

HOUSE BILL No. 6341

July 21, 2010, Introduced by Reps. Johnson, Slezak, Kandrevas and Durhal 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 the title and sections 3, 5, 7, 9, 11, 12, 13, 15, 16,
17, 18, 19, 20, 23, 25, 27, 29, 30, 31, 32, 33, 35, 39, 41, 43, and
47 (MCL 432.3, 432.5, 432.7, 432.9, 432.11, 432.12, 432.13, 432.15,
432.16, 432.17, 432.18, 432.19, 432.20, 432.23, 432.25, 432.27,
432.29, 432.30, 432.31, 432.32, 432.33, 432.35, 432.39, 432.41,
432.43, and 432.47), the title as amended by 1996 PA 95, sections
3, 9, 30, and 33 as amended by 1996 PA 167, section 5 as amended by
1987 PA 62, sections 11 and 18 as amended by 2004 PA 383, section
12 as amended by 2006 PA 625, sections 16 and 43 as amended by 1997
PA 72, section 23 as amended by 2008 PA 142, section 25 as amended
by 1998 PA 465, section 32 as amended by 1996 PA 13, section 35 as
amended by 1997 PA 40, section 41 as amended by 2009 PA 25, and

section 47 as amended by 1992 PA 57, and by adding section 2.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to establish and operate a state lottery, **TO AUTHORIZE**
 3 **LOTTERY GAMES**, and to allow state participation in certain lottery-
 4 related joint enterprises with other sovereignties; to create a
 5 ~~bureau of state~~ **EDUCATION** lottery **CORPORATION** and to prescribe its
 6 powers and duties; to ~~prescribe certain~~ **PROVIDE FOR THE** powers and
 7 duties of other state ~~departments and agencies~~ **GOVERNMENTAL**
 8 **OFFICERS AND ENTITIES; TO AUTHORIZE THE PROMULGATION OF RULES;** to
 9 license and regulate certain **LOTTERY** sales ~~agents~~ **RETAILERS; TO**
 10 **AUTHORIZE A FEE FOR CERTAIN PAYMENTS OF PRIZES;** to create the state
 11 lottery fund; to provide for the distribution of lottery revenues
 12 and earnings for certain purposes; to provide for an appropriation;
 13 and to provide for remedies and penalties.

14 **SEC. 2. (1) THE LEGISLATURE FINDS AND DETERMINES ALL OF THE**
 15 **FOLLOWING:**

16 (A) UNDER SECTION 41 OF ARTICLE IV OF THE STATE CONSTITUTION
 17 OF 1963, THE LEGISLATURE MAY AUTHORIZE LOTTERIES AND PERMIT THE
 18 SALE OF LOTTERY TICKETS IN THE MANNER PROVIDED BY LAW.

19 (B) UNDER SECTION 3 OF THE MICHIGAN GAMING CONTROL AND REVENUE
 20 ACT, 1996 IL 1, MCL 432.203, THE MICHIGAN GAMING CONTROL AND
 21 REVENUE ACT, 1996 IL 1, MCL 432.201 TO 432.226, DOES NOT APPLY TO
 22 LOTTERY GAMES AUTHORIZED UNDER THIS ACT.

23 (C) THE LEGISLATURE HAS AUTHORIZED NUMEROUS LOTTERY GAMES
 24 UNDER THIS ACT BEFORE JANUARY 1, 2004.

25 (D) UNDER SECTION 41 OF ARTICLE IV OF THE STATE CONSTITUTION

1 OF 1963, AFTER JANUARY 1, 2004, A NEW STATE LOTTERY GAME UTILIZING
2 A TABLE GAME OR PLAYER-OPERATED MECHANICAL DEVICE MAY NOT BE
3 ESTABLISHED WITHOUT THE APPROVAL OF A MAJORITY OF ELECTORS VOTING
4 IN A STATEWIDE GENERAL ELECTION.

