

DEPARTMENT OF TREASURY

EXECUTIVE DIRECTOR OF THE MICHIGAN GAMING CONTROL BOARD
MILLIONAIRE PARTIES

Filed with the secretary of state on

These rules become effective immediately ~~upon~~ after filing with the secretary of state unless adopted under section 33, 44, or 45a(9) 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 executive director of the Michigan gaming control board by section 49 of the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.149)

R 432.101, R 432.103, R 432.105, R 432.106, R 432.109, R 432.110, R 432.112, R 432.201, R 432.203, R 432.204, R 432.205, R 432.206, R 432.302, R 432.304, R 432.305, R 432.306, R 432.309, R 432.310, R 432.311, R 432.314, R 432.315, R 432.316, R 432.317, R 432.318, R 432.319, R 432.403, and R 432.404 of the Michigan Administrative Code are amended, and R 432.102, R 432.202, and R 432.301 are rescinded, as follows:

PART 1. GENERAL PROVISIONS

R 432.101 Definitions.

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

(a) "Act" means **the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101 to 432.152**~~432.120~~.

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

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

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

(i) Relief of poverty.

(ii) Advancement of education.

(iii) Advancement of religion.

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

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

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

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

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

~~(de)~~ "Compliance meeting" means a meeting as prescribed by the administrative procedures act, conducted by the executive director, ~~at which~~**where** the licensee has an

opportunity to show compliance with the act, these rules, terms of probation, directives, public policy of ~~the~~**this** state of Michigan, or any other local, state, or federal law or regulation.

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

(~~fg~~) “Contested case hearing” means a formal hearing before a hearing officer conducted as prescribed by the administrative procedures act.

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

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

(~~j~~) “Dealer” means ~~the person performing the act of dealing, assisting in the supervision of the dealers, or providing technical advice to the millionaire party chairperson on an executive director approved game in accordance with the approved rules of the game and in accordance with the act and these rules during a licensed millionaire party.~~

(~~k~~) “Demarcated area” means ~~the physical area in which licensed millionaire party gaming will be conducted, the boundaries of which are marked with rope or tape or separated in an access-controlled area of the location.~~

(~~l~~) “Executive director” means ~~the executive director of the Michigan gaming control board under the authority granted in Executive Reorganization Order No. 2012-3, MCL 432.91.~~

(~~im~~) “General public” means society as a whole or any considerable part of society.

(~~jn~~) “Gross profit” means total revenue less chip redemptions and prizes. **This amount Gross profit** does not include the license fee.

(~~ke~~) “Gross revenue” means the monetary value received by the licensee for all fees charged to participate in the millionaire party before any deductions for prizes or ~~any~~ other expenses.

(l) “Imitation money or chips” means imitation money or chips that have a nominal value equal to or greater than the value of the currency that they can be exchanged for.

(~~m~~) “Informal meeting” means a meeting conducted by the executive director, at his or her discretion, ~~at which~~**where** the executive director discusses the failure of the licensee to comply with the act, these rules, terms of probation, directives, public policy of ~~the~~**this** state of Michigan, or any other local, state, or federal law or regulation.

(~~q~~) “Lawful purpose” means ~~1 or more of the authorized purposes stated in a qualified organization's written bylaws, constitution, charter, or articles of incorporation on file with the executive director.~~

(~~r~~) “Lessor” means a person, or that person’s agents, who rents a location to a licensee for the purpose of the licensee conducting a millionaire party.

(~~ns~~) “License” means ~~only~~ a millionaire party or supplier license that is issued by the executive director.

(~~t~~) “Licensee” means ~~a qualified organization issued a license to conduct millionaire party or an organization or persons licensed under section 4a(2) or (3) of the act. Licensee also~~

means a supplier licensed under the act.

