.109 Suspension or revocation of license; refusal to renew license.**

Rule 109. (1) If the executive director determines that a licensee, location owner, or lessor is not in compliance with the requirements of the act, these rules, terms of probation, directives, public policy of this state, or any other local, state, or federal law or regulation, then the executive director may suspend or revoke, refuse to renew, or suspend the right to obtain a license of a qualified organization or supplier.

(2) The executive director may suspend or revoke, refuse to renew, or suspend the right to obtain a license in accordance with the administrative procedures act for any of the following reasons:

(a) The failure to ensure full accountability for all gaming assets including, but not limited to, cash, prizes, millionaire party chips or imitation money, and all money derived from the millionaire party.

(b) The lack of honesty and integrity of the licensee, location owner, or lessor.

(c) The lack of veracity and accuracy concerning the information submitted on the application.

(d) The indebtedness of the licensee, location owner, or lessor to the federal, state, or local government.

(e) A pending lawsuit or bankruptcy proceeding that involves the licensee, location owner, or lessor and is related to the millionaire party.

(f) The current or past history of compliance of the licensee, location owner, lessor or any of its agents, or owners, shareholders of the privately held corporation, partners, officers, or agent of the licensee with the act, these rules, terms of probation, directives, public policy of this state, or any other local, state, or federal law or regulation.

(g) Evidence that the licensee, location owner, or lessor possesses illegal gambling equipment, that illegal gambling equipment is on any of its premises, or that illegal gambling has occurred at any of its premises.

(h) The submission of a check in payment of a fee that is not paid by the financial institution that it is drawn from.

(i) The hinderance or obstruction of an authorized representative of the executive director in the performance of official duties.

(j) The use or submission of false or misleading information by any of the following means:

(i) An application for or renewal of a license.

(ii) Any document that is submitted to the executive director.

(iii) All records completed in conjunction with the millionaire party.

(iv) Verbal statements to an authorized representative of the executive director by any owner, shareholder of the privately held corporation, partner, officer, or agent of the licensee, location owner, or lessor.

(k) The failure to submit complete and accurate financial statements.

(l) The failure or refusal to provide an authorized representative of the executive director access to the location.

(m) The failure to promptly produce any book, record, or document as required by the act, these rules, terms of probation, or directives for review by an authorized representative of the executive director.

(n) Allowing any individual who has been convicted of, becomes convicted of, has forfeited bond upon a charge of, or has pled guilty to any of the offenses in R 432.203(f)

to work in the operation or management of a millionaire party or to be an officer or agent of the qualified organization.

(o) Allowing any individual who has been convicted of, becomes convicted of, has forfeited bond upon a charge of, or has pled guilty to any of the offenses in R 432.203(f) to work in the operation or management of a licensed supplier, location, or lessor, or to be an owner, shareholder of the privately held corporation, partner, officer, or agent of the licensed supplier, location, or lessor.

(p) The failure to continuously operate as a qualified organization as defined by the act and as represented to the executive director by means of the information submitted to the executive director as required by R 432.201, or the failure to continuously operate as an organization or persons issued a license under section 34 of the act, MCL 432.134.

(q) For activities similar to those enumerated which, at the discretion of the executive director, merit enforcement action.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

### **R 432.110 Summary suspension proceedings.**

Rule 110. (1) To advance the public policy of prohibition against all gambling activities not conducted in strict conformance with expressed legislative exceptions, including the regulatory framework established by the act, the executive director may summarily order the suspension of a license as provided by section 50(1) of the act, MCL 432.150, and in accordance with section 92 of the administrative procedures act, MCL 24.292, on a determination that any 1 or more of the following circumstances exist:

(a) The licensee has obtained the license by fraud, misrepresentation, or concealment.

(b) The decision to issue the license was a product of a material mistake of law or fact.

(c) The licensee, location owner, or lessor has engaged in an act, practice, or course of conduct that would operate as a fraud or deceit on an individual or individuals, or has employed a device, scheme, or artifice to defraud an individual or individuals.

