



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1114 (as reported by the Committee of the Whole)
Sponsor: Senator Tom George
Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

The bill would create the "Prize and Sweepstakes Regulation Act", effective October 1, 2004, to do the following:

- Require a sweepstakes solicitor or sponsor to provide the sweepstakes' official rules to individuals solicited to enter the sweepstakes.
- Prohibit a sales solicitation that included an opportunity to enter a sweepstakes from falsely representing that a person had already won a prize.
- Require a "prize notice" to disclose clearly and conspicuously the name and address of the sweepstakes solicitor and sponsor, restrictions on prizes offered, and other information.
- Require a solicitor to deliver a prize to a person before a sales presentation in connection with a prize notice.
- Prohibit a sponsor or solicitor from distributing a prize notice that falsely implied that the notice originated from a government agency or other organization; or from establishing a different method of entering a sweepstakes for a person who submitted an order for a good or service than the method used by a person who did not submit an order.
- Provide that a sponsor or solicitor who violated the Act would be liable for a civil fine of \$100 to \$500, and would be guilty of a misdemeanor punishable by up to one year and/or \$10,000 for an intentional violation.
- Provide that the proposed remedies, sanctions, and penalties would be in addition to any available under the Michigan Consumer Protection act or other state law.
- Allow a court to award restitution to a person who suffered a loss arising from a prize promotion in violation of the Act.

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State and local government. To the extent that the bill would require the investigation of possible violations and allow prosecution, it would increase costs to the Attorney General as well as county prosecutors and local courts.

There are no data to indicate how many offenders would be convicted of the proposed misdemeanor. Local governments would incur the costs of intermediate sanctions, misdemeanor probation, and incarceration in a local facility, all of which vary by county. Public libraries would benefit from any additional penal fine revenue.

Date Completed: 6-25-04

Fiscal Analyst: Bill Bowerman
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Analysis available @ <http://www.michiganlegislature.org>

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.