~~(u) "Location owner" means the owner, or the owner's agents, who own the building, enclosure, part of a building or enclosure, or a distinct portion of real estate that is used for the purpose of conducting events licensed under the act.~~

~~(ov) "Millionaire party equipment" means any authorized item used to conduct authorized games at a millionaire party.~~

(p) "Millionaire party licensee" means the qualified organization that has been issued a license to conduct a millionaire party.

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

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

~~(ry) "Probation" means a license status requiring strict compliance with the act, these rules, directives, public policy of the this state of Michigan, and specific conditions as established by the executive director.~~

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

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

~~(ubb) "Terms of probation" means the conditions established at the discretion of the executive director that shall must be complied with during the probationary period.~~

~~(vee) "Violation notice" means a document issued by the executive director, at his or her discretion, to a licensee charging a violation of the act, these rules, terms of probation, directives, public policy of the this state of Michigan, or any other local, state, or federal law or regulation.~~

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

~~(xee) "Worker" means an individual person who assists or participates in the management, conduct, or operation of a millionaire party. At a licensed millionaire party event, an individual person employed by or an agent of a lessor, location owner, or licensed supplier, is not considered a worker. at a licensed millionaire party event.~~

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

~~R 432.102 Rescinded. Compliance with other laws, regulations, and ordinances.~~

~~Rule 102. A licensee shall comply with public policy of the state of Michigan and any other local, state, or federal law or regulation.~~

R 432.103 Permanent dissolution; utilization of assets; report.

Rule 103. Upon permanent dissolution of a qualified organization, all assets, real property, and personal property shall must be utilized for the lawful purposes of as stated in the qualified organization's bylaws, constitution, charter, or articles of incorporation that are filed with the executive director as prescribed by R 432.201 and shall must not be distributed to any private individual or shareholder. All remaining assets upon dissolution shall must be distributed to the local government or another nonprofit organization as stated in the qualified organization's bylaws, constitution, charter, or articles of incorporation. The disbursement of remaining assets shall must be reported to the executive director in writing.

R 432.105 Violation notice.

Rule 105. (1) The executive director may issue a violation notice to a licensee for failure to maintain compliance with the act, these rules, terms of probation, directives, public policy of ~~the this~~ 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 executive director what action has been taken to correct the violation cited. The response ~~shall~~**must** be signed by the principal officer of the qualified organization or the owner ~~or owners~~ ~~or top officer~~ of the licensed supplier cited for the violation.

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

R 432.106 Informal meeting.

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

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

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

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

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

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

(2) The executive director may suspend or revoke, ~~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~~**The failure** to ensure full accountability for all gaming assets including, but not limited to, cash, prizes, millionaire party chips or imitation money, and all ~~funds~~**money** derived from the millionaire party.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(n) Allowing any ~~person~~**individual** who has been convicted of, becomes convicted of, has forfeited bond upon a charge of, or has pled guilty to any of the offenses in R 432.203(f) to work in the operation or management of a millionaire party or to be an officer or agent of the qualified organization.

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

(p) ~~The failure~~**Failure** to continuously operate as a qualified organization as defined by the act and as represented to the executive director by means of the information submitted to the executive director as required by R 432.201, or ~~the~~**the** failure to continuously operate as an organization or persons issued a license under section ~~34 4a(2) or (3)~~ of the act, **MCL 432.134**.

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

~~(3) If a license is suspended, then the executive director may determine that the licensee is ineligible to conduct any millionaire party during the period of suspension.~~

R 432.110 Summary suspension proceedings.

