

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

Filed with the secretary of state on October 27, 2021

These rules take effect immediately upon filing with the secretary of state unless adopted under section 33, 44, or 45a(6) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

(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)

R 432.21301, R 432.21312, R 432.21313, R 432.21314, R 432.21317, R 432.21321, R 432.21322, R 432.21324, R 432.21326, R 432.21327, R 432.21330, R 432.21333, R 432.21334, R 432.21511, R 432.21515, R 432.22004, and R 432.22007 of the Michigan Administrative Code are amended, as follows:

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.

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.

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 Hillsdale, Box 30023, Lansing, Michigan 48909.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

PART 5. RAFFLE

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.

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).

PART 10. HALL

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.

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.