SENATE BILL No. 562

June 10, 2003, Introduced by Senator BARCIA and referred to the Committee on Gaming and Casino Oversight.

A bill to amend 1972 PA 239, entitled "McCauley-Traxler-Law-Bowman-McNeely lottery act," by amending the title and sections 3, 11, 23, and 32 (MCL 432.3, 432.11, 432.23, and 432.32), the title as amended by 1996 PA 95, sections 3, 11, and 23 as amended by 1996 PA 167, and section 32 as amended by 1996 PA 13, and by adding a heading for article 1 and adding article 2.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

An act to establish and operate a state lottery and to allow state participation in certain lottery-related joint enterprises with other sovereignties; to allow and regulate the operation of video lottery games in this state; to create a bureau of state lottery and to prescribe its powers and duties; to prescribe certain powers and duties of other state departments and

- 1 agencies; to provide for the promulgation of rules; to license
- 2 and regulate -certain lottery sales agents and distributors,
- 3 manufacturers, and operators of video lottery machines and
- 4 related equipment; to create the state lottery fund and the state
- 5 video lottery gaming fund; to impose fees; to provide for the
- 6 distribution of lottery and video lottery revenues and earnings
- 7 for certain purposes; to provide for an appropriation; and to
- 8 provide for remedies and penalties.
- 9 ARTICLE 1
- 10 Sec. 3. As used in this act:
- 11 (a) "Bureau" means the bureau of state lottery created by
- 12 this act in section 5.
- 13 (b) "Commissioner" means the or "commissioner of state
- 14 lottery" means the head of the bureau.
- 15 (c) "Joint enterprise" means any— a lottery activity in
- 16 which the bureau participates pursuant to a written agreement
- 17 between -the state of Michigan this state and any state,
- 18 territory, country, or other sovereignty as executed by the
- 19 commissioner. Joint enterprise does not include the state a
- 20 lottery created pursuant to under this act.
- 21 (d) "Lottery" or "state lottery" means the **a** lottery
- 22 created -pursuant to under this act and operated exclusively by
- 23 or under the exclusive control of the bureau of state lottery.
- (e) "State lottery" means the lottery created under article
- 25 1.
- 26 Sec. 11. (1) The commissioner shall promulgate rules
- 27 pursuant to the administrative procedures act of 1969, Act

- 1 No. 306 of the Public Acts of 1969, being sections 24.201 to
- 2 24.328 of the Michigan Compiled Laws 1969 PA 306, MCL 24.201 to
- 3 24.328, as necessary to implement this act.
- 4 (2) The rules authorized under this section may include any
- 5 of the following, subject to requirements and limitations
- 6 expressed in this act:
- 7 (a) The type of lottery to be conducted. -subject to section
- 9(2).
- **9** (b) The price of tickets or shares in the lottery.
- 10 (c) The number and size of the prizes on the winning tickets
- 11 or shares.
- 12 (d) The manner of selecting the winning tickets or shares.
- 13 (e) The manner of payment of prizes to the holders of winning
- 14 tickets or shares. -, subject to section 32.
- 15 (f) The frequency of the drawings or selections of winning
- 16 tickets or shares.
- 17 (g) Without limit as to number, the type or types of
- 18 locations at which tickets or shares may be sold. -subject to
- 19 section 23(10).
- 20 (h) The method to be used in selling tickets or shares,
- 21 except that a person's name shall not be printed on the tickets
- 22 or shares.
- 23 (i) The licensing of agents to sell tickets or shares, but a
- 24 person under the age of 18 shall not be licensed as an agent.
- 25 (j) The manner and amount of compensation to be paid licensed
- 26 sales agents necessary to provide for the adequate availability
- 27 of tickets or shares to prospective buyers and for the