(d) The licensee, location owner, or lessor has repeatedly violated, or repeatedly failed or refused to comply with, any of the provisions, requirements, limitations, or duties imposed by the act, these rules, terms of probation, directives, public policy of this state, or any other local, state, or federal law or regulation.

(e) The licensee, location owner, lessor, or any owner, shareholder of the privately held corporation, partner, officer, or agent of the licensee, location owner or lessor, has been charged with or convicted of a violation of the act.

(f) The licensee, location owner, or lessor has or there is reasonable cause to believe the licensee, location owner, or lessor has engaged in illegal gambling, or a fraud or larceny offense.

(g) The immediate cessation of the millionaire party by the licensee is necessary for the protection or preservation of the welfare of the community that these activities are being conducted in, or for the protection or preservation of public policy of this state, or any other local, state, or federal law or regulation respecting unlawful gaming activity.

(2) If the executive director summarily suspends a license, then the licensee shall be afforded a prompt hearing before the executive director on the question forming the basis of the suspension of the license.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

**R 432.111 Compliance meeting.**

Rule 111. (1) A compliance meeting notice shall be issued in accordance with section 92 of the administrative procedures act. The compliance meeting allows the licensee to show compliance before the conduct of a contested case hearing.

(2) If compliance is shown or an agreement regarding future action is reached at the compliance meeting, then the need for a contested case hearing may be negated.

History: 2014 AACCS.

**R 432.112 Contested case hearing.**

Rule 112. (1) A contested case hearing notice must be issued in accordance with section 71 of the administrative procedures act, MCL 24.271.

(2) The executive director may establish procedures for the conduct of contested case hearings, including the submission of evidence by written interrogatory, deposition, request for admissions, or by other means established by the hearing officer.

(3) There must be no discovery other than that allowed by the administrative procedures act.

(4) When an appearance is made at a contested case hearing, it must be made in person by the principal officer of the qualified organization, the owner, or owners of the licensed supplier, or by counsel.

(5) The person or persons that have been served with a contested case hearing notice may file a written answer before the date set for the contested case hearing or may appear at the contested case hearing and present an oral statement on the charges contained in the contested case hearing notice. If written briefs or arguments are presented, then a copy shall be served on the hearing officer not less than 5 days before the date set for the contested case hearing.

(6) If the person or persons that have been previously served with a contested case hearing notice fail to appear at the contested case hearing, then the hearing officer may proceed with the contested case hearing and may, on the evidence presented, make a decision.

(7) A contested case hearing must not be adjourned or continued except by the hearing officer. All motions and requests for an adjournment or a continuance must be in writing. The motion or request must state concisely the reasons why the requested relief is necessary.

(8) The parties to any contested case hearing may, by stipulation, in writing, and filed with the hearing officer, agree on the facts or any portion of the facts involved in the controversy. The stipulation must be regarded and used as evidence in the contested case hearing. Parties are requested to agree on the facts if practicable.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

## PART 2. GAMING LICENSING

### **R 432.201 Qualification requirements.**

Rule 201. (1) Each applicant applying for a millionaire party license who has not previously qualified shall first submit qualification information as required by the executive director.

(2) 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 must 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 executive director 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 executive director shall consider certain factors when determining if an applicant or licensee qualifies as a branch, lodge, or chapter. These factors include, but are not limited to, the following:

(a) Charter or a 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.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

### **R 432.202 Rescinded.**

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

### **R 432.203 Additional eligibility factors.**

Rule 203. In addition to the requirements of the act, the executive director shall consider the following factors when reviewing a millionaire party license application:

- (a) The honesty and integrity of the applicant.
- (b) The veracity and accuracy of any information supplied to the executive director 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, public policy of this state, 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) The executive director may consider whether the organization has raised sufficient funds in the previous calendar year independent and apart from any raised from gaming under the act. Raising \$500.00 unrelated to gaming under the act in the previous calendar year will satisfy this requirement. Satisfying this requirement does not entitle the organization to a millionaire party license.
- (h) Any other information considered advisable by the executive director.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

