

DEPARTMENT OF TREASURY
COMMISSIONER OF THE BUREAU OF STATE LOTTERY
CHARITABLE GAMING

(By authority conferred on the commissioner of the bureau of state lottery by section 13 of the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.113).

PART 1. GENERAL PROVISIONS

R 432.21101 Definitions.

Rule 101. (1) As used in the act:

(a) "Bona fide member" means a member, according to an organization's established membership criteria, who participates in the organization to further its lawful purposes.

(b) "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 commissioner determines to be beneficial to the general public.

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

(d) "Lawful purpose" means 1 or more of the authorized purposes stated in a qualified organization's written bylaws, constitution, charter, or articles of incorporation and is on file with the bureau.

(e) "Licensee" means a qualified organization issued a license to conduct a large bingo, small bingo, special bingo, large raffle, small raffle, annual charity game ticket, special charity game ticket, or numeral game, or an organization or persons licensed under section 4a(2) or 4a(3) of the act. Licensee also means a hall, supplier, or manufacturer licensed under the act.

(f) "Raffle" means an event for which raffle tickets are sold and at which a winner or winners are determined either by randomly selecting stubs from all the raffle tickets sold for an event or by an alternative method that is approved in writing by the bureau, and at which a preannounced prize is awarded.

(g) "Retail value" or "market value" means the price that a merchandise item can be normally found at a retail outlet for purchase. For merchandise items that are not normally sold through retail outlets, it is the price at which the item sells for in the secondary market or the price that a reasonable seller would ask and that a reasonable purchaser would pay for the merchandise item.

(h) "Single gathering" means 1 scheduled assembly or meeting with a specified beginning and ending time that is conducted or sponsored by the qualified organization. Single gathering does not include the regular operating hours of a club or similar facility and does not include a meeting conducted solely for the purpose of conducting a raffle.

(2) As used in these rules:

(a) "Act" means Traxler-McCauley-Law-Bowman Bingo Act, 1972 PA 382, MCL 432.101 to 432.120.

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

(c) "Bingo equipment" means any authorized item that is used to conduct bingo.

(d) "Compliance meeting" means a meeting as prescribed by the administrative procedures act, conducted by the bureau at which the licensee has an opportunity to show 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.

(e) "Compliance meeting notice" means the document issued by the bureau 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 bureau before the contested case hearing to inform a licensee of the date, time, and location of the contested case hearing.

(h) "Deal" means a package or packages of numeral game tickets that are imprinted with the same serial number.

(i) "General public" means society as a whole or any considerable part of society.

(j) "Gross revenue" means the monetary value received by the licensee for all fees charged to participate in the licensed gaming event before any deductions for prizes or any other expenses.

(k) "Informal meeting" means a meeting conducted by the bureau, at its discretion, at which the bureau discusses the failure of the licensee or lessor to comply 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.

(l) "Lessor" means a person who rents a location to a licensee for the purpose of conducting a licensed gaming event, except a person who is licensed under R 432.22001 to R 432.22008.

(m) "License" means a valid large bingo, small bingo, special bingo, large raffle, small raffle, annual charity game ticket, special charity game ticket, numeral game, hall, supplier, or manufacturer license that is issued by the bureau.

(n) "Licensed gaming event" means a large bingo, small bingo, special bingo, large raffle, small raffle, annual charity game ticket, special charity game ticket, or numeral game licensed under the act.

(o) "Occasion" means the hours of the day for which a license is issued.

(p) "Privately held corporation" means a corporation that does not trade its stock in a stock exchange or in over-the-counter transactions.

(q) "Probation" means a license status requiring strict compliance with the act, these rules, directives of the bureau, public policy of the state of Michigan, and specific conditions as established by the commissioner.

(r) "Probation violation" means failure to abide by any of the terms of probation.

(s) "Probationary period" means the time interval of probation.

(t) "Terms of probation" means the conditions established by the commissioner that shall be complied with during the probationary period.

(u) "Violation notice" means a document issued by the bureau, to a licensee charging a violation of 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.

(v) "Week" means a period of 7 days beginning with Sunday and ending with Saturday.

(w) "Worker" means a person who assists or participates in the management, conduct, or operation of a licensed gaming event.

(3) A term defined in the act has the same meaning when used in these rules.

History: 2000 AACCS; 2003 AACCS; 2011 AACCS; 2014 AACCS.

R 432.21102 Principal officer responsibilities.

Rule 102. The principal officer of a qualified organization shall be responsible for all of the following:

(a) Ensuring that there is full accountability for all gaming assets including, but not limited to, cash, prizes, bingo cards, raffle tickets, charity game tickets, numeral game tickets, and all funds derived from the licensed gaming event.

(b) Ensuring that the licensed gaming event is conducted in accordance with the act, these rules, terms of probation, and directives of the bureau.

(c) Ensuring that all records related to the licensed gaming event are current and accurate.

(d) Reviewing all reports and correspondence from the bureau.

(e) Signing and ensuring that financial statements from the licensed gaming event are submitted to the bureau as prescribed by R 432.21335, R 432.21522, R 432.21624, and R 432.21721.

(f) Responding in writing to violation notices as prescribed by R 432.21106(2).

(g) Ensuring that all workers are qualified to work the licensed gaming event.

History: 2000 AACCS; 2014 AACCS.

R 432.21103 Compliance with other laws, regulations, and ordinances.

Rule 103. A licensee or lessor shall comply with public policy of the state of Michigan and any other local, state, or federal law or regulation.

History: 2000 AACCS.

R 432.21104 Permanent dissolution; utilization of assets; report.

Rule 104. Upon permanent dissolution of a qualified organization, all assets, real property, and personal property shall be utilized for the lawful purposes as stated in the qualified organization's bylaws, constitution, charter, or articles of incorporation that are filed with the bureau as prescribed by R 432.21202 and shall not be distributed to any private individual or shareholder. All remaining assets upon dissolution shall 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 shall be reported to the bureau in writing.

History: 2000 AACCS.

R 432.21105 Restricted use of profits.

Rule 105. Profits from the licensed gaming event 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: 2000 AACCS.

R 432.21106 Violation notice.

Rule 106. (1) The bureau, at its discretion, may issue a violation notice to a licensee for failure to maintain 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.

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

(3) The bureau, at its discretion, may initiate further administrative action if a response to the notice is not received or the response does not resolve the violation.

History: 2000 AACCS.

R 432.21107 Informal meeting.

Rule 107. (1) The bureau, at its discretion, may require the principal officer of the qualified organization, or the owner or top officer of the licensed supplier, licensed

manufacturer, licensed hall, or lessor to attend an informal meeting to discuss violations of 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. The purpose of this meeting shall be to assist the licensee or lessor in gaining 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.

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

(3) The meeting described in subrule (1) of this rule is held 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 in the opinion of the bureau the violations of 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 warrants action prescribed by R 432.21109 to R 432.21111.

History: 2000 AACCS.

R 432.21108 Probation.

Rule 108. (1) The commissioner 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 of the bureau, 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 of the bureau, public policy of the state of Michigan, or any other local, state, or federal law or regulation.

(3) It is a probation violation if the licensee fails to comply 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.

(4) The commissioner may summarily suspend a probationary license if the licensee violates 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 as prescribed by R 432.21111.

History: 2000 AACCS.

R 432.21109 License denial.

Rule 109. (1) If the bureau 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 of the bureau, public policy of the state of Michigan, or any other local, state, or federal law or regulation, then the commissioner 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) If the bureau determines that a lessor of a location to be used for the conduct of a special bingo, large raffle, small raffle, special charity game ticket, or numeral game is not in compliance with the requirements of 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, then the commissioner may refuse to issue a license to a qualified organization applying to conduct the licensed gaming event at that lessor's facility.

(4) A denial under this rule may be appealed under section 631 of 1961 PA 236, MCL 600.631.

History: 2000 AACCS; 2003 AACCS; 2014 AACCS.

R 432.21110 Suspension or revocation of a license; refusal to renew license.

Rule 110. (1) If the commissioner determines that a licensee or lessor is not in compliance with the requirements of 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, then the commissioner may suspend or revoke the license, refuse to renew the license, or suspend the right to obtain a license.

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

(a) Failure to ensure full accountability for all gaming assets including, but not limited to, cash, prizes, bingo cards, raffle tickets, charity game tickets, numeral game tickets, and all funds derived from the licensed gaming event.

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

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

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

(e) A pending lawsuit or bankruptcy proceeding that involves the licensee or lessor and is related to the licensed gaming event.

(f) The current or past history of compliance of the licensee, lessor, or licensee or lessor's agent, or any owner, shareholder of the privately held corporation, partner, officer, or agent of the licensee 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.

(g) Evidence that the licensee or lessor has illegal gambling equipment at the location or that illegal gambling has occurred at the location of the licensee or lessor or at the location of a licensed gaming event.

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

(i) Hindering or obstructing an authorized representative of the bureau 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 a license or renewal of a license.

(ii) Any document that is submitted to the bureau.

(iii) All records completed in conjunction with the licensed gaming event.

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

(k) Failure to submit complete and accurate financial statements as prescribed by R 432.21335, R 432.21522, R 432.21624, and R 432.21721.

(l) Failure or refusal to provide an authorized representative of the bureau access to the location of a licensed gaming event, licensed supplier, licensed manufacturer, or licensed hall.

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

(n) Allowing any person 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 432.21205(f) to work in the operation or management of a licensed gaming event or to be an officer or agent of the qualified organization.

(o) Allowing any person 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 432.21802(f), R 432.21902(f), or R 432.22002(f) to work in the operation or management of a licensed supplier, licensed manufacturer, licensed hall, or lessor, or to be an owner, shareholder of the privately held corporation, partner, officer, or agent of the licensed supplier, licensed manufacturer, licensed hall, or lessor.

(p) Failure to continuously operate as a qualified organization as defined by the act and as represented to the bureau by means of the information submitted to the bureau as required by R 432.21202, or failure to continuously operate as an organization or person issued a license under section 4a(2) or 4a(3) of the act.

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

(3) If a license is suspended, then the commissioner may determine that the licensee is ineligible to conduct any licensed gaming event during the period of suspension.

History: 2000 AACS; 2003 AACS; 2014 AACS.

R 432.21111 Summary suspension proceedings.

Rule 111. (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 commissioner may summarily order the suspension of a license as

provided by section 16(1) of the act and in accordance with section 92 of the Administrative Procedures Act, upon 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 or lessor has engaged in an act, practice, or course of conduct that would operate as a fraud or deceit on a person or persons, or has employed a device, scheme, or artifice to defraud a person or persons.

(d) The licensee 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 of the bureau, public policy of the state of Michigan, or any other local, state, or federal law or regulation after having been previously notified by the bureau that a violation or violations of the same or similar provisions had been, or were being, committed by the licensee or lessor.

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

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

(g) That the immediate cessation of the licensed gaming event by the licensee is necessary for the protection or preservation of the welfare of the community within which these activities are being conducted, or for the protection or preservation of public policy of the state of Michigan, or any other local, state, or federal law or regulation respecting unlawful gaming activity.

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

History: 2000 AACCS.

R 432.21112 Compliance meeting.

Rule 112. (1) A compliance meeting notice shall be issued in accordance with section 92 of the Administrative Procedures Act. The compliance meeting allows the licensee or lessor 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 this meeting, then the need for a contested case hearing may be negated.

History: 2000 AACCS.

R 432.21113 Contested case hearing.

Rule 113. (1) A contested case hearing notice shall be issued in accordance with section 71 of the Administrative Procedures Act.

(2) The bureau may establish procedures for the conduct of contested case hearings, including the submission of evidence by written interrogatory hearing officer.

(3) There shall be no discovery other than that allowed by the Administrative Procedures Act.

(4) When an appearance is made at a contested case hearing, it shall be made in person by the principal officer of the qualified organization; the owner, principal

shareholder of the privately held corporation, partner, or top officer of the licensed supplier, licensed manufacturer, or licensed hall; or by counsel.

(5) The person or persons who 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 upon the hearing officer at least 5 days before the date set for the contested case hearing.

(6) If the person or persons who 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 shall not be adjourned or continued except by the hearing officer. All motions and requests for an adjournment or a continuance shall be in writing. The motion or request shall state concisely the reasons why the requested relief is necessary.

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

History: 2000 AACCS.

R 432.21199 Rescission.

Rule 199. (1) R 432.101 to R 432.118 of the Michigan Administrative Code, and appearing on pages 4468 and 4469 of the 1979 Michigan Administrative Code, page 426 of the 1980 Annual Supplement to the Code, and pages 478 to 489 of the 1984 Annual Supplement to the Code, are rescinded.

(2) R 432.201 to R 432.216 of the Michigan Administrative Code, appearing on pages 4477, 4481, and 4482 of the 1979 Michigan Administrative Code and pages 489 to 497 of the 1984 Annual Supplement to the Code, are rescinded.

(3) R 432.301 to R 432.313 of the Michigan Administrative Code, appearing on pages 426 to 429 of the 1983 Annual Supplement to the 1979 Michigan Administrative Code, are rescinded.

History: 2000 AACCS.

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.

History: 2000 AACCS; 2003 AACCS; 2014 AACCS.

R 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.

History: 2000 AACCS; 2003 AACCS.

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.

History: 2000 AACCS.

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.

History: 2000 AACCS; 2003 AACCS.

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.

History: 2000 AACCS.

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.

History: 2000 AACCS.

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.

History: 2000 AACCS.

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.

History: 2000 AACCS; 2003 AACCS; 2014 AACCS.

PART 3. BINGO

R 432.21301 Definitions.

Rule 301. (1) The following terms used in the act are defined as follows for the purposes of this part:

(a) “Bingo card” or “card” means a hard bingo card, disposable bingo card, or any other bingo card approved in writing by the bureau.

(b) “Call” means the announcement of the numbers or symbol on the ball drawn from the bingo receptacle or selected using a random number generator.

(2) As used in this part:

(a) “Ball” means a ball used in the game of bingo similar to a ping pong ball and typically numbered 1 through 75. An image of a ball is the equivalent of a ball if a random number generator is used.

(b) “Bingo receptacle” means a container that is either hand operated or mechanically operated, such as a cage, holder, or blower, and that holds the balls used in bingo games.

(c) “Carnival style bingo” means a special bingo occasion in which the players are continuously entering and leaving the bingo occasion and paying for their bingo cards at various times throughout the bingo occasion.

(d) “Disposable bingo card” means a bingo card with a serial number that is used 1 time and thrown away. All requirements in these rules that govern disposable bingo cards pertain to any quantity or form in which the cards may be sold; for example, single cards, sheets, books, packets, or pads.

(e) “Last number or symbol called” means the last number or symbol drawn from the bingo receptacle or selected using a random number generator, displayed to not less than 2 players, and completely called. Last number or symbol called does not include a ball called in error after a player has made his or her bingo known to a worker or caller.

(f) “Hard bingo card” means a bingo card that is designed for repeated use.

(g) “Master board” means a board that has holes typically numbered 1 through 75 and is used in playing bingo. As the balls are drawn from the bingo receptacle, they are placed on, or in, the board with the number or symbol of the ball matching the number or symbol on the board. If a random number generator is used, an electronic equivalent shall be used to represent a master board.