- 1 convenience of the public.
- 2 (k) The apportionment of the total annual revenues accruing
- 3 from the sale of lottery tickets or shares and from all other
- 4 sources for the payment of prizes to the holders of winning
- 5 tickets or shares, for the payment of costs incurred in the
- 6 operation and administration of the lottery, including the
- 7 expenses of the bureau and the costs resulting from any contract
- 8 or contracts entered into for promotional, advertising,
- 9 consulting, or operational services or for the purchase or lease
- 10 of lottery equipment and materials, for the repayment of the
- 11 money appropriated to the state lottery fund, and for transfer to
- 12 the general fund.
- 13 (3) The commissioner may promulgate rules incorporating by
- 14 reference existing rules or regulations of any joint enterprise
- 15 as required as a condition for participation in that joint
- 16 enterprise. Any subsequent changes or additions to the rules or
- 17 regulations of the joint enterprise may be adopted by the
- 18 commissioner through the promulgation of a rule.
- 19 (4) This section is repealed if the Michigan supreme court
- 20 rules that sections 45 and 46 of the administrative procedures
- 21 act of 1969, Act No. 306 of the Public Acts of 1969, being
- 22 sections 24.245 and 24.246 of the Michigan Compiled Laws 1969 PA
- 23 306, MCL 24.245 and 24.246, are unconstitutional and a statute
- 24 requiring legislative review of administrative rules is not
- 25 enacted within 90 days after the Michigan supreme court ruling.
- 26 Nothing in this subsection invalidates rules that have been
- 27 promulgated prior to the effective date of the amendatory act

- 1 that added this subsection. Rules promulgated before April 17,
- 2 1996 are not invalidated by this subsection.
- 3 Sec. 23. (1) —A— The commissioner shall not issue a license
- 4 -as an agent to sell lottery tickets or shares shall not be
- 5 issued to any person to engage in business exclusively as a
- 6 lottery sales agent. Before issuing a license to a person to act
- 7 as a lottery sales agent, the commissioner shall consider factors
- 8 such as the financial responsibility and security of the person
- 9 and his or her business or activity, the accessibility of his or
- 10 her place of business or activity to the public, the sufficiency
- 11 of existing licenses to serve the public convenience, and the
- 12 volume of expected sales.
- 13 (2) As used in this section, "person" means an individual,
- 14 association, corporation, club, trust, estate, society, company,
- 15 joint stock company, receiver, trustee, referee, any other person
- 16 acting in a fiduciary or representative capacity who is appointed
- 17 by a court, or any combination of individuals. Person includes
- 18 any department, commission, agency, or instrumentality of the
- 19 state, including any county, city, village, or township and any
- 20 agency or instrumentality thereof.
- 21 (2) -(3) Notwithstanding any other provision of law, a
- 22 person licensed pursuant to this act may act as a lottery sales
- 23 agent may sell lottery tickets and shares. A person lawfully
- 24 engaged in nongovernmental business on state property may be
- 25 licensed as a lottery sales agent.
- 26 (3) —(4)— A lottery sales agent license is not assignable or
- 27 transferable.

- 1 (4) $\overline{(5)}$ A licensed **lottery sales** agent or his or her
- 2 employee may sell lottery tickets or shares only on the premises
- 3 stated in the license of the lottery sales agent. Effective
- 4 July 1, 1996, a A licensed lottery sales agent who violates this
- 5 subsection is, at the commissioner's discretion, subject to 1 or
- 6 more of the following:
- 7 (a) Probation for not more than 2 years.
- **8** (b) A fine of not more than \$1,000.00.
- **9** (c) Removal of his or her lottery terminal.
- 10 (6) The commissioner may issue temporary licenses upon
- 11 conditions as he or she considers necessary for a term which
- 12 shall not extend beyond 1 year after the effective date of this
- 13 act.
- 14 (5) -(7) The commissioner may require a bond from -any a
- 15 licensed lottery sales agent in an amount -as- provided in -the
- 16 rules promulgated under this act.
- 17 (6) -(8) A licensed lottery sales agent shall display his or
- 18 her license or a copy thereof of the license conspicuously in
- 19 accordance with the rules promulgated under this act.
- 20 (7) $\frac{(9)}{(9)}$ The commissioner may suspend or revoke the license
- 21 of -any- a lottery sales agent who violates this act or a rule
- 22 promulgated pursuant to under this act.
- 23 (8) -(10) For purposes of terminal placement, the
- 24 commissioner shall take into account with equal emphasis both of
- 25 the following:
- (a) The total instant game sales for the 3 months immediately
- 27 preceding a market evaluation.

