

Legislative Analysis



PROHIBIT FAMILY INDEPENDENCE ATM ACCESS AT CASINOS, LIQUOR STORES, & ADULT ENTERTAINMENT

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House Bills 5014-5016

Sponsor: Rep. Dale W. Zorn

Committee: Families, Children's, and Seniors

Complete to 10-14-13

A SUMMARY OF HOUSE BILLS 5014- 5016 AS INTRODUCED 9-26-13

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.

House Bill 5016 would modify this requirement to make it apply instead to *Family Independence Program* assistance at ATM machines located in casinos, casino establishments, *liquor stores, and adult entertainment establishments*.

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 FIP assistance by electronic fund transfer or withdrawal from an ATM on the retailer's premises. This would not apply to a retail grocery store that sells or offers to sell staple foods to consumers for off-premises consumption in addition to alcoholic liquor.

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 automatic teller machines (ATMs) on the license holder's premises to prevent an individual's access to Family Independence Program assistance by electronic funds transfer or withdrawal from the machines on the premises.

House Bill 5016 contains the following definitions.

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

"Liquor store" would mean a retailer, as defined in the Michigan Liquor Control Code (MCL 436.111), that is exclusively or primarily engaged in the sale of spirits. (Generally speaking, the term "spirits" does not include beer and wine.) However, the term would not include a grocery store that sells spirits and groceries, including staple foods.

"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 any other business establishment that offers gaming that is incidental to the principal purpose of that establishment.

(The term "staple foods" under federal law, generally speaking, means foods in the following categories: meat, poultry, or fish; bread or cereals; vegetables or fruits; and dairy products.)

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.

The fiscal impact of limiting this prohibition to only Family Independence Program (FIP) assistance instead of all types of cash benefits provided through Electronic Benefit Transfer cards (known in Michigan as Bridge Cards) is not known but could lead to greater costs to the state. Currently, DHS distributes cash assistance benefits from two programs through the Bridge Card - FIP assistance for families with children and State Disability Assistance (SDA) for disabled adults and caretakers of disabled adults. And current law prohibits both types of cash assistance benefits from having access to ATMs located in casinos. It is unclear if the optional service to limit ATM access in the current contract between DHS and the EBT vendor includes the cost to program the ATMs to distinguish between the Bridge Cards of beneficiaries of FIP and beneficiaries of SDA.

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