#### **R 432.204 Millionaire party license; terms and conditions.**

Rule 204. (1) On the issuance of a millionaire party license, the qualified organization shall agree to all of the following:

- (a) To be bound by and comply with the terms of probation, directives, public policy of this state, and any other local, state, and federal laws and regulations.
- (b) To provide all information requested by the executive director.
- (c) To maintain current and accurate records of all operations in conjunction with millionaire parties in conformity with the act, these rules, terms of probation, and directives.
- (d) To conduct the millionaire party in accordance with the information submitted on the application approved by the executive director.
- (e) To conduct the millionaire party only during the hours and the date or dates stated on the license.
- (f) To hold the executive director and the state harmless from any liability, including, but not limited to, taxes and legal expenses.

(2) An individual shall not refuse to cooperate with, hinder, or obstruct in any way, an authorized representative of the executive director while the representative is in the performance of official duties.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

**R 432.205 Changes to qualification or application information.**

Rule 205. (1) A qualified organization shall immediately report to the executive director 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 executive director if there is a change in any of the following:

- (a) Constitution.
- (b) Bylaws.
- (c) Articles of incorporation.
- (d) Other qualification documents previously submitted to the executive director.
- (e) Internal revenue service tax-exempt status.

(3) Changes to the information provided on or attached to the millionaire party license application must be immediately reported to the executive director in writing.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

**R 432.206 Request for millionaire party license changes; cancellations.**

Rule 206. (1) To change the location, day, date, dates, or time of a millionaire party, a qualified organization shall submit a request to the executive director in writing not less than 20 days before the proposed change takes effect.

(2) If a millionaire party cannot be held on the date approved by the executive director because of inclement weather or other emergency conditions, the qualified organization may submit a request to the executive director in writing for a new millionaire party date. The qualified organization shall also notify the executive director immediately on event cancellation.

(3) If the qualified organization chooses to cancel a millionaire party, it shall give the executive director written notice of the cancellation not less than 10 days before the scheduled date of the event.

(4) If a millionaire party license application is cancelled or denied, the executive director may retain a portion of the original statutory fee submitted to cover processing costs.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

**PART 3. MILLIONAIRE PARTY**

**R 432.301 Rescinded.**

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

**R 432.302 Licensing and approval.**

Rule 302. (1) An application for a license under this act and these rules is a request by the applicant for the discretionary license. The license is a revocable privilege and is not a property right. No individual, including a qualified organization, supplier, lessor, or location owner, shall have any expectation that the executive director will issue a license.

(2) The executive director may set a maximum number of licenses that will be issued to qualified organizations and may set a maximum number of days that a millionaire party license may be issued for.

(3) The executive director may stop issuing licenses at any time or for any reason.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

### **R 432.303 Principal officer responsibilities.**

Rule 303. (1) The principal officer of a qualified organization submitting an application shall be 18 years of age or older.

(2) The principal officer of the qualified organization shall be responsible for all of the following:

(a) Ensuring the qualified organization's full accountability for all gaming assets including, but not limited to, cash, prizes, imitation money or chips, and all funds derived from the millionaire party.

(b) Ensuring the millionaire party is conducted in accordance with the act, these rules, terms of probation, directives, public policy of the state of Michigan and any other local, state, and federal laws or regulations.

(c) Ensuring that all records related to the millionaire party are current and accurate.

(d) Reviewing all reports and correspondence from the executive director.

(e) Signing and ensuring that the financial statement from the millionaire party is submitted to the executive director as prescribed by R 432.321.

(f) Responding in writing to violation notices as prescribed by R 432.105(2).

(g) Ensuring that all workers are qualified to work the millionaire party.

History: 2014 AACCS.

### **R 432.304 Millionaire party chairperson; qualifications and duties.**

Rule 304. (1) The chairperson shall be a worker who is a bona fide member of the qualified organization for not less than 6 months and only serves as a millionaire party chairperson for 1 qualified organization in a calendar year.

(2) The chairperson shall be familiar with the act, these rules, terms of probation, and directives.

(3) The chairperson shall be present on the premises continuously during the occasion.