Rule 110. (1) To advance the public policy of prohibition against all gambling activities not conducted in strict conformance with expressed legislative exceptions, including the regulatory framework established by the act, the executive director may summarily order the suspension of a license as provided by section ~~50(1) +6(1)~~ of the act, **MCL 432.150**, and in accordance with section 92 of the administrative procedures act, **MCL 24.292**, ~~upon~~ **on** a determination that any 1 or more of the following circumstances exist:

- (a) The licensee has obtained the license by fraud, misrepresentation, or concealment.
- (b) The decision to issue the license was a product of a material mistake of law or fact.
- (c) The licensee, location owner, or lessor has engaged in an act, practice, or course of conduct that would operate as a fraud or deceit on **an individual or individuals** ~~person or persons~~, or has employed a device, scheme, or artifice to defraud **an individual or individuals** ~~person or persons~~.
- (d) The licensee, location owner, or lessor has repeatedly violated, or repeatedly failed or refused to comply with, any of the provisions, requirements, limitations, or duties imposed by the act, these rules, terms of probation, directives, public policy of ~~the~~**this** state of Michigan, or any other local, state, or federal law or regulation.
- (e) The licensee, location owner, lessor, or any owner, shareholder of the privately held corporation, partner, officer, or agent of the licensee, location owner or lessor, has been charged with or convicted of a violation of the act.
- (f) The licensee, location owner, or lessor has or there is reasonable cause to believe the licensee, location owner, or lessor has engaged in illegal gambling, or a fraud or larceny offense.
- (g) ~~That the~~**The** immediate cessation of the millionaire party by the licensee is necessary for the protection or preservation of the welfare of the community ~~within which~~**that** these activities are being conducted **in**, or for the protection or preservation of public policy of ~~the~~**this** state of Michigan, or any other local, state, or federal law or regulation respecting unlawful gaming activity.

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

R 432.112 Contested case hearing.

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

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

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

(4) When an appearance is made at a contested case hearing, it ~~shall~~**must** be made in person by the principal officer of the qualified organization, ~~;-the owner, principal shareholder of the privately held corporation, partner, or owner~~ ~~stop officer~~ of the licensed supplier, ~~;-~~ or by counsel.

(5) The person or persons ~~wh~~**that** have been served with a contested case hearing notice

may file a written answer before the date set for the contested case hearing or may appear at the contested case hearing and present an oral statement on the charges contained in the contested case hearing notice. If written briefs or arguments are presented, then a copy shall be served ~~upon~~ **on** the hearing officer **not less than** ~~at least~~ 5 days before the date set for the contested case hearing.

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

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

PART 2. GAMING LICENSING

R 432.201 Qualification requirements.

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

(2) ~~Except as provided in the act, each~~ **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~~ **must** state that all assets of the qualifying organization remaining upon dissolution, after satisfying its debts, be distributed to the local government or another nonprofit organization.

(3) The executive director may require a previously qualified organization to submit updated qualification information to assure the organization's continued eligibility under the act.

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

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

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

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

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

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

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

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

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

R 432.202 ~~Rescinded.~~Applications.

~~Rule 202. (1) A qualified organization, unless ineligible under the act, may apply for a millionaire party license.~~

~~(2) A qualified organization shall submit an application for a millionaire party license on a form provided by or approved in writing by the executive director.~~

~~(3) In addition to the millionaire party license application, the applicant shall submit additional information as directed by the executive director.~~

~~(4) The millionaire party license application shall be accompanied by the appropriate fee.~~

~~(5) If a millionaire party license application is cancelled or denied, then the executive director may retain a portion of the original statutory fee submitted to cover processing costs.~~

~~(6) An applicant shall disclose to the executive director 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 millionaire party license application shall be immediately reported to the executive director in writing.~~

R 432.203 Additional eligibility factors.

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

(a) The honesty and integrity of the applicant.

(b) The veracity and accuracy of any information supplied to the executive director by the applicant.

(c) The applicant's indebtedness to local, state, or federal government.

(d) A pending lawsuit or bankruptcy proceeding involving the applicant.

(e) The applicant's current or past history of compliance with the act, these rules, terms of probation, directives, public policy of ~~the this 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) ~~Beginning January 1, 2015, the~~ **The** executive director may consider whether the organization has raised sufficient funds in the previous calendar year independent and apart from any raised from gaming under the act. Raising ~~\$500.00 funds~~ **\$500.00 funds** unrelated to gaming under the act in the previous calendar year will satisfy this ~~requirement~~ **criteria** automatically as follows: ~~evidence of \$500.00 of unrelated funding for 1 license and an additional \$500.00 for each license thereafter.~~ Satisfying this requirement does not entitle the organization to a millionaire party license.

