



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 461 (as reported without amendment)
Sponsor: Senator Wayne Schmidt
Committee: Regulatory Reform

CONTENT

The bill would amend the Michigan Penal Code to specify that Chapter 44 (which prohibits certain operations and activities relating to gambling) would not prohibit the operation of any of the following in connection with a contest or game that involved an athletic event, or that was a fantasy or simulation sports game, if it satisfied certain conditions:

- Giving or paying purses, prizes, or premiums to players in a game or participants in a contest; to the owner, driver, manager, or trainer of animals; or to the drivers, mechanics, or operators of a machine.
- Giving or paying entry fees.
- Paying expenses or a reward for services or labor.

In each case, the prizes and awards offered to winning participants would have to be established and made known to them in advance. A fantasy or simulation sports game or contest also would have to satisfy both of the following:

- All winning outcomes reflected the relative knowledge and skill of game participants and were determined predominantly by accumulated statistical results of the performance of individuals, including athletes in the case of sporting events.
- A winning outcome was not based on the scope, point spread, or performance of a single team or combination of teams or on any single performance of an individual athlete or player in a single event.

A game or contest involving an athletic event also would have to satisfy both of the following:

- The sponsor or operator of the game or contest was not a player or participant.
- The performance of the player or participant relative to the performance of others was determinative of the outcome.

MCL 750.310

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have no fiscal impact on the State and could have a positive fiscal impact on local government. It is unknown under which provisions of the Michigan Penal Code a fantasy sports game would be prosecuted absent the exception in the bill, but most violations related to gambling are misdemeanors punishable by imprisonment for up to one year or a fine of up to \$1,000. Any reduction in misdemeanor arrests and convictions could reduce resource demands on law enforcement, court systems, community supervision, and jails. Any associated decrease in fine revenue would reduce funding to public libraries.

Date Completed: 10-23-17

Fiscal Analyst: Ryan Bergan

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Bill Analysis @ www.senate.michigan.gov/sfa

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