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Senate Bills 397 and 399 (as introduced 4-28-21)

Sponsor: Senator Jim Ananich

Committee: Agriculture

Date Completed: 4-29-21

CONTENT

Senate Bill 397 would add Article 2 to the Lottery Act to do the following:

- -- Add various terms and definitions, including "video lottery game" and "video lottery terminal".
- -- Prescribe the duties of the Bureau of State Lottery with respect to video lottery, including promulgation of rules and the collection of fees.
- -- Specify that the Bureau would have the powers and duties prescribed in the Lottery Act and would have to administer the provisions of the Act relating to licensing, enforcement, and regulation.
- -- Require the Bureau to grant a license to an applicant to conduct video lottery if it had determined that the applicant held a valid race meeting license, had filed an application with the Bureau, and that the Bureau had completed a background check and was satisfied with the results.
- -- Prescribe an application fee for a license of \$50,000, a license fee of \$100,000, and a renewal license fee of \$50,000.
- -- Specify that information provided to the Bureau by a licensee that disclosed the name, address, or any other personal information of a licensee or any patron of the licensee would be considered confidential and would not be subject to disclosure under the Freedom of Information Act.
- -- Allow the Bureau to issue an occupational, manufacturer, or supplier license to an applicant if it had determined that the applicant had filed a completed application and the Bureau completed a background check and was satisfied with the results.
- -- Require a license holder to retain as his or her commission 81% of the gross terminal income generated from video lottery terminals at the license holder's licensed premises.
- -- Require a license holder to remit its net terminal income to the Bureau by electronic transfer of funds on dates established by the Bureau.
- -- Require remitted net terminal income from all license holders to be combined and require the combined income to be used first for administrative expenses with the remainder allocated to the funds or entities specified in the bill.
- -- Prescribe felony and misdemeanor criminal penalties for various violations of Article 2.

The bill also would recodify the existing provisions of the Act as Article 1, and would amend the Act to do the following:

-- Modify the definition of "lottery" and define "State lottery" and "video lottery".

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- -- Require the Bureau to make determinations as to whether a lottery winner owned money for a support arrearage or to various State entities before payment of a prize of \$1,000 or more under Articles 1 or 2.
- -- Specify that provisions of the Act related to the State Lottery Fund would not apply to gross terminal income under Article 2.
- -- Make certain findings and statements of legislative intent.

<u>Senate Bill 399</u> would amend the sentencing guidelines in the Code of Criminal Procedure to include the felony proposed under Senate Bill 397 as a crime against the public trust with a statutory maximum of 10 years' imprisonment.

Senate Bill 399 is tie-barred to Senate Bill 397.

Senate Bill 397 is discussed in greater detail below.

Article II Definitions

"Video lottery game" would mean an electronically simulated game of chance that is displayed on a video lottery terminal and to which all of the following apply:

- -- The video lottery terminal on which the game is displayed is connected to the central control system by an online wired, cable, or wireless communication system.
- -- The game is initiated by a player's insertion of coins, currency, or vouchers into a video lottery terminal, which causes game play credits to be displayed on the video lottery terminal, each game play credit entitling a player to choose one or more symbols or numbers or to cause the video lottery terminal to randomly select symbols or numbers.
- -- The game allows a player to win additional game play credits based on game rules that establish the random selection of winning combinations of symbols, numbers, or both and the number of game play credits to be awarded for each winning combination of symbols, numbers, or both.
- -- The game is based on computer-generated random selection of winning combinations produced totally or predominantly by chance.
- -- If the video lottery game allows the player an option to select replacement symbols or numbers or additional symbols or numbers after the game is initiated and in the course of play, the game does one of the actions prescribed in the definition before the optional selection by the player of randomly generated replacement or additional symbols or numbers.
- -- The game allows a player at any time to simultaneously clear all game play credits and print a redemption ticket entitling the player to receive the cash value of the game play credits cleared from the video lottery terminal.
- -- The game does not display roulette, dice, or baccarat card game themes commonly associated with casino gambling but may display symbols that appear to roll on drums or may display other card game or keno game themes.
- -- The game was authorized by the Bureau before January 1, 2004.