- 1 (b) The need to maximize net lottery revenues from the total
- 2 number of terminals placed.
- 3 (9) As used in this section, "person" means an individual,
- 4 association, corporation, club, trust, estate, society, company,
- 5 joint stock company, receiver, trustee, referee, any other person
- 6 acting in a fiduciary or representative capacity who is appointed
- 7 by a court, or any combination of individuals. Person includes
- 8 any department, commission, agency, or instrumentality of the
- 9 state, including any county, city, village, or township and any
- 10 agency or instrumentality of a county, city, village, or
- 11 township.
- 12 Sec. 32. (1) Before payment under this article of a prize
- 13 of \$1,000.00 or more, the bureau shall determine whether the
- 14 department of treasury records show that a lottery winner has a
- 15 current liability to this state or a support arrearage. The
- 16 department of treasury shall provide the bureau with a list or
- 17 computer access to a compilation of persons known to the
- 18 department to have a current liability to this state, including a
- 19 delinquent -accounts account of -amounts due and owing money
- 20 due to a court that -have- has been assigned to the state for
- 21 collection, or a support arrearage. The information shall be
- 22 updated not less than once a month. If a liability to this state
- 23 or support arrearage is identified, the bureau shall ascertain
- 24 the amount owed from the department of treasury and -first apply
- 25 the -amount of the-prize first to -the- a liability to the state
- 26 other than -the amount of any an assigned delinquent account of
- 27 amounts due and owing- money due to a court, next to -the- a

- 1 support arrearage, and next to the an assigned delinquent
- 2 -accounts of amounts due and owing account of money due to a
- 3 court. -, and the- The excess, if any, shall be paid to the
- 4 lottery winner.
- 5 (2) A lottery winner shall receive notice and an opportunity
- 6 for a hearing before the department of treasury or its designee
- 7 with respect to the liability to which the prize is to be applied
- 8 -where under this section, if the liability has not been reduced
- 9 to judgment or has not been finalized under statutory review
- 10 provisions of the statute under which the liability arose. The
- 11 notice shall be -made- given by regular mail. The lottery winner
- 12 may request a hearing within 15 days of the date of the notice by
- 13 making a written request to the revenue commissioner.
- 14 (3) An amount Money applied to pay a support arrearage
- 15 under this section shall be paid by the bureau to the department
- 16 of treasury which shall pay the -amount money to the office of
- 17 the friend of the court for the appropriate judicial circuit in
- 18 the -same- manner -as is- prescribed for a payment pursuant to an
- 19 order of income withholding under section 9 of the support and
- 20 parenting time enforcement act, Act No. 295 of the Public Acts
- 21 of 1982, being section 552.609 of the Michigan Compiled Laws
- 22 1982 PA 295, MCL 552.609.
- (4) In regard to the information provided by the department
- 24 of treasury to the bureau under this section, the bureau is
- 25 subject to the confidentiality restrictions and penalties
- 26 provided in section 28(1)(f) and (2) of Act No. 122 of the
- 27 Public Acts of 1941, being section 205.28 of the Michigan

- 1 Compiled Laws 1941 PA 122, MCL 205.28.
- 2 (5) Until October 1, 1995 each office of the friend of the
- 3 court may report to the department of treasury the names of
- 4 persons who have a current support arrearage. Beginning October
- 5 1, 1995 each The office of the friend of the court shall report
- 6 to the office of child support the names of persons who have a
- 7 current support arrearage and the office of child support shall
- 8 provide that information to the department of treasury.
- **9** (6) As used in this section:
- 10 (a) "Office of the friend of the court" means an agency
- **11** created in section 3 of the friend of the court act, Act No. 294
- 12 of the Public Acts of 1982, being section 552.503 of the Michigan
- 13 Compiled Laws 1982 PA 294, MCL 552.503.
- 14 (b) "Support" means that term as defined in section $\frac{31 \text{ of}}{}$
- 15 Act No. 294 of the Public Acts of 1982, being section 552.531 of
- 16 the Michigan Compiled Laws 2a of the friend of the court act,
- 17 1982 PA 294, MCL 552.502a.
- 18 ARTICLE 2
- 19 Sec. 51. As used in this article:
- 20 (a) "Distributor" means an individual, partnership,
- 21 corporation, association, or other legal entity that distributes
- 22 or sells video lottery machines or associated equipment in this
- 23 state.
- 24 (b) "Manufacturer" means an individual, partnership,
- 25 corporation, association, or other legal entity that assembles or
- 26 produces video lottery machines or associated equipment for sale
- 27 or use in this state.