(h) Any other information considered advisable by the executive director.

R 432.204 Millionaire party license; terms and conditions.

Rule 204. (1) ~~Upon~~ **On** the issuance of a millionaire party license, the qualified organization 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, public policy of ~~the~~ **this** state of Michigan, and any other local, state, and federal laws and regulations.

(b) ~~To not assign or transfer the millionaire party license.~~ **To provide all information requested by the executive director.**

(c) To maintain current and accurate records of all operations in conjunction with millionaire parties in conformity with the act, these rules, terms of probation, and directives.

(d) To conduct the millionaire party in accordance with the information submitted on the application approved by the executive director.

(e) To conduct the millionaire party only during the hours and the date or dates stated on the license.

(f) ~~To immediately report to the executive director in writing any change in the information stated on or attached to the millionaire party license application.~~

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

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

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

Rule 205. (1) A qualified organization shall immediately report to the executive director in writing any change to the organization's qualification documentation.

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

(a) Constitution.

(b) Bylaws.

(c) Articles of incorporation.

(d) ~~Any other~~ **Other** qualification ~~document~~ **documents** previously submitted to the executive director.

(e) Internal revenue service tax-exempt status.

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

R 432.206 Request for millionaire party license changes; cancellations.

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

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

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

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

PART 3. MILLIONAIRE PARTY

R 432.301 ~~Rescinded.~~**Rescinded.** Licensing requirements.

~~Rule 301. (1) A qualified organization applying for a millionaire party license shall meet the requirements of R 432.202.~~

~~(2) An organization applying for a license shall include with its application a description of the proposed location, the specific area of that location in which gaming will be conducted, and a description how that area will be demarcated. The demarcated area must be approved by the executive director before issuance of millionaire party event licenses.~~

R 432.302 Licensing and approval.

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

~~(2) Subject to subrule (3) of this rule, the executive director may authorize up to 2 millionaire party event per location per day.~~

~~(3) The executive director may set the maximum number of days that a millionaire party can be held at a particular location. There shall not be more than 4 event days per week.~~

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

~~(35) The executive director may stop issuing licenses at any time or for any reason.~~

R 432.304 Millionaire party 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 ensuring the millionaire party is conducted in accordance with the act, these rules, terms of probation, directives, public policy of the state of Michigan, and any other local, state, and federal laws.~~(12) The

chairperson shall be a worker who is a bona fide member of the qualified organization for **not less than** ~~at least~~ 6 months and only serves as a millionaire party chairperson for 1 qualified organization in a calendar year ~~unless otherwise approved by the executive director.~~

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

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

~~(35) The chairperson shall be present on the premises continuously during the occasion.~~

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

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

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

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

R 432.305 Minimum age.

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

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

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

~~(4) Persons under 18 years of age shall not be permitted in the demarcated area of a millionaire party when gaming is being conducted.~~

~~(5) At events where alcoholic beverages are served, persons in the demarcated area who are 18 years of age or older, but less than 21 years of age, shall be identified by wearing a mark indicating the qualified organization has verified his or her age and identification.~~

R 432.306 Raffles; charity game tickets; numeral game tickets.

Rule 306. ~~(1)~~ Raffles held in conjunction with a millionaire party license ~~must~~**shall** be conducted as prescribed by rules promulgated pursuant to the act.

~~(2) Charity game tickets may be sold at a millionaire party as prescribed by rules promulgated pursuant to the act.~~

~~(3) Numeral game tickets may be sold at a millionaire party as prescribed by rules promulgated pursuant to the act.~~

R 432.309 Imitation money and chips.

Rule 309. (1) During the conduct of a millionaire party, only imitation money or chips ~~shall~~**must** be used by the participants. Imitation money or chips ~~shall~~**must** be used solely

for wagering or redemption purposes.