(h) “Random number generator” means a bureau approved computer program used to generate a series of numbers or symbols with no specific pattern that has been certified by an independent gaming laboratory and that is provided by a licensed supplier or as approved in writing by the bureau.

History: 2000 AACS; 2003 AACS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21302 Licensing requirements.

Rule 302. A qualified organization applying for a bingo license shall meet the requirements of R 432.21204.

History: 2000 AACS.

R 432.21303 Principal officer responsibilities.

Rule 303. The principal officer of the qualified organization shall be responsible for all of the following:

(a) Ensuring that there is full accountability of all gaming assets including, but not limited to, cash, prizes, bingo cards, charity game tickets, and all funds derived from the licensed gaming event.

(b) Ensuring that the licensed gaming event is conducted in accordance with the act, these rules, terms of probation, and directives of the bureau.

(c) Ensuring that all records related to the licensed gaming event are current and accurate.

(d) Reviewing all reports and correspondence from the bureau.

(e) Signing and ensuring that financial statements from the licensed gaming event are submitted to the bureau as prescribed by R 432.21335.

(f) Responding in writing to violation notices as prescribed by R 432.21106.

(g) Ensuring that all workers are qualified to work the licensed gaming event.

History: 2000 AACS.

R 432.21304 Bingo chairperson; qualifications and duties.

Rule 304. (1) The officers of the qualified organization shall designate at least 1 chairperson to be in charge of and responsible for the conduct of the licensed gaming event in accordance with the act, these rules, terms of probation, and directives of the bureau.

(2) The chairperson is a worker who shall be a bona fide member of the qualified organization for at least 6 months.

(3) The chairperson shall be listed on the license application.

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

(5) The chairperson shall be present on the premises continuously during the sale of bingo cards, charity game tickets, and during all bingo games.

(6) The chairperson shall be readily identifiable to all bingo players at the game by wearing a name badge with the word "Chairperson" followed by the name of the licensee and the chairperson's name.

(7) The chairperson shall be in full charge of the licensed gaming event, supervise and direct all workers, and be responsible for assuring the proper receipting, recording, and depositing of all money derived from the conduct of the licensed gaming event.

(8) The chairperson shall attempt to resolve in accordance with the act, these rules, directives of the bureau, and house rules any disputes that may occur during the conduct of the licensed gaming event.

(9) Any change in the chairperson or persons who are listed on the bingo license application shall be immediately submitted to the bureau in writing. The notification shall be signed by the principal officer of the qualified organization.

History: 2000 AACS.

R 432.21305 Bingo; number issued.

Rule 305. If more than 1 bingo license is issued for any 1 day at a location, the times of the bingo occasions shall not overlap.

History: 2000 AACS; 2007 AACS.

R 432.21306 Temporary change of large bingo or small bingo play date, time, or location.

Rule 306. (1) A large bingo or small bingo licensee may request a change of play date, time, or location of its bingo game for a limited or temporary basis. The change shall be a substitution for the regular scheduled bingo occasion and not an additional bingo occasion.

(2) The request shall be submitted to the bureau in writing and shall be signed by the qualified organization's principal officer.

(3) A change of date shall be within the same week.

(4) Instead of a new license, the bureau shall issue a letter authorizing the change of date, time, and location.

History: 2000 AACS.

R 432.21307 Temporary closings.

Rule 307. The licensee shall notify the bureau in writing and contact the local inspector of any temporary or seasonal closing of a large bingo or small bingo game at least 10 days before the last game date.

History: 2000 AACCS.

R 432.21308 License closing.

Rule 308. Upon permanent cancellation, revocation, or nonrenewal of the organization's large bingo or small bingo license, the licensee shall follow the instructions of the bureau.

History: 2000 AACCS.

R 432.21309 Minimum age.

Rule 309. (1) Persons under 18 years of age shall not be permitted to participate in bingo as players and shall not be permitted to operate or assist in the conduct of bingo.

(2) Persons under 18 years of age shall not be permitted to play with, operate, handle, collect, or distribute any kind of bingo equipment.

(3) Persons under 18 years of age shall not be permitted to sell or purchase raffle tickets or charity game tickets.

History: 2000 AACCS.

R 432.21310 Charity game tickets, raffles, and other games.

Rule 310. (1) Another device or game of chance shall not be conducted, played, or allowed at any bingo occasion, except the sale of charity game tickets, bureau lottery tickets, the sale of raffle tickets as allowed by this rule, and any other game approved in writing by the bureau.

(2) Charity game tickets may be sold as prescribed by R 432.21601 to R 432.21624.

(3) Licensed raffle tickets may be sold, with consent of the bingo licensee, at a licensed bingo. Raffle drawings shall not be conducted during the bingo occasion at the location listed on the bingo license.

(4) A bingo occasion does not meet the requirements for an exempt single gathering raffle.

(5) The licensee may permit card or dice games before the bingo occasion for player entertainment if money is not exchanged or wagering is not present.

History: 2000 AACCS; 2003 AACCS.

R 432.21311 Assistance for persons with disabilities.

Rule 311. (1) The licensee shall allow assistance for persons with disabilities.

For purposes of this subrule, "disabilities" means a physical or mental disability that prevents or restricts a person from normal bingo play. Such assistance may be, but is not limited to:

(a) Assistance in the selection of the bingo cards.

(b) Reserving or saving of seats.

(c) Assistance in the playing of the game. For purposes of this subsection, a worker shall not be required to assist a person with a disability.

(2) Legally blind or persons with disabilities may use their personal Braille, shutter, or sight-assistance bingo cards when a licensee does not provide such bingo cards and shall pay the equivalent price to participate in the game.

History: 2000 AACCS.

R 432.21312 Bingo equipment maintenance; authorized equipment and games.

Rule 312. (1) The licensee shall maintain bingo equipment in good repair and sound working condition. If the licensed organization conducts a bingo game at a leased location, then the organization may use equipment that is provided by the licensed hall or lessor if such use is included in the bureau approved rental contract. If equipment is included in a bureau approved rental contract, then the licensed hall or lessor shall ensure compliance with the provisions of this rule.

(2) All of the following bingo equipment and games are authorized:

(a) A hand-operated or blower-type bingo receptacle.

(b) A master board.

(c) Bingo cards.

(d) Balls of the same type, weight, and size.

(e) Braille, shutter, or sight-assistance bingo cards.

(f) Electronic verification equipment that is used in accordance with directives of the bureau.

(g) A random number generator.

(h) Other equipment as approved in writing by the bureau and used in accordance with directives of the bureau.

(i) Other games as approved in writing by the bureau.

History: 2000 AACCS; 2003 AACCS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21313 Bingo equipment; ownership and rental.

Rule 313. (1) The licensee shall conduct the bingo game only with equipment that it owns, uses under a bureau approved rental contract, or is purchasing or renting from a licensed supplier, except with prior written approval of the bureau based on the best interest of the public welfare.

(2) The licensee shall not purchase supplies, equipment, or charity game tickets in consideration for receiving the use of any equipment without charge.

(3) The licensee may pay a percentage of the revenue or net profits from the bingo game for the use of equipment with prior written approval of the bureau. The request for approval shall be submitted to the Charitable Gaming Division, 101 East Hillside, Box 30023, Lansing, Michigan 48909.

History: 2000 AACCS; 2003 AACCS; 2007 AACCS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21314 House rules.

Rule 314. (1) The licensee shall establish and adhere to its house rules for the conduct of the bingo occasion. At a minimum, the house rules shall contain all of the following information:

- (a) The licensee's name.
 - (b) The license number.
 - (c) The contingency plan for inclement weather, power outages, equipment failure, and other emergencies.
 - (d) Whether or not workers are going to cover the bingo cards or make a bingo known for players for an emergency break.
 - (e) Whether or not a person may play another person's bingo cards or make a bingo known to a worker or caller.
 - (f) Any alternative method to declare bingo allowed by the licensee, except that a licensee's house rules may not exclude a player from declaring bingo by saying, "bingo."
 - (g) The redemption claim period for charity game tickets as prescribed by R 432.21611(1)(c).
 - (h) The refund policy.
 - (i) The effective date of the house rules.
- (2) The licensee shall post the house rules in a conspicuous place or print the house rules in sufficient number for distribution to all interested persons.
- (3) Any change in the house rules shall be announced at the game not less than 1 week in advance and published as prescribed by subrule (2) of this rule before its effective date.
- (4) The house rules shall not conflict with the act, these rules, or directives of the bureau.

History: 2000 AACCS; 2003 AACCS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21315 Bingo game program.

Rule 315. (1) The licensee shall establish and adhere to their bingo game program for the conduct of the bingo occasion. The bingo game program shall contain at a minimum the following information:

- (a) All of the games to be played.
 - (b) The order that the games will be played.
 - (c) The combinations needed to win.
 - (d) The prize structure, except for the Michigan progressive jackpot bingo game.
 - (e) The admission fee, if any, and the number of admission cards that will be given for the admission price, if any.
 - (f) The price of each type of bingo card that is offered for sale.
 - (g) The effective date.
- (2) If the program indicates variable prize payouts based upon attendance, then the program shall clearly state which games are affected, when these circumstances shall apply, and the amount of the reduced prize or prizes.
- (3) The full amount of the stated and announced prizes shall be awarded, unless the game program indicates that prizes may be reduced based upon attendance.

(4) The licensee shall post the bingo game program or print the bingo game program in sufficient number for distribution to all interested persons.

(5) Any change in the bingo game program shall be announced at least 1 week in advance and published as provided by subrule (4) of this rule before the effective date.

History: 2000 AACS.

R 432.21316 Card price; restrictions.

Rule 316. (1) The bureau may require a licensee to sell all like cuts of cards, sheets, books, packets, or pads of cards of the same color and type at a uniform price.

(2) The bureau may require licensees to sell bingo cards at a price as directed in writing by the bureau.

History: 2000 AACS; 2007 AACS.

R 432.21317 Game conduct and operation.

Rule 317. (1) Bingo games shall only be conducted between the hours of 8 a.m. and 2 a.m.

(2) The bingo license shall be on site and posted in a conspicuous place during the bingo occasion.

(3) A copy of the current license application and any changes shall also be on site and available for review.

(4) The bureau may establish directives regulating the conduct of specific types of bingo games, including the Michigan progressive jackpot bingo game.

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

(6) Before the start of each bingo game, the name of the game, type or color of bingo card, winning combinations, and the amount of each prize shall be clearly announced to the players. For games that are divided into multiple prizes, the winning arrangements and the amount of each prize shall be clearly announced to the players immediately before each multiple game.

(7) All balls that are used during the game shall be present in the bingo receptacle before each game begins and shall be verified by 2 bingo players before the bingo occasion starts, except when a random number generator is used. The names of the persons who verify the balls shall be recorded and become part of the game records. If the balls are changed during the bingo occasion, then the balls shall be verified again by 2 bingo players and the names of the persons who verify the balls shall be recorded.

(8) All bingo cards shall be purchased, all winners shall be determined, and all prizes shall be awarded within the same day or as directed by the bureau. The chairperson may withhold a prize payment pending the resolution of a disputed game.

(9) Players shall play only the bingo cards that have been purchased from the licensee for that bingo occasion, except as prescribed by R 432.21311.

(10) Free bingo cards shall not be provided, given to, or played by a player, except as prescribed by R 432.21324.

(11) A worker may, at the option of the licensee, cover the bingo cards for a player as provided in the house rules as prescribed by R 432.21314(1)(d).

(12) A bingo card shall not be sold after the first number is drawn or selected for the game in which the bingo card is going to be used, except bingo cards where the bingo numbers are concealed.

(13) A player may, at the option of the licensee, exchange hard bingo cards.

(14) Any bingo card that is being selected, purchased, or exchanged during a game shall not be used while that game is in progress, except bingo cards where the bingo numbers are concealed.

(15) Bingo cards shall not be exchanged or transferred between players.

(16) A worker shall not select or exchange bingo cards for a player, except as prescribed by R 432.21311.

(17) Hard bingo cards that have not been purchased shall be turned in and removed from the playing area before the first hard card game.

(18) Bingo cards shall not be removed by the players from the bingo premises, except for player-owned Braille, shutter, or sight-assistance bingo cards, unless approved in writing by the bureau based on the best interest of the public welfare.

History: 2000 AACS; 2003 AACS; 2007 AACS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21318 Master control form.

Rule 318. (1) A master control form shall be prepared and maintained for each bingo occasion when hard cards are sold, an admission fee is charged, or bingo cards are discounted.

(2) The master control form shall include each verification slip number, the corresponding admission fee, if charged, and the number of bingo cards.

(3) The master control form shall be completed as each sale is made.

(4) In place of a master control form, a special bingo licensee who plays carnival style bingo shall complete and maintain a special bingo accountability form that is provided by the bureau.

History: 2000 AACS; 2003 AACS.

R 432.21319 Verification slips.

Rule 319. (1) A verification slip shall be issued by the licensee in consecutive number order when hard cards are sold, an admission fee is charged, or bingo cards are discounted, except as provided by subrule (7) of this rule.

(2) The verification slip shall include all of the following information:

(a) The name of the licensee.

(b) The date for which the slip was issued.

(c) The number of bingo cards purchased.

(d) A unique number that is preprinted on the verification slip in continuous, consecutive order. Hand numbering or hand imprinting of the number is prohibited.

(3) The information that is recorded on the verification slip shall be legible and clearly printed.

(4) The verification slip shall be clearly displayed by each player.

(5) The licensee shall account for each verification slip number. Any break in the consecutive numbering system shall be documented in writing and retained with the game records.

(6) Any voiding or changing of verification slips shall be done in accordance with directives of the bureau.

(7) Compliance with the provisions of this rule is not required for special bingo licensees who conduct carnival style bingo unless directed otherwise by the bureau.

History: 2000 AACCS; 2003 AACCS.

R 432.21320 Cash registers.

Rule 320. The licensee may use a cash register system in place of verification slips and master control form if the cash register complies with directives of the bureau.

History: 2000 AACCS.

R 432.21321 Calling.

Rule 321. (1) Balls shall be drawn from a bingo receptacle or selected using a random number generator, displayed, and clearly announced.

(2) Each ball shall be displayed so that 2 or more players can see the number or symbol on the ball before it is called. A video monitor may be used to display the balls, if a random number generator is used.

(3) If balls are drawn from a bingo receptacle, then the following provisions apply:

(a) The caller shall be located so that 2 or more players can observe the drawing of the ball from the bingo receptacle.

(b) Each ball drawn shall be placed in the master board.

(c) Only 1 person shall handle the balls.

(d) There shall be not more than 1 ball drawn from the bingo receptacle at 1 time.

(e) Once removed, balls shall not be returned to the bingo receptacle until the conclusion of the game.

(f) A ball shall not be physically pushed back down into the machine.

(g) A hand or other object shall not be placed over the opening of the bingo receptacle while the game is in progress.

(4) If more than 1 room or area is used for any 1 bingo occasion, then all of the following provisions apply:

(a) If a method to display balls is used in 1 of the rooms, then an equivalent method shall be used in each of the rooms.

(b) All called numbers or symbols shall be clearly audible to the players in all of the rooms or areas.

(c) A worker shall be present at all times in each room or area while a game is in progress.

History: 2000 AACCS; 2003 AACCS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21322 Verification.