5 (E) ALL LOTTERY GAMES CONDUCTED UNDER THIS ACT BEFORE JANUARY
6 1, 2004 CONSTITUTE THE OPERATION OF A LOTTERY OR LOTTERIES
7 AUTHORIZED UNDER SECTION 41 OF ARTICLE IV OF THE STATE CONSTITUTION
8 OF 1963 AND ALSO CONSTITUTE A FORM OF GAMBLING AUTHORIZED BY
9 SECTION 41 OF ARTICLE IV OF THE STATE CONSTITUTION OF 1963.

10 (2) CONSISTENT WITH THE FINDINGS AND DETERMINATIONS UNDER
11 SUBSECTION (1), IT IS THE INTENT AND PURPOSE OF THE LEGISLATURE
12 THAT PURSUANT TO SECTION 3 OF THE MICHIGAN GAMING CONTROL AND
13 REVENUE ACT, 1996 IL 1, MCL 432.203, THE MICHIGAN GAMING CONTROL
14 AND REVENUE ACT, 1996 IL 1, MCL 432.201 TO 432.226, DOES NOT APPLY
15 TO LOTTERY GAMES AUTHORIZED UNDER THIS ACT.

16 (3) CONSISTENT WITH THE FINDINGS AND DETERMINATIONS UNDER
17 SUBSECTION (1), IT IS NOT THE INTENT OR PURPOSE OF THE LEGISLATURE
18 BY ENACTING THE AMENDATORY ACT THAT ADDED THIS SECTION TO AMEND THE
19 MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL 432.201 TO
20 432.226, OR TO AUTHORIZE ANY NEW STATE LOTTERY GAMES UTILIZING
21 TABLE GAMES OR PLAYER-OPERATED MECHANICAL OR ELECTRONIC DEVICES.

22 (4) CONSISTENT WITH THE FINDINGS AND DETERMINATIONS UNDER
23 SUBSECTION (1), IT IS THE INTENT OF THE LEGISLATURE THAT THIS ACT
24 NOT BE CONSTRUED TO RESTRICT A LOTTERY GAME CONDUCTED BEFORE
25 JANUARY 1, 2004 FROM BEING CONDUCTED UTILIZING A TABLE GAME OR
26 PLAYER-OPERATED MECHANICAL OR ELECTRONIC DEVICE AND THAT SECTION 41
27 OF ARTICLE IV OF THE STATE CONSTITUTION OF 1963 SHOULD BE

1 INTERPRETED TO AUTHORIZE A LOTTERY GAME CONDUCTED PRIOR TO JANUARY
 2 1, 2004 TO BE CONDUCTED UNDER THIS ACT UTILIZING A TABLE GAME OR
 3 PLAYER-OPERATED MECHANICAL OR ELECTRONIC DEVICE WITHOUT FURTHER
 4 APPROVAL BY THE ELECTORS OF THIS STATE.

5 Sec. 3. As used in this act:

6 ~~— (a) "Bureau" means the bureau of state lottery created by this~~
 7 ~~act.~~

8 (A) ~~(b) "Commissioner"~~ "CHIEF EXECUTIVE OFFICER" OR "CEO"
 9 means the ~~commissioner of state lottery~~ HEAD OF THE CORPORATION
 10 APPOINTED UNDER SECTION 7.

11 (B) "CORPORATION", UNLESS THE CONTEXT CLEARLY INDICATES
 12 OTHERWISE, MEANS THE MICHIGAN EDUCATION LOTTERY CORPORATION CREATED
 13 UNDER SECTION 5.

14 (c) "Joint enterprise" means ~~any~~ A lottery activity in which
 15 the bureau participates pursuant to a written agreement between the
 16 ~~state of Michigan~~ THIS STATE and any state, territory, country, or
 17 other sovereignty as executed by the ~~commissioner~~ CEO. Joint
 18 enterprise does not include the state lottery ~~created pursuant to~~
 19 AUTHORIZED UNDER this act.

