



# HOUSE BILL No. 4478

February 28, 1995, Introduced by Reps. Jaye, Dobb, Walberg, Goschka and Clack and referred to the Committee on Regulatory Affairs.

A bill to amend sections 11 and 23 of Act No. 239 of the Public Acts of 1972, entitled as amended "McCauley-Traxler-Law-Bowman-McNeely lottery act," section 11 as amended by Act No. 165 of the Public Acts of 1991, being sections 432.11 and 432.23 of the Michigan Compiled Laws.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Section 1. Sections 11 and 23 of Act No. 239 of the Public  
2 Acts of 1972, section 11 as amended by Act No. 165 of the Public  
3 Acts of 1991, being sections 432.11 and 432.23 of the Michigan  
4 Compiled Laws, are amended to read as follows:

5 Sec. 11. (1) The commissioner shall promulgate rules pursu-  
6 ant to the administrative procedures act of 1969, Act No. 306 of  
7 the Public Acts of 1969, ~~as amended,~~ being sections 24.201 to  
8 24.328 of the Michigan Compiled Laws, as necessary to implement  
9 this act.

1 (2) The rules authorized under this section may include any  
2 of the following:

3 (a) The type of lottery to be conducted subject to section  
4 9(2).

5 (b) The price of tickets or shares in the lottery.

6 (c) The number and size of the prizes on the winning tickets  
7 or shares.

8 (d) The manner of selecting the winning tickets or shares.

9 (e) The manner of payment of prizes to the holders of win-  
10 ning tickets or shares, subject to section 32.

11 (f) The frequency of the drawings or selections of winning  
12 tickets or shares.

13 (g) Without limit as to number, the type or types of loca-  
14 tions at which tickets or shares may be sold SUBJECT TO SECTION  
15 23(10).

16 (h) The method to be used in selling tickets or shares,  
17 except that ~~no~~ A person's name shall NOT be printed on ~~such~~  
18 tickets or shares.

19 (i) The licensing of agents to sell tickets or shares but a  
20 person under the age of 18 shall not be licensed as an agent.

21 (j) The manner and amount of compensation to be paid  
22 licensed sales agents necessary to provide for the adequate  
23 availability of tickets or shares to prospective buyers and for  
24 the convenience of the public.

25 (k) The apportionment of the total annual revenues accruing  
26 from the sale of lottery tickets or shares and from all other  
27 sources for the payment of prizes to the holders of winning

1 tickets or shares, for the payment of costs incurred in the  
2 operation and administration of the lottery, including the  
3 expenses of the bureau and the costs resulting from any contract  
4 or contracts entered into for promotional, advertising, consult-  
5 ing, or operational services or for the purchase or lease of lot-  
6 tery equipment and materials, for the repayment of the money  
7 appropriated to the state lottery fund, and for transfer to the  
8 general fund.

9       Sec. 23. (1) A license as an agent to sell lottery tickets  
10 or shares shall not be issued to any person to engage in business  
11 exclusively as a lottery sales agent. Before issuing a license  
12 the commissioner shall consider factors such as the financial  
13 responsibility and security of the person and his OR HER business  
14 or activity, the accessibility of his OR HER place of business or  
15 activity to the public, the sufficiency of existing licenses to  
16 serve the public convenience, and the volume of expected sales.

17       (2) As used in this section, "person" means an individual,  
18 association, corporation, club, trust, estate, society, company,  
19 joint stock company, receiver, trustee, referee, any other person  
20 acting in a fiduciary or representative capacity who is appointed  
21 by a court, or any combination of individuals. Person includes  
22 any department, commission, agency, or instrumentality of the  
23 state, including any county, city, village, or township and any  
24 agency or instrumentality thereof.

25       (3) Notwithstanding any other provision of law, a person  
26 licensed pursuant to this act may act as a lottery sales agent.

1 A person lawfully engaged in nongovernmental business on state  
2 property may be licensed as a lottery sales agent.

3 (4) A license is not assignable or transferable.

4 (5) A licensed agent or his OR HER employee may sell lottery  
5 tickets or shares only on the premises stated in the license of  
6 the agent.

7 (6) The commissioner may issue temporary licenses upon con-  
8 ditions as he ~~deems~~ OR SHE CONSIDERS necessary for a term which  
9 shall not extend beyond 1 year after the effective date of this  
10 act.

11 (7) The commissioner may require a bond from any licensed  
12 agent in an amount as provided in the rules.

13 (8) A licensed agent shall display his OR HER license or a  
14 copy thereof conspicuously in accordance with the rules.

15 (9) The commissioner may suspend or revoke the license of  
16 any agent who violates this act or a rule promulgated pursuant to  
17 this act.

18 (10) FOR PURPOSES OF TERMINAL PLACEMENT, THE COMMISSIONER  
19 SHALL TAKE INTO ACCOUNT WITH EQUAL EMPHASIS BOTH OF THE  
20 FOLLOWING:

21 (A) THE TOTAL INSTANT GAME SALES FOR THE 3 MONTHS IMMEDI-  
22 ATELY PRECEDING A MARKET EVALUATION.

23 (B) THE NEED TO MAXIMIZE NET LOTTERY REVENUES FROM THE TOTAL  
24 NUMBER OF TERMINALS PLACED.