

HOUSE BILL No. 5102

August 8, 2007, Introduced by Rep. Farrah and referred to the Committee on Regulatory Reform.

A bill to amend 1972 PA 239, entitled
"McCauley-Traxler-Law-Bowman-McNeely lottery act,"
by amending section 23 (MCL 432.23), as amended by 2004 PA 272.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 23. (1) The commissioner shall not issue a license to a
2 person to engage in business exclusively as a lottery sales agent.
3 Before issuing a lottery sales license, the commissioner shall
4 consider factors such as the financial responsibility and security
5 of the person and his or her business or activity, the
6 accessibility of his or her place of business or activity to the
7 public, the sufficiency of existing licenses to serve the public
8 convenience, and the volume of expected sales.

9 ~~(2) Beginning the effective date of the amendatory act that~~

1 ~~added subsection (12), the~~ **THE** commissioner shall issue an initial
2 or renewal lottery sales license not later than 90 days after the
3 applicant files a completed application. Receipt of the application
4 is considered the date the application is received by any agency or
5 department of this state. If the **COMMISSIONER DETERMINES THAT THE**
6 application is ~~determined to be incomplete, by the commissioner,~~
7 the commissioner shall notify the applicant in writing, or make
8 information electronically available, within 30 days after receipt
9 of the incomplete application, describing the deficiency and
10 requesting the additional information. The 90-day period is tolled
11 upon notification by the commissioner of a deficiency until the
12 date the requested information is received by the commissioner. The
13 determination of the completeness of an application does not
14 operate as an approval of the application for the license and does
15 not confer eligibility of an applicant determined otherwise
16 ineligible for issuance of a license.

17 (3) If the commissioner fails to issue or deny a lottery sales
18 license within the time required by this section, the commissioner
19 shall return the license fee and shall reduce the license fee for
20 the applicant's next renewal application, if any, by 15%. The
21 failure to issue a lottery sales license within the time required
22 under this section does not allow the commissioner to otherwise
23 delay the processing of the application, and that application, upon
24 completion, shall be placed in sequence with other completed
25 applications received at that same time. The commissioner shall not
26 discriminate against an applicant in the processing of the
27 application based upon the fact that the license fee was refunded

1 or discounted under this subsection.

2 (4) ~~Beginning October 1, 2005, the~~ **THE** commissioner shall
3 submit a report by December 1 of each year to the standing
4 committees and appropriations subcommittees of the senate and house
5 of representatives concerned with gaming issues. The commissioner
6 shall include all of the following information in the report
7 concerning the preceding fiscal year:

8 (a) The number of initial and renewal applications the
9 commissioner received and completed within the 90-day time period
10 described in subsection (2).

11 (b) The number of applications denied.

12 (c) The number of applicants not issued a license within the
13 90-day time period and the amount of money returned to licensees
14 and applicants under subsection (3).

15 (5) Notwithstanding any other provision of law, a person
16 licensed as a lottery sales agent may sell lottery tickets and
17 shares. A person lawfully engaged in nongovernmental business on
18 state property may be licensed as a lottery sales agent.

19 (6) A lottery sales license is not assignable or transferable.

20 (7) A licensed agent or his or her employee may sell lottery
21 tickets or shares only on the premises stated in the lottery sales
22 license. A licensed agent who violates this subsection is, at the
23 commissioner's discretion, subject to 1 or more of the following:

24 (a) Probation for not more than 2 years.

25 (b) A fine of not more than \$1,000.00.

26 (c) Removal of his or her lottery terminal.

27 (8) The commissioner may require a bond from a licensed agent

1 in an amount provided in rules promulgated under this act.

2 (9) A licensed agent shall display his or her license or a
3 copy of the license conspicuously in accordance with rules
4 promulgated under this act.

5 (10) The commissioner may suspend or revoke the license of an
6 agent who violates this act or a rule promulgated under this act.

7 (11) For purposes of terminal placement, the commissioner
8 shall take into account with equal emphasis both of the following:

9 (a) The total instant game sales for the 3 months immediately
10 preceding a market evaluation.

11 (b) The need to maximize net lottery revenues from the total
12 number of terminals placed.

13 **(12) A LICENSED LOTTERY SALES AGENT SHALL NOT OFFER TO GIVE OR**
14 **GIVE ANY MONEY OR OTHER THING OF VALUE TO THE HOLDER OF A LOTTERY**
15 **TICKET OR SHARE FOR WINNING THE LOTTERY, OTHER THAN THE PRIZE IF**
16 **PAYMENT OF THE PRIZE BY THE AGENT IS AUTHORIZED BY THE**
17 **COMMISSIONER.**

18 (13) ~~(12)~~As used in this section:

19 (a) "Completed application" means an application complete on
20 its face and submitted with any applicable licensing fees and any
21 other information, records, approval, security, or similar item
22 required by law or rule from a local unit of government, a federal
23 agency, or a private entity but not from another department or
24 agency of this state.

25 (b) "Person" means an individual, association, corporation,
26 club, trust, estate, society, company, joint stock company,
27 receiver, trustee, referee, or other person acting in a fiduciary

1 or representative capacity who is appointed by a court, or any
2 combination of individuals. Person includes a department,
3 commission, agency, or instrumentality of the state, including a
4 county, city, village, or township and an agency or instrumentality
5 of the county, city, village, or township.