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BILL ANALYSIS

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House Bill 5176 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Representative Michael Griffin
House Committee: Regulatory Affairs
Senate Committee: Local, Urban and State Affairs

CONTENT

The bill would amend the Michigan Penal Code to delete provisions that require licensure and certification for crane games, and to include edible items among the things that may be retrieved during crane games.

Currently, the Penal Code makes various exceptions to its prohibition against gaming, including an exception for crane games. "Crane game" means "an amusement machine activated by the insertion of a coin by which the player uses 1 or more buttons, joysticks, or similar means of control, or a combination of those means of control, to position a mechanical or electromechanical claw, or other retrieval device, over a prize, toy, or novelty having a wholesale value of not more than \$3.75, and thereby attempts to retrieve the prize, toy, or novelty". The bill would include "an edible item" among the things that may be retrieved, and would require that every prize, toy, or edible item be retrievable by the claw. The bill also would require that every crane game bear a notice stating that the game was not licensed or regulated by the State.

The Code requires a person who owns any crane games to obtain a crane game ownership license, for an annual fee of \$500, before making the games available for play. A licensee also must obtain an annual crane game certificate, for a \$50 annual fee, for each crane game owned and available for play. All fees must be paid into the State Lottery Fund. The Code requires the State Lottery Commissioner to implement the issuance of licenses and certificates, the establishment of standards for the manufacture and operation of crane games, and the inspection of crane games. In addition, the Code prescribes criminal penalties for crane game violations, and prohibits making crane games available for play in connection with a campaign fund-raising event. The bill would delete all of these provisions. The bill would retain provisions that authorize the confiscation of noncomplying games and prescribe a criminal penalty for knowingly altering a crane game so that it is out of compliance.

MCL 750.303

Legislative Analyst: S. Margules

FISCAL IMPACT

According to the Lottery Bureau, the revenue derived from crane game licenses and certificates totals approximately \$182,000 annually. The bill would eliminate this revenue; however, this is expected to be offset by eliminating the cost associated with the processing of licenses and certificates as well as the reduction in on-site inspections.

Date Completed: 2-20-96

Fiscal Analyst: M. Bain

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