"Video lottery terminal" would mean a Bureau-approved interactive electronic terminal device that is connected to the central control system, owned, operated, and controlled exclusively by the Bureau, and used to play only video lottery games authorized by the Bureau. A video lottery terminal could simulate the play of one or more video lottery games. "Central control system" would mean a computer or computer system provided to and owned, operated, and controlled exclusively by the Bureau that communicates with video lottery terminals to retrieve information and activate and disable the terminals. "Disable" would mean the process of executing a shutdown command from the central control system that causes a video lottery terminal to cease functioning.

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"Display" would mean the visual presentation of video lottery game features on a video lottery terminal in the form of video images, actual symbols, or both.

"Administrative costs" would mean the costs and expenses incurred by the Bureau in operating and regulating video lottery at the racetrack where a license holder holds race meetings, including all of the following:

- -- Expenses incurred by the Bureau in performing an investigation of an applicant for a license or a license holder.
- -- All operating, payroll, and employment expenses attributable to the regulation of video lottery incurred by the Bureau, the Department of Attorney General, the Department of Treasury, the Department of State Police (MSP), or the Racing Commissioner.

"Applicant" would mean a person applying for a license or permit. If the applicant is not an individual, the term includes all partners, shareholders who own more than a 1.0% interest in the applicant, directors, officers, managerial employees, members, trustees, or beneficiaries of or persons with an ownership interest in the applicant. "License" would mean authorization granted by the Bureau to a person that holds a race meeting license under the Horse Racing Law permitting the person to operate video lottery terminals registered and owned by the Bureau as an agent of the Bureau. "Permit" would mean authorization granted by the Bureau to a person to function as a manufacturer or supplier.

"Managerial employee" would mean an individual who holds a management, supervisory, or policy-making position. "Manufacturer" would mean a person holding a permit issued by the Bureau to engage in the business of designing, building, constructing, assembling, or manufacturing video lottery terminals, the electronic computer components of video lottery terminals, the random number generator of video lottery terminals, or cabinets in which video lottery terminals are housed, whose products are intended for sale, lease, or other transfer to the Bureau to be placed at racetracks in Michigan. "Supplier" would mean a person that the Bureau has identified under rules promulgated by the Bureau as requiring a license to provide video lottery license holders with goods or services regarding the realty, construction, maintenance, or business of a proposed or existing video lottery operation or related facility on a regular or continuing basis, including security businesses, manufacturers, distributors, garbage haulers, maintenance companies, food purveyors, and construction companies.

"Net terminal income" would mean gross terminal income minus the licensee commission. "Gross terminal income" would mean the total amount of coins, currency, and vouchers inserted into the video lottery terminals, minus the total value of game credits cleared from the video lottery terminals in exchange for winning redemption tickets.

"Noncash prize" would mean merchandise a player may be given the option of receiving instead of cash in exchange for a winning redemption ticket. A noncash prize would have to be assigned a redemption value equal to the actual cost of the merchandise to the license holder.

"Pecuniary interest" would mean an ownership or other financial interest, the interest of a beneficiary in a trust, a shareholder or director in a corporation, a partner, general or limited, in a partnership, or a member in a limited liability company. The term does not include the interest of an individual whose only financial interest in a person is the payment of wages and fringe benefits, unless a fringe benefit is the receipt of an ownership or equity interest.

"Person" would mean an individual, corporation, association, partnership, limited partnership, or other legal entity.

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"Racetrack" would mean a facility where licensed race meetings are held and the pari-mutuel system of wagering is conducted as authorized under the Horse Racing Law.

"Restricted person" would mean a person that is one or more of the following:

- -- An applicant for or holder of a license or a permit.
- -- An officer, director, shareholder who owns more than a 1% interest in the applicant or holder, partner, member, or managerial employee of or person with an ownership interest in an applicant for or holder of a license or a permit.
- -- If an officer, director, or shareholder described above is not an individual, then an officer, director, shareholder who owns more than a 1% interest in the person, partner, member, or managerial employee of or person with an ownership interest in the officer, director, or shareholder.
- -- A person established, directed, or controlled by a person described in this definition.
- -- The spouse, parent, child, or spouse of a child of an individual described above.

"Control" would mean, as to the relationship between two persons, that one of the persons has a greater than 15% direct or indirect pecuniary interest in the other person.

"Wager" would mean a thing of value, including money, credit, vouchers, and property, risked on an uncertain occurrence in connection with the operation of video lottery under Article 2.