20 (d) "Lottery" or "state lottery" means the lottery created
 21 ~~pursuant to~~ UNDER this act and operated exclusively by or under the
 22 exclusive control of the ~~bureau of state lottery~~ CORPORATION.
 23 LOTTERY OR STATE LOTTERY INCLUDES ALL GAMES OTHER THAN A JOINT
 24 ENTERPRISE THAT ARE AUTHORIZED, APPROVED, AND OPERATED UNDER THIS
 25 ACT, INCLUDING ANY LOTTERY GAME CONDUCTED BEFORE JANUARY 1, 2004
 26 UTILIZING A TABLE GAME OR PLAYER-OPERATED MECHANICAL OR ELECTRONIC
 27 DEVICE.

1 (E) "TICKET" MEANS A LOTTERY TICKET, SHARE, OR INTEREST ISSUED
2 BY THE CORPORATION, INCLUDING A PRINTED, PAPER, OR ELECTRONIC
3 TICKET.

4 Sec. 5. (1) ~~A bureau is created to be known as the bureau of~~
5 ~~state lottery. The bureau of state lottery created by this act in~~
6 ~~1972, with all its authority, powers, duties, and functions,~~
7 ~~records, personnel, property, unexpended balances of~~
8 ~~appropriations, allocations, or other funds, including the~~
9 ~~functions of budgeting and procurement and management related~~
10 ~~functions, is transferred to and~~ THE MICHIGAN EDUCATION LOTTERY
11 CORPORATION IS CREATED AS A PUBLIC BODY CORPORATE AND POLITIC
12 WITHIN THE DEPARTMENT OF TREASURY. THE CORPORATION shall be an
13 autonomous entity ~~in~~ WITHIN the department of ~~management and budget~~
14 TREASURY AND SHALL EXERCISE ITS PRESCRIBED STATUTORY POWERS,
15 DUTIES, AND FUNCTIONS INDEPENDENTLY OF THE STATE TREASURER. THE
16 STATUTORY AUTHORITY, POWERS, DUTIES, FUNCTIONS, RECORDS, PERSONNEL,
17 PROPERTY, UNEXPENDED BALANCES OF APPROPRIATIONS, ALLOCATIONS, AND
18 OTHER FUNDS OF THE FORMER BUREAU OF STATE LOTTERY, INCLUDING THE
19 FUNCTIONS OF BUDGETING, PROCUREMENT, PERSONNEL, AND MANAGEMENT-
20 RELATED FUNCTIONS, SHALL BE RETAINED BY THE CORPORATION, AND THE
21 CORPORATION SHALL BE AN AUTONOMOUS ENTITY WITHIN THE DEPARTMENT OF
22 TREASURY IN THE SAME MANNER AS THE MICHIGAN EMPLOYMENT SECURITY
23 COMMISSION IS DESIGNATED AN AUTONOMOUS ENTITY WITHIN THE MICHIGAN
24 DEPARTMENT OF LABOR UNDER SECTION 379 OF THE EXECUTIVE ORGANIZATION
25 ACT OF 1965, 1965 PA 380, MCL 16.479.

26 (2) The head of the ~~bureau~~ CORPORATION is the ~~commissioner~~
27 CHIEF EXECUTIVE OFFICER. The ~~commissioner~~ CEO shall be exempt from

1 **NOT BE A MEMBER OF THE STATE CLASSIFIED** civil service. It is the
 2 intent of the legislature that the ~~commissioner~~**CEO** should be
 3 responsible directly to the governor to ensure accountability and
 4 integrity of the ~~bureau~~**CORPORATION AND THE LOTTERY** and accordingly
 5 should be 1 of the positions within the department of ~~management~~
 6 ~~and budget which~~**TREASURY THAT** is exempt from the classified state
 7 civil service.