(4) The chairperson shall be readily identifiable to all millionaire party attendees by wearing a name badge with the word "chairperson" followed by the name of the licensee and the chairperson's name.

(5) The chairperson shall be in charge of the millionaire party, supervise and direct all workers, and be responsible for assuring the proper receipting, recording, and depositing of all money derived from the millionaire party.

(6) The chairperson shall attempt to resolve, in accordance with the act, these rules, and directives, disputes that may occur during the conduct of the millionaire party.

(7) Any change in the chairperson or individuals who are listed on the millionaire party license application must be immediately submitted to the executive director in writing. The notification must be signed by the principal officer of the qualified organization.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

### **R 432.305 Minimum age.**

Rule 305. (1) Individuals under 18 years of age shall not be allowed to participate in the millionaire party as players and shall not be allowed to operate millionaire party games or assist in the conduct of the millionaire party.

(2) Individuals under 18 years of age shall not be allowed to play with, operate, handle, collect, or distribute any kind of millionaire party equipment.

(3) Individuals under 18 years of age shall not be allowed to sell or purchase raffle tickets, charity game tickets, or numeral game tickets.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

### **R 432.306 Raffles**

Rule 306. Raffles held in conjunction with a millionaire party license must be conducted as prescribed by rules promulgated pursuant to the act.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

### **R 432.307 Equipment.**

Rule 307. (1) Only authorized equipment may be used at a millionaire party.

(2) Authorized equipment used in the conduct of millionaire parties shall be maintained in good repair and sound working condition.

(3) The utilization of equipment and methods of play shall be such that each player is afforded an equal opportunity to win.

(4) The licensee may not obtain millionaire party equipment from the location owner or the lessor.

(5) Unless being used during a millionaire party, authorized equipment must be stored in an inoperable manner when not in use.

History: 2014 AACCS.

### **R 432.308 Rules of the game.**

Rule 308. The executive director shall approve each game and the rules of each game that may be played at a millionaire party. The executive director shall set the rules of the game to include, but not limited to, method of play, odds, types of wagers, bet limits, and pools. The executive director may withdraw approval of a game or change the rules of the game.

History: 2014 AACCS.

### **R 432.309 Imitation money and chips.**

Rule 309. (1) During the conduct of a millionaire party, only imitation money or chips must be used by the participants. Imitation money or chips must be used solely for wagering or redemption purposes.

(2) Imitation money or chips must not be used for tipping or the purchase of food, beverages, raffle tickets, charity game tickets, numeral game tickets, or non-gaming items.

(3) Imitation money or chips must only be sold by the millionaire party licensee.

(4) Imitation money or chips must not be sold by dealers.

(5) Imitation money or chips must only be redeemed at authorized redemption areas.

(6) Only imitation money and chips that have received the executive director's prior approval may be used at a millionaire party.

(7) The executive director may set the maximum amount of chips or imitation money that a millionaire party licensee may sell to an individual at a millionaire party.

(8) Unless otherwise permitted by law, each millionaire party licensee shall not have more than \$20,000.00 in imitation money or chips in a demarcated area.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

### **R 432.310 Millionaire party conduct.**

Rule 310. (1) A millionaire party licensee may conduct only those games approved by the executive director. All games must be conducted pursuant to the rules set by the executive director. If approved by the executive director, only games marked on the application can be conducted at an event.

(2) The qualified organization shall perform the duties concerning the millionaire party as directed by the executive director.

(3) Millionaire parties must only be conducted during the hours and the date or dates stated on the license.

(4) A copy of the current license application and any changes must be onsite and available for review.

(5) Unless approved by the executive director, 2 bona fide members shall be present at all times during an event.

(6) A qualified organization shall provide the names of its bona fide members who will be participating in the millionaire party to the executive director with its license application.