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

(3) Imitation money or chips ~~shall~~**must** only be sold by the **millionaire party licensee qualified organization**.

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

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

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

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

(8) **Unless otherwise permitted by law, each millionaire party licensee shall not have more than \$15,000.00\$20,000.00 in imitation money or chips in a demarcated area. may be sold in 1 day of a millionaire party.**

~~(9) Not more than \$15,000.00 in imitation money or chips shall be permitted in a demarcated area.~~

R 432.310 Millionaire party conduct.

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

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

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

~~(4) The millionaire party license shall be on site and posted in a conspicuous place during the millionaire party occasion.~~

~~(45)~~ A copy of the current license application and any changes ~~shall~~**must** be ~~on site~~ **onsite** and available for review.

~~(56) The executive director shall determine the number of bona fide members of the qualified organization to staff the event but that number shall not be less than 3 at all times. One of the bona fide members shall be the millionaire party chairperson. A bona fide member acting as a dealer does not count towards the required number of persons staffing the event.~~**Unless approved by the executive director, 2 bona fide members shall be present at all times during an event.**

~~(7) If for any reason the number of bona fide members described in subrule (6) of this rule is fewer than the number set by the executive director, the qualified organization shall report this to the executive director immediately and may be required to cease conducting the licensed millionaire party.~~

~~(68)~~ A qualified organization shall provide the names of its bona fide members who will be participating in the millionaire party to the executive director with its license application.

~~(9) All bona fide members of the qualified organization shall wear vests, buttons, or other distinctive apparel to define them as members of the qualified organization and not employees or agents of the location or licensed supplier.~~

~~(710)~~ Unless ~~permitted~~**allowed** by the act, these rules, or by written authorization of the executive director, only **bona fide** members of the **millionaire party licensee**~~qualified organization holding the millionaire party license~~ may perform any of the following duties **at an event conducted under the license**:

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

~~(11) A bona fide member of the qualified organization shall not play millionaire party games at an event where he or she is working or assisting.~~

~~(12) A bona fide member of the qualified organization shall not share in a prize, or purchase, play, or accept charity game tickets or numeral game tickets offered for sale by the licensee at any time during the day he or she is working or assisting.~~

~~(13) A bona fide member of the qualified organization shall not split a prize with a player or accept tips of any kind.~~

~~(814)~~ Except for disputed prizes, all winners shall be determined, and all prizes ~~shall~~**must** be awarded, within the hours stated on the license.

~~(15) All winners of raffle prizes shall be determined and all prizes awarded as prescribed by the charitable gaming rules.~~

~~(16) A wager shall not be placed on an athletic event.~~

~~(17) A wager shall not be placed on a game, contest, or activity other than an approved game taking place at the location within the hours stated on the license.~~

~~(918)~~ A location owner or lessor, a shareholder of a privately held corporate owned or leased location, partner, **member, director**, officer, agent, or employee of a location owner or lessor, **a shareholder of a privately held corporation that is a location owner or lessor**, or **an person individual** residing in the same household as **any of these**~~a location owner or lessor, shareholder of a privately held corporate owned or leased location, partner, officer, agent, or employee of a location owner or lessor~~ shall not do any of the following:

(a) Be an officer of a qualified organization conducting a millionaire party at the location in which he or she owns, leases, represents, or works.

(b) Participate as a player in any gaming event being conducted under the millionaire party license at the location in which he or she owns, leases, represents, or works.

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

(d) Split a prize with a player.