Bureau Duties

Under the Article 2, the Bureau would have to perform all of the following duties:

- -- Decide in a reasonable period of time an application for a license or permit.
- -- Comply with the Open Meetings Act
- -- Promulgate rules necessary to implement, administer, and enforce Article 2, including rules that governed, restricted, approved, or regulated video lottery; promoted the safety, security, and integrity of video lottery; and licensed and regulated entities participating in or involved with video lottery.
- -- Collect all fees imposed under Article 2 and, if not set by Article 2, set the fees.
- -- Provide for the levy and collection of penalties and fines for the violation of Article 2 and the rules it promulgated.
- -- Do all of the following, through its employees or agents, the MSP, or the Attorney General on a premises where video lottery was conducted: 1) certify the revenue from video lottery, 2) receive complaints from the public, and 3) conduct other investigations into the conduct of video lottery, including maintenance of the equipment, that the Bureau considered necessary and proper.
- -- Review and rule on complaints by video lottery licensees regarding investigative procedures of the Bureau or the State, in doing so, following a presumption that there was a need to inspect and requiring a licensee to establish by clear and convincing evidence all of the following: 1) that the licensee's operations were disrupted, 2) that the procedures had no reasonable law enforcement or regulatory purpose, and 3) that the procedures were so disruptive as to unreasonably inhibit video lottery operations.
- -- Maintain separate and distinct records, including accurate records of all Bureau meetings and proceedings.
- -- Take any other action, including the exercise of a power listed below, if needed to implement and conduct video lottery in accordance with Article 2 and the welfare of the people of Michigan.
- -- When required or authorized by Article 2 or other law to consider an aspect of an individual's criminal history, take all steps necessary to obtain the available history from the MSP and the Federal Bureau of Investigation.

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-- Suspend and, if the Bureau determined necessary, revoke a video lottery license if the license holder failed to conduct the number of live race days as allocated to the license holder under the Horse Racing Law, unless otherwise excused from doing so under the Law.

The Bureau also would have to review the patterns of wagering and wins and losses by individuals playing video lottery and make recommendations to the Governor and the Legislature in an annual report and in additional reports as requested by the Governor. The annual report would have to include a statement of receipts and disbursements by the Bureau, actions taken by the Bureau, and any additional information and recommendations that the Bureau considered appropriate or that the Governor requested.

The bill would require the Bureau to encourage video lottery to be conducted with a video lottery machine that was assembled in Michigan.

Additional Powers & Duties

The Bureau would have the powers and duties prescribed in the Lottery Act and would have to administer the provisions of the Act relating to licensing, enforcement, and regulation. The Bureau also would have those additional powers necessary and proper to implement and enforce the Act and to regulate and maintain jurisdiction over the conduct of each licensee within Michigan where video lottery was permitted to operate. This would include the ability to do all of the following:

- -- Create licenses and permits, investigate applicants, determine their eligibility for a license or permit, grant licenses and permits, and review and decide applications to renew licenses and permits.
- -- Require a minimum level of investment in buildings, fixtures, equipment, and facilities.
- -- Require, examine, and audit all necessary financial records.
- -- Adopt standards for licensing and regulation of all licensees.
- -- Hold necessary hearings.
- -- Set and impose fees and fines, and suspend, revoke, or restrict licenses for violations.

Application & Licensure; Video Lottery License

The Bureau would have to grant a license if it had determined that the applicant satisfied all of the following qualifications:

- -- The applicant held a valid race meeting license under the Horse Racing Law.
- -- The applicant had successfully completed and submitted to the Bureau an application with all necessary supportive documents, application fees, and other requirements as set by the Bureau.
- -- The Bureau had completed a background check and criminal history investigation of an applicant and was satisfied with the results of that investigation.

In addition, if the application were not an application to renew a license, the license would have to be granted if the racetrack where the applicant conducted its race meetings was not located within the following distance of a casino where gaming was conducted by a Federally recognized Indian tribe:

-- 25 miles, if at the time of the application the tribe was making payments to the State of 8.0% of the total amount wagered on electronic games of chance at the casino minus the amount paid for winning wagers at the machines.

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-- 50 miles, if within three years before the application the tribe had made payments to the State of 8.0% of the total amount wagered on electronic games of chance at the casino minus the amount paid for winning wagers at the machines.

The Bureau could deny a license for any of the following reasons:

- -- Criminal history considered relevant by the bureau.
- -- Incomplete application or false information.
- -- Lack of ability to maintain adequate liability or insurance.
- -- Previous history of regulatory compliance issues.

