



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

December 28, 2018

Michigan House of Representatives
Michigan Senate
State Capitol Building
Lansing, Michigan 48913

Ladies and Gentlemen:

Today I am vetoing House Bill 4081 and Senate Bill 35. Both bills amend the Traxler-McCauley-Law-Bowman Bingo Act of 1972 to provide for authorization of licensing and regulation of millionaire parties by the Michigan Gaming Control Board.

Millionaire Parties began as "Vegas Night" fundraisers at fraternal clubs and religious institutions, but over time, some morphed into unlicensed and unregulated "charity casinos" or "poker rooms." Because these locations were not regulated, some of the people running these games engaged in unlawful conduct. In 2012, I transferred oversight of millionaire parties to the Michigan Gaming Control Board (MGCB) and directed it to bring integrity to these games while still allowing the various charity groups to raise money. Despite obstacles, the MGCB accomplished its mission. Many violators were prosecuted or at least shut down. Unlicensed operators were prohibited and replaced by licensed gaming suppliers.

Charities, too, benefited from these changes. As charities began exercising more oversight of their games, the size and scope of millionaire parties grew and remains robust. Over the last four years, charities have conducted over 36,000 millionaire party events and had over \$325 million in chip sales. Charities also appreciated the MGCB's focus on customer service; a 2017 PriceWaterhouseCoopers customer service survey of charities indicated that the vast majority (87%) are satisfied with the MGCB's millionaire party licensing services.

The bills eliminate those administrative rules that have allowed charitable gaming activities to grow and operate in a controlled environment that protects the public welfare. I am pleased that the MGCB was able to successfully resolve the problems posed by the large-scale, unregulated gambling that. MGCB's work has brought integrity and accountability to these games while allowing charities to earn tens of millions of dollars for good causes—and did so in a customer-friendly way. This legislation, if signed, would undermine the work the MGCB has done over the past six years and return millionaire parties to a underregulated market ripe with potential for fraud and abuse. Accordingly, I am vetoing House Bill 4081 and Senate Bill 35.

Sincerely,

Rick Snyder
Governor