(e) Participate in any aspect of ~~a millionaire party~~ **an event conducted at the location**, including but not limited to, providing dealers, equipment, or workers, **unless all of the following conditions exist**:

~~(19) The executive director may waive subrule 18 (a), (b), and (e) of this rule subject to~~

all of the following conditions:

(ia) ~~A qualified organization is using a~~ **The location is owned or rented by the qualified organization and used by the qualified organization** ~~it owns, rents, or leases on a continual basis for the regular use of its members.~~

(iib) ~~The qualified organization is~~ **the millionaire party licensee and is conducting the event** ~~using that location to conduct its own licensed millionaire party events.~~

(iiie) ~~The~~ **executive director has** ~~waiver is granted a~~ **waiver for the participation.** ~~for not more than 16 millionaire party events in a calendar year at that location.~~

R 432.311 Hours of operation.

Rule 311. ~~The executive director has sole discretion to set the permissible hours of the day during which a millionaire party may be conducted. The executive director may not permit a millionaire party to begin before 8:00 a.m. or continue past 2:00 a.m.~~

R 432.314 Dealers.

Rule 314. ~~(1) A qualified organization is responsible for the actions of the dealers including compliance with the act, these rules, directives, and any other local, state, and federal laws and regulations.~~ (12) ~~A qualified organization may have bona fide members of the qualified organization serve as dealers at a millionaire party or it may hire dealers. A dealer shall not be an employee of the location owner or lessor, unless that person~~ **individual** ~~is a bona fide member of the qualified organization and is dealing during an event at that organization's location.~~

~~(3) A qualified organization applying for a license shall include with its application a list of the dealers who will work at the proposed event. The qualified organization shall provide information to show the dealers have never been 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.~~

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

R 432.315 Game records; retention.

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

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

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

(4) ~~Game records and all documents and supporting entries made in the records shall~~ **must** ~~be~~

accessed, entered, amended, ~~stored~~, and submitted by the qualified organization only.

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

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

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

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

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

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

(2) ~~In accordance with the act, the~~**The** entire net proceeds of the millionaire party ~~shall~~**must** 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, each qualified organization shall maintain a separate checking account ~~which shall~~**that must** be under its exclusive control. The organization shall only deposit its millionaire party proceeds in the account and shall only make expenditures as authorized under the act and these rules.

~~(4) The financial account into which proceeds from the millionaire party are deposited shall be open for review by authorized representatives of the executive director.~~

~~(5) The financial accounts into which proceeds from the millionaire party are transferred to shall be open for review by authorized representatives of the executive director.~~

~~(46)~~ Each check written from the checking account under the qualified organization's exclusive control into which proceeds from the millionaire party are deposited ~~shall~~**must** meet all of the following requirements:

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

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

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

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

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

~~(57)~~ Electronic transfers of funds derived from the conduct of the millionaire party ~~shall~~**must** be done in accordance with directives issued by the executive director.

~~(68)~~ Cancelled checks written from the checking account under the qualified organization's exclusive control into which proceeds from the millionaire party are deposited ~~shall~~**must** be returned on a monthly basis to the account holder. Copies of the checks are acceptable, if legible, and if originals can be made available ~~upon~~**non** request by the executive director.

~~(79)~~ All ~~monies~~**money** derived from the conduct of the millionaire party ~~shall~~**must** be deposited into the checking account under the qualified organization's exclusive control within 2 business days ~~after~~**of** the millionaire party or as directed in writing by the executive director.

~~(810)~~ Checks ~~shall~~**must** not be cashed out of the millionaire party start cash or gross revenue.

~~(11)~~ Each expense that the millionaire party licensee pays concerning the millionaire party must be in compliance with all of the following:

~~(a)~~ Incurred in connection with the conduct of the millionaire party.

~~(b)~~ Necessary and reasonable.

~~(c)~~ Itemized.

~~(d)~~ Approved by the executive director in writing before the licensed millionaire party.

The executive director may disapprove an expense submitted pursuant to section 42 of the act an expenditure for any reason.

~~(12)~~ A qualified organization shall not accept any compensation in connection with a millionaire party unless expressly authorized by the act or these rules.

~~(13)~~ The payment of expenses incurred in connection with the conduct of the licensed millionaire party event shall be necessary and reasonable, but shall not exceed 45 % of the event gross profits.