The Bureau could issue only a video lottery license that allowed video lottery to be conducted at licensed race meetings. The Bureau could issue a license to conduct video lottery at licensed race meetings held on public property.

If a video lottery license were granted to a race meeting licensee that was first licensed to conduct race meetings after the bill's effective date, video lottery could not be conducted at the race track where the race meeting licensee held its race meetings until 90 days after the first day of live horse racing conducted by the licensee.

A license would be valid for one year. An applicant for renewal of a license would have to be submitted by September 1 of each year after the initial license was granted. An initial application for a license would have to be accompanied by an application fee of \$50,000. A video lottery licensee would have to pay a license fee of \$100,000 to the Bureau when the initial video lottery license was issued and \$50,000 each year after that. The Bureau also could charge a video lottery licensee a one-time charge of up to \$2,500 for each video lottery terminal placed at a racetrack.

The Bureau could not allow video lottery terminals to be placed at a racetrack unless the legislative body for the local unit of government in which the racetrack was located had adopted an ordinance authorizing the activities surrounding the conduct of video lottery at the racetrack.

Confidentiality

Under Article 2, to the extent information was disclosed by a licensee under the Lottery Act regarding the name, address, or any other personal information, including financial information, of the licensee or any patron of the licensee, the Bureau could not disclose that information. All information provided to the Bureau by a licensee that in any manner disclosed the name, address, or any other personal information, including financial information, of the licensee or any patron of the licensee would be considered confidential, and would not be subject to disclosure under the Freedom of Information Act.

Other Licenses

Under Article 2, the Bureau could issue an occupational, manufacturer, or supplier license if it had determined that the applicant satisfied the following criteria:

- -- The applicant had successfully completed and submitted to the Bureau an application with all necessary supportive documents, application fees, and other requirements as set by the Bureau.
- -- The Bureau had completed a background check and criminal history investigation of an applicant and was satisfied with the results of that investigation.

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The Bureau could deny a license for any of the following reasons:

- -- Criminal history deemed relevant by the Bureau.
- -- Incomplete application or false information.
- -- Lack of ability to maintain adequate liability or insurance.
- -- Previous history of regulatory compliance issues.

A license would be valid for one year. An applicant for renewal of a license would have to be submitted by September 1 of each year after the initial license was granted.

License & Permit Holder Responsibilities; Distribution of Net Terminal Income

A license holder or permit holder would have to do both of the following:

- -- Comply with the rules promulgated by the Bureau.
- -- Monitor video lottery terminals to prevent access to or play at the terminal by an individual who was under 18 years of age or was visibly intoxicated.

A license holder would have to retain as its commission 81% of the gross terminal income generated from video lottery terminals at the its licensed premises. A license holder would have to pay at least 8.5% of its licensee commission to be divided equally to each certified horsemen's organization with which the license holder was contracted under the Horse Racing Law. (A certified horsemen's organization is an organization that is registered with the Office of Racing Commissioner and that can demonstrate its capacity to supply horses, its ability to assist a race meeting licensee in conducting the licensee's racing program, its ability to monitor and improve physical conditions and controls for individuals and horses participating at licensed race meetings, and its ability to protect the financial interests of the individuals participating at licensed race meetings.)

A license holder would have to remit its net terminal income to the Bureau by electronic transfer of funds on dates established by the Bureau. A license holder would have to furnish to the Bureau all information and bank authorizations required to facilitate the timely transfer of money. A license holder would have to provide the Bureau at least 30 days' advance notice of any proposed account changes to ensure the uninterrupted electronic transfer of funds.

Remitted net terminal income from all license holders would have to be combined. The Bureau would have to deduct from the remitted net terminal income an amount sufficient to reimburse the Bureau, the MSP, and the Department of Attorney General for estimated administrative costs. The amount deducted could not include administrative costs that had been paid or reimbursed by license fees. After deducting estimated administrative costs, the Bureau would have to distribute the remaining combined net terminal income as follows:

- -- 50%, to the State School Aid Fund.
- -- 25%, to the Michigan Strategic Fund.
- -- 12.5%, to the Department of Labor and Economic Opportunity to award Michigan Reconnect grants under the Michigan Reconnect Grant Recipient Act.
- -- 10%, to the Michigan Housing and Community Development Fund.
- -- 2.5%, to be divided equally to each local unit of government where a racetrack was located.

