

# HOUSE BILL No. 5657

April 3, 1990, Introduced by Reps. Law and Honigman and referred to the Committee on Judiciary.

A bill to amend section 303 of Act No. 328 of the Public Acts of 1931, entitled

"The Michigan penal code,"

as amended by Act No. 464 of the Public Acts of 1988, being section 750.303 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 303 of Act No. 328 of the Public Acts of  
2 1931, as amended by Act No. 464 of the Public Acts of 1988, being  
3 section 750.303 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5       Sec. 303. (1) ~~A~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SEC-  
6 TION, A person who for hire, gain, or reward, keeps or maintains  
7 a gaming room, gaming table, game of skill or chance, or game  
8 partly of skill and partly of chance, used for gaming, or who  
9 permits a gaming room, or gaming table, or game to be kept,

1 maintained, or played on premises occupied or controlled by the  
2 person, is guilty of a misdemeanor, punishable by imprisonment  
3 for not more than 2 years, or a fine of not more than \$1,000.00.  
4 A person who aids, assists, or abets in the keeping or maintain-  
5 ing of a gaming room, gaming table, or game, is guilty of a mis-  
6 demeanor, punishable by imprisonment for not more than 2 years,  
7 or a fine of not more than \$1,000.00.

8       (2) Subsection (1) does not apply to a mechanical amusement  
9 device which may, through the application of an element of skill,  
10 reward the player with the right to replay the mechanical  
11 AMUSEMENT device at no additional cost if the mechanical amuse-  
12 ment device is not allowed to accumulate more than 15 replays at  
13 1 time; the MECHANICAL AMUSEMENT device is designed so that accu-  
14 mulated free replays may only be discharged by reactivating the  
15 device for 1 additional play for each accumulated free replay;  
16 and the MECHANICAL AMUSEMENT device makes no permanent record,  
17 directly or indirectly, of the free replays awarded.

18       (3) Subsection (1) does not apply to a slot machine if the  
19 slot machine is 25 years old or older and is not used for gambl-  
20 ing purposes. As used in this ~~subsection~~ SECTION, "slot  
21 machine" means a mechanical device, an essential part of which is  
22 a drum or reel which bears an insignia and which when operated  
23 may deliver, as a result of the application of an element of  
24 chance, a token or money or property, or by operation of which a  
25 person may become entitled to receive, as a result of the appli-  
26 cation of an element of chance, a token or money or property.

1 (4) A slot machine which is being used for a gambling  
2 purpose in violation of subsection (3) shall be confiscated and  
3 turned over to the director of the department of state police for  
4 auction.

5 (5) Subsection (1) does not apply to a crane game. As used  
6 in this section, "crane game" means an amusement machine acti-  
7 vated by the insertion of a coin ~~—~~ by which the player uses 1  
8 or more buttons, joysticks, or similar means of control, or a  
9 combination of those means of control, to position a mechanical  
10 or electromechanical claw, or other retrieval device, over a  
11 prize, toy, or novelty having a wholesale value of not more than  
12 \$3.75, and thereby attempts to retrieve the prize, toy, or  
13 novelty. "Crane game" does not include a slot machine. ~~—, as~~  
14 ~~defined in subsection (3).~~

15 (6) The following ~~licenses and certificates~~ LICENSE AND  
16 CERTIFICATE relating to crane games are required, and shall be  
17 obtained from the bureau of state lottery CREATED IN THE  
18 MCCAULEY-TRAXLER-LAW-BOWMAN-MCNEELY LOTTERY ACT, ACT NO. 239 OF  
19 THE PUBLIC ACTS OF 1972, BEING SECTIONS 432.1 TO 432.47 OF THE  
20 MICHIGAN COMPILED LAWS:

21 (a) A person who owns 1 or more crane games shall not make  
22 that game or those games available for play unless he or she  
23 obtains a crane game ownership license. An annual license fee  
24 under this subdivision shall be \$500.00. A copy of the license  
25 shall be prominently displayed in a conspicuous place adjacent to  
26 each location where crane games are available for play.

1       ~~(b) A person who operates a retail establishment, club, or~~  
2 ~~other location shall not make a crane game or games available for~~  
3 ~~play at that location unless he or she obtains a crane game loca-~~  
4 ~~tion license from the bureau of state lottery. An annual license~~  
5 ~~fee under this subdivision shall be \$150.00, except that the fee~~  
6 ~~for the first license issued to any person under this subsection~~  
7 ~~shall be \$50.00. The license shall be prominently displayed in a~~  
8 ~~conspicuous place in the location. A person licensed under sub-~~  
9 ~~division (a) need not be licensed under this subdivision if he or~~  
10 ~~she owns all the crane games available for play at the location~~  
11 ~~or locations he or she operates.~~

12       (B) ~~(c)~~ A person who obtains a license under subdivision  
13 (a) also shall obtain an annual crane game certificate for each  
14 crane game OWNED BY THE PERSON AND available for play, ~~at the~~  
15 ~~location,~~ which CERTIFICATE shall be affixed to the crane game.  
16 The annual fee for each certificate shall be ~~\$30.00~~ \$50.00.

17       (7) An annual CRANE GAME OWNERSHIP license issued under sub-  
18 section ~~(6)~~ (6)(A) expires at midnight on May 31. If ~~a~~ THE  
19 license is issued for a period of 6 months or less, the fee under  
20 subsection ~~(6)~~ (6)(A) for that license shall be reduced by  
21 1/2.