R 432.317 Rent and rental location agreement.

Rule 317. ~~(1)~~ A qualified organization shall not rent a location for a millionaire party unless all the terms and conditions of rental, including the fee, are in a written agreement approved by the executive director. ~~(12)~~ A qualified organization shall not pay a location owner or a lessor more than \$250.00 per day to rent a location for a millionaire party. The rental fee ~~cannot~~**must not** include any consideration or commission from revenues raised from the millionaire party gaming.

~~(23)~~ A qualified organization shall not enter into agreements with the location owner or lessor other than those addressed in the written rental agreement approved by the executive director.

~~(34)~~ A location owner or lessor shall not make any payments to, or accept any payments from, a supplier for anything directly or indirectly related to a millionaire party.

~~(45)~~ A location owner or lessor shall not make the lease or rental of its demarcated area dependent ~~upon~~ **on** the use of a particular supplier or particular dealers and shall not vary the rental or lease fee that it charges based on an organization's use of a particular supplier or particular dealers.

R 432.318 Security.

Rule 318. ~~(1)~~ The qualified organization shall ensure that access to the demarcated area is controlled. ~~(2)~~ The qualified organization may hire security officers. Any security services the location provides ~~will~~**must** be included in the rental fee as approved by the executive director.

R 432.319 Advertising.

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

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

(a) Name of the **millionaire party** licensee.

(b) License number.

- (c) Purpose for which the net proceeds will be used.
- (d) **Date or dates of the millionaire party licensee's event.**
- (e) **Location name.**
- (3) Advertising ~~shall~~**must** cease once the millionaire party license has expired.
- (4) **In an advertisement** ~~Advertising~~ via the internet, printed matter, signs, or billboards, ~~shall~~**must** be in the following format:
 - (a) ~~Information in subrule (2) of this rule shall~~**must** appear in the top half of the advertisement.
 - (b) ~~Excluding location name,~~ information in subrule (2)(**a-d**) of this rule ~~shall~~**must** be prominently displayed in the same size font, or larger, as the largest font of ~~any~~**the** other information contained in the advertisement
 - (5) Information in subrule (2) of this rule ~~shall~~**must** be continuously visible and readable in television advertising.
 - (6) The lessor, location owner, or **millionaire party** licensee shall not advertise the dates or times the location is open for the purpose of conducting a millionaire party or the games that will be played at that location, unless all the information required in subrule (2) of this rule is contained in the advertising.
 - (7) The following items are not considered advertising:
 - (a) A message on an answering machine or voicemail by the lessor, location owner, or **millionaire party** licensee at a location where a millionaire party will occur.
 - (b) Video, audio, or other means of communication that is broadcast solely within the interior of a location where the millionaire party occurs.
 - (c) Printed matter contained within the interior of a location where a millionaire party occurs and that is intended to be visible only from the interior of the location where the millionaire party will occur.
 - (d) An internet webpage that does not mention days, dates, times, specific games played, or program information.
 - (e) A sign located on the property of a location where a millionaire party occurs that does not mention days, dates, times, specific games played, or game program information.

PART 4. SUPPLIERS

R 432.403 Supplier license ~~renewal expiration~~; supplier license void on ownership change.

Rule 403. (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 executive director, unless summarily suspended, suspended, denied, or revoked by the executive director.

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

R 432.404 Supplier license terms and conditions.

Rule 404. (1) Upon the issuance of a supplier license, the licensed supplier agrees to all of the following terms and conditions:

(a) To be bound by and comply with the act, these rules, terms of probation, directives, public policy of ~~the~~**this** 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 executive director.

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

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

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

(f) To hold the executive director and ~~the~~**this** 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~~**where** an applicant or licensed supplier intends to do business or store equipment, ~~shall~~**must** be open to inspection by an authorized representative of the executive director during reasonable business hours.

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

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

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

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

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

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

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

~~(10) 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 5 years after the conviction becomes final.~~