(7) Unless allowed by written authorization of the executive director, only bona fide members of the millionaire party licensee may perform any of the following duties at an event conducted under the license:

- (a) Counting, distributing, handling, selling, or redeeming chips.
- (b) Receiving, handling, or counting cash.
- (c) Collecting the house rake.
- (d) Paying out cash prizes.
- (e) Completing the millionaire party game records and financial statement.
- (f) Ensuring only authorized individuals are present in the demarcated area.
- (g) Monitoring the games and verifying all games have been conducted in conformance with the rules of the game.
- (h) Verifying the age of the players.
- (i) Any other duty authorized by the executive director.

(8) Except for disputed prizes, all winners shall be determined, and all prizes must be awarded, within the hours stated on the license.

(9) 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 an individual 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) Share in a prize, purchase, play, or accept charity game tickets or numeral game tickets offered for sale at the location by the qualified organization at any time during the day he or she is working or assisting.
- (d) Split a prize with a player.
- (e) Participate in any aspect of an event conducted at the location, including but not limited to, providing dealers, equipment, or workers, unless all of the following conditions exist:
  - (i) The location is owned or rented by the 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: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

### **R 432.311 Hours of operation.**

Rule 311. The executive director has sole discretion to set the permissible hours of the day during which a millionaire party may be conducted.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

### **R 432.312 Limitation on redemptions.**

Rule 312. A licensee shall not redeem imitation money or chips having a total value exceeding the amount sold by the millionaire party licensee for that day. A millionaire party licensee shall not redeem imitation money or chips in an amount exceeding the limitations as prescribed by the act. This limitation does not include the value of prizes won through raffles, charity game tickets, or numeral games.

History: 2014 AACCS.

### **R 432.313 Worker compensation.**

Rule 313. (1) A qualified organization shall not compensate a worker who is a bona fide member at a millionaire party, except that it may give him or her 1 of the following, or both:

- (a) Credit for tuition, dues, or similar item of value approved by the executive director.
- (b) Food and beverages to consume while working.

(2) The names of the workers and any compensation the workers have received pursuant to subrule (1) of this rule shall be recorded on the workers service record for each day of the millionaire party or as directed in writing by the executive director.

(3) All compensation shall be reported on the financial statement as prescribed by R 432.321.

History: 2014 AACCS.

### **R 432.314 Dealers.**

Rule 314. (1) A dealer shall not be an employee of the location owner or lessor, unless that individual is a bona fide member of the qualified organization and is dealing during an event at that organization's location.

(2) Only those individuals authorized by the executive director may serve as a dealer at the licensed millionaire party event.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

### **R 432.315 Game records; retention.**

Rule 315. (1) Game records pertaining to the millionaire party must be completed and maintained in a current and accurate manner in accordance with the act, these rules, terms of probation, and directives. A licensee may be required to complete game records on forms prescribed by the executive director.

(2) Game records must include a copy of the current license application and any changes.

(3) Game records and all documents supporting entries made in the records must be available and onsite at the occasion and at other times to authorized representatives of the executive director for review.

(4) Game records and all documents and supporting entries made in the records must be accessed, entered, amended, and submitted by the qualified organization only.

(5) Game records and all documents supporting entries made in the records must be maintained by the qualified organization for at least the current calendar year plus 3 years or as directed in writing by the executive director.

(6) An invoice showing the cost per item for all millionaire party equipment must be available and onsite at the occasion to authorized representatives of the executive director for review.

(7) Game records and all documents supporting entries made in the records may be removed by authorized representatives of the executive director for review.

(8) Game records may be maintained using a computer if they cannot be remotely accessed and are maintained in accordance with the act, these rules, and directives.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

**R 432.316 Accountability; lawful use of proceeds; reasonable expenditures; deposit of proceeds.**

Rule 316. (1) The millionaire party licensee is accountable for all cash, prizes, imitation money or chips, raffle tickets, charity game tickets, and numeral game tickets.

(2) The entire net proceeds of the millionaire party must be devoted exclusively to the lawful purpose of the qualified organization.

(3) To ensure that all proceeds are used for the lawful purpose of the qualified organization, each qualified organization shall maintain a separate checking account that must be under its exclusive control. The organization shall only deposit its millionaire party proceeds in the account and shall only make expenditures as authorized under the act and these rules.