8 Sec. 7. The ~~commissioner~~**CHIEF EXECUTIVE OFFICER** shall be
 9 qualified by training and experience to direct the work of the
 10 ~~bureau~~**CORPORATION**. The ~~commissioner~~**CEO** shall be appointed by the
 11 governor, by and with the advice and consent of the senate, and
 12 shall serve at the pleasure of the governor. A vacancy occurring in
 13 the office of the ~~commissioner~~**CEO** shall be filled in the same
 14 manner as the original appointment. The ~~commissioner~~**CEO** shall
 15 devote his **OR HER** entire time and attention to the duties of his **OR**
 16 **HER** office and shall not be engaged in any other profession or
 17 occupation. ~~He~~**THE CEO** shall receive a salary as provided by annual
 18 appropriation.

19 Sec. 9. (1) The ~~commissioner~~**CEO** shall ~~initiate, establish,~~
 20 ~~and operate a~~**THE** state lottery. ~~at the earliest feasible and~~
 21 ~~practicable time.~~The lottery shall **BE OPERATED SO AS TO** produce
 22 the maximum amount of net revenues for ~~the~~**THIS** state consonant
 23 with the general welfare of the people.

24 (2) The ~~commissioner~~ shall ~~solicit bids from~~**CEO MAY ENTER**
 25 **INTO CONTRACTS WITH** financially responsible vendors of ~~data~~
 26 ~~processing equipment~~ **AND OTHER PRODUCTS** and services ~~for~~**RELATED TO**
 27 the operation of the lottery, ~~and may contract with the~~**INCLUDING**

1 CONTRACTS FOR THE PROMOTION OF THE LOTTERY, SUBJECT TO approval of
2 BY the state administrative board. THE CORPORATION SHALL SOLICIT
3 COMPETITIVE BIDS FROM THE PRIVATE SECTOR WHENEVER PRACTICABLE TO
4 EFFICIENTLY AND EFFECTIVELY MEET THE NEEDS OF OPERATING THE
5 LOTTERY. THE CEO SHALL FIRST DETERMINE THAT COMPETITIVE
6 SOLICITATION OF BIDS IN THE PRIVATE SECTOR IS NOT APPROPRIATE
7 BEFORE THE CEO AUTHORIZES ANY OTHER PROCUREMENT METHOD FOR AN
8 ACQUISITION. THE CEO SHALL MAKE ALL DISCRETIONARY DECISIONS
9 CONCERNING THE SOLICITATION, AWARD, AMENDMENT, CANCELLATION, AND
10 APPEAL OF CONTRACTS NECESSARY FOR THE OPERATION OF THE LOTTERY. THE
11 CORPORATION SHALL UTILIZE COMPETITIVE SOLICITATION FOR ALL
12 PURCHASES AUTHORIZED UNDER THIS ACT UNLESS 1 OR MORE OF THE
13 FOLLOWING APPLY:

14 (A) THE PROCUREMENT OF GOODS OR SERVICES IS NECESSARY FOR THE
15 IMMINENT PROTECTION OF PUBLIC HEALTH OR SAFETY OR THE INTEGRITY OF
16 THE LOTTERY OR TO MITIGATE AN IMMINENT THREAT TO PUBLIC HEALTH OR
17 SAFETY OR THE INTEGRITY OF THE LOTTERY, AS DETERMINED BY THE CEO.

18 (B) THE PROCUREMENT OF GOODS OR SERVICES IS FOR EMERGENCY
19 REPAIR OR CONSTRUCTION CAUSED BY UNFORESEEN CIRCUMSTANCES IF THE
20 REPAIR OR CONSTRUCTION IS NECESSARY TO PROTECT LIFE OR PROPERTY OR
21 THE INTEGRITY OF THE LOTTERY.

22 (C) THE PROCUREMENT OF GOODS OR SERVICES IS IN RESPONSE TO A
23 DECLARED STATE OF EMERGENCY OR STATE OF DISASTER UNDER THE
24 EMERGENCY MANAGEMENT ACT, 1976 PA 390, MCL 30.401 TO 30.421.