Rule 322. (1) A bingo game is won by the player or players who have the winning combination required to win the game.

(2) The last number or symbol called shall appear on the player's bingo card that is being verified.

(3) The actual numbered balls in the master board shall be the only official scorer, except as provided by subrule (4) of this rule.

(4) If a random number generator is used, an electronic equivalent to the master board shall be the official scorer.

(5) There shall be a sufficient number of designated floor workers to provide complete coverage of the bingo playing area for purposes of identifying player bingos.

(6) It shall be the responsibility of the player to make his or her bingo known to a worker or caller by saying the word "bingo" before the next number is completely called. An alternative method to declare bingo may be used if stated in the licensee's house rules.

(7) A player who is unable to say the word "bingo" due to physical limitations shall be permitted to use another method of making his or her bingo known.

(8) Once a worker hears the word "bingo," or an alternative method allowed by the licensee, the worker shall immediately notify the caller and the game shall stop for a verification of the bingo card. Any ball that is drawn or selected in error shall remain available for continued play, if necessary.

(9) A worker shall announce the winning combination of numbers or symbols that appear on the winning player's bingo card back to the caller who shall verify that the balls are in the master board except as directed in writing by the bureau based on the best interest of the public welfare. In a coverall game, the caller may announce the numbers or symbols that are not called and the worker may verify that these numbers or symbols do not appear on the player's bingo card that is being verified.

(10) On all games where the single prize paid to a player is \$100.00 or more, the bingo card or cards shall be displayed so that 2 or more players can observe the verification process.

(11) If a player is playing more bingo cards than the number of bingo cards stated on the verification slip or playing a disposable bingo card series number not sold by the licensee, then any bingo called by the player shall not be honored and a prize shall not be paid.

(12) A player may verify all the balls drawn or selected at the time a winner is announced.

(13) A player may observe the verification of the winning bingo card.

History: 2000 AACCS; 2003 AACCS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21323 Bingo game closing.

Rule 323. (1) Each bingo game shall be closed in accordance with the following procedure:

(a) The game shall only be closed after the winning combination has been verified.

(b) The caller shall announce 3 times, in a manner audible to all players, "Are there any other bingos?"

(c) After the third announcement and a pause sufficient to permit additional winners to identify themselves, the caller shall then announce audibly, "This game is closed." In multiple-part games the announcement shall be, "This part of the game is closed."

(2) If there is not a valid bingo, then the caller shall state, "There is no valid bingo." The game shall resume with the caller repeating the last number called before calling any more numbers.

(3) After all calls of bingo have been verified and the game closed, the caller shall announce the number of winners in each category, the amount of money or prize each winner has won, and the total amount of money or prizes awarded for that game.

(4) A licensee closing a game in accordance with the procedure in this rule has no obligation to pay a prize to a winner who claims a bingo after the game is closed.

History: 2000 AACCS.

R 432.21324 Disputed games.

Rule 324. (1) If it is discovered that there are problems with the balls or random number generator, bingo equipment, or the operation of the bingo equipment, then all of the following provisions apply:

(a) If it is discovered while the game is in progress, then that game is void and shall be played over during the same occasion at no cost to the players.

(b) If it is discovered before the start of the next game, then the just completed game is void and shall be replayed during the same occasion at no cost to players.

(c) If it is discovered after a bingo occasion is completed, then no games shall be replayed.

(d) One bingo card with an equal number of faces shall be given at no cost to each player for the replay of the game.

(2) If it is discovered that a ball was incorrectly called or improperly placed or entered into the master board, or electronic equivalent, then either of the following provisions applies:

(a) If it is immediately discovered, then the game shall be stopped. The error shall be corrected by clearly restating the incorrect call or indicating the improper placement and indicating what the correct call or placement should have been and continuing the game.

(b) If it is discovered after additional balls have been called, then the game shall be stopped. The chairperson shall determine whether the game can be reconstructed by recalling the game from the point of error and continuing. If the game cannot be reconstructed, then the game shall be declared void and replayed during the same occasion. Only those portions of the game and prize affected by the error and all subsequent portions of the game shall be replayed. One bingo card with an equal number of faces shall be given at no cost to each player for the replay of the game.

(3) If it is discovered that a winner does not have the right to claim a prize, the game shall be replayed as provided by subrule (1)(b), (c), and (d) of this rule or as directed by the bureau based on the best interest of the public welfare.

(4) In the case of a disputed game, if a prize has been paid to a player before the discovery of the error, then the prize shall remain the property of the player.

(5) If payment of prizes in accordance with this rule causes the licensee to exceed the maximum prize limit permitted by the act, then the cause of the payment shall be noted in the game records and in the corresponding financial report for that time period. Repeated or excessive overpayments of this nature may be considered a violation of the act and these rules.

(6) In the investigation of disputed prizes, the bureau may instruct a licensee to pay a disputed prize if the preponderance of the evidence is in favor of the player.

History: 2000 AACS; 2003 AACS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21325 Prizes.

Rule 325. (1) The total retail value of all merchandise and cash prizes offered or awarded through bingo at a single bingo occasion shall not exceed the limitations set by the act for the specific license type. Prizes in a single game may be paid in steps, however, the value of prizes shall not exceed the total amount set by the act for a single game. The value of donated prizes shall be their total retail value.

(2) If charity game tickets and lottery tickets are awarded, then they are considered merchandise prizes and shall be valued at their face value, not the prize amount that they may reveal.

(3) If a merchandise prize is to be awarded, then there shall be an explanation in the game program and an announcement at the start of the merchandise game as to how the prize will be awarded if there are multiple winners of the game. A merchandise prize may be offered with a cash equivalent option.

(4) At all bingo occasions where prize payouts are based upon attendance, the attendance shall be announced at the start of the first game that is affected by attendance.

(5) All winners of bingo prizes shall be determined by the bingo method. Prizes shall not be awarded or split by any other method or means.

History: 2000 AACS.

R 432.21326 Workers.

Rule 326. (1) A worker shall not play in games of bingo in which he or she is working or assisting. A worker who wishes to work until the first ball is drawn or selected for that bingo occasion and then play bingo may do so if he or she purchases his or her bingo cards in the same manner as other players.

(2) A worker shall not purchase, play, or accept as a gift, charity game tickets offered for sale by the licensee at any time during the day they are working or assisting.

(3) A licensee, worker, location owner or his or her agent, hall employee, lessor, or concession worker shall not pay for, provide in any manner, or have any interest of any kind, in a player's bingo cards or charity game tickets, and shall not, in any manner, share in a prize awarded to a player.

(4) A paid concession worker at a location that is not a licensed hall shall not participate as a worker in the bingo occasion in any manner.

(5) A person under 18 years of age shall not participate in bingo as a worker and shall not operate or assist in the conduct of bingo.

(6) A worker shall not accept tips from players.

History: 2000 AACCS; 2003 AACCS; 2007 AACCS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21327 Worker compensation.

Rule 327. (1) The commissioner shall establish a service compensation schedule for workers.

(2) The commissioner may adjust the established service compensation schedule. If an adjustment is proposed, then the licensees shall be given 30 days to comment before the change is implemented.

(3) A worker shall not be compensated more than the amount established by the commissioner in the service compensation schedule.

(4) The amount established by the commissioner that may be paid to a worker is as follows:

(a) The chairperson or recordkeeper shall be paid not more than \$75.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$150.00 for his or her services for each bingo occasion worked.

(b) The person who completes the quarterly financial statement shall be paid not more than \$50.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$100.00 for each quarterly financial statement submitted.

(c) All other workers shall be paid not more than \$50.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$60.00 for their services for each bingo occasion worked.

(5) Only 1 person may be paid as chairperson and only 1 person may be paid as recordkeeper for each bingo occasion.

(6) An individual may only be compensated for being 1 of the following at each bingo occasion:

(a) Chairperson.

(b) Recordkeeper.

(c) Worker.

(7) A worker shall not be compensated for any other services related to that bingo occasion, for example, custodial services, set up, or tear down, except as provided by this rule.

(8) Compensation to workers includes, but is not limited to, any of the following:

(a) Cash or check.

(b) Anything of value.

(c) Credit towards dues, tuition, or any other items of value. Any credit given shall not exceed the limit per bingo occasion as prescribed by this rule.

(9) All worker compensation, other than credits, shall be paid on the day of the bingo occasion. This subrule does not apply to a person who completes the quarterly financial statement.

(10) The names of the workers and amounts paid, including any credits as provided by subrule (8)(c) of this rule, shall be recorded on the workers service record for each bingo occasion or as directed in writing by the bureau.

(11) Any and all forms of worker compensation shall be paid only from the proceeds of the licensed gaming event or the financial account as prescribed by R 432.21330.

(12) All compensation shall be reported on the financial statement as prescribed by R 432.21335.

History: 2000 AACS; 2003 AACS; 2007 AACS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21328 Game records; retention.

Rule 328. (1) Game records pertaining to the licensed gaming event shall be completed and maintained in a current and accurate manner in accordance with the act, these rules, terms of probation, and directives of the bureau. A licensee may be required to complete game records on forms prescribed by the bureau.

(2) A qualified organization that is issued more than 1 bingo license shall maintain game records as directed by the bureau.

(3) A copy of the current license application and rental agreement and any changes shall be on site and available for review.

(4) Game records and all documents supporting entries made in the records shall be available and on site at all large bingo or small bingo occasions and at other times to authorized representatives of the bureau for review.

(5) Game 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 bureau.

(6) Game records and all documents supporting entries made in the records may be removed from the bingo location by authorized representatives of the bureau for review.

(7) Upon completion of an inspection of the bingo game by the bureau, the authorized representative of the bureau may designate certain records that may be moved to an off-site storage area. The records shall be maintained by the licensee at this site in accordance with the retention requirements provided in subrule (5) of this rule.

(8) Game records may be maintained using a computer if they are maintained in accordance with directives of the bureau.

History: 2000 AACS; 2003 AACS.

R 432.21329 Inventory.

Rule 329. (1) The licensee shall be accountable for all bingo cards and shall maintain an accurate and complete inventory of all disposable bingo cards on forms prescribed by, or submitted to and approved in writing by, the bureau.

(2) A qualified organization that is issued more than 1 bingo license shall maintain separate disposable bingo card inventories unless directed otherwise in writing by the bureau.

(3) Off-site inventory locations shall be a building or office open to the public and not a private residence unless directed otherwise in writing by the bureau.

(4) The exchange, sale, sharing, or mixing of disposable bingo cards by a qualified organization with disposable bingo cards belonging to another qualified organization is prohibited, except with the prior written approval of the bureau.

(5) A qualified organization shall not exchange, sell, share, or mix disposable bingo cards between any large and small bingo licenses issued to that qualified organization, except with the prior written approval of the bureau based on that organization's ability to account for all disposable bingo cards.

(6) A large bingo or small bingo licensee may use its own disposable bingo cards at special bingo occasions conducted by the licensee if the date of the special bingo and the amount of each type of disposable bingo card used is noted on the licensee's inventory record.

(7) If disposable bingo cards are sold by a licensee in a form other than that in which they were purchased from the licensed supplier, then the licensee shall accurately record the corresponding transfers on the inventory record as provided by subrule (1) of this rule to account for all bingo cards originally purchased.

(8) Each bingo card or sheet of bingo cards offered for sale by the licensee shall have printed on its face the individualized serial number assigned by the manufacturer.

(9) A licensee shall only purchase disposable bingo cards from a licensed supplier if the invoice and case label have been clearly and legibly identified with the color, type (for example, 3-on horizontal), and total number of sheets or total number of packets for each color invoiced or contained in the case.

History: 2000 AACCS; 2003 AACCS.

R 432.21330 Accountability; lawful use of proceeds; reasonable expenditures; deposit of proceeds.

Rule 330. (1) The licensee shall be accountable for all cash, bingo cards, prizes, and charity game tickets.

(2) In accordance with the act, the entire net proceeds of a licensed gaming event shall be devoted exclusively to the lawful purposes of the qualified organization.

(3) To ensure that all proceeds are used for the lawful purposes of the qualified organization, all financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall be open for review by authorized representatives of the bureau.

(4) The payment of expenses incurred in connection with the conduct of the licensed gaming event shall be necessary and reasonable.

(5) Each check written from financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall meet all of the following requirements:

(a) Each check shall be preprinted with the name of the licensee.

(b) The check shall be signed by an authorized person or persons.

(c) The check shall be made payable to a specific person, business, partnership, corporation, or account.

(d) A check shall not be made payable to cash or bearer and shall not be drawn in blank.

(e) The check shall contain a brief description of the expense on the memo line.

(6) An electronic transfer of funds may be used if the licensee receives a detailed statement from its financial institution that shows payee, amount paid, and date paid.

(7) Cancelled checks written from financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall be returned on a monthly basis to the account holder. Bank validated check images are acceptable, if legible, and if originals can be made available upon request by the bureau.

(8) All money derived from the conduct of the licensed gaming event shall be deposited into the licensee's financial account within 2 business days of the bingo occasion or as directed in writing by the bureau.

(9) Checks shall not be cashed out of the bingo start cash or gross revenue.

(10) Prize payments and worker compensation are the only allowable cash expenditures from proceeds of the licensed gaming event. All other expenses of the licensed gaming event shall be paid by check or electronic transfer of funds as prescribed by this rule.

History: 2000 AACS; 2003 AACS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21331 Rent and rental location agreement.

Rule 331. (1) The licensee shall not pay a fee for rent different from the fee that has been approved in writing by the bureau and the licensee shall not pay rent other than as provided in the written agreement approved by the bureau.

(2) Any changes to the approved rental agreement shall be submitted in writing to the bureau for approval before implementation. These changes shall be agreed to by both the lessor and lessee.

(3) The licensee shall pay the lessor of a location within the time frame as stipulated in the rental agreement.

(4) A licensee terminating a rental agreement with a licensed hall shall submit proof of termination before entering into a rental agreement with another licensed hall.

History: 2000 AACS; 2003 AACS; 2007 AACS.

R 432.21332 Security.

Rule 332. (1) The licensee may assign a worker to provide security services at the bingo occasion and that worker shall be eligible for pay as a worker as prescribed by R 432.21327.

(2) A licensee may hire contractual security services and pay them for services at current market rates, provided the activity is conducted in compliance with 1968 PA 330, MCL 338.1051. Persons hired under this subrule shall not assist in the operation of the bingo game in any other capacity.

History: 2000 AACS; 2007 AACS.

R 432.21333 Advertising.

Rule 333. (1) Expenditures by the large bingo, small bingo, or special bingo licensee for advertising the licensed gaming event shall be necessary and reasonable.

(2) A licensee, lessor, or location may advertise a licensed gaming event using current and accurate information. The advertising shall include all of the following:

(a) Name of the licensee.

(b) License number.

(c) Purpose for which the net proceeds will be used.

(3) The following items are not considered advertising:

(a) A message on an answering machine or voicemail by the lessor, location owner, or licensee at a location where a licensed gaming event is going to occur.

(b) Any other communication that is used solely at a location where the licensed gaming event occurs.

History: 2000 AACCS; 2003 AACCS; 2007 AACCS; 2010 AACCS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21334 Bingo financial records; retention.

