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### Executive Director Submits Revised Charity Gaming Rules

On Wednesday, September 18, 2013, the Executive Director of the Michigan Gaming Control Board ("MGCB"), Richard Kalm, submitted proposed rules regulating charitable "Millionaire Parties" operating in the state to the Michigan Department of Licensing and Regulatory Affairs ("LARA"). Currently, the Executive Director regulates Millionaire Party events under rules established by the Bureau of State Lottery, the former regulator of such gaming activity. Oversight of Millionaire Parties was transferred to the Executive Director of the MGCB on April 11, 2012 through Executive Order 2012-4, as part of Governor Snyder's efforts to consolidate state agency oversight of certain gaming activity.

The proposed rules would require additional disclosure requirements from charitable organizations seeking licensure for Millionaire Party events, including whether the charity or its principal officers have ever been convicted of certain crimes and are involved in any pending litigation, as well as evidence that the charity has raised at least \$2,000.00 in non-gaming related fundraising in the past year. The rules also require review and approval of gaming areas prior to the award of a license.

In addition to these requirements, the proposed rules provide additional requirements for locations where charity gaming is operated. Under these changes, a single location may only host Millionaire Party events up to thirty days per year. Rental agreements for locations must be at fair market value and may not exceed \$250.00 per day for the location rental, including food and drink sales.

In order to become effective, the proposed regulatory changes must comply with the Michigan Administrative Procedures Act of 1969. This process includes publication of the draft changes, as well as times for public comment and review of the proposed rules before they become final.

The full text of the proposed rule changes are available through the LARA website, [here](#).

Notably, on September 4, 2013, State Representative Jeff Farrington (R-Utica) introduced [House Bill 4960](#) that, if passed, would amend the Traxler-McCauley-Law-Bowman Bingo Act to expand charitable gaming activity in the state. If House Bill 4960 is passed into law, many of the proposed regulatory amendments submitted by the MGCB Executive Director this past Wednesday would need to be revised in accordance with the new legislation. House Bill 4960 was referred to the House Committee on Regulatory Reform on September 4, 2013.