25 (D) THE PROCUREMENT OF GOODS OR SERVICES IS IN RESPONSE TO A
26 DECLARED STATE OF EMERGENCY UNDER 1945 PA 302, MCL 10.31 TO 10.33.

27 (E) THE PROCUREMENT OF GOODS OR SERVICES IS IN RESPONSE TO A

1 DECLARED STATE OF ENERGY EMERGENCY UNDER 1982 PA 191, MCL 10.81 TO
2 10.89.

3 ~~—— (2) The commissioner shall not conduct a lottery based upon an~~
4 ~~activity that utilizes the mechanical, physical, or mental skills~~
5 ~~of the participant and that is traditionally regarded as a sporting~~
6 ~~event.~~

7 (3) A CONTRACT AWARDED OR ENTERED INTO BY THE CEO SHALL NOT BE
8 ASSIGNED BY ANOTHER PERSON WITHOUT THE SPECIFIC WRITTEN APPROVAL OF
9 THE CEO.

10 (4) ~~(3) The commissioner~~ CORPORATION may participate in joint
11 enterprises with other sovereignties ~~so long as IF the commissioner~~
12 CEO determines that the joint enterprise is designed to produce the
13 maximum amount of net revenues for ~~the~~ THIS state consonant with
14 the general welfare of the people. The ~~commissioner~~ CORPORATION
15 shall ~~only~~ NOT participate in a joint enterprise agreement that
16 UNLESS THE AGREEMENT provides that the ~~commissioner~~ CEO may
17 discontinue participation in the agreement if he or she determines
18 it to be necessary. The ~~commissioner~~ CEO shall report to the
19 legislature ~~every 6 months~~ ANNUALLY on the progress of ~~the~~ A joint
20 enterprise agreement.

21 ~~—— (4) The commissioner shall submit a proposal to develop a~~
22 ~~program for the education and treatment of compulsive gamblers to~~
23 ~~the legislature within 6 months after the effective date of this~~
24 ~~amendatory act.~~

25 Sec. 11. (1) The ~~commissioner shall~~ CEO MAY promulgate rules
26 pursuant to the administrative procedures act of 1969, 1969 PA 306,
27 MCL 24.201 to 24.328, as necessary to implement this act.

1 (2) The rules authorized under this section may include any of
2 the following subject to requirements and limitations in this act:

3 (a) The type **AND NUMBER** of lottery **GAMES** to be conducted.

4 (b) The price **OR PRICES** of tickets or shares in the lottery.

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

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

8 (e) The manner of payment of prizes to the holders of winning
9 tickets or shares.

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

12 (g) Without limit as to number, the type or types of locations
13 at which tickets or shares may be sold.

14 (h) The method to be used in selling tickets or shares, except
15 that a person's name, other than a name used in advertising or a
16 promotion under section ~~18(2)~~ **18**, shall not be printed on the
17 tickets or shares.

18 (i) The licensing of ~~agents~~ **LOTTERY SALES RETAILERS** to sell
19 tickets or shares, but a person under the age of 18 shall not be
20 licensed as ~~an agent~~ **A LOTTERY SALES RETAILER**.

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

1 or shares, for the payment of costs incurred in the operation and
2 administration of ~~the~~ lottery **GAMES**, including the expenses of the
3 ~~bureau~~ **CORPORATION** and the costs resulting from any contract or
4 contracts entered into for promotional, advertising, consulting, or
5 operational services or for the purchase or lease of lottery
6 equipment and materials, for the repayment of the money
7 appropriated to the state lottery fund, and for transfer to the
8 general fund **OR STATE SCHOOL AID FUND**.

