



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 5251 (Substitute S-1 as reported)
Sponsor: Representative Brandt Iden
House Committee: Financial Services
Senate Committee: Banking and Financial Institutions

CONTENT

The bill would amend the Banking Code to allow a bank to conduct a loan promotion raffle under the following conditions:

- The bank would have to conduct the raffle so that each token or ticket representing an entry had an equal chance of being drawn.
- The bank could not conduct the raffle in a manner that jeopardized the bank's safety and soundness, misled its customers, or violated Federal law.
- The bank would have to maintain records sufficient to facilitate an examination of a loan promotion raffle.

"Loan promotion raffle" would mean a raffle conducted by a bank where the sole consideration required for a chance of winning designated prizes is the closing of a loan with the bank of at least a specified amount.

The bill would take effect 90 days after its enactment, and is tie-barred to Senate Bill 752. (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 bank.)

MCL 487.14111

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 5-4-16

Fiscal Analyst: Josh Sefton