

Legislative Analysis



REQUIRE FINANCIAL INSTITUTIONS TO PROHIBIT CERTAIN BRIDGE CARD ATM WITHDRAWALS

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House Bills 4858-4860 (Substitute H-3 for each)

Sponsor: Rep. Margaret E. O'Brien

Committee: Families, Children, and Seniors

Complete to 10-28-13

A SUMMARY OF HOUSE BILLS 4858-4860 AS REPORTED FROM COMMITTEE

The bills 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. The bills would take effect February 1, 2014.

(A Michigan Bridge Card is the card used to distribute cash benefits by the DHS.)

Each bill would amend a separate act to apply to a different kind of financial institution.

House Bill 4858 would amend the Banking Code of 1999 (MCL 487.11101 et al.); House Bill 4859 would amend the Savings Bank Act (MCL 487.3101 et al.); and House Bill 4860 would amend the Credit Union Act (MCL 490.101 et al.).

The bills would define the following terms:

"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 5014-5016, would do the following (1) require the 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, casino enterprises, liquor stores, or adult entertainment establishments; and (2) require that retailers licensed to sell alcoholic liquor (beer, wine, and spirits) and racetrack license holders work with the DHS and providers of ATM services 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 their premises. Those bills would also take effect February 1, 2014. They are described in a separate summary.

FISCAL IMPACT:

House Bills 4858-4860 would not have a significant fiscal impact on the Department of Insurance and Financial Services (DIFS) since the bills do not stipulate any administrative or enforcement responsibilities for DIFS.

POSITIONS:

The Department of Human Services supports the bills. (10-16-13)

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

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

The Michigan Credit Union League is neutral on House Bill 4860. (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.