- 1 (c) "Net machine income" means the amount of money obtained
- 2 after subtracting credits paid out in cash from the amount of
- 3 money inserted into a video lottery machine.
- 4 (d) "Operator" means an individual, partnership, corporation,
- 5 association, or other legal entity that places video lottery
- 6 machines or associated equipment in a video lottery establishment
- 7 for public use in this state.
- 8 (e) "Person" means an individual, association, partnership,
- 9 corporation, other business entity, club, trust, estate, society,
- 10 company, joint stock company, receiver, trustee, referee, any
- 11 other person acting in a fiduciary or representative capacity who
- 12 is appointed by a court, or a combination of individuals.
- 13 (f) "State video lottery gaming fund" means the state video
- 14 lottery gaming fund created in section 67.
- (g) "Video lottery establishment" means a premises where
- 16 alcoholic liquor is sold for consumption on the premises by a
- 17 video lottery gaming agent that is licensed under this article
- 18 and is licensed under the Michigan liquor control code of 1998,
- 19 1998 PA 58, MCL 436.1101 to 436.2303, to sell alcoholic liquor
- 20 for consumption on the premises.
- 21 (h) "Video lottery gaming" means the conduct of games through
- 22 the use of video lottery machines.
- 23 (i) "Video lottery machine" means a computerized video game
- 24 accessible to a player by means of a video terminal that awards
- 25 credit that can be used for an extension of play or for a voucher
- 26 redeemable from a video lottery agent.
- 27 Sec. 52. (1) The commissioner shall establish and

- 1 administer video lottery gaming in this state at the earliest
- 2 feasible and practicable time. Video lottery gaming shall
- 3 produce the maximum amount of net revenue for this state
- 4 consonant with the general welfare of the people.
- 5 (2) Video lottery gaming shall be conducted only at a video
- 6 lottery establishment.
- 7 Sec. 53. The commissioner shall promulgate rules pursuant
- 8 to the administrative procedures act of 1969, 1969 PA 306, MCL
- 9 24.201 to 24.328, to implement this article, which shall include,
- 10 but not be limited to, all of the following:
- 11 (a) A system for licensing manufacturers, distributors,
- 12 operators, and video lottery agents.
- 13 (b) A system for registering video lottery machines.
- 14 (c) Standards of conduct for each type of licensee under this
- 15 article.
- 16 (d) Establishment of prize limits.
- 17 (e) Limits and standards for the import, export, and
- 18 transportation of video lottery machines in this state.
- 19 Sec. 55. The commissioner shall do both of the following:
- 20 (a) Supervise and administer the operation of video lottery
- 21 gaming in accordance with this article and the rules promulgated
- 22 under section 53.
- 23 (b) License persons to conduct video lottery gaming that the
- 24 commissioner considers will best serve the public and protect the
- 25 honesty and integrity of the video lottery gaming industry.
- 26 Sec. 57. (1) A video lottery gaming agent license shall
- 27 only be issued to a person that holds a license to sell alcoholic

- 1 liquor for consumption on the premises issued under the Michigan
- 2 liquor control code of 1998, 1998 PA 58, MCL 436.1101 to
- 3 436.2303.
- 4 (2) Before issuing a video lottery gaming agent license, the
- 5 commissioner shall consider the financial responsibility and
- 6 security of the applicant and the applicant's business or
- 7 activity and shall review the applicant's on-premises consumption
- 8 license history with the liquor control commission. The
- 9 commissioner may deny a license to a person if the commissioner
- 10 believes, based on the commissioner's consideration and review
- 11 under this subsection, that the applicant will compromise the
- 12 honesty or integrity of the video lottery gaming industry.
- 13 (3) A person lawfully engaged in nongovernmental business on
- 14 state property may be licensed as a video lottery agent.
- 15 (4) A video lottery agent license shall state the address of
- 16 the premises where the agent may conduct video lottery gaming. A
- 17 licensed video lottery agent or an employee of the video lottery
- 18 agent shall conduct video lottery gaming only on the premises
- 19 stated in the license.
- 20 (5) Before issuing or approving an assignment or transfer of
- 21 a manufacturer, distributor, or operator license, the
- 22 commissioner shall consider the financial responsibility and
- 23 security of the applicant and the applicant's business or
- 24 activity. The commissioner may deny a license to a person if the
- 25 commissioner believes, based on the commissioner's consideration
- 26 under this subsection, that the applicant will compromise the
- 27 honesty or integrity of the video lottery gaming industry.

