

Legislative Analysis



COUPONS AWARDED IN REDEMPTION GAMES: INCREASE ALLOWABLE VALUE

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4932 as introduced
Sponsor: Rep. Tory Rocca
Committee: Regulatory Reform

Complete to 5-22-09

A SUMMARY OF HOUSE BILL 4932 AS REPORTED FROM COMMITTEE 5-20-09

The bill would increase the allowable redemption value for coupons awarded in redemption games to \$500.

Public Act 539 of 1996 amended the Michigan Penal Code to exempt certain "redemption games," such as skee ball or basketball games found in many arcades, restaurants, and bars from the code's regulations banning gambling. To be eligible for the exemption, the redemption value of coupons or other representations of value awarded for the successful play of the game cannot exceed 15 times the amount charged for a single game or \$3.75, whichever is less. In addition, players may accumulate coupons or other representations of value for redemption for noncash prizes, toys, or novelties of a greater value up to, but not exceeding, \$250 wholesale value.

House Bill 4932 would amend Chapter XLIV of the Michigan Penal Code (MCL 750.310b), entitled "Gambling," to increase the allowable value of a prize, toy, or novelty that can be redeemed by coupons awarded in a redemption game from \$250 to \$500.

FISCAL IMPACT:

The bill would have no significant fiscal impact on state or local correctional systems.

BACKGROUND INFORMATION:

A Texas-based company is interested in opening an entertainment center in the Lakeside Mall in Sterling Heights. Among other things, the new business would offer redemption games that dispense coupons based on the person's score. The coupons would be redeemable for various types of novelties and goods. The problem the bill seeks to address is that the company typically includes items such as game stations and electronics. Currently, the exemption from the gambling statutes applies only to redemption games for which the value of the prize is capped at \$250, wholesale. The retail value of most popular game systems, however, can range from \$199 to over \$600, placing even the wholesale value higher than the current limit. The bill would raise the current cap from \$250 to \$500. This would be the first increase in the prize value cap since the exemption was placed into law in 1996 and would accommodate the higher wholesale value of newer, and desirable, prizes.

POSITIONS:

No positions were offered on this bill.

Legislative Analyst: Susan Stutzky
Fiscal Analyst: Marilyn Peterson

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