Rule 334. All of the following financial records shall be available to authorized representatives of the bureau for review and shall be kept for at least the current calendar year plus 3 years or as directed in writing by the bureau:

(a) A copy of the financial statements as prescribed by R 432.21335.

(b) Bank validated deposit slips for all proceeds from the licensed gaming event.

(c) Bank statements from all financial accounts where proceeds from the licensed gaming event were deposited or transferred.

(d) Cancelled checks or bank validated check images, as prescribed by R 432.21330(7) from all financial accounts where proceeds from the licensed gaming event were deposited or transferred.

(e) Invoices or receipts with the date, vendor's name, and a description of the item or service for all expenditures made from financial accounts where proceeds from the licensed gaming event were deposited or transferred.

(f) Loans or donations of funds from individuals are permitted only if documented in a written, witnessed document. A copy of the document and repayment schedule and any later changes to these documents shall be maintained with these financial records.

History: 2000 AACCS; 2003 AACCS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21335 Financial statement; requirements.

Rule 335. (1) A large bingo licensee shall submit a financial statement to the bureau on a form provided by or approved in writing by the bureau.

(2) Unless directed otherwise in writing by the bureau, a large bingo licensee shall file the financial statement on a quarterly basis. The statement shall be filed with the bureau by the tenth day of the month following the end of the reporting period. The reporting periods shall be January to March, April to June, July to September, and October to December.

(3) A special bingo licensee shall submit a financial statement to the bureau on a form, provided by or approved in writing by the bureau, by the tenth day of the month following the month that the licensed gaming event was held.

(4) 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: 2000 AACS; 2003 AACS; 2007 AACS.

R 432.21336 Senior citizen recreational bingo; exemption.

Rule 336. (1) A licensed senior citizen organization may apply to the bureau on a form provided by the bureau for an exemption from these rules if all of the following conditions are met:

(a) The bingo is conducted primarily for the amusement and recreation of the members and guests of the senior citizen organization and not as a fund-raiser.

(b) Only members of the senior citizen organization, the staff, and volunteers may assist in the operation of the bingo.

(c) Players are charged not more than 25 cents or equivalent value for each bingo card.

(d) The total retail value of all merchandise and cash prizes offered or awarded at a bingo occasion shall not be more than \$300.00. The value of donated prizes shall be their total retail value.

(e) A record shall be maintained for each bingo occasion that indicates the revenues, expenses, and prizes paid.

(f) All revenue from the bingo is used for prizes or reasonable expenses incurred in operating the bingo or the senior citizens organization.

(g) A person shall not be compensated for participating in the conduct of the bingo.

(2) The bureau may terminate a licensee's exemption if any portion of subrule (1) of this rule is violated.

History: 2000 AACS; 2003 AACS; 2007 AACS.

PART 4. MILLIONAIRE PARTY

R 432.21401 Rescinded.

History: 2000 AACS; 2010 AACS; 2014 AACS.

R 432.21401a Rescinded.

History: 2010 AACS; 2014 AACS.

R 432.21402 Rescinded.

History: 2000 AACS; 2014 AACS.

R 432.21403 Rescinded.

History: 2000 AACS; 2014 AACS.

R 432.21404 Rescinded.

History: 2000 AACS; 2014 AACS.

R 432.21405 Rescinded.

History: 2000 AACS; 2014 AACS.

R 432.21406 Rescinded.

History: 2000 AACS; 2003 AACS; 2007 AACS; 2014 AACS.

R 432.21407 Rescinded.

History: 2000 AACS; 2003 AACS; 2014 AACS.

R 432.21408 Rescinded.

History: 2000 AACS; 2007 AACS; 2014 AACS.

R 432.21409 Rescinded.

History: 2000 AACS; 2010 AACS; 2011 AACS; 2014 AACS.

R 432.21410 Rescinded.

History: 2000 AACS; 2007 AACS; 2014 AACS.

R 432.21411 Rescinded.

History: 2000 AACS; 2003 AACS; 2014 AACS.

R 432.21412 Rescinded.

History: 2000 AACS; 2007 AACS; 2010 AACS; 2011 AACS; 2014 AACS.

R 432.21413 Rescinded.

History: 2000 AACS; 2003 AACS; 2007 AACS; 2014 AACS.

R 432.21414 Rescinded.

History: 2000 AACS; 2003 AACS; 2014 AACS.

R 432.21415 Rescinded.

History: 2000 AACS; 2003 AACS; 2010 AACS; 2014 AACS.

R 432.21416 Rescinded.

History: 2000 AACS; 2007 AACS; 2014 AACS.

R 432.21417 Rescinded.

History: 2000 AACS; 2007 AACS; 2014 AACS.

R 432.21418 Rescinded.

History: 2000 AACS; 2007 AACS; 2010 AACS; 2014 AACS.

R 432.21419 Rescinded.

History: 2000 AACS; 2003 AACS; 2014 AACS.

R 432.21420 Rescinded.

History: 2000 AACS; 2003 AACS; 2014 AACS.

PART 5. RAFFLE

R 432.21501 Definitions.

Rule 501. As used in this part:

(1) "Combination raffle" means a series of licensed raffle drawings, comprised of either large and small raffle licenses or all large raffle licenses, conducted over multiple drawing dates at 1 location, using 1 or more raffle tickets.

(2) "In-house raffle" means a licensed raffle where the raffle tickets are only sold during the time of the licensed gaming event and sold only at the location listed on the license.

History: 2000 AACS; 2003 AACS; 2014 AACS.

R 432.21502 Raffles not requiring a license.

Rule 502. A qualified organization is exempt from obtaining a license to conduct a raffle if all of the following elements are present:

(a) All the raffle tickets are sold at the single gathering of the qualified organization.

(b) The drawing is conducted at the same single gathering where the raffle tickets are sold and prizes awarded.

(c) The total retail value of all the prizes does not exceed \$100.00 in a consecutive 24-hour period.

History: 2000 AACS.

R 432.21503 Licensing requirements.

Rule 503. (1) A qualified organization applying for a raffle license shall meet the requirements of R 432.21204.

(2) All drawing locations shall be the same if a raffle license is issued for more than 1 date.

History: 2000 AACS; 2014 AACS.

R 432.21504 Principal officer responsibilities.

Rule 504. The principal officer of the qualified organization shall be responsible for all of the following:

(a) Ensuring that there is full accountability of all gaming assets including, but not limited to, cash, prizes, raffle tickets, charity game tickets, numeral game tickets, and all funds derived from the licensed gaming event.

(b) Ensuring that the licensed gaming event is conducted in accordance with the act, these rules, terms of probation, and directives of the bureau.

(c) Ensuring that all records related to the licensed gaming event are current and accurate.

(d) Reviewing all reports and correspondence from the bureau.

(e) Signing and ensuring the financial statement from the licensed gaming event is submitted to the bureau as prescribed by R 432.21522.

(f) Responding in writing to violation notices as prescribed by R 432.21106.

(g) Ensuring that all workers and raffle ticket sellers are qualified to work the licensed gaming event.

History: 2000 AACCS.

R 432.21505 Raffle chairperson; qualifications and duties.

Rule 505. (1) The officers of the qualified organization shall designate at least 1 chairperson to be in charge of and responsible for the conduct of the licensed gaming event in accordance with the act, these rules, terms of probation, and directives of the bureau.

(2) The chairperson shall be a bona fide member of the qualified organization for at least 6 months.

(3) The chairperson shall be listed on the license application.

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

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

(6) The chairperson shall be readily identifiable to all raffle attendees by wearing a name badge with the word "Chairperson" followed by the name of the qualified organization and the chairperson's name.

(7) The chairperson shall be in full charge of the licensed gaming event, supervise and direct all workers, and be responsible for assuring the proper receipting, recording, and depositing of all money derived from the conduct of the licensed gaming event.

(8) The chairperson shall attempt to resolve in accordance with the act, these rules, directives of the bureau, and house rules any disputes that may occur during the conduct of the licensed gaming event.

(9) Any change in the chairperson or persons who are listed on the raffle license application shall be immediately submitted to the bureau in writing. The notification shall be signed by the principal officer of the qualified organization.

History: 2000 AACCS.

R 432.21506 Raffle ticket requirements.

Rule 506. (1) All raffle tickets, except those used for in-house raffles, shall contain at a minimum the following information printed in a clear and legible manner:

(a) The name of the licensee.

(b) The license number.

(c) The word "raffle."

(d) The date, time, and location of the drawing.

(e) The price of the raffle ticket.

(f) A unique sequential identification number on the raffle ticket and ticket stub.

(g) The top prize or other information as directed by the bureau.

(h) The stub of the ticket retained by the licensee shall contain a space for the purchaser's name, address, and phone number.

(2) The use of the terms "lotto" or "lottery" is prohibited on raffle tickets.

(3) A raffle ticket shall not be used that requires the removal of a covering material to determine if a ticket is a winner or is eligible to be a winner.

History: 2000 AACCS.

R 432.21507 Games.

Rule 507. (1) Authorized games at a large raffle include all of the following:

(a) Raffles.

(b) In-house raffles.

(c) Charity game tickets.

(d) Numeral game tickets.

(e) Any other game approved in writing by the bureau.

(2) Authorized games at a small raffle include all of the following:

(a) Raffles.

(b) In-house raffles.

(c) Any other game approved in writing by the bureau.

History: 2000 AACCS; 2003 AACCS.

R 432.21508 Alternative methods to determine winner.

Rule 508. (1) An alternative method of determining a winner may be used with the prior written approval of the bureau.

(2) The licensee shall post the house rules as prescribed by R 432.21510 at the licensed gaming event site before the start of the licensed gaming event notifying the public of the method used to conduct the raffle and determine the winner.

(3) If circumstances prevent the licensed gaming event from being conducted using the bureau approved alternative method, then the winner shall be determined by reverting back to a traditional raffle drawing on the scheduled date.

History: 2000 AACCS.

R 432.21509 Minimum age.

Rule 509. Raffle tickets shall only be sold to persons 18 years of age or older. This does not prohibit the purchase of a raffle ticket by a person who is 18 years of age or older for the purpose of making a gift to a person who is under the age of 18, and does not prohibit a person who is under 18 years of age from receiving a prize or prizes won in a raffle.

History: 2000 AACCS.

R 432.21510 House rules.

Rule 510. (1) The licensee shall establish and adhere to its house rules for the conduct of the raffle. At a minimum, the house rules shall contain all of the following information:

- (a) The licensee's name.
- (b) The license number.
- (c) The price of the raffle ticket.
- (d) The method by which the winners will be determined and the raffle will be conducted.
- (e) The contingency plan for inclement weather or other extenuating circumstances if the raffle or alternative raffle cannot be conducted as planned.
- (f) The redemption claim period for charity game tickets as prescribed by R 432.21611(1)(c).
- (g) The redemption claim period for numeral game tickets as prescribed by R 432.21709(1)(e).
- (h) The refund policy.
- (i) The effective date of the house rules.
- (2) The licensee shall post the house rules in a conspicuous place or print the house rules in sufficient number for distribution to all interested persons.
- (3) The house rules shall not be in conflict with the act, these rules, or directives of the bureau.

History: 2000 AACCS; 2003 AACCS.

R 432.21511 In-house raffles.

Rule 511. (1) In-house raffles may be conducted if all of the following elements are present:

- (a) There is no sale of in-house raffle tickets before the occasion.
- (b) There is no sale of in-house raffle tickets outside of the gaming area during the licensed gaming event.
- (2) A licensee shall establish and adhere to its house rules for the conduct of an in-house raffle as prescribed by R 432.21510.
- (3) A prize shall not be forfeited to the licensee.
- (4) If any prize for an in-house raffle is not claimed, then the licensee shall do either of the following:
 - (a) Conduct another raffle during the time and date specified on the license, using the original pool of ticket stubs.
 - (b) With written approval of the bureau, donate the prize or prizes to a nonprofit organization with a charitable purpose as prescribed by R 432.21101(1)(b) if all of the following apply:
 - (i) The winning raffle ticket numbers have been publicly posted and readily available for 60 days.
 - (ii) The prize has not been claimed for 60 days.
 - (iii) The licensee is using a bureau approved method of determining a winner provided by a licensed supplier.

History: 2000 AACCS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21512 Real property raffles.

Rule 512. A qualified organization wishing to raffle real property shall provide the bureau with proof of clear title to the property in the name of the qualified organization.

History: 2000 AACCS.

R 432.21513 Raffle conduct and operation.

Rule 513. (1) Raffle drawings shall only be conducted between the hours of 8 a.m. and 2 a.m.

(2) The raffle license shall be on site and posted in a conspicuous place during the raffle occasion.

(3) A copy of the current license application and any changes shall also be on site and available for review.

(4) The licensee shall not participate in a raffle as a player although this subrule does not prohibit individual members of the licensed organization from purchasing raffle tickets. Raffle tickets shall not be purchased in the name of the licensee.

(5) Raffle drawings shall not be conducted during the bingo occasion at the location stated on the bingo license.

(6) Raffle drawings shall be open to any raffle ticket purchaser or authorized representatives of the bureau during the hours stated on the license.

(7) All winners shall be determined within the hours stated on the license.

(8) All ticket stubs sold shall be placed in the pool of ticket stubs from which the winners shall be drawn except as prescribed by R 432.21508.

(9) The winner or winners of a raffle shall be selected on a random basis and all participants shall be afforded an equal opportunity to win.

(10) The raffle receptacle shall be designed so that each ticket stub placed in the raffle receptacle has an equal opportunity to be drawn.

(11) The order that the winners will be determined shall be announced before the start of the drawing.

(12) Only 1 ticket stub shall be drawn at a time.

(13) If any raffle tickets are sold but the ticket stubs are turned into the licensee too late to be placed in the pool of ticket stubs, then the purchaser shall be issued a refund.

(14) Charity game tickets may be sold at a large raffle as prescribed by R 432.21601 to R 432.21624.

(15) Numeral game tickets may be sold at a large raffle as prescribed by R 432.21701 to R 432.21721.

History: 2000 AACCS.

R 432.21514 Raffle ticket sellers.

Rule 514. (1) Raffle ticket sellers may be nonmembers of the licensee.

(2) Raffle ticket sellers must be 18 years of age or older.

(3) Raffle ticket sellers in a licensed raffle, other than an in-house raffle, shall not be entitled to and shall not receive anything of value for their services except as prescribed by R 432.21517.

(4) Raffle ticket sellers in a licensed in-house raffle shall not be entitled to and shall not receive anything of value for their services except as prescribed by R 432.21516 and R 432.21517.

History: 2000 AACCS; 2018 AACCS.

Editor's Note: An obvious error in R 432.21514 was corrected at the request of the promulgating agency, pursuant to Section 56 of 1969 PA 306, as amended by 2000 PA 262, MCL 24.256. The rule containing the error was published in *Michigan Register*, 2018 MR 5. The memorandum requesting the correction was published in *Michigan Register*, 2018 MR 5.

R 432.21515 Raffle prizes.

Rule 515. (1) All prizes shall be awarded.

(2) A winner need not be present to win except as provided by R 432.21511.

(3) The licensee shall make a diligent effort to locate the winners of all prizes.

(4) A prize shall not be forfeited to the licensee.