Criminal Penalties

Under Article 2, a person who did any of the following would be guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than \$100,000, or both,

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and would have to be barred from receiving or holding a license, permit, or occupational license:

- -- Conducted a video lottery operation without a license.
- -- Conducted video lottery in a manner that violated Article 2.
- -- Knowingly made a false statement on an application for a license, permit, or occupational license.
- -- Knowingly provided false testimony under oath to the Bureau or its authorized representative.
- -- Willfully failed to report, pay, or truthfully account for a fee imposed by under Article 2 or willfully attempted to evade or defeat a fee or payment.

A person convicted of willfully failing to report, or attempting to evade, a fee or payment also would be subject to a penalty of three times the amount of the license fee or tax not paid.

A person that did any of the following would be guilty of a felony punishable by up to 10 years' imprisonment or a fine of not more than \$100,000, or both, and, in addition, would have to be barred for life from any video lottery operation under the jurisdiction of the Bureau:

- -- Offered, promised, or gave anything of value or benefit to a person connected with a license holder or a permit holder or affiliate, including an officer or employee of a license holder, a permit holder, or an occupational licensee under an agreement or arrangement or with the intent that the offer, promise, or thing of value or benefit would influence the person to whom it was made to affect or attempt to affect the outcome of a video lottery game, or to influence official action of a Bureau member.
- -- Solicited or knowingly accepted or received a promise of anything of value or benefit while employed by or connected with a holder of a license or permit, including an officer or employee of a license holder or an occupational license, under an agreement or arrangement or with the intent that the promise or thing of value or benefit would influence the person to affect or attempt to affect the outcome of a video lottery game.
- -- Offered, promised, or gave anything of value or benefit to a member, employee, or agent of the Bureau or an official of any State or local agency or governmental body with the intent that the offer, promise, or thing of value or benefit would influence the person to whom it was made in administering, licensing, regulating, or enforcing the Lottery Act.
- -- Solicited or knowingly accepted or received a promise of anything of value or benefit while the person was a member, employee, or agent of the Bureau, or an official of any State or local agency or governmental body, under an agreement or arrangement or with the intent that the promise, thing of value, or benefit would influence the official action of the member, employee, or agent of the Bureau or official of the State or local governmental body in enforcing the Act.
- -- Cheated at a video lottery game.
- -- Manufactured, sold, or distributed a device that was intended to be used to violate the Act.
- -- Claimed, collected, took, or attempted to claim, collect, or take money or anything of value in or from a video lottery game with the intent to defraud, without having made a wager contingent on winning the video lottery game, or claimed, collected, or took an amount of money or thing of greater value than the amount won.
- -- Used counterfeit vouchers in a video lottery game.
- -- Unless the person was an employee of the license holder or of the Bureau and acting within the scope of his or her employment, possessed a key or device designed for the purpose of opening, entering, or affecting the operation of a video lottery machine or for removing coins or other contents of a video lottery machine.

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"Affiliate" would mean a person that, directly or indirectly, controls, is controlled by, or is under common control with; is in a partnership or joint venture relationship with; or is a coshareholder of a corporation, a comember of a limited liability company, or a copartner in a limited liability partnership with a person that holds or applies for a license under Article 2.

The possession of more than one device intended to be used to violate the Act would raise a rebuttable presumption that the possessor intended to use the devices for cheating.

A person who did any of the following would be guilty of a misdemeanor punishable by imprisonment for not more than one year in a county jail or a \$10,000 fine, or both:

- -- Knowingly made a wager on a video lottery game if the person were under 18 years of age or permitted a person under 18 years of age to make a wager on a video lottery game.
- -- Willfully failed to appear before or provide an item to the Bureau at the time and place specified in a subpoena or summons issued by the Bureau or Executive Director.
- -- Willfully refused, without just cause, to testify or provide items in answer to a subpoena, subpoena duces tecum, or summons issued by the Bureau or Executive Director.
- -- Conducted or permitted a person that was not licensed to conduct activities required to be licensed under Article 2 or rules promulgated by the Bureau.
- -- Leased, pledged, borrowed, or loaned money against a license, permit, or occupational license.

In the discretion of the Attorney General or county prosecuting attorney, an action to prosecute a crime described above could be filed in the county in which the crime occurred or in Ingham County.

