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
 - convenience, and the volume of expected sales.
 - (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.
- (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) $\frac{(12)}{}$ 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.