(5) Except for a raffle conducted under R 432.21511, any prize not claimed or for which the winner cannot be located within 60 days from the date of the raffle shall be distributed in accordance with one of the following methods:

(a) The licensee shall conduct another drawing using the original pool of ticket stubs

(b) With prior written approval of the bureau, the licensee shall donate the prizes to a nonprofit organization with a charitable purpose as prescribed by R 432.21101(1)(b).

History: 2000 AACCS; 2003 AACCS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.21516 Worker compensation.

Rule 516. (1) The commissioner shall establish a service compensation schedule for workers.

(2) The commissioner may adjust the established service compensation schedule. If an adjustment is proposed, then the licensees shall be given 30 days to comment before the change is implemented.

(3) A worker shall not be compensated more than the amount established by the commissioner in the service compensation schedule, except as prescribed by R 432.21517.

(4) The amount established by the commissioner that may be paid to a worker is as follows:

(a) The chairperson shall be paid not more than \$50.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$100.00 for his or her services.

(b) All other workers shall be paid not more than \$15.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$50.00 for their services.

(5) Only 1 person may be paid as chairperson for each licensed gaming event.

(6) An individual may only be compensated for being either the chairperson or a worker.

(7) Compensation to workers includes, but is not limited to, any of the following:

(a) Cash or check.

(b) Anything of value.

(c) Credit towards dues, tuition, or any other items of value. Any credit given shall not exceed the limit per licensed gaming event as prescribed by this rule.

(8) In addition to the compensation as provided by subrule (7) of this rule, workers may also receive food and beverages consumed while working that do not exceed \$10.00 in retail value.

(9) All worker compensation, other than credits, shall be paid on the day of the licensed gaming event.

(10) The names of the workers and amounts paid, including any credits as provided by subrule (7)(c) of this rule, shall be recorded on the workers service record for each day of the licensed gaming event or as directed in writing by the bureau.

(11) Any and all forms of worker compensation shall only be paid from the proceeds of the licensed gaming event or the financial account as prescribed by R 432.21519.

(12) All compensation shall be reported on the financial statement for the raffle or associated licensed gaming event.

History: 2000 AACS; 2003 AACS; 2007 AACS; 2018 AACS.

R 432.21517 Raffle ticket seller's incentive prize.

Rule 517. (1) A raffle ticket seller's incentive prize may be awarded if the winner is determined by any of the following methods:

(a) The winner is the top raffle ticket seller.

(b) The winner sold the winning raffle ticket.

(c) The winner is determined by a drawing.

(d) The winner is determined by a method approved in writing by the bureau.

(2) The amount of the raffle ticket seller's incentive prize shall be included in the \$500.00 prize limitation for a small raffle.

(3) The raffle ticket seller's incentive prize shall be reasonable.

History: 2000 AACS; 2003 AACS.

R 432.21518 Game records; retention.

Rule 518. (1) Game records pertaining to the licensed gaming event shall be completed and maintained in a current and accurate manner in accordance with the act, these rules, terms of probation, and directives of the bureau. A licensee may be required to complete game records on forms prescribed by the bureau.

(2) Game records and all documents supporting entries made in the records shall be available and on site at the occasion and at other times to authorized representatives of the bureau for review.

(3) Game 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 bureau.

(4) Game records shall include, but are not limited to, all of the following:

(a) All winners by name and address and prizes won if valued over \$100.00. The list of winners shall be available to anyone upon written request to the qualified organization.

(b) The names and addresses of all persons receiving a raffle ticket seller's incentive prize and the amount.

(c) A copy of the current license application and any changes.

(5) The ticket stubs shall be retained until all prizes are awarded.

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

(7) Game records may be maintained using a computer if they are maintained in accordance with directives of the bureau.

History: 2000 AACS; 2003 AACS.

R 432.21519 Accountability; lawful use of proceeds; reasonable expenditures; deposit of proceeds.

Rule 519. (1) The licensee shall be accountable for all cash, prizes, raffle tickets, charity game tickets, and numeral game tickets.

(2) In accordance with the act, the entire net proceeds of the licensed gaming event shall be devoted exclusively to the lawful purposes of the qualified organization.

(3) To ensure that all proceeds are used for the lawful purposes of the qualified organization, all financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall be open for review by authorized representatives of the bureau.

(4) The payment of expenses incurred in connection with the conduct of the licensed gaming event shall be necessary and reasonable.

(5) Each check written from financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall meet all of the following requirements:

(a) Each check shall be preprinted with the name of the licensee.

(b) The check shall be signed by an authorized person or persons.

(c) The check shall be made payable to a specific person, business, partnership, corporation, or account.

(d) A check shall not be made payable to cash or bearer and shall not be drawn in blank.

(e) The check shall contain a brief description of the expense on the memo line.

(6) Electronic transfers of funds derived from the conduct of the licensed gaming event shall be done in accordance with directives of the bureau.

(7) Cancelled checks written from financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall 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 upon request by the bureau.

(8) All monies derived from the conduct of the licensed gaming event shall be deposited into the qualified organization's financial account within 2 business days of the drawing or as directed in writing by the bureau.

(9) Checks shall not be cashed out of the raffle start cash or gross revenue.

(10) Prize payments and worker compensation are the only allowable cash expenditures from proceeds of the licensed gaming event. All other raffle-related expenses shall be paid by check as prescribed by this rule.

History: 2000 AACCS; 2003 AACCS.

R 432.21520 Advertising.

Rule 520. (1) Expenditures by the raffle licensee for advertising the licensed gaming event shall be necessary and reasonable.

(2) A licensee, lessor, or location may advertise a licensed gaming event using current and accurate information. The advertising shall include all of the following:

(a) Name of the licensee.

(b) License number.

(c) Purpose for which the net proceeds will be used.

(3) The terms "lotto" or "lottery" shall not be used in any manner to describe or advertise a raffle.

History: 2000 AACCS; 2007 AACCS; 2010 AACCS.

R 432.21521 Raffle financial records; retention.

Rule 521. All of the following financial records shall be available to authorized representatives of the bureau for review and shall be kept for at least the current calendar year plus 3 years or as directed in writing by the bureau:

(a) A copy of the financial statement as prescribed by R 432.21522.

(b) Bank validated deposit slips for all proceeds from the licensed gaming event.

(c) Bank statements from all financial accounts where proceeds from the licensed gaming event were deposited or transferred.

(d) Cancelled checks or copies of checks, as prescribed by R 432.21519(7) from all financial accounts where proceeds from the licensed gaming event were deposited or transferred.

(e) Invoices or receipts with the date, vendor's name, and a description of the item or service for all expenditures made from financial accounts where proceeds from the licensed gaming event were deposited or transferred.

History: 2000 AACCS; 2003 AACCS.

R 432.21522 Financial statement requirements.

Rule 522. (1) A large raffle licensee shall submit a financial statement to the bureau on a form, provided by or approved in writing by the bureau, by the tenth day of the month following the month that the licensed gaming event was held.

(2) A qualified organization conducting a combination raffle shall submit a financial statement to the bureau on a form, provided by or approved in writing by the bureau, by the tenth day of the month following the month that the last drawing was held.

(3) 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: 2000 AACS; 2003 AACS.

PART 6. CHARITY GAME TICKET

R 432.21601 Licensing requirements.

Rule 601. (1) A qualified organization applying for an annual charity game ticket or special charity game ticket license shall meet the requirements of R 432.21204.

(2) If a qualified organization wishes to sell charity game tickets in conjunction with a licensed large bingo, small bingo, special bingo, millionaire party, or large raffle to be conducted by the same qualified organization, an additional license is not required.

(3) All sales of charity game tickets under subrule (2) of this rule must be in compliance with these rules.

History: 2000 AACS; 2003 AACS; 2014 AACS.

R 432.21602 Principal officer responsibilities.

Rule 602. The principal officer of the qualified organization shall be responsible for all of the following:

(a) Ensuring that there is full accountability of all gaming assets including, but not limited to, cash, charity game tickets, and all funds derived from the licensed gaming event.

(b) Ensuring that the licensed gaming event is conducted in accordance with the act, these rules, terms of probation, and directives of the bureau.

(c) Ensuring that all records related to the licensed gaming event are current and accurate.

(d) Reviewing all reports and correspondence from the bureau.

(e) Signing and ensuring that financial statements from the licensed gaming event are submitted to the bureau as prescribed by R 432.21624.

(f) Responding in writing to violation notices as prescribed by R 432.21106.

(g) Ensuring that all workers are qualified to work the licensed gaming event.

History: 2000 AACS.

R 432.21603 Annual charity game ticket and special charity game ticket chairperson; qualifications and duties.

Rule 603. (1) The officers of the qualified organization shall designate at least 1 chairperson to be in charge of and responsible for the conduct of the licensed gaming event in accordance with the act, these rules, terms of probation, and directives of the bureau.

(2) The chairperson is a worker who shall be a bona fide member of the qualified organization for at least 6 months.

(3) The chairperson shall be listed on the license application.

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

(5) The chairperson of an annual charity game ticket license shall make themselves available upon request to an authorized representative of the bureau during reasonable business hours.

(6) The chairperson of a special charity game ticket license shall be present on the premises continuously during the occasion.

(7) The chairperson of a special charity game ticket license shall be readily identifiable to all charity game ticket purchasers by wearing a name badge with the word "Chairperson" followed by the name of the licensee and the chairperson's name.

(8) The chairperson shall be in full charge of the licensed gaming event, supervise and direct all workers, and be responsible for assuring the proper receipting, recording, and depositing of all money derived from the conduct of the licensed gaming event.

(9) The chairperson shall attempt to resolve, in accordance with the act, these rules, directives of the bureau, and house rules, any disputes that may occur during the conduct of the licensed gaming event.

(10) Any change in the chairperson or persons who are listed on the annual charity game ticket or special charity game ticket license application shall be immediately submitted to the bureau in writing. The notification shall be signed by the principal officer of the qualified organization.

History: 2000 AACS; 2003 AACS.

R 432.21604 License closing.

Rule 604. Upon permanent cancellation, revocation, or nonrenewal of the organization's annual charity game ticket license, the licensee shall follow the instructions of the bureau.

History: 2000 AACS; 2003 AACS.

R 432.21605 Charity game ticket identification and possession.

Rule 605. (1) The licensee shall only sell charity game tickets bearing the Michigan lottery logo.

(2) Charity game tickets may only be sold at a licensed large bingo, small bingo, special bingo, millionaire party, large raffle, annual charity game ticket, or special charity game ticket occasion.

(3) A qualified organization shall not have in its possession at any time break open tickets other than those bearing the Michigan lottery logo.

History: 2000 AACS; 2003 AACS.

R 432.21606 Purchase of charity game tickets.

Rule 606. (1) Charity game tickets shall only be purchased by qualified organizations that have a valid large bingo, small bingo, special bingo, millionaire party, large raffle, annual charity game ticket, or special charity game ticket license issued by the bureau.

(2) A qualified organization shall use a check from a financial account of the licensee for the purchase of charity game tickets.

(3) A licensee shall not purchase and a supplier shall not sell a box of charity game tickets if the manufacturer's shrink-wrap is removed or the manufacturer's seal is broken.

History: 2000 AACS; 2003 AACS.

R 432.21607 Annual charity game ticket and special charity game ticket conduct.

Rule 607. (1) An annual charity game ticket and special charity game ticket occasion shall only be conducted between the hours of 8 a.m. and 2 a.m.

(2) The annual charity game ticket or special charity game ticket license shall be on site and posted in a conspicuous place during the annual charity game ticket or special charity game ticket occasion.

(3) A copy of the current license application and any changes shall also be on site and available for review.

History: 2000 AACS; 2003 AACS.

R 432.21608 Charity game ticket operation.

Rule 608. Annual and special charity games shall be operated in accordance with directives of the bureau.

History: 2000 AACS; 2003 AACS.

R 432.21609 Charity game ticket sale; location and time.

Rule 609. Charity game tickets may be offered for sale only during the time and at the location stated on the license.

History: 2000 AACS; 2007 AACS.

R 432.21610 Minimum age.

Rule 610. (1) Persons under 18 years of age shall not be permitted to sell charity game tickets.

(2) A charity game ticket shall not be sold to a person under 18 years of age. This subrule shall not prohibit the purchase of a charity game ticket by a person 18 years of age or older for the purpose of making a gift to a person under 18 years of age, and shall not prohibit a person under 18 years of age from receiving a prize or prizes won from a charity game ticket.

History: 2000 AACS; 2003 AACS.

R 432.21611 House rules.

Rule 611. (1) The licensee shall establish and adhere to its house rules governing the sale of charity game tickets. At a minimum, the house rules shall contain all of the following information:

(a) The licensee's name.

(b) The license number.

(c) The time limit for the redemption of charity game tickets, which shall be not less than 14 days from the date the last charity game ticket of the series is sold.

(d) The effective date of the house rules.

(2) The licensee shall post the house rules in a conspicuous place or print the house rules in sufficient number for distribution to all interested persons.

(3) The house rules shall not be in conflict with the act, these rules, or directives of the bureau.

History: 2000 AACS; 2003 AACS.

R 432.21612 Charity game ticket sales.

Rule 612. (1) Charity game tickets shall not be sold for a price other than the price printed on the charity game ticket.

(2) The licensee shall not participate in a charity game as a player although this does not prohibit individual members of the licensed organization from purchasing charity game tickets, except as prescribed by this rule.

(3) A worker is prohibited from sharing in a prize, purchasing, playing, or accepting as a gift, charity game tickets offered for sale by the licensee at any time during the day they are working, assisting, or selling.

(4) A person shall not purchase or play charity game tickets at the location he or she owns, manages, or in which he or she is employed, except as allowed by R 432.22008(2).

(5) A worker shall not assist players in opening charity game tickets, except to provide assistance to a person who has a disability.

(6) A charity game ticket series shall not be withdrawn from sale until all charity game tickets from that series are sold.

History: 2000 AACCS; 2003 AACCS.

R 432.21613 Insider information.

Rule 613. A licensee shall not allow any person to use or provide any information about the status of a charity game while that game is in play that does, or potentially could, give a person an advantage over another person who does not have the same information.

History: 2000 AACCS.

R 432.21614 Redemption of charity game tickets.

Rule 614. (1) Charity game tickets shall be redeemed only by the licensee that sold the winning charity game ticket.

(2) Charity game tickets shall be redeemed within the time limit posted for redeeming winning charity game tickets in accordance with R 432.21611(1)(c).

(3) A worker shall deface each winning charity game ticket when it is redeemed.

(4) A player shall not be paid any prize unless the player redeems an actual winning charity game ticket, except as allowed by R 432.21615.

History: 2000 AACCS; 2003 AACCS.

R 432.21615 Secondary games of chance.

Rule 615. Secondary games of chance approved in writing by the bureau may be conducted with charity game tickets.

History: 2000 AACCS.

R 432.21616 Disposition of unsold charity game tickets.

Rule 616. (1) Unsold charity game tickets purchased under a millionaire party, large raffle, special bingo, or special charity game ticket license may be sold at future licensed gaming events conducted by the same organization.

(2) Boxes of charity game tickets may be returned to the supplier if the manufacturer's shrink-wrap has not been removed and the manufacturer's seal has not been broken.

(3) Charity game tickets shall not be sold or transferred between qualified organizations.

History: 2000 AACCS; 2003 AACCS.