(4) Each check written from the checking account under the qualified organization's exclusive control into which proceeds from the millionaire party are deposited must meet all of the following requirements:

(a) Be preprinted with the name of the licensee.

(b) Be signed by an authorized individual or individuals.

(c) Be made payable to a specific individual, business, partnership, corporation, or account.

(d) Not be made payable to cash or bearer and must not be drawn in blank.

(e) Contain a brief description of the expense on the memo line.

(5) Electronic transfers of funds derived from the conduct of the millionaire party must be done in accordance with directives issued by the executive director.

(6) Cancelled checks written from the checking account under the qualified organization's exclusive control into which proceeds from the millionaire party are deposited must be returned on a monthly basis to the account holder. Copies of the checks are acceptable, if legible, and if originals can be made available on request by the executive director.

(7) All money derived from the conduct of the millionaire party must be deposited into the checking account under the qualified organization's exclusive control within 2 business days after the millionaire party or as directed in writing by the executive director.

(8) Checks must not be cashed out of the millionaire party start cash or gross revenue.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

**R 432.317 Rent and rental location agreement.**

Rule 317. (1) A qualified organization shall not pay a location owner or a lessor more than \$250.00 per day to rent a location for a millionaire party. The rental fee must not include any consideration or commission from revenues raised from the millionaire party gaming.

(2) A qualified organization shall not enter into agreements with the location owner or lessor other than those addressed in the written rental agreement approved by the executive director.

(3) A location owner or lessor shall not make any payments to, or accept any payments from, a supplier for anything directly or indirectly related to a millionaire party.

(4) A location owner or lessor shall not make the lease or rental of its demarcated area dependent on the use of a particular supplier or particular dealers and shall not vary the rental or lease fee that it charges based on an organization's use of a particular supplier or particular dealers.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

**R 432.318 Security.**

Rule 318. The qualified organization may hire security officers. Any security services the location provides must be included in the rental fee as approved by the executive director.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

**R 432.319 Advertising.**

Rule 319. (1) Expenditures by the millionaire party licensee for advertising the millionaire party must be necessary and reasonable.

(2) A millionaire party licensee may advertise a millionaire party by using current and accurate information. The advertising must include all of the following:

- (a) Name of the millionaire party licensee.
- (b) License number.
- (c) Purpose for which the net proceeds will be used.
- (d) Date or dates of the millionaire party licensee's event.
- (e) Location name.

(3) Advertising must cease once the millionaire party license has expired.

(4) In an advertisement via the internet, printed matter, signs, or billboards, information in subrule (2)(a-e) of this rule must be prominently displayed in the same size font, or larger, as the largest font of the other information contained in the advertisement

(5) Information in subrule (2) of this rule must be continuously visible and readable in television advertising.

(6) The lessor, location owner, or millionaire party licensee shall not advertise the dates or times the location is open for the purpose of conducting a millionaire party or the games that will be played at that location, unless all the information required in subrule (2) of this rule is contained in the advertising.

(7) The following items are not considered advertising:

(a) A message on an answering machine or voicemail by the lessor, location owner, or millionaire party licensee at a location where a millionaire party will occur.

(b) Video, audio, or other means of communication that is broadcast solely within the interior of a location where the millionaire party occurs.

(c) Printed matter contained within the interior of a location where a millionaire party occurs and that is intended to be visible only from the interior of the location where the millionaire party will occur.

(d) An internet webpage that does not mention days, dates, times, specific games played, or program information.

(e) A sign located on the property of a location where a millionaire party occurs that does not mention days, dates, times, specific games played, or game program information.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

#### **R 432.320 Millionaire party financial records; retention.**

Rule 320. All of the following financial records shall be available to authorized representatives of the executive director for review and shall be kept for at least the current calendar year plus 3 years or as directed in writing by the executive director:

(a) A copy of the financial statement as prescribed by R 432.321.

(b) Bank validated deposit slips for all proceeds from the millionaire party.

(c) Bank statements from the checking account where proceeds from the millionaire party were deposited.