22       (8) All fees collected by the bureau of state lottery under  
23 subsection (6) shall be paid into the state lottery fund CREATED  
24 UNDER ACT NO. 239 OF THE PUBLIC ACTS OF 1972. All necessary  
25 expenses incurred by the bureau OF STATE LOTTERY in the adminis-  
26 tration and enforcement of subsections (5) to ~~(13)~~ (14) and the  
27 regulation of crane games shall be financed from the state

1 lottery fund. The amount of those necessary expenses shall not  
2 exceed the amount of all fees collected under subsection (6). At  
3 the end of each fiscal year all money, including interest, in the  
4 state lottery fund which is attributable to fees collected under  
5 subsection (6) but which has not been expended pursuant to this  
6 subsection shall be deposited in the state general fund.

7 (9) The commissioner of the state lottery APPOINTED UNDER  
8 ACT NO. 239 OF THE PUBLIC ACTS OF 1972 shall promulgate rules  
9 PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, ACT  
10 NO. 306 OF THE PUBLIC ACTS OF 1969, BEING SECTIONS 24.201 TO  
11 24.328 OF THE MICHIGAN COMPILED LAWS, to implement all of the  
12 following:

13 (a) The ~~licensing of~~ ISSUANCE OF CRANE GAME OWNERSHIP  
14 LICENSES TO persons pursuant to subsection (6)(a), ~~and (b),~~  
15 including provisions for the revocation or suspension of  
16 licenses, and the issuance of CRANE GAME certificates under sub-  
17 section ~~(6)(c)~~ (6)(B).

18 (b) ~~Standards~~ THE ESTABLISHING OF STANDARDS for the manu-  
19 facture and operation of crane games, which STANDARDS shall be  
20 published and made available by the bureau OF STATE LOTTERY.

21 (c) ~~A provision that~~ THE PROHIBITION AGAINST a crane game  
22 ~~shall not contain~~ CONTAINING either of the following:

23 (i) A variable resistor or any turn screw, knob, potentiome-  
24 ter, or similar device that is used to alter the electrical clos-  
25 ing strength of the CRANE game's claw.

1       (ii) A self-regulating claw, the closing strength of which  
2 is altered between plays, whether designated as percentaging or  
3 other name.

4       (d) ~~Inspection~~ THE INSPECTION of crane games DURING REA-  
5 SONABLE HOURS by the bureau OF STATE LOTTERY or a law enforcement  
6 officer. ~~during reasonable hours.~~

7       (10) The commissioner of state lottery shall promulgate  
8 emergency rules to implement subsection (9) ~~. The emergency~~  
9 ~~rules and the rules under subsection (9) shall be promulgated~~  
10 pursuant to ~~the administrative procedures act of 1969, Act~~  
11 No. 306 of the Public Acts of 1969. ~~, being sections 24.201 to~~  
12 ~~24.328 of the Michigan Compiled Laws.~~

13       (11) A person who does any of the following is guilty of a  
14 misdemeanor, punishable by imprisonment for not more than 1 year,  
15 or a fine of not more than \$1,000.00, or both:

16       (a) ~~Operates a location at which a crane game is available~~  
17 ~~for play without obtaining a license pursuant to subsection~~  
18 ~~(6)(b), or owns~~ OWNS a crane game or games that are available  
19 for play without obtaining a license pursuant to subsection  
20 (6)(a) or a certificate pursuant to subsection ~~(6)(c)~~ (6)(B).

21       (b) ~~Operates a location containing~~ MAKES AVAILABLE FOR  
22 PLAY a crane game that is not in compliance with THE ELEMENTS OF  
23 THE DEFINITION CONTAINED IN subsection (5) or the rules promul-  
24 gated under subsection (9) or (10), except that a third or subse-  
25 quent violation of this subdivision is a felony, punishable by  
26 imprisonment for not more than 5 years, or a fine of not more  
27 than \$10,000.00, or both.

1 (c) Otherwise ~~violates~~ FAILS TO COMPLY WITH THE ELEMENTS  
2 OF THE DEFINITION CONTAINED IN subsection (5), or VIOLATES THE  
3 REQUIREMENTS IMPOSED UNDER SUBSECTION (6) or the rules promul-  
4 gated under subsection (9) or (10).

5 (12) A person who knowingly alters a crane game that is  
6 available for play so that the crane game is not in compliance  
7 with THE ELEMENTS OF THE DEFINITION CONTAINED IN subsection (5)  
8 or the rules promulgated under subsection (9) or (10) is guilty  
9 of a felony, punishable by imprisonment for not more than 5  
10 years, or a fine of not more than \$10,000.00, or both.

11 (13) The bureau OF STATE LOTTERY or a law enforcement offi-  
12 cer may confiscate any crane game that is available for play and  
13 is not in compliance with THE ELEMENTS OF THE DEFINITION CON-  
14 TAINED IN subsection (5) or the rules promulgated under subsec-  
15 tion (9) or (10). The confiscated CRANE games and their contents  
16 shall not be destroyed, altered, dismantled, sold, or otherwise  
17 disposed of except upon order of a court having competent  
18 jurisdiction.

19 (14) A crane game shall not be made available for play in  
20 connection with a fund-raising event, as defined in section 7 of  
21 THE MICHIGAN CAMPAIGN FINANCE ACT, Act No. 388 of the Public Acts  
22 of 1976, being section 169.207 of the Michigan Compiled Laws. A  
23 person who violates this subsection is guilty of a misdemeanor,  
24 punishable as provided in subsection (11).