R 432.21617 Worker compensation.

Rule 617. (1) The commissioner shall establish a service compensation schedule for workers.

(2) The commissioner may adjust the established service compensation schedule. If an adjustment is proposed, then the licensee shall be given 30 days to comment before the change is implemented.

(3) A worker shall not be compensated more than the amount established by the commissioner in the service compensation schedule.

(4) The amount established by the commissioner that may be paid to a worker is as follows:

(a) The chairperson or record keeper of an annual charity game ticket license shall be paid not more than \$100.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$200.00 for his or her services for each week of the licensed gaming event worked.

(b) The person who completes the quarterly financial statement shall be paid not more than \$20.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$50.00 for each quarterly financial statement submitted.

(c) The chairperson or record keeper of a special charity game ticket license shall be paid not more than \$20.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$100.00 for his or her services for each day of the licensed gaming event worked.

(d) All other workers shall be paid not more than \$15.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$50.00 for their services for each day of the licensed gaming event worked.

(5) Only 1 person may be paid as chairperson and only 1 person may be paid as record keeper per week of an annual charity game ticket license.

(6) A person may only be compensated for being 1 of the following per week of an annual charity game ticket license:

- (a) Chairperson.
- (b) Record keeper.
- (c) Worker.

(7) Only 1 person may be paid as chairperson and only 1 person may be paid as record keeper per day of a special charity game ticket license.

(8) A person may only be compensated for being 1 of the following per day of a special charity game ticket license:

- (a) Chairperson.
- (b) Record keeper.
- (c) Worker.

(9) Compensation to workers includes, but is not limited to, any of the following:

- (a) Cash or check.
- (b) Anything of value.

(c) Credit towards dues, tuition, or any other items of value. Any credit given shall not exceed the limit per occasion as prescribed by this rule.

(10) In addition to the compensation as provided by subrule (9) of this rule, workers may also receive food and beverages consumed while working that do not exceed \$10.00 in retail value.

(11) Except for chairperson and record keeper compensation for an annual charity game ticket license, all compensation, other than credits, shall be paid on the day of the licensed gaming event.

(12) The names of the workers and amounts paid, including any credits as provided by subrule (9)(c) of this rule, shall be recorded on the workers' service record for each day or week of the licensed gaming event or as directed in writing by the bureau.

(13) Any and all forms of worker compensation shall only be paid from the annual charity game ticket, special charity game ticket, or associated licensed gaming event proceeds or the financial account as prescribed by R 432.21330, R 432.21519, and R 432.21620.

(14) All compensation shall be reported on the financial statement for the annual charity game ticket, special charity game ticket, or associated licensed gaming event.

History: 2000 AACS; 2003 AACS; 2007 AACS; 2014 AACS.

R 432.21618 Game records; retention.

Rule 618. (1) For an annual charity game ticket or a special charity game ticket license, game records and all documents supporting entries made in the records shall be maintained separately.

(2) For a large bingo, small bingo, special bingo, millionaire party, or large raffle, charity game ticket records and all documents supporting entries made in the records shall be retained with the game records for the associated licensed gaming event.

(3) Game records pertaining to the sale of charity game tickets shall be completed and maintained in a current and accurate manner in accordance with the act, these rules, terms of probation, and directives of the bureau. A licensee may be required to complete game records on forms prescribed by the bureau.

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

(5) Game records and all documents supporting entries made in the records shall be available and on site at the occasion and at other times to authorized representatives of the bureau for review.

(6) Game 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 bureau.

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

(8) Game records may be maintained using a computer if they are maintained in accordance with directives of the bureau.

History: 2000 AACS; 2003 AACS.

R 432.21619 Inventory.

Rule 619. (1) The licensee shall be accountable for all charity game tickets and shall maintain an accurate and complete inventory of all charity game tickets as directed in writing by the bureau.

(2) Off-site inventory locations shall be a building or office open to the public and not a private residence unless directed otherwise in writing by the bureau.

(3) The exchange, sale, sharing, or mixing of charity game tickets by a qualified organization with charity game tickets belonging to another qualified organization is prohibited.

(4) A qualified organization shall not exchange, sell, share, or mix charity game tickets between any large bingo, small bingo, and annual charity game ticket licenses issued to that qualified organization, except with the prior written approval of the bureau based on that organization's ability to account for all charity game tickets.

History: 2000 AACCS; 2003 AACCS.

R 432.21620 Accountability; lawful use of proceeds; reasonable expenditures; deposit of proceeds.

Rule 620. (1) The licensee shall be accountable for all cash and charity game tickets.

(2) In accordance with the act, the entire net proceeds from the licensed gaming event shall be devoted exclusively to the lawful purposes of the qualified organization.

(3) To ensure that all proceeds are used for the lawful purposes of the qualified organization, all financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall be open for review by authorized representatives of the bureau.

(4) The payment of expenses incurred in connection with the conduct of the licensed gaming event shall be necessary and reasonable.

(5) Each check written from financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall meet all of the following requirements:

(a) Each check shall be preprinted with the name of the licensee.

(b) The check shall be signed by an authorized person or persons.

(c) The check shall be made payable to a specific person, business, partnership, corporation, or account.

(d) A check shall not be made payable to cash or bearer and shall not be drawn in blank.

(e) The check shall contain a brief description of the expense on the memo line.

(6) Electronic transfers of funds derived from the conduct of the licensed gaming event shall be done in accordance with directives of the bureau.

(7) Cancelled checks written from financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall 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 upon request by the bureau.

(8) All monies derived from the conduct of an annual charity game ticket license shall be deposited into the licensee's financial account at least once per week or as directed in writing by the bureau.

(9) All monies derived from the conduct of a special charity game ticket license shall be deposited into the licensee's financial account within 2 business days of the licensed gaming event or as directed in writing by the bureau.

(10) Checks shall not be cashed out of charity game ticket start cash or gross revenue.

(11) Prize payments and worker compensation are the only allowable cash expenditures from charity game ticket proceeds. All other charity game ticket-related expenses shall be paid by check as prescribed by this rule.

History: 2000 AACS; 2003 AACS.

R 432.21621 Security.

Rule 621. (1) The licensee may assign a worker to provide security services at an annual charity game ticket or special charity game ticket occasion and that worker shall be eligible for pay as a worker as prescribed by R 432.21617.

(2) A licensee may hire contractual security services and pay them for services at current market rates, if the activity is conducted in compliance with 1968 PA 330, MCL 338.1051. Persons hired under this subrule shall not assist in the operation of the licensed gaming event in any other capacity.

History: 2000 AACS; 2003 AACS; 2007 AACS.

R 432.21622 Advertising.

Rule 622. Licensees may advertise the sale of charity game tickets by any legal means.

History: 2000 AACS; 2003 AACS; 2007 AACS.

R 432.21623 Charity game ticket; financial records; retention.

Rule 623. All of the following financial records shall be available to authorized representatives of the bureau for review, and shall be kept for at least the current calendar year plus 3 years or as directed in writing by the bureau:

(a) A copy of the financial statement for the annual charity game ticket, special charity game ticket, or associated licensed gaming event as prescribed by R 432.21335, R 432.21522, or R 432.21624.

(b) Bank validated deposit slips for all charity game ticket proceeds.

(c) Bank statements from all financial accounts where charity game ticket proceeds were deposited or transferred.

(d) Cancelled checks or copies of checks, as prescribed by R 432.21620(7), from all financial accounts where charity game ticket proceeds were deposited or transferred.

(e) Invoices or receipts with the date, vendor's name, and a description of the item or service for all expenditures made from financial accounts where charity game ticket proceeds were deposited or transferred.

(f) Loans or donations of funds from persons shall only be permitted if documented in a written, witnessed document. A copy of the document and repayment schedule and any later changes to these documents shall be maintained with these financial records.

History: 2000 AACCS; 2003 AACCS; 2007 AACCS; 2014 AACCS.

R 432.21624 Financial statement requirements.

Rule 624. (1) An annual charity game ticket licensee shall submit a financial statement to the bureau on a form provided by or approved in writing by the bureau.

(2) Unless directed otherwise in writing by the bureau, an annual charity game ticket licensee shall file the financial statement on a quarterly basis. The statement shall be filed with the bureau by the tenth day of the month following the end of the reporting period. The reporting periods shall be January through March, April through June, July through September, and October through December.

(3) A special charity game ticket licensee shall submit a financial statement to the bureau on a form, provided by or approved in writing by the bureau, by the tenth day of the month following the month that the licensed gaming event was held.

(4) Large bingo, small bingo, and special bingo licensees shall report all charity game ticket revenue, prizes, and purchases on the associated licensed gaming event's financial statement or as directed in writing by the bureau. Millionaire party and large raffle licensees shall report all charity game ticket revenue, prizes, and purchases on a form provided by or approved in writing by the bureau.

(5) 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: 2000 AACCS; 2003 AACCS.

PART 7. NUMERAL GAME

R 432.21701 Licensing requirements.

Rule 701. (1) A qualified organization applying for a numeral game license shall meet the requirements of R 432.21204.

(2) If a qualified organization wishes to conduct a numeral game in conjunction with a licensed millionaire party or large raffle to be conducted by the same qualified organization, an additional license is not required.

(3) All sales of numeral game tickets under subrule (2) of this rule must be in compliance with these rules.

History: 2000 AACCS; 2014 AACCS.

R 432.21702 Principal officer responsibilities.

Rule 702. The principal officer of the qualified organization shall be responsible for all of the following:

(a) Ensuring that there is full accountability of all gaming assets including, but not limited to, cash, merchandise prizes, numeral game tickets, and all funds derived from the licensed gaming event.

(b) Ensuring that the licensed gaming event is conducted in accordance with the act, these rules, terms of probation, and directives of the bureau.

(c) Ensuring that all records related to the licensed gaming event are current and accurate.

(d) Reviewing all reports and correspondence from the bureau.

(e) Signing and ensuring that the financial statement from the licensed gaming event is submitted to the bureau as prescribed by R 432.21721.

(f) Responding in writing to violation notices as prescribed by R 432.21106.

(g) Ensuring that all workers are qualified to work the licensed gaming event.

History: 2000 AACCS.

R 432.21703 Numeral game license chairperson; qualifications and duties.

Rule 703. (1) The officers of the qualified organization shall designate at least 1 chairperson to be in charge of and responsible for the conduct of the licensed gaming event in accordance with the act, these rules, terms of probation, and directives of the bureau.

(2) The chairperson is a worker who shall be a bona fide member of the qualified organization for at least 6 months.

(3) The chairperson shall be listed on the license application.

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

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

(6) The chairperson shall be readily identifiable to all numeral game ticket purchasers by wearing a name badge with the word "Chairperson" followed by the name of the licensee and the chairperson's name.

(7) The chairperson shall be in full charge of the licensed gaming event, supervise and direct all workers, and be responsible for assuring the proper receipting, recording, and depositing of all money derived from the conduct of the licensed gaming event.

(8) The chairperson shall attempt to resolve in accordance with the act, these rules, directives of the bureau, and house rules any disputes that may occur during the conduct of the licensed gaming event.

(9) Any change in the chairperson or persons who are listed on the numeral game license application shall be immediately submitted to the bureau in writing. The notification shall be signed by the principal officer of the qualified organization.

History: 2000 AACCS.

R 432.21704 Numeral game ticket identification and possession.

Rule 704. (1) The licensee shall only sell numeral game tickets that have been approved by the bureau for sale in Michigan.

(2) Numeral game tickets may only be sold at a licensed millionaire party, large raffle, or numeral game.

(3) A qualified organization shall not have in their possession at any time numeral game tickets other than those that have been approved by the bureau for sale in Michigan.

History: 2000 AACCS.

R 432.21705 Purchase of numeral game tickets.

Rule 705. (1) Approved numeral game tickets shall only be purchased by qualified organizations that have a valid millionaire party, large raffle, or numeral game license issued by the bureau.

(2) Qualified organizations shall use a check from a financial account of the licensee for the purchase of numeral game tickets.

(3) A licensee shall not purchase and a supplier shall not sell numeral game tickets if the manufacturer's packaging is opened or the manufacturer's seal is broken.

History: 2000 AACCS.

R 432.21706 Numeral game conduct and operation.

Rule 706. (1) A numeral game shall only be conducted between the hours of 8 a.m. and 2 a.m.

(2) The numeral game license shall be on site and posted in a conspicuous place during the numeral game occasion.

(3) A copy of the current license application and any changes shall also be on site and available for review.

History: 2000 AACCS.

R 432.21707 Numeral game ticket sale location and time.

Rule 707. Numeral game tickets may be offered for sale only during the time and at the location stated on the license.

History: 2000 AACCS.

R 432.21708 Minimum age.

Rule 708. (1) Persons under 18 years of age shall not be permitted to sell numeral game tickets.

(2) A numeral game ticket shall not be sold to a person under 18 years of age. This subrule shall not prohibit the purchase of a numeral game ticket by a person 18 years of age or older for the purpose of making a gift to a person under 18 years of age, and shall not prohibit a person under 18 years of age from receiving a prize or prizes won in a numeral game.

History: 2000 AACCS.

R 432.21709 House rules; prize list; associated winning numbers.

Rule 709. (1) A licensee shall establish and adhere to their house rules governing the sale of numeral game tickets. The house rules shall contain at a minimum the following information:

- (a) The licensee's name.
- (b) The license number.
- (c) The price of the numeral game ticket.
- (d) The method by which the winners will be determined and the numeral game will be conducted.
- (e) A time limit for the redemption of numeral game tickets.
- (f) The total number of tickets offered for sale in the numeral game.
- (g) The effective date of the house rules.

(2) The house rules and merchandise prize list and associated winning numbers shall be distributed or posted in a conspicuous place before the numeral game is offered for sale or any tickets are opened and shall remain posted until the end of the licensed gaming event.

(3) House rules shall not be in conflict with the act, these rules, or directives of the bureau.

History: 2000 AACCS.

R 432.21710 Numeral game ticket sales.

Rule 710. (1) Numeral game tickets shall not be sold for a price other than the price established by the licensee.

(2) The licensee shall not participate in a numeral game as a player, although this does not prohibit individual members of the licensed organization from purchasing numeral game tickets, except as prescribed by this rule.

(3) A worker shall be prohibited from sharing in a merchandise prize, purchasing, playing, or accepting as a gift, numeral game tickets offered for sale by the licensee at any time during the day he or she is working, assisting, or selling.

(4) A person shall not purchase or play numeral game tickets at the location he or she owns, manages, or in which he or she is employed.

(5) A worker shall not assist players in opening numeral game tickets, except to provide assistance to a person who has a disability.

History: 2000 AACCS; 2003 AACCS.

R 432.21711 Insider information.

Rule 711. A licensee shall not allow any person to use or provide any information about the status of a numeral game while that game is in play that does, or potentially could, give a person an advantage over another person who does not have the same information.

History: 2000 AACCS.

R 432.21712 Redemption and merchandise prizes for numeral game tickets.

Rule 712. (1) Winning numbers for a numeral game shall be determined by use of a series of common ending numbers contained within the pool of numbers making up the numeral game. The winning numbers may not be determined randomly.

(2) Numeral game tickets shall be redeemed only by the licensee that sold the winning numeral game ticket.