(d) Cancelled checks or copies of checks, as prescribed by R 432. 316(8), from the checking account under the qualified organization's exclusive control into which proceeds from the millionaire party are deposited.

(e) Invoices or receipts with the date, vendor's name, and a description of the item or service for all expenditures made from the checking account where proceeds from the millionaire party were deposited.

(f) Documents, including, but not limited to, invoices and receipts supporting the preapproved expenditures.

History: 2014 AACCS.

#### **R 432.321 Financial statement requirements.**

Rule 321. (1) A millionaire party licensee shall submit a financial statement to the executive director on a form, provided by or approved in writing by the executive director, by the tenth day of the month following the month that the millionaire party was held.

(2) The financial statement shall be signed by the principal officer of the qualified organization certifying that the information on the financial statement is true, correct, and complete to the best of his or her knowledge.

History: 2014 AACCS.

## **PART 4. SUPPLIERS**

### **R 432.401 Supplier license application.**

Rule 401. (1) A written application for a supplier license shall be approved by the executive director before a person sells or rents authorized equipment to a millionaire party licensee.

(2) The supplier license application shall include additional information as directed by the executive director.

(3) The supplier license application shall be accompanied by the appropriate fee.

(4) An applicant shall disclose to the executive director whether any owner, shareholder of the privately held corporation, partner, officer, person residing in the same household as the applicant, 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.

(5) Any changes to the information provided on the supplier license application shall be immediately reported to the executive director in writing.

History: 2014 AACCS.

### **R 432.402 Additional eligibility factors.**

Rule 402. In addition to the requirements of the act, the executive director shall consider all of the following factors when reviewing a supplier license application or renewal application:

- (a) The honesty and integrity of the applicant.
- (b) The veracity and accuracy of any information supplied to the executive director by the applicant.
- (c) The applicant's indebtedness to local, state, or federal government.
- (d) A pending lawsuit or bankruptcy proceeding involving the applicant or any owner, shareholder of the privately held corporation, partner, or officer of the applicant.
- (e) The current or past history of compliance of the applicant or any owner,

shareholder of the privately held corporation, partner, officer, person residing in the same household as the applicant, or agent of the applicant with the act, these rules, terms of probation, directives, public policy of the state of Michigan, or any other local, state, or federal laws or regulations.

(f) Criminal convictions of the applicant or any owner, shareholder of the privately held corporation, partner, officer, person residing in the same household as the applicant, 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) The forfeiture of a bond.
- (h) Any other information considered advisable by the executive director.

History: 2014 AACCS.

#### **R 432.403 Supplier license renewal; supplier license void on ownership change.**

Rule 403. (1) A supplier license is renewable annually upon the submission of a renewal application, provided by, or approved in writing by the executive director, unless summarily suspended, suspended, denied, or revoked by the executive director.

(2) If the ownership changes or any portion of ownership of the privately held corporation, partnership, or sole proprietorship acting as a licensed supplier changes, except for deletion of owners or changes in percentage of ownership, then the license issued to that privately held corporation, partnership, or sole proprietorship is void and must be returned to the executive director without delay.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

#### **R 432.404 Supplier license terms and conditions.**

Rule 404. (1) Upon the issuance of a supplier license, the licensed supplier 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, public policy of this state, and any other local, state, and federal laws and regulations.

(b) To not assign or transfer the supplier license. A privately held corporation, partnership, or sole proprietorship acting as a licensed supplier shall not attempt to sell or transfer an interest in the business without the prior written approval of the executive director.

(c) To immediately report to the executive director in writing any change in the information stated on, or attached to, the supplier license application.

(d) To only accept checks from a licensee's account for the payment of equipment or dealers.

(e) To not reveal investigative information to any licensee.

(f) To hold the executive director and this state harmless from any liability, including, but not limited to, taxes and legal expenses.

(2) The location the licensed supplier does business, including supplemental storage locations or where an applicant or licensed supplier intends to do business or store equipment, must be open to inspection by an authorized representative of the executive director during reasonable business hours.