- 1 (6) A person shall not be licensed as a manufacturer,
- 2 distributor, operator, or video lottery agent if that person has
- 3 a direct or indirect interest in another person that is licensed
- 4 as a manufacturer, distributor, operator, or video lottery agent
- 5 under this act.
- 6 (7) A person shall not be licensed as an operator if the
- 7 person is a wholesaler as that term is defined in section 113 of
- 8 the Michigan liquor control code of 1998, 1998 PA 58, MCL
- 9 436,1113.
- 10 (8) A distributor, operator, or video lottery agent license
- 11 shall only be issued to a person if 1 or more of the following
- 12 apply:
- 13 (a) The person is an individual who is a resident of this
- 14 state.
- 15 (b) The person is not an individual and has its principal
- 16 place of business in this state.
- 17 (c) Subject to approval by the commissioner, the person does
- 18 not qualify under subdivision (a) or (b) but the person has
- 19 conducted business in this state for at least 3 years before the
- 20 effective date of this article.
- 21 (9) The commissioner may require a bond from a person
- 22 licensed under this article in an amount established by rule
- 23 promulgated under section 53.
- 24 (10) Subject to consideration by the commissioner under
- 25 subsection (5), a manufacturer, distributor, or operator license
- 26 is assignable and transferable. A video lottery agent license is
- 27 assignable and transferable, but only to the extent that the

- 1 licensee's on-premises consumption license is transferable.
- 2 Sec. 59. The commissioner shall establish fees that shall
- 3 be paid to the bureau when a person applies for a manufacturer,
- 4 distributor, operator, or video lottery agent license. The
- 5 commissioner shall establish an annual fee for each license
- 6 issued that does not exceed the following:
- 7 (a) \$5,000.00 for a manufacturer.
- 8 (b) \$5,000.00 for a distributor.
- 9 (c) \$2,500.00 and \$50.00 per registered machine for an
- 10 operator.
- 11 (d) \$100.00 for a video lottery agent.
- 12 Sec. 61. (1) The commissioner may contract for the
- 13 operation of video lottery gaming and the promotion of video
- 14 lottery gaming. The commissioner shall not contract for the
- 15 exclusive provision of video lottery machines, equipment, or
- 16 services in this state by a distributor, manufacturer, or
- 17 operator, but shall act to ensure competition in video lottery
- 18 gaming.
- 19 (2) A contract awarded or entered into by the commissioner
- 20 under this section shall not be assigned by its holder except
- 21 with the specific approval of the commissioner.
- 22 (3) A contract or portion of a contract for video lottery
- 23 machines, equipment, or related services made before the
- 24 effective date of this article by a manufacturer, distributor,
- 25 operator, or video lottery agent is void.
- 26 Sec. 63. (1) A video lottery agent shall display its
- 27 license or a copy of the license conspicuously in accordance with

- 1 rules promulgated under section 53.
- 2 (2) A video lottery agent shall only use machines and other
- 3 necessary related systems and service from distributors,
- 4 manufacturers, and operators licensed by the commissioner.
- 5 (3) A video lottery establishment shall not have more than 5
- 6 video lottery machines.
- 7 (4) Within 60 months of the effective date of this article,
- 8 the commissioner shall review the impact of the limits
- 9 established in subsection (3) based on use, revenue, and cost
- 10 efficiency and recommend to the legislature whether those limits
- 11 should be maintained.
- 12 (6) A manufacturer, distributor, or operator shall not aid or
- 13 assist a distributor, operator, or video lottery agent by gift or
- 14 loan of money, property, or other valuable thing or by giving a
- 15 premium or rebate. A distributor, operator, or video lottery
- 16 agent shall not accept a gift or loan of money, property, or
- 17 other valuable thing or a premium or rebate from a manufacturer,
- 18 distributor, or operator.
- 19 Sec. 65. (1) Net machine income shall be distributed as
- 20 follows:

21 22 23		Year 1	Year 2	Year 3	Year 4	Year 5 and each year thereafter
24	Manufacturer Share	0	0	0	0	0
25	Distributor Share	0	0	0	0	0
26	Operator Share	38.5%	38.0%	37.5%	37.0%	36.5%
27 28	Video Lottery Agent Share	38.5%	38.0%	37.5%	37.0%	36.5%

