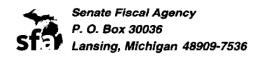
PUBLIC ACT 163 of 2016

PUBLIC ACT 162 of 2016





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Senate Bill 752 (as enacted) House Bill 5251 (as enacted)

Sponsor: Senator Peter MacGregor (S.B. 752)

Representative Brandt Iden (H.B. 5251)

Senate Committee: Banking and Financial Institutions

House Committee: Financial Services

Date Completed: 12-29-16

CONTENT

House Bill 5251 amended the Banking Code to allow a bank to conduct a loan promotion raffle provided certain requirements are met.

Senate Bill 752 amended the Michigan Penal Code to provide that Chapter 44 (Gambling) and Chapter 55 (Lottery) of the Code do not apply to a loan promotion raffle conducted by a domestic credit union, certain federally chartered or national financial institutions, or a State bank under Section 4111 of the Banking Code (the section that House Bill 5251 amended).

Each bill took effect on September 7, 2016. House Bill 5251 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 also allows a bank to conduct a loan promotion raffle, provided it meets the same requirements as a savings promotion raffle must meet. As used in the bill, "loan promotion raffle" means 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.

MCL 750.315a & 750.376a (S.B. 752) 487.14111 (H.B. 5251)

FISCAL IMPACT

The bills will have no fiscal impact on State or local government.

Fiscal Analyst: Michael Siracuse

Legislative Analyst: Jeff Mann

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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.