(3) An individual shall not refuse to cooperate with, hinder, or obstruct in any way, an authorized representative of the executive director while the representative is performing official duties.

(4) A licensed supplier shall not require any licensee to enter into an exclusive purchase agreement with that licensed supplier.

(5) A licensed supplier may rent or sell authorized equipment to qualified organizations for a reasonable rate as approved by the executive director.

(6) A licensed supplier may provide dealers to a qualified organization.

(7) A licensed supplier shall not make a payment to, or accept a payment from, either directly or indirectly, a location owner or lessor for anything related to a millionaire party.

(8) Notwithstanding R 432.314(2), if a licensed supplier provides the dealers, the licensed supplier shall be responsible for the actions of the dealers, including compliance with the act, these rules, terms of probation, directives, public policy of this state, and any other local, state, and federal laws and regulations.

(9) The executive director may deny, summarily suspend, suspend, revoke, or refuse to renew a supplier license as prescribed by R 432.108 to R 432.110.

History: 2014 AACCS; 2023 MR 20, Eff. Oct. 24, 2023.

#### **R 432.405 Equipment; sale and rental.**

Rule 405. (1) Only equipment authorized in writing by the executive director and in sound working condition may be sold or rented to licensees.

(2) Unless being used during a millionaire party, gaming equipment shall be stored in an inoperable manner when not in use.

History: 2014 AACCS.

#### **R 432.406 Authorization to purchase and sell charity game tickets and sell approved numeral game tickets.**

Rule 406. The issuance of a supplier license does not include the authorization to purchase and sell charity game tickets or sell approved numeral game tickets.

History: 2014 AACCS.

**R 432.407 Prohibitions.**

Rule 407. (1) A licensed supplier or any owner, shareholder of the privately held corporation, partner, officer, person residing in the same household as a licensed supplier, agent, or employee of a licensed supplier shall not be involved with the millionaire party. This subrule does not apply to the dealers or delivery, repair, and the set up of the millionaire party equipment.

(2) A licensed supplier or any owner, shareholder of the privately held corporation, partner, officer, person residing in the same household as a licensed supplier, agent, or employee of a licensed supplier shall not do any of the following:

(a) Be an officer of a qualified organization conducting a millionaire party for which the supplier is providing equipment or services.

(b) Play millionaire party games at the location where he or she works or assists.

(c) Share in a prize, purchase, play, or accept charity game tickets or numeral game tickets offered for sale by the licensee at any time at the location where he or she is working or assisting.

(d) Split a prize with a player.

History: 2014 AACCS.

**R 432.408 Invoices for equipment.**

Rule 408. (1) A licensed supplier shall record every sale, rental, return, dealer cost, or any other type of transfer of equipment to or from licensees by completing a sales invoice or credit memo.

(2) All invoices for equipment and dealers shall be sequentially numbered and issued in sequential order or as directed in writing by the executive director.

(3) An invoice for equipment and/or dealers supplied to a licensee shall be given to the licensee before the millionaire party.

(4) The invoice shall contain all of the following:

(a) The amount of each sale.

(b) All credits.

(c) All exchanges.

(d) All sales premiums.

(e) All rebates or discounts.

(f) The net amount of each sale.

(g) Any other information as directed in writing by the executive director.

(5) A licensed supplier shall retain all voided or spoiled invoices for equipment and/or dealers.

History: 2014 AACCS.

**R 432.409 Supplier records; retention.**

Rule 409. (1) The licensed supplier shall maintain current and accurate records of all operations.

(2) The records and all documents supporting entries made in the records shall be available to the authorized representatives of the executive director for review.

(3) The records and all documents supporting entries made in the records shall be kept for at least the current calendar year plus 3 years or as directed in writing by the executive director.

(4) A licensed supplier shall report to the executive director, on a form provided by or approved in writing by the executive director, the number of and total amount paid to the licensed supplier for dealers and the type and total amount of sales and rentals of authorized equipment.

History: 2014 AACCS.

**R 432.410 Advertising.**

Rule 410. A licensed supplier shall not advertise a millionaire party.

History: 2014 AACCS.