



**House
Legislative
Analysis
Section**

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LOTTERIES/GIFT ENTERPRISES

House Bill 4332

Sponsor: Rep. Gary Randall

Committee: Regulatory Affairs

Complete to 9-18-95

A SUMMARY OF HOUSE BILL 4332 AS INTRODUCED 2-07-95

The Michigan Penal Code prohibits a person or business from setting up or running a lottery or gift enterprise for money, disposing of property or merchandise by lottery, selling or drawing lottery tickets, or raffling off money or property through games of chance. A violation is a misdemeanor punishable by up to two years in a state prison or by a fine up to \$1,000. (Michigan courts have interpreted this provision to include the practice whereby businesses offer a discount or prize in exchange for a purchase or on-site registration. The prohibition in the penal code does not apply to the Michigan State Lottery or charity organizations conducting raffles, lotteries, bingo games, etc., which are governed by the McCauley-Traxler-Law-Bowman-McNeely Lottery Act or the Traxler-McCauley-Law-Bowman Bingo Act.)

House Bill 4332 would amend the code to permit a business to conduct a lottery or gift enterprise as a promotional activity if the activity was "clearly occasional and ancillary to the primary business" of a person or company and did not involve the payment of money solely for the chance or opportunity to win a prize. The bill would retain the current penalty for violations, but would delete the requirement that a jail term be served in a state prison.

In addition, the code specifies that a person is prohibited from, among other things, advertising or printing lottery tickets for sale, indicating where tickets may be purchased, or enticing a person to purchase a lottery ticket. Though a violation is a misdemeanor under current law, no penalties are specified. Under the bill, a violation would carry a penalty of imprisonment of up to 90 days, a fine of up to \$100, or both. Businesses conducting a lottery as a promotional activity would be exempt from this restriction.

MCL 750.372 and 750.375

House Bill 4332 (9-18-95)