

05/17/2011

AMENDED
CHARITABLE GAMING LICENSE POLICY

Recitals:

--The State of Michigan, through the Traxler-McCauley-Law-Bowman Bingo Act (the "Act"), 1972 PA 382 (MCL 432.101 et seq), as amended, licenses and regulates the conducting of charity games and raffles by qualified organizations; and

--Under Section 3(k)(ii) of the Act, a qualified organization includes a local civic organization that is organized not for pecuniary profit; that is not affiliated with a state or national organization; that is recognized by resolution adopted by the local governmental subdivision in which the organization conducts its principal activities; whose constitution, charter, articles of incorporation, or bylaws contain a provision for the perpetuation of the organization as a nonprofit organization; whose entire assets are used for charitable purposes; and whose constitution, charter, articles of incorporation, or bylaws contain a provision that all assets, real property, and personal property shall revert to the benefit of the local governmental subdivision that granted the resolution upon dissolution of the organization; and

--From time to time, the Rochester Hills City Council receives requests from local civic organizations who, in connection with charitable gaming license applications, ask the City Council to pass a resolution recognizing the organization as a nonprofit organization operating in the community; and

--To guide and assist the City Council in making informed, thoughtful and consistent determinations concerning such requests, the City Council desires to establish a policy governing the handling and determination of requests from local civic organizations for resolutions of recognition in support of their charitable gaming license applications.

Policy:

The Rochester Hills City Council establishes the following policy concerning the filing, processing and determination of requests from local civic organizations for resolutions of recognition in support of those organizations' applications to the state for charitable gaming licenses:

1. Any local civic organization that, in connection with a charitable gaming license application, requests a resolution from the Rochester Hills City Council stating that the organization is a recognized nonprofit organization operating in the community, shall file with the City Clerk all information required to be filed by the State of Michigan Charitable Gaming Division to fulfill qualification requirements in connection with a charitable gaming license application including, but not limited to:

A. A signed and dated copy of the organization's current bylaws or constitution, including membership criteria;

B. A complete, file-stamped copy of the organization's Articles of Incorporation or Articles of Organization that have been filed with the Corporations and Securities Bureau of the State of Michigan;

C. A copy of the determination letter from the IRS stating the organization is exempt from federal income tax under IRC 501(c);

D. A provision in the bylaws, constitution, or Articles of Incorporation/Organization that states should the organization dissolve, all assets, and real and personal property will revert:

- a. If exempt under 501(c)3, to another 501 (c)3 organization.
- b. If not exempt under 501(c)3, to the City of Rochester Hills.

E. A revenue and expense statement (Audited statement preferred) for the previous 12-month period to demonstrate all assets are used for charitable purposes, i.e., 990's, treasurer's report, audit. The organization should not file check registers or cancelled checks. The organization should include a written explanation of the purpose of each expenditure made to an individual;

F. A provision in the bylaws, constitution, or Articles of Incorporation indicating the organization will remain nonprofit forever;

G. Names and addresses of all current directors and officers of the organization;

H. Written summary of the organization's nature and purpose and the activities the organization has conducted in the community, including descriptive history of the organization's fundraising events and efforts;

I. Explanation of charitable gaming activity the organization plans to conduct in the community; ~~and~~

J. A resolution adopted by the organization's board of directors authorizing the application for gaming license; ~~and~~

K. A copy of the organization's completed Solicitation Registration Form filed, or prepared for filing, with the State.

2. The City Clerk shall provide the City Council with the complete set of information submitted the applicant as part of the City Council's meeting information/packet. The City Council may request additional information from the organization that the City Council deems necessary or appropriate to their determination whether the organization is a recognized nonprofit organization operating in the community.

3. The City Council shall consider each request from an organization for a resolution of recognition on it own merits and make a determination whether the Council considers the organization to be a recognized nonprofit organization operating in the community. In making such a determination, the Council shall consider:

- A. Age of the organization;
- B. Viability of the organization;
- C. The organization's scope and level of activity and involvement in the community;
- D. Extent the organization has gained identity or recognition in the community for its accomplishments, activities, achievements and events; and

E. Such other criteria the City Council deems relevant to making such a determination.

4. An organization that does not receive a resolution of recognition from the City Council shall not be precluded from re-applying for a resolution of recognition, provided that the organization presents new relevant information or a material change of circumstances