(3) Numeral game tickets shall be redeemed within the time limit posted for redeeming winning numeral game tickets in accordance with R 432.21709(1)(e).

(4) A worker shall deface each winning numeral game ticket when it is redeemed.

(5) A player shall not be awarded a merchandise prize unless the player redeems an actual winning numeral game ticket that contains a serial number sold by the licensee.

(6) Only merchandise prizes may be awarded in a numeral game. Cash prizes are prohibited and merchandise prizes may not be converted into cash.

(7) The value of merchandise prizes offered at a numeral game shall be a minimum of 50% of the ideal gross receipts from the game. For the purposes of this subrule, "Ideal gross receipts" means the total amount of receipts that would be received if every individual ticket in a series is sold at the posted price.

History: 2000 AACCS.

R 432.21713 Disposition of unsold numeral game tickets.

Rule 713. (1) Deals of numeral game tickets may be returned to the supplier if the manufacturer's packaging has not been opened and the manufacturer's seal has not been broken.

(2) Numeral game tickets shall not be sold or transferred between licensed organizations.

(3) Unsold numeral game tickets and merchandise prizes not awarded shall be disposed of as directed in writing by the bureau.

History: 2000 AACCS; 2003 AACCS.

R 432.21714 Worker compensation.

Rule 714. (1) The commissioner shall establish a service compensation schedule for workers.

(2) The commissioner may adjust the established service compensation schedule. If an adjustment is proposed, then the licensee shall be given 30 days to comment before the change is implemented.

(3) A worker shall not be compensated more than the amount established by the commissioner in the service compensation schedule.

(4) The amount established by the commissioner that may be paid to a worker is as follows:

(a) The chairperson or record keeper shall be paid not more than \$20.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$50.00 for his or her services for each day of the licensed gaming event worked.

(b) All other workers shall be paid not more than \$15.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$30.00 for their services for each day of the licensed gaming event worked.

(5) Only 1 person may be paid as chairperson and only 1 person may be paid as record keeper per day of the licensed gaming event.

(6) A person may only be compensated for being 1 of the following per day:

(a) Chairperson.

(b) Record keeper.

(c) Worker.

(7) Compensation to workers includes, but is not limited to, any of the following:

(a) Cash or check.

(b) Anything of value.

(c) Credit towards dues, tuition, or any other items of value. Any credit given shall not exceed the limit per occasion as prescribed by this rule.

(8) In addition to the compensation as provided by subrule (7) of this rule, workers may also receive food and beverages consumed while working that do not exceed \$5.00 in retail value.

(9) All worker compensation, other than credits, shall be paid on the day of the licensed gaming event.

(10) The names of the workers and amounts paid, including any credits as provided by subrule (7)(c) of this rule, shall be recorded on the workers' service record for each day of the licensed gaming event or as directed in writing by the bureau.

(11) Any and all forms of worker compensation shall only be paid from the numeral game or associated licensed gaming event proceeds or the financial account as prescribed by R 432.21519, and R 432.21717.

(12) All compensation shall be reported on the financial statement for the numeral game or associated licensed gaming event.

History: 2000 AACS; 2003 AACS; 2014 AACS.

R 432.21715 Game records; retention.

Rule 715. (1) For a numeral game license, game records and all documents supporting entries made in the records shall be maintained separately.

(2) For a millionaire party or large raffle, numeral game records and all documents supporting entries made in the records shall be retained with the game records for the associated licensed gaming event.

(3) Game records pertaining to the sale of numeral game tickets shall be completed and maintained in a current and accurate manner in accordance with the act, these rules, terms of probation, and directives of the bureau. A licensee may be required to complete game records on forms prescribed by the bureau.

(4) Game records shall include both of the following:

(a) A copy of the current license application and any changes.

(b) Numeral game ticket fee stamps.

(5) Game records and all documents supporting entries made in the records shall be available and on site at the occasion and at other times to authorized representatives of the bureau for review.

(6) Game 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 bureau.

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

(8) Game records may be maintained using a computer if they are maintained in accordance with directives of the bureau.

(9) Winning numeral game tickets shall be kept for not less than 60 days following the closing of the numeral game or as directed in writing by the bureau.

History: 2000 AACS; 2003 AACS.

R 432.21716 Inventory.

Rule 716. (1) The licensee shall be accountable for all numeral game tickets and shall maintain an accurate and complete inventory of all numeral game tickets as directed in writing by the bureau.

(2) Off-site inventory locations shall be a building or office open to the public and not a private residence unless otherwise directed in writing by the bureau.

(3) The exchange, sale, sharing, or mixing of numeral game tickets by a licensee with numeral game tickets belonging to another licensee is prohibited.

History: 2000 AACS; 2003 AACS.

R 432.21717 Accountability; lawful use of proceeds; reasonable expenditures; deposit of proceeds.

Rule 717. (1) The licensee shall be accountable for all cash, merchandise prizes, and numeral game tickets.

(2) In accordance with the act, the entire net proceeds from the licensed gaming event shall be devoted exclusively to the lawful purposes of the qualified organization.

(3) To ensure that all proceeds are used for the lawful purposes of the qualified organization, all financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall be open for review by authorized representatives of the bureau.

(4) The payment of expenses incurred in connection with the conduct of the licensed gaming event shall be necessary and reasonable.

(5) Each check written from financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall meet all of the following requirements:

(a) Each check shall be preprinted with the name of the licensee.

(b) The check shall be signed by an authorized person or persons.

(c) The check shall be made payable to a specific person, business, partnership, corporation, or account.

(d) A check shall not be made payable to cash or bearer and shall not be drawn in blank.

(e) The check shall contain a brief description of the expense on the memo line.

(6) Electronic transfers of funds derived from the conduct of the licensed gaming event shall be done in accordance with directives of the bureau.

(7) Cancelled checks written from financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall 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 upon request by the bureau.

(8) All monies derived from the conduct of the licensed gaming event shall be deposited into the licensee's financial account within 2 business days of the licensed gaming event or as directed in writing by the bureau.

(9) Checks shall not be cashed out of numeral game ticket start cash or gross revenue.

(10) Worker compensation is the only allowable cash expenditure from numeral game ticket proceeds. All other numeral game ticket-related expenses shall be paid by check as prescribed by this rule.

History: 2000 AACS; 2003 AACS.

R 432.21718 Security.

Rule 718. (1) The licensee may assign a worker to provide security services at a numeral game and that worker shall be eligible for pay as a worker as prescribed by R 432.21714(4)(b).

(2) A licensee may hire contractual security services and pay them for services at current market rates, provided the activity is conducted in compliance with Act No. 330 of the Public Acts of 1968, as amended, being § 338.1051 et seq. of the Michigan Compiled Laws. Persons hired under this subrule shall not assist in the operation of the licensed gaming event in any other capacity.

History: 2000 AACS.

R 432.21719 Advertising.

Rule 719. (1) Only the licensee may advertise the sale of numeral game tickets. A licensed hall, lessor, location owner, supplier, or manufacturer or their agent shall not advertise numeral game tickets in any manner.

(2) Advertising is permitted by any legal means.

(3) Expenditures for advertising the licensed gaming event shall be necessary and reasonable.

(4) Advertising shall include all of the following information:

(a) The name of the licensee.

(b) The license number.

(c) The purpose for which the net proceeds will be used.

History: 2000 AACCS.

R 432.21720 Numeral game ticket financial records; retention.

Rule 720. All of the following financial records shall be available to authorized representatives of the bureau for review, and shall be kept for at least the current calendar year plus 3 years or as directed in writing by the bureau:

(a) A copy of the financial statement for the numeral game or associated licensed gaming event as prescribed by R 432.21522 or R 432.21721.

(b) Bank validated deposit slips for all numeral game ticket proceeds.

(c) Bank statements from all financial accounts where numeral game ticket proceeds were deposited or transferred.

(d) Cancelled checks or copies of checks, as prescribed by R 432.21717(7), from all financial accounts where numeral game ticket proceeds were deposited or transferred.

(e) Invoices or receipts with the date, vendor's name, and a description of the item or service for all expenditures made from financial accounts where numeral game ticket proceeds were deposited or transferred.

History: 2000 AACCS; 2003 AACCS; 2014 AACCS.

R 432.21721 Financial statement requirements.

Rule 721. (1) A numeral game licensee shall submit a financial statement to the bureau on a form, provided by or approved in writing by the bureau, by the tenth day of the month following the month that the licensed gaming event was held.

(2) Millionaire party and large raffle licensees shall report all numeral game ticket revenue, merchandise prizes, and purchases on a form provided by or approved in writing by the bureau.

(3) 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: 2000 AACCS; 2003 AACCS.

PART 8. SUPPLIER

R 432.21801 Supplier license application.

Rule 801. (1) A written application for a supplier license, on a form provided by or approved in writing by the bureau, shall be approved in writing by the bureau before a person sells, leases, or distributes authorized equipment, sells charity game tickets, or sells numeral game tickets to a licensee.

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

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

(4) An applicant shall disclose to the bureau 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 plead 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 bureau in writing.

History: 2000 AACS; 2003 AACS; 2014 AACS.

R 432.21802 Additional eligibility factors.

Rule 802. In addition to the requirements of the act, the commissioner shall consider 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 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 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 of the bureau, 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, if the application includes the right to sell charity game tickets or numeral game tickets.
- (h) The submission of a check in payment of a charity game ticket invoice or numeral game ticket fee that is not paid by the financial institution on which it is drawn.
- (i) The applicant's current or past history of delinquent payments of charity game ticket invoices or numeral game ticket fees.
- (j) Any other information considered advisable by the commissioner.

History: 2000 AACS.

R 432.21803 Supplier license expiration; supplier license void on ownership change.

Rule 803. (1) A supplier license shall expire at midnight on September 30 and is renewable annually upon the submission of a renewal application, provided by or approved in writing by the bureau, unless summarily suspended, suspended, denied, or revoked by the commissioner.

(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 shall be void and returned to the bureau without delay.

History: 2000 AACS; 2003 AACS.

R 432.21804 Supplier license terms and conditions.

Rule 804. (1) Upon the issuance of a supplier license, the licensed supplier shall agree 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 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 bureau.

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

(d) To remit payment for charity game tickets as directed in writing by the bureau.

(e) To remit numeral game ticket fees as required by the act and as directed in writing by the bureau.

(f) To only accept checks from a licensee's account for the payment of equipment, charity game tickets, or numeral game tickets.

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

(h) 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 supplier does business, including supplemental storage locations or at which an applicant or licensed supplier intends to do business or store equipment, shall be open to inspection during reasonable business hours by an authorized representative of the bureau.

(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 performing official duties.

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

(5) The commissioner may deny, summarily suspend, suspend, revoke, or refuse to renew a supplier license as prescribed by R 432.21109 to R 432.21111.

(6) A person convicted of a criminal offense under the act or any other gambling offense is ineligible to participate in a supplier license as an owner, shareholder of a privately held corporation, partner, officer, agent, or employee for a period of 1 year after the conviction becomes final.

History: 2000 AACCS; 2003 AACCS; 2014 AACCS.

R 432.21805 Equipment; sale and rental.

Rule 805. Only equipment authorized in writing by the bureau and in sound working condition may be sold, leased, or rented to licensees.

History: 2000 AACCS; 2003 AACCS; 2007 AACCS; 2014 AACCS.

R 432.21806 Authorization to purchase and sell charity game tickets and sell approved numeral game tickets.

Rule 806. (1) The issuance of a supplier license does not include the authorization to purchase and sell charity game tickets or sell approved numeral game tickets. Upon receipt of a completed application and performance bond, the commissioner may enter into a contract with the supplier authorizing the purchase and sale of charity game tickets or the sale of approved numeral game tickets.

(2) The amount of the performance bond shall be established by the commissioner in accordance with the act and the amount required may be modified with a 30-day written notice.

(3) A contract authorizing the purchase and sale of charity game tickets or the sale of approved numeral game tickets may be suspended or terminated with a 30-day written notice without affecting the supplier's right to sell, lease, or distribute authorized equipment.

(4) A denial, termination, or suspension under this rule may be appealed under section 631 of 1961 PA 236, MCL 600.631.

History: 2000 AACS; 2003 AACS; 2014 AACS.

R 432.21807 Charity game tickets.

Rule 807. (1) A licensed supplier shall only sell charity game tickets to a qualified organization that has a valid large bingo, small bingo, special bingo, annual charity game ticket, special charity game ticket, millionaire party, or large raffle license issued by the bureau.

(2) A licensed supplier shall not sell a box of charity game tickets if the manufacturer's shrink-wrap is removed or the manufacturer's seal is broken.

(3) A licensed supplier shall only sell charity game tickets to a qualified organization at the price established in writing by the bureau. Monetary premiums, gift certificates, discounts, or rebates are not allowed on charity game tickets.

History: 2000 AACS; 2003 AACS.

R 432.21808 Charity game ticket inventory.

Rule 808. (1) A licensed supplier shall account for all charity game tickets purchased from the bureau.

(2) A licensed supplier shall provide the bureau with all charity game ticket sales and return information as directed in writing by the bureau.

History: 2000 AACS; 2003 AACS.

R 432.21809 Numeral game tickets.

Rule 809. (1) A licensed supplier shall only sell numeral game tickets to a qualified organization that has a valid numeral game, millionaire party, or large raffle license issued by the bureau.

(2) A licensed supplier shall only display, offer for sale, sell, or otherwise make available approved numeral game tickets unless directed otherwise in writing by the bureau.

(3) A licensed supplier shall not sell numeral game tickets if the manufacturer's packaging is opened or the manufacturer's seal is broken.

(4) In the case of defective or recalled numeral game tickets the supplier shall cooperate with the manufacturer and the licensees in correcting any problem, which may include returning tickets to the manufacturer.

(5) The licensed supplier shall facilitate the return of defective numeral game tickets to the manufacturer and facilitate any refund due the licensee for losses from the defective numeral game from the manufacturer.

History: 2000 AACS; 2003 AACS.

R 432.21810 Numeral game ticket inventory.

Rule 810. (1) A licensed supplier shall account for all numeral game tickets purchased from a manufacturer.

(2) A licensed supplier shall provide the bureau with all numeral game ticket sales and return information as directed in writing by the bureau.

History: 2000 AACCS; 2003 AACCS.

R 432.21811 Prohibitions.

Rule 811. (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 management of a licensed gaming event. This subrule shall not apply to the delivery, repair, and set up of the equipment, the provision of training before the start of the licensed gaming event, or technical advice during the licensed gaming event.

(2) A person employed by or an agent of the licensed supplier shall not receive any compensation, food, or beverage.

(3) 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 licensed gaming event for which the supplier is providing equipment or services.

(b) 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.

(c) Split a prize with a player.

History: 2000 AACCS; 2003 AACCS; 2007 AACCS; 2010 AACCS; 2011 AACCS; 2014 AACCS.

R 432.21812 Invoices for equipment, charity game tickets and numeral game tickets.

Rule 812. (1) A licensed supplier shall record every sale, lease, rental, return, or any other type of transfer of equipment, charity game tickets, and numeral game tickets to or from licensees by completing a sales invoice or credit memo.

(2) All invoices for equipment, charity game tickets, and numeral game tickets shall be sequentially numbered and issued in sequential order or as directed in writing by the bureau.