- 1 State Share 23.0% 24.0% 25.0% 26.0% 27.0%
- 2 (2) The state share of net machine income under subsection
- 3 (1) shall be deposited in the state video lottery gaming fund.
- 4 Sec. 67. The "state video lottery gaming fund" is created
- 5 in the department of treasury. The state video lottery gaming
- 6 fund consists of the state's share of net machine income received
- 7 from video lottery gaming and all other money credited or
- 8 transferred to the fund from any other fund or source. The state
- 9 treasurer shall direct the investment of the fund. The state
- 10 treasurer shall credit to the fund interest and earnings from
- 11 fund investments.
- 12 Sec. 69. All fees and money collected by the commissioner
- 13 or bureau under this article shall be paid into the state video
- 14 lottery gaming fund. All necessary expenses incurred by the
- 15 bureau in the administration and enforcement of this article and
- 16 in the initiation, implementation, and ongoing operation of video
- 17 lottery gaming shall be paid from the state video lottery gaming
- 18 fund. The amount of these necessary expenses shall not exceed
- 19 the amount of money received from the fees collected under this
- 20 article. At the end of each fiscal year, all money, including
- 21 interest, in the state video lottery gaming fund that is
- 22 attributable to fees collected under this article but that has
- 23 not been expended under this section shall be deposited in the
- 24 general fund.
- 25 Sec. 71. (1) The commissioner may suspend or revoke a
- 26 license issued under this article if the licensee or an officer,
- 27 director, agent, member, or employee of the licensee violates

- 1 this article or a rule promulgated under this article.
- 2 (2) A proceeding to suspend or revoke a license issued under
- 3 this article is a contested case governed by the administrative
- 4 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The
- 5 commissioner may suspend a license issued under this article for
- 6 a period not to exceed 60 days pending any prosecution,
- 7 investigation, or public hearing.
- 8 (3) On petition of the commissioner and after a hearing, the
- 9 circuit court may issue a subpoena to compel the attendance of a
- 10 witness or the production of documents, papers, books, records,
- 11 and other evidence before it in a matter over which it has
- 12 jurisdiction, control, or supervision. A person subpoenaed to
- 13 attend a proceeding or hearing who fails to obey the subpoena
- 14 without reasonable cause, or a person who appears at a proceeding
- 15 or hearing but refuses, without lawful cause, to be examined, to
- 16 answer a legal or pertinent question, or to exhibit a book,
- 17 account, record, or other document when ordered to do so by the
- 18 court may be held in contempt of court and punished accordingly.
- 19 Sec. 73. (1) A person licensed under this article whose
- 20 license is revoked because of a violation of this article or a
- 21 rule promulgated under this article is ineligible for a license
- 22 under this article for 1 year after the revocation.
- 23 (2) If a license issued under this article is suspended, in
- 24 addition to other penalties which may be imposed, the
- 25 commissioner may declare the violator ineligible to conduct video
- 26 lottery gaming under this article for not more than 1 year.
- 27 (3) A person licensed under this article shall return its

- 1 license to the commissioner on or before the effective date of a
- 2 suspension or revocation of the license. Whether returned or
- 3 not, a license is not valid beyond the effective date of
- 4 suspension or revocation.
- 5 Sec. 75. (1) The commissioner shall immediately report to
- 6 the governor, the state treasurer, and the legislature anything
- 7 that requires an immediate change in the laws of this state to
- 8 prevent an abuse or evasion of this article or rules promulgated
- 9 under this article or to rectify undesirable conditions in video
- 10 lottery gaming.
- 11 (2) The commissioner shall make a continuous study and
- 12 investigation of video lottery gaming to do all of the
- 13 following:
- 14 (a) Ascertain defects in this article or in the rules
- 15 promulgated under this article that allow abuses in video lottery
- 16 gaming or evasion of this article or the rules.
- 17 (b) Formulate recommendations for changes in this article and
- 18 the rules promulgated under this article.
- (c) Guard against the use of this article and the rules
- 20 promulgated under this article as a cloak for conducting
- 21 organized crime.
- (d) Ensure that this article and the rules promulgated under
- 23 this article are in a form and are administered to serve the
- 24 purposes of this article.
- 25 (3) The commissioner shall make a continuous study and
- 26 investigation of laws similar to this article in other states or
- 27 countries, literature on the subject, federal laws that may

- 1 affect video lottery gaming, and the reaction of citizens to
- 2 existing and potential features of video lottery gaming to
- 3 recommend or effect changes that will serve the purposes of this
- 4 article.
- 5 Sec. 77. Any other law providing a penalty or disability
- 6 for video lottery gaming or acts done in connection with video
- 7 lottery gaming does not apply to video lottery gaming conducted
- 8 under this article.
- 9 Sec. 79. A person who willfully violates this article is
- 10 guilty of a misdemeanor punishable by a fine of not more than
- 11 \$1,000.00 or imprisonment for not more than 6 months, or both.
- 12 Enacting section 1. This amendatory act does not take
- 13 effect unless Senate Bill No. 563
- 14 of the 92nd Legislature is enacted
- 15 into law.

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