



**House
Legislative
Analysis
Section**

Washington Square Building, Suite 1025
Lansing, Michigan 48909
Phone 517/373-6466

CRANE AMUSEMENT MACHINES

House Bill 5576 as introduced
First Analysis (5-5-88)

RECEIVED

Sponsor: Rep. Debbie Stabenow
Committee: Judiciary

JUL 08 1988

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THE APPARENT PROBLEM:

The Liquor Control Commission has ruled that the crane amusement machines commonly seen at carnivals are to be considered gambling devices under the penal code and therefore are banned from establishments licensed under the Liquor Control Act. A Kalamazoo County tavern has challenged this ruling and obtained a temporary restraining order in the local circuit court, arguing that the crane machines found in bowling alleys, taverns, and family fun centers do not constitute gambling devices as elucidated in a 1982 Court of Appeals case. In that case, Michigan Ex Rel Commissioner of State Police v. One Helix Game (122 Mich. App. 148), the court found that a crane game that randomly positioned the claw and offered tokens for better prizes constituted a gambling device. The games that are the object of the Liquor Control Commission's ruling reportedly do not have such characteristics and are basically games of skill, not chance. Those who wish to offer such games to the public are seeking legislation to exempt such games from the gambling law.

THE CONTENT OF THE BILL:

The penal code makes it a misdemeanor to operate a gaming room or maintain a game such as a slot machine used for gambling. The bill would make special provision for crane amusement machines; that is, amusement devices containing prizes that may be retrieved from the device through the application of an element of skill. Such devices would be exempted from the anti-gambling criminal provisions, but certain limitations would be placed on them. A crane machine could not display any prize that could not be retrieved by a player. A prize could not have a wholesale value of more than \$3.75, could not be redeemable for cash directly or indirectly, and could not be or contain a weapon, tobacco product, or alcoholic beverage.

MCL 750.303

FISCAL IMPLICATIONS:

Fiscal information is not available.

ARGUMENTS:

For:

The bill would clarify that certain crane or claw amusement machines are not gambling devices, thus allowing their continued operation in amusement centers throughout the state, including establishments licensed under the Liquor Control Act.

POSITIONS:

The Michigan Coin Machine Operators Association, an affiliate of the Michigan Distributors and Vendors Association, supports the bill. (5-3-88)

The Liquor Control Commission does not oppose the bill. (5-3-88)

H.B. 5576 (5-5-88)