



Senate Fiscal Agency
P. O. Box 30036
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BILL ANALYSIS



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House Bill 4858 (Substitute H-3 as passed by the House)
House Bill 4859 (Substitute H-3 as passed by the House)
House Bill 5014 (Substitute H-3 as passed by the House)
House Bill 5015 (Substitute H-2 as passed by the House)
Sponsor: Representative Margaret E. O'Brien (H.B. 4858 & 4859)
Representative Dale W. Zorn (H.B. 5015 & 5015)
House Committee: Families, Children, and Seniors

CONTENT

House Bills 4858 (H-3) and 4859 (H-3) would amend the Banking Code and the Savings Bank Act, respectively, to require a financial institution to work with the Department of Human Services to ensure that an ATM that it owned, managed, or operated, did not allow an individual access to cash benefits from a Michigan Bridge Card on the premises of any of the following:

- A casino.
- A casino enterprise.
- A liquor store.
- An adult entertainment establishment.

Under each of the bills, "casino" and "casino enterprise" would not include the following: 1) a grocery store that sells groceries, including staple foods, and is located in a casino or casino enterprise; or 2) any other business establishment that offers gaming that is incidental to the establishment's principal purpose. "Liquor store" would not include a retailer that is a retail food store.

House Bills 5014 (H-3) and 5015 (H-2) would amend the Michigan Liquor Control Code and the Horse Racing Law, respectively, to require a retailer (except a retail food store) and a track license holder to work with the Department of Human Services and persons who provide point of sale device or ATM services on the business premises to prevent an individual's access to cash benefits from Michigan bridge cards through a point of sale device or withdrawal from an ATM on the business premises.

All of the bills would take effect on February 1, 2014.

Proposed MCL 487.14110 (H.B. 4858)
Proposed MCL 487.3436 (H.B. 4859)
Proposed MCL 436.2024 (H.B. 5014)
Proposed MCL 531.309b (H.B. 5015)

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bills could increase State spending by a minimum of \$120,000 Gross per year. The actual costs would be determined by the implementation of the bills and whether the

Department of Human Services would realize additional administrative or information technology-related costs as a result of the requirements to work with track license holders, retailers, banks, and savings banks to prevent Bridge Card access at ATMs or point of sale devices that are located in the given establishments.

Currently, the Department has a five-year contract with Xerox to provide electronic benefit transfer (EBT) services and functions to support the electronic delivery of cash and food assistance benefits to recipients throughout the State. Xerox is not the sole broker to determine whether an ATM can provide EBT services and cash benefits, however. Retailers enter into contracts with third party processors (which are generally financial institutions) and can request that ATMs in their establishments block access to cash benefits.

The contract with Xerox included an estimate of \$10,000 per month "to block cash withdrawals from certain retailers and/or ATMs". The State has not yet used this optional service, however. Current statute requires the Department to block access to cash benefits in the State's 22 casinos (MCL 400.57v), but the casinos have taken on the responsibility to block access. While the State has not yet implemented this optional \$10,000 per month service, the bills could result in implementation of the additional service and fee.

The bills would not result in increased costs to local units of government.

Date Completed: 11-13-13

Fiscal Analyst: Frances Carley

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.