Article 1 Definitions

"Lottery" or "State lottery" means the lottery created under the Lottery Act and operated exclusively by or under the exclusive control of the Bureau of State Lottery. Under the bill, "lottery" would mean a lottery, which is any game, undertaking, or operation that includes the elements of consideration, prize, and chance, created under the Act and operated exclusively by or under the exclusive control of the Bureau. The term would include all of the following types of gaming: i) lotto, ii) instant lottery tickets, iii) keno, iv) beano, v) club keno, vi) rapid draw keno, vii) pull tabs, and viii) video lottery.

"State lottery" would mean the lottery created under Article 1.

"Video lottery" would mean a lottery that allows a video lottery game to be played using an electronic computer and an interactive computer terminal device, equipped with a video screen and keys, a keyboard, or other equipment allowing input by a player, into which the player inserts coins, currency, or vouchers as consideration in order for play to be available, and through which terminal device the player may receive free games, credit that can be redeemed for cash, annuitized payments over time, or a noncash prize, or nothing as determined wholly or predominantly by chance. The term would not include a lottery game that merely uses an electronic computer and a video screen to operate a lottery game and communicate the results of the game and that does not use an interactive electronic terminal device allowing input by a player. Video lottery must be owned and operated exclusively by and under the exclusive control of the Bureau.

Payment of Prize of \$1,000 or More

Before payment of a prize of \$1,000 or more, the Act requires the Bureau to determine the following:

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- -- Whether Department of Treasury records show that the lottery winner has a current liability to the State or a support arrearage.
- -- Whether Unemployment Insurance Agency records show that the lottery winner has any current liability for restitution of unemployment benefits, penalty, or interest under the Michigan Employment Security Act.
- -- Whether Department of Health and Human Services records show that the lottery winner has any current liability to that department.

Under the bill, the Bureau would have to make these determinations before payment of a prize of \$1,000 under Article 1 or 2.

State Lottery Fund

Section 41 of the Act establishes the State Lottery Fund and provides for investment and disposition of money from the Fund. The bill specifies that Section 41 would not apply to gross terminal income under Article 2.

Statement of Legislative Intent

The bill states that the Legislature determines that video lottery gaming constitutes the operation of a lottery as previously authorized by Article IV, Section 41 of the Michigan Constitution and by the Act and is exempt from the application of the Michigan Gaming Control and Revenue Act. The bill further states that "[i]t is not the intent or purpose of the legislature, by enacting article 2 of this act, to amend the Michigan Gaming Control and Revenue Act...."

Legislative Analyst: Jeff Mann

MCL 432.3 et al. (S.B. 397) 777.14d (S.B. 399)

FISCAL IMPACT

Senate Bill 397

The bill would have a fiscal impact on the State and local units of government within which a racetrack operated. The bill would allow video lottery licenses for live horse racing, which could increase the amount of revenue generated during live horse racing events. The net revenue generated from the video lottery terminals would be distributed to the School Aid Fund, the Michigan Strategic Fund, the Michigan Reconnect program, the Michigan Housing and Community Development Fund, and local units of government that operate a racetrack. The total additional revenue generate would depend on the number of live horse racing events that occurred, and the number of video lottery terminals licensed in the State.

The Michigan Gaming Control Board would experience additional administrative costs to oversee video lottery gaming, approve licenses, review complaints, and collect fees and revenue from live lottery terminals. These additional costs would be covered by video lottery licensees, applications fees, and penalties.

The bill's criminal penalties could have a negative fiscal impact on the State and local government. Violations of the bill's provisions would be punishable as misdemeanors or felonies of varying severity. More misdemeanor and felony arrests and convictions could increase resource demands on law enforcement, court systems, community supervision, jails, and correctional facilities. The average cost to State government for felony probation supervision is approximately \$3,100 per probationer per year. For any increase in prison intakes, in the short term, the marginal cost to State government would be approximately

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\$5,400 per prisoner per year. Any associated increase in fine revenue would increase funding to public libraries.

Senate Bill 399

The bill would have no fiscal impact on local government and an indeterminate fiscal impact on the State, in light of the Michigan Supreme Court's July 2015 opinion in *People v. Lockridge*, in which the Court ruled that the sentencing guidelines are advisory for all cases. This means that the addition to the guidelines under the bill would not be compulsory for the sentencing judge. As penalties for felony convictions vary, the fiscal impact of any given felony conviction depends on judicial decisions.

Fiscal Analyst: Joe Carrasco

Cory Savino

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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.