



BULLETIN ON ILLEGAL GAMING

- A. The Michigan Penal Code broadly prohibits any kind of gambling, which generally involves the elements of consideration, prize, and chance. Section 301 of the Penal Code prohibits accepting money with the understanding that money will be paid to any person contingent upon the happening of an uncertain event. MCL 750.301. In other words, wagering money on the occurrence of some event.
- B. Allowing gambling on games of skill or chance is prohibited. MCL 750.303(1).
- C. Exceptions:
1. Skill-based machines that reward the player with the right to free plays of the machine at no additional cost as long as the player is not allowed to accumulate more than 15 replays at 1 time. MCL 750.303(2). (The player cannot receive compensation in exchange for the replays.)
 2. Redemption games if ALL of the following conditions are met:
 - (a) The outcome of the game is determined through the application of an element of skill by the player. If it is not possible to achieve the object of the game on each play this exception does not apply.
 - (b) The award of the prize is based on the player's achieving the object of the game or otherwise upon the player's score.
 - (c) Only noncash prizes, toys, novelties, or coupons or other representations of value redeemable for noncash prizes, toys, or novelties are awarded. A gift card may be awarded if ALL of the following apply:
 - (i) The gift card is usable only at a retailer or an affiliated group of retailers.
 - (ii) The gift card is issued in a specified amount.
 - (iii) The gift card is redeemable only for goods and services available from the retailer or retailers and not for cash.
 - (iv) Information on the gift card may not be altered with the use of a personal identification number.
 - (d) The wholesale value of a prize, toy, or novelty awarded for the successful single play of a game is not more than \$3.75.
 - (e) The redemption value of coupons or other representations of value awarded for the successful single play of a game does not exceed 15 times the amount charged for a single play of the game or a \$3.75-per-play average, whichever is less. However, players may accumulate coupons or other representations of value for redemption for noncash prizes, toys, or novelties of a greater value up to, but not exceeding, \$500.00 wholesale value.

Redemption game does not include a game in which winning depends primarily upon fortuitous or accidental circumstances beyond the control of the player.