



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 751 and 752 (as introduced 2-4-16)
Sponsor: Senator Margaret E. O'Brien (S.B. 751)
Senator Peter MacGregor (S.B. 752)
Committee: Banking and Financial Institutions

Date Completed: 2-16-16

CONTENT

Senate Bill 751 would amend the Banking Code to allow a bank to conduct a loan promotion raffle provided certain requirements were met.

Senate Bill 752 would amend the Michigan Penal Code to provide that Chapter 44 (Gambling) and Chapter 55 (Lottery) of the Code would not apply to a loan promotion raffle conducted by a State bank under Section 4111 of the Banking Code (the section that Senate Bill 751 would amend).

The bills are tie-barred, and each bill would take effect 90 days after its enactment.

Senate Bill 751 is described in more detail below.

The Banking Code allows a bank to conduct a savings promotion raffle if its board of directors authorizes the raffle. The bank must conduct the raffle so that each token or ticket representing an entry has an equal chance of being drawn. The bank must not conduct the raffle in a manner that jeopardizes the bank's safety and soundness, misleads its customers, or violates Federal law. A bank also must maintain records sufficient to facilitate an examination of a savings promotion raffle.

The bill would allow a bank also to conduct a loan promotion raffle, provided it met the same requirements as a savings promotion raffle must meet. As used in the bill, "loan promotion raffle" would mean a raffle conducted by a bank where the sole consideration required for a chance at winning designated prizes is the closing on a loan with the bank of at least a specified amount of money.

MCL 487.14111 (S.B. 751)
750.315a & 750.376a (S.B. 752)

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bills would have no fiscal impact on State or local government

Fiscal Analyst: Glenn Steffens

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.