(3) Charity game ticket invoices and credit memos shall be accounted for as directed in writing by the bureau.

(4) Numeral game ticket invoices and credit memos shall be accounted for as directed in writing by the bureau.

(5) An invoice for all equipment, charity game tickets, and numeral game tickets supplied to a licensee shall be given to the licensee before the licensed gaming event.

(6) 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 bureau.

(7) Invoices and case labels for disposable bingo cards shall be clearly and legibly identified with the color, type (for example, 3-on horizontal), and total number of sheets or total number of packets for each color invoiced or contained in the case.

(8) The bureau may require a licensed supplier to provide the bureau the serial numbers for all bingo cards sold to a licensee.

(9) The bureau may require a licensed supplier to place the serial numbers for all bingo cards sold to a licensee on the invoice required by subrule (6) of this rule.

(10) All voided or spoiled invoices for equipment, charity game tickets, and numeral game tickets shall be retained.

History: 2000 AACS; 2003 AACS; 2014 AACS.

R 432.21813 Supplier records; retention.

Rule 813. (1) The licensed supplier shall maintain current and accurate records of all operations in conjunction with the purchase, sale, or rental of equipment, the sale of charity game tickets, and the sale of numeral game tickets in conformity with the act, these rules, terms of probation, and directives of the bureau.

(2) The records and all documents supporting entries made in the records shall be available and on site to authorized representatives of the bureau 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 bureau.

(4) A licensed supplier shall report to the bureau, on a form provided by or approved in writing by the bureau, the type and total amount of sales and rentals of equipment as directed in writing by the bureau.

History: 2003 AACS; 2014 AACS.

R 432.21814 Advertising.

Rule 814. (1) A licensed supplier may advertise a licensed gaming event using current and accurate information. The advertising shall include all of the following:

- (a) Name of the licensee.
- (b) License number.
- (c) Purpose for which the net proceeds will be used.

(2) Advertising shall cease once the gaming event license has expired.

(3) Advertising via the internet, printed matter, signs, or billboards shall be in the following format:

(a) Information in subrule (1) of this rule shall appear in the top half of the advertisement.

(b) Excluding location and supplier name, information in subrule (1) of this rule shall be prominently displayed in the same size font, or larger, as the largest font of any other information contained in the advertisement.

(4) Information in subrule (1) of this rule shall be continuously visible and readable in television advertising.

(5) The following items are not considered advertising:

(a) A message on an answering machine or voicemail by the supplier licensee.

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

(c) Printed matter contained within the interior of a location where a licensed gaming event occurs and that is intended to be visible only from the interior of the location where the licensed gaming event is going to occur.

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

History: 2010 AACS.

PART 9. MANUFACTURER

R 432.21901 Manufacturer license application.

Rule 901. (1) A written application for a manufacturer license, on a form provided by or approved in writing by the bureau, shall be approved in writing by the bureau before a person sells numeral game tickets to licensed suppliers.

(2) The manufacturer license application shall include additional information as directed by the bureau.

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

(4) An applicant shall disclose to the bureau 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 plead 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 manufacturer license application shall be immediately reported to the bureau in writing.

History: 2000 AACS; 2003 AACS.

R 432.21902 Additional eligibility factors.

Rule 902. In addition to the requirements of the act, the commissioner shall consider the following factors when reviewing a manufacturer 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 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 of the bureau, 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 manufacturer may be required to submit a detailed description of their quality control procedures. These procedures shall include, but are not limited to, the following:

(i) The steps taken to minimize the occurrence of defective tickets.

(ii) The ability to trace the cause and extent of any problem in ticket production that might be discovered after the tickets have been sold.

(iii) The steps to ensure that numeral game tickets and materials are protected from theft, alteration, and destruction not only during the manufacturing process, but also while in storage or in transit to the supplier.

(h) Any other information considered advisable by the commissioner.

History: 2000 AACCS.

R 432.21903 Manufacturer license investigation and inspection.

Rule 903. (1) Before issuing or renewing a manufacturer license, authorized representatives of the bureau may conduct a background investigation, which may include a review of the applicant's criminal history, sources of financing, ownership, security, production, quality control, and organizational structure.

(2) Authorized representatives of the bureau may conduct site inspections of the manufacturer, as considered necessary by the bureau.

(3) The applicant is responsible for the actual costs of background investigations and inspections, including travel, lodging, and meals.

History: 2000 AACCS.

R 432.21904 Manufacturer license expiration; manufacturer license void on ownership change.

Rule 904. (1) A manufacturer license shall expire at midnight on June 30 and is renewable annually upon the submission of a renewal application, provided by or approved in writing by the bureau, unless summarily suspended, suspended, denied, or revoked by the commissioner.

(2) If the ownership changes or any portion of ownership of the privately held corporation, partnership, or sole proprietorship acting as a licensed manufacturer 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 shall be void and returned to the bureau without delay.

History: 2000 AACCS; 2003 AACCS.

R 432.21905 Manufacturer license terms and conditions.

Rule 905. (1) Upon the issuance of a manufacturer license, the licensed manufacturer 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 manufacturer license. A privately held corporation, partnership, or sole proprietorship acting as a licensed manufacturer shall not attempt to sell or transfer an interest in the business without the prior written approval of the bureau.

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

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

(2) All locations at which the licensed manufacturer does business, including manufacturing plants, shipping facilities, supplemental storage locations, and administrative offices shall be open to inspection during reasonable business hours by an authorized representative of the bureau.

(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 performing official duties.

(4) Within the state of Michigan, the manufacturer shall only sell approved numeral game tickets to licensed suppliers.

(5) Within the state of Michigan, the manufacturer shall not sell or distribute numeral game tickets directly to individuals, companies, or licensed organizations except as directed in writing by the bureau.

(6) The manufacturer shall notify the bureau immediately of any breach of security experienced, including, but not limited to, theft or disappearance of stock, tickets, or waste.

(7) The manufacturer shall provide adequate supervision of all phases of ticket design and production to assure that all numeral game tickets are designed and manufactured in accordance with the standards established by the bureau for approved games.

(8) A licensed manufacturer shall not sell numeral game tickets within Michigan if the manufacturer's packaging is opened or the manufacturer's seal is broken.

(9) A licensed manufacturer shall only display, offer for sale, sell, or otherwise make available to licensed suppliers within Michigan numeral game tickets approved in writing by the bureau.

(10) The commissioner may deny, summarily suspend, suspend, revoke, or refuse to renew a manufacturer license as prescribed by R 432.21109 to R 432.21111.

(11) A person convicted of a criminal offense under the act or any other gambling offense is ineligible to participate in a manufacturer license as an owner, shareholder of a privately held corporation, partner, officer, agent, or employee for a period of 1 year after the conviction becomes final.

History: 2000 AACS; 2003 AACS.

R 432.21906 Numeral game ticket standards.

Rule 906. All numeral game tickets manufactured for sale in the state of Michigan shall be approved in writing by the bureau and conform to the standards prescribed by the bureau.

History: 2000 AACS; 2003 AACS.

R 432.21907 Prohibitions.

Rule 907. (1) A licensed manufacturer or any owner, shareholder of the privately held corporation, partner, officer, person residing in the same household as a licensed manufacturer, or agent of a licensed manufacturer shall not be involved, directly or indirectly, with the operation or management of a licensed gaming event.

(2) A licensed manufacturer or any owner, shareholder of the privately held corporation, partner, officer, person residing in the same household as the licensed manufacturer, or agent of the licensed manufacturer shall not be involved, directly or indirectly, in the leasing or rental of a location for a licensed gaming event.

(3) A licensed manufacturer or any owner, shareholder of the privately held corporation, partner, officer, person residing in the same household as the licensed manufacturer, or agent of the licensed manufacturer shall not advertise in any manner any licensed gaming event.

History: 2000 AACS; 2003 AACS.

R 432.21908 Invoices.

Rule 908. (1) A licensed manufacturer shall record every sale, return, or any other type of transfer of numeral game tickets by completing a sales invoice or credit memo.

(2) An invoice for all numeral game tickets shall be given to the supplier at the time of shipping.

(3) The invoice shall contain all of the following information:

(a) The name of the supplier purchasing the numeral game tickets.

(b) The date.

(c) The amount of each sale.

(d) All credits.

(e) All exchanges.

(f) The name of the numeral game and serial number of each deal.

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

History: 2000 AACS; 2003 AACS.

R 432.21909 Packaging.

Rule 909. (1) A deal of numeral game tickets shall be secured with a seal warning that the deal may have been tampered with if the container was received with an altered or broken seal. The seal shall be tamper resistant and be designed so that if a container was opened or tampered with, it would be easily noticed.

(2) The manufacturer may be required to produce a barcode on each deal as directed in writing by the bureau.

History: 2000 AACS; 2003 AACS.

R 432.21910 Recall of defective numeral game tickets; liability for losses.

Rule 910. (1) If the bureau determines that a numeral game does not meet the standards prescribed by the bureau, then the bureau may require those deals sold in Michigan be recalled.

(2) All recalls shall be done as directed in writing by the bureau.

(3) Liability for losses due to defective numeral game tickets shall be assumed by the manufacturer selling the numeral game tickets to the licensed supplier.

History: 2000 AACS; 2003 AACS.

R 432.21911 Manufacturer records; retention.

Rule 911. (1) The licensed manufacturer shall maintain current and accurate records of all operations in conjunction with the sale of numeral game tickets in conformity with the act, these rules, terms of probation, and directives of the bureau.

(2) The records and all documents supporting entries made in the records shall be available and on site to authorized representatives of the bureau 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 bureau.

(4) A licensed manufacturer shall report to the bureau, on a form provided by or approved in writing by the bureau, all numeral game ticket transactions as directed in writing by the bureau.

History: 2000 AACS; 2003 AACS.

PART 10. HALL

R 432.22001 Hall license application.

Rule 1001. (1) A written application for a hall license, on a form provided by or approved in writing by the bureau, shall be approved in writing by the bureau before a location may be rented for the conduct of a regular bingo occasion.

(2) The hall license application shall include additional information as directed by the bureau.

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

(4) An applicant shall disclose to the bureau 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 plead 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 hall license application shall be immediately reported to the bureau in writing.

History: 2000 AACS; 2003 AACS.

R 432.22002 Additional eligibility factors.

Rule 1002. In addition to the requirements of the act, the commissioner shall consider the following factors when reviewing a hall 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 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 of the bureau, 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) Any other information considered advisable by the commissioner.

History: 2000 AACCS.

R 432.22003 Hall license expiration; hall license void on ownership change.

Rule 1003. (1) A hall license shall expire at midnight on the last day of February, or if the applicant does not own the facility, on the expiration date of their lease or rental agreement if that date is before the last day of February of the current licensing year. The license is renewable annually upon the submission of a renewal application, provided by or approved in writing by the bureau, unless summarily suspended, suspended, denied, or revoked by the commissioner.

(2) If the ownership changes or any portion of ownership of a privately held corporation, partnership, or sole proprietorship acting as a licensed hall 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 shall be void and returned to the bureau without delay.

History: 2000 AACCS; 2003 AACCS.

R 432.22004 Hall license; terms and conditions.

Rule 1004. (1) Upon the issuance of a hall license or the renting or allowing the usage of a licensed hall for the conduct of a licensed gaming event, the hall licensee 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 hall license. A privately held corporation, partnership, or sole proprietorship acting as a licensed hall shall not attempt to sell or transfer an interest in the business without the prior written approval of the bureau.

(c) To post the hall license in a conspicuous place for public inspection at the hall.

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

(e) To not engage in any activity that implies or is a conflict of interest with the hall licensee's duty to remain totally unassociated with the management of a licensed gaming event.

(f) To not directly or indirectly lend, provide, or give money to, or borrow money from a licensee.

(g) To not exert any influence upon a bingo licensee's choice of supplier.

(h) To not offer any promotional game of chance as an inducement to encourage players to patronize the licensed hall.

(i) To maintain all bingo equipment in good repair and sound working order.

(j) 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 hall does business shall be open to inspection during reasonable business hours by an authorized representative of the bureau.

(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.

(4) The commissioner may deny, summarily suspend, suspend, revoke, or refuse to renew a hall license as prescribed by R 432.21109 to R 432.21111.

(5) A person convicted of a criminal offense under the act or any other gambling offense shall not participate in a hall license as an owner, shareholder of the privately held corporation, partner, officer, agent, or employee for a period of 1 year after the conviction becomes final.

History: 2000 AACS; 2007 AACS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.22005 Bingo; rent.

Rule 1005. (1) The hall licensee shall not charge or accept a fee for rent different from the fee that has been approved in writing by the bureau.

(2) The rental fee stated in the agreement, as specified in R 432.21331, shall include all charges payable to the hall licensee for services related directly or indirectly to the conduct of bingo at the licensed hall.

(3) Any changes to the original rental agreement shall be submitted to the bureau in writing for approval prior to implementation. These changes shall be agreed to by both the hall licensee and bingo licensee.

History: 2000 AACS; 2003 AACS; 2007 AACS.

R 432.22006 Bingo; occasions.

Rule 1006. (1) A location shall not be used for more than 14 large bingo, small bingo, or special bingo occasions each week or any combination of large bingo, small bingo, or special bingo occasions. A location includes all components or buildings comprising 1 architectural entity or serving a unified functional purpose.

(2) If more than 1 bingo license is issued for any 1 day at a location, the times of the bingo occasions shall not overlap.

History: 2000 AACS; 2007 AACS.

R 432.22007 Advertising.

Rule 1007. (1) A hall licensee may advertise a licensed gaming event using current and accurate information. The advertising shall include all of the following:

- (a) Name of the licensee.
- (b) License number.
- (c) Purpose for which the net proceeds will be used.

(2) The following items are not considered advertising:

- (a) A message on an answering machine or voicemail by the hall licensee.
- (b) Any other communication that is used solely at a location where the licensed gaming event occurs.

History: 2000 AACS; 2003 AACS; 2007 AACS; 2010 AACS; 2021 MR 20, Eff, Oct. 27, 2021.

R 432.22008 Prohibitions.

Rule 1008. (1) Any owner, shareholder of the privately held corporation, partner, officer, agent, or employee of a for-profit licensed hall shall not do any of the following:

(a) Participate in any manner in a licensed gaming event at that hall as a worker or player.

(b) Purchase or play charity game tickets at the licensed hall that they own, manage, or in which they are employed or work.

(c) Purchase raffle tickets or participate in a raffle at the licensed hall that they own, manage, or in which they are employed or work.

(d) Pay for, provide in any manner, or have any interest of any kind in a player's bingo cards, charity game tickets, or raffle tickets.

(e) Provide or share in a prize.

(f) Be a licensed supplier.

(2) A concession worker is subject to subrule (1) of this rule only on days that he or she is working at the for-profit licensed hall.

(3) A person residing in the same household as the owner, shareholder of the privately held corporation, partner, or officer of a for-profit licensed hall is subject to the same rules as the owner, shareholder of the privately held corporation, partner, or officer of the for-profit licensed hall.

(4) An owner, shareholder of the privately held corporation, partner, officer, agent, or manager of a for-profit licensed hall shall not be an officer of the qualified organization that conducts a licensed gaming event at that licensed hall.

History: 2000 AACS; 2003 AACS.