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ALLOW GAMBLING SCHOOL EQUIPMENT

House Bill 5915

Sponsor: Rep. Pat Gagliardi

Committee: House Oversight and Ethics

Complete to 6-9-98

A SUMMARY OF HOUSE BILL 5915 AS INTRODUCED 6-4-98

The bill would amend the Michigan Penal Code to exempt gambling schools (proprietary schools or institutions of higher education) from the code's general ban on possessing gambling apparatus. The bill also would change current gambling crimes from misdemeanors to felonies and increase the penalties for these crimes.

Gambling equipment exemption. More specifically, the bill would exempt from the code's general prohibition against the possession or use of gaming equipment and supplies possession by a proprietary school or an institution of higher education for educational or demonstration purposes, provided that the school or institution of higher education met the following requirements:

** It kept a current list of its dealing shoes, gaming tables, roulette wheels, and other gambling games; provided a copy of the list to the Michigan Gaming Control Board; and advised the board (and updated the list) whenever it disposed of or no longer used gambling equipment or supplies;

** It didn't have or dispose of gambling equipment or supplies in violation of state or federal law;

** It had and used only chips and tokens that were "distinctly dissimilar" to those used by casinos licensed under the Michigan Gaming Control and Revenue Act and submitted representative samples to the Michigan Gaming Control Board for approval before using them in training;

** It permanently imprinted or affixed its name to all gambling equipment; and

** It provided "adequate" security for the gambling equipment, chips, and tokens. At minimum, "adequate security" would have to include (a) ensuring that the gambling equipment was used by a proprietary school only for the purpose of training students in a gambling trade or an institution of higher education for education or demonstration purposes, (b) obtaining written approval from the Michigan Gaming Control Board before disposing of any gambling equipment, chips, or tokens; and (c) reporting in writing to the board any theft, removal, or loss of any gambling equipment, chips, or tokens within five business days of the theft, removal, or loss.

House Bill 5915 (6-9-98)

Felonies. Currently, the penal code makes it a misdemeanor, punishable by up to one year in jail or a \$500 fine to do any of the following:

** Keep, occupy, or assist in keeping or occupying a common gambling house or building where gaming was permitted;

** Permit a gambling "apparatus" on premises one owned, occupied, or controlled;

** Use such apparatus for gaming or gambling;

It also is a misdemeanor, punishable by up to 2 years in jail or a fine of up to \$1,000, for an employee to:

** Keep (or allow to be kept) a gambling room, table, or game ("game of skill or chance"), or

** "Aid, assist, or abet" someone to keep a gambling room, table, or game.

The bill would make violations of any of these prohibitions a felony, punishable by imprisonment for up to ten years or a fine of up to \$100,000.

MCL 750.302 and 750.303

Analyst: S. Ekstrom

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.