



Senate Fiscal Agency
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House Bill 5412 (Substitute H-3 as passed by the House)
House Bill 5413 (as passed by the House)
Sponsor: Representative Nancy Jenkins
House Committee: Financial Services
Senate Committee: Banking and Financial Institutions

Date Completed: 10-2-14

CONTENT

House Bill 5412 (H-3) would amend the Banking Code to allow a bank to conduct a savings promotion raffle provided certain requirements were met.

House Bill 5413 would amend the Michigan Penal Code to provide that Chapter 44 (Gambling) and Chapter 55 (Lottery) of the Code would not apply to a savings promotion raffle conducted by a state bank under Section 4111 of the Banking Code, which House Bill 5412 (H-3) would add.

House Bill 5413 is tie-barred to House Bill 5412, which is described in more detail below.

Specifically, the bill would allow a bank to conduct a savings promotion raffle if its board of directors authorized the raffle. As used here, "savings promotion raffle" would mean "a raffle conducted by a bank where the sole consideration required for a chance at winning designated prizes is the deposit of at least a specified amount of money in a savings account or other savings program offered by the bank".

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. A bank also would have to maintain records sufficient to facilitate an examination of a savings promotion raffle.

Proposed MCL 487.14111 (H.B. 5412)
MCL 750.315a & 750.376a (H.B. 5413)

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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