

# Legislative Analysis



## PROHIBIT BRIDGE CARD ATM ACCESS AT CASINOS, LIQUOR STORES, & ADULT ENTERTAINMENT

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House Bill 5014 (Substitute H-3)  
House Bill 5015 (Substitute H-2)  
House Bill 5016 (Substitute H-3)  
Sponsor: Rep. Dale W. Zorn

*(Enrolled Version)*

Committee: Families, Children, and Seniors  
Complete to 10-28-13

### A SUMMARY OF HOUSE BILLS 5014-5016 AS REPORTED FROM COMMITTEE ON 10-23-13

Currently, the Social Welfare Act requires the Department of Human Services (DHS) to work with providers of ATM machines to implement a program or method of blocking access to cash benefits from Michigan Bridge Cards at ATM machines located in casinos and casino enterprises. The bills would amend several acts to implement an expansion of this provision, effective February 1, 2014.

House Bill 5016 would modify this requirement to make it apply instead to bridge cards through point of sale devices and ATM machines located in casinos, casino enterprises, liquor stores, or adult entertainment establishments. (The new language is underlined.)

House Bill 5014 would amend the Michigan Liquor Control Code to require that a retailer licensed under the liquor code work with the DHS and providers of ATM services located on the retailer's premises to prevent an individual's access to cash benefits from a Michigan bridge card through a point of sale or withdrawal from an ATM on the retailer's premises. This would not apply to a retail food store

House Bill 5015 would amend the Horse Racing Law (MCL 431.301 et al) to require a holder of a track license to work with the DHS and with persons that provide point of sale device or automatic teller machine services (ATMs) on the license holder's premises to prevent an individual's access to cash from Michigan bridge card through a point of sale device or withdrawal from the machines on the premises.

(A Michigan Bridge Card, as defined in the bills, is the card used to distribute cash benefits by the DHS.)

House Bill 5016 contains the following definitions.

"Adult entertainment establishment" would mean (1) an on-premises licensee that holds a topless activity permit described in the Michigan Liquor Control Code (at MCL 436.1916), or (2) any other retail establishment that provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.

"Casino," casino enterprise," and "gaming" would mean those terms as defined in the Michigan Gaming Control and Revenue Act (MCL 432.202). However, the terms "casino" and "casino enterprise" would not include a grocery store that sells groceries, including staple foods, and is located in a casino or a casino enterprise, or any other business establishment that offers gaming that is incidental to the principal purpose of that establishment.

"Liquor store" would mean a retailer, as defined in the Michigan Liquor Control Code (at MCL 436.111), that is exclusively or primarily engaged in the sale of alcoholic liquor, including beer, wine, and spirits. However, the term would not include a retailer that is a retail food store. A "retail food store" would be defined to mean that term defined in federal law at 7 USC 2012, which, among other things, describes retailers that offer for sale, on a continuous basis, a variety of foods, or have over 50 percent of their total sales in staple foods.

#### **RELATED LEGISLATION:**

A separate but related package of bills, House Bills 4858-4860, would require financial institutions that own, operate, or manage automatic teller machines (ATM) located on the premises of casinos, casino enterprises, liquor stores, or adult entertainment establishments to work with the Department of Human Services (DHS) to ensure that an ATM would not allow an individual to access cash benefits from a Michigan Bridge Card. Those bills would also take effect February 1, 2014. They are described in a separate summary.

#### **FISCAL IMPACT:**

House Bill 5016 could increase state costs by at least \$120,000 per year; it would have no fiscal impact on local units of government. The state's current contract to administer Electronic Benefit Transfer cards (i.e. Bridge Cards) includes an optional service to block cash withdrawals from certain retailers and/or ATMs. DHS has not opted for that optional service, and doing so would cost \$10,000 per month. The cash benefits would still be spent, but instead of the benefits potentially being used for gambling, liquor, or adult entertainment, the benefits can be spent on items such as rent, utilities, clothing, toiletries, and other essential items.

#### **POSITIONS:**

Department of Human Services testified in support of the bills. (10-16-13)

Associated Food and Petroleum Dealers supports the bills. (10-23-13)

Michigan Bankers Association testified in support of the bills. (10-23-13)

Michigan Harness Horsemen and Michigan Standardbred Breeders support House Bill 5015. (10-23-13)

Michigan Credit Union League is neutral on the bills. (10-23-13)

UAW Local 6000 opposes the bills. (10-23-13)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.