

REDEMPTION GAMES

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

House Bill 4947

Sponsor: Rep. Tom Pearce

Committee: Regulatory Reform

Complete to 8-24-09

A SUMMARY OF HOUSE BILL 4947 AS INTRODUCED 5-14-09

The bill would amend the Michigan Penal Code to revise provisions regarding redemption games. Under the Penal Code, the gambling provisions do not apply to a "redemption game" if five conditions are met. House Bill 4947 retains those conditions, with minor modifications (noted below in *italics*) and adds a set of criteria for determining whether a game requires an element of skill, which is a required feature of exempt redemption games.

Exempt redemption games

The required features of exempt redemption games are

- The outcome of the game is determined through the application of an element of skill by the player.
- The award of the prize is based upon the player's achieving the object of the game or otherwise upon the player's score.
- Only non-cash prizes, toys, novelties, or coupons or other representations of value *that are* redeemable *only* for non-cash prizes, toys or novelties are awarded.
- The wholesale value of a prize, toy, or novelty awarded for the successful single play of *the* game is not more than \$3.75.
- The redemption value of coupons or other representations of value awarded for the successful single play of *the* game does not exceed 15 times the amount charged for a single play of the game or \$3.75, whichever is less. However, players may accumulate coupons or other representations of value *that may be used to redeem only* non-cash prizes, toys, or novelties *that have a wholesale value of \$250 or less*.

House Bill 4947 also adds one condition, as follows:

- *Any coupons or other representations of value awarded are distributed at the time and site where the game is played.*

Whether a game is a game of skill

In addition, House Bill 4947 specifies that the outcome of a game is not determined through the application of an element of skill by a player if one or more of the following apply:

- The ability of the player to succeed at the game is affected by the number of prior wins by or the ratio of prior wins to prior losses of players playing the game.
- The outcome of the game, or the value of the non-cash prize, toy, novelty, or coupon or other representation of value awarded for winning the game, can be controlled by a source other than a player playing the game.
- The success of the player is or may be determined by a chance event that cannot be altered by player actions.
- The ability of the player to succeed at the game is determined by game features not visible or known to the player.
- The ability of the player to succeed at the game is affected by the exercise of a skill that no reasonable player could exercise.

Non-cash prizes, toys, and novelties

Finally, House Bill 4947 specifies that "non-cash prizes, toys, or novelties" do not include any of the following: (1) a gift card, cash, or any equivalent of cash; (2) a play on a game of chance, bingo, or instant bingo or a state lottery ticket; or (3) a firearm, tobacco, or an alcoholic beverage.

Definition of Redemption Game

The portion of the penal code would make minor technical changes to the definition of "redemption game." A "redemption game" is a single player or multi-player mechanical, electronic, or manual amusement device involving a game, the object of which is throwing, rolling, bowling, shooting, placing, propelling, or stopping a ball or other object into, upon, or against a hole or other target. Redemption game does *not* include either of the following: (1) a game such as roulette, beano, cards, dice, wheel of fortune, video poker, a slot machine, or another game in which winning depends primarily upon fortuitous or accidental circumstances beyond the control of the player; or (2) a game that includes a mechanical or physical device that directly or indirectly impairs or thwarts the skill of the player.

MCL 750.310b

FISCAL IMPACT:

The bill would affect certain exemptions from misdemeanor gaming penalties, and thus would have no impact on the Department of Corrections. To the extent that the bill affected the numbers of offenders subject to misdemeanor penalties, it could affect local costs of misdemeanor probation supervision or jail incarceration, both of which vary with jurisdiction. However, the bill likely would have no significant fiscal impact on local units of government.

Legislative Analyst: J. Hunault

Fiscal Analyst: Marilyn Peterson

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