9 ~~—— (3) The commissioner may promulgate rules incorporating by~~
10 ~~reference existing rules or regulations of any joint enterprise as~~
11 ~~required as a condition for participation in that joint enterprise.~~
12 ~~Any subsequent changes or additions to the rules or regulations of~~
13 ~~the joint enterprise may be adopted by the commissioner through the~~
14 ~~promulgation of a rule.~~

15 (3) THE CEO MAY ISSUE, ALTER, OR RESCIND ADMINISTRATIVE AND
16 PROCEDURAL DIRECTIVES AS DETERMINED BY THE CEO TO BE NECESSARY FOR
17 THE EFFECTIVE ADMINISTRATION OF THIS ACT. A DIRECTIVE ISSUED UNDER
18 THIS SUBSECTION IS EXEMPT FROM THE DEFINITION OF A RULE PURSUANT TO
19 SECTION 7 OF THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA
20 306, MCL 24.207. A DIRECTIVE TAKES EFFECT ON WRITTEN APPROVAL OF
21 THE CEO UNLESS A LATER DATE IS SPECIFIED. A DIRECTIVE AUTHORIZED
22 UNDER THIS SUBSECTION MAY ESTABLISH STANDARDS FOR LOTTERY SALES
23 RETAILERS AND SPECIFIC STANDARDS, REQUIREMENTS, AND PROCEDURES
24 RELATED TO LOTTERY GAMES, INCLUDING ANY OF THE FOLLOWING:

25 (A) LOTTERY GAME CONTRACT PROVISIONS, TERMS, DEFINITIONS,
26 PROHIBITIONS, RESTRICTIONS, WINNER LIABILITY, DISPUTE RESOLUTION,
27 GOVERNING LAW, DISCLAIMERS, AND TERMINATION.

1 (B) LOTTERY GAME NAMES.

2 (C) LOTTERY GAME PRICES.

3 (D) LOTTERY GAME PRIZES AND PRIZE MATRICES.

4 (E) DETERMINATION OF PRIZE WINNERS.

5 (F) PROCEDURES FOR CLAIMING PRIZES AND TICKET VALIDATION
6 REQUIREMENTS AND USE OF BAR CODES, UNIVERSAL PRODUCT CODES,
7 VALIDATION CODES, AND VALIDATION NUMBERS.

8 (G) REQUIREMENTS RELATED TO SATISFACTION OF TAX OBLIGATIONS.

9 (H) OTHER INFORMATION RELATED TO LOTTERY GAME PLAY SUCH AS
10 RULES OF PLAY, IMAGES, GAME BOOKS, LEGENDS, AND PLAY SYMBOLS.

11 (I) RULES OR REGULATIONS OF ANY JOINT ENTERPRISE AS REQUIRED
12 AS A CONDITION FOR PARTICIPATION IN THE JOINT ENTERPRISE.

13 Sec. 12. (1) Except as otherwise provided in subsection ~~(3)~~
14 ~~(2), as nearly as is practicable, until January 1, 2012, not less~~
15 ~~than~~ **THE CEO SHALL APPORTION 45% OR MORE** of the total annual
16 revenue accruing from the sale of lottery tickets or shares ~~shall~~
17 ~~be apportioned for payment of prizes to the holders of winning~~
18 tickets or shares.

19 ~~— (2) On or after January 1, 2012, 45% of the total revenue~~
20 ~~shall be apportioned for payment of prizes.~~

21 ~~(2) (3) Notwithstanding subsections~~ **SUBSECTION (1), and (2),**
22 the prize money from the sale of tickets or shares of any joint
23 enterprise is that percentage of the total annual revenue accrued
24 from that game as prescribed by the joint enterprise participation
25 agreement executed by the ~~commissioner~~ **CEO.**

26 **(3) THE CEO SHALL APPORTION 1% OR MORE OF TOTAL ANNUAL REVENUE**
27 **ACCRUING FROM THE SALE OF LOTTERY TICKETS, INCLUDING REVENUE FROM**

1 JOINT ENTERPRISE GAMES, FOR ADVERTISING OR PROMOTION OF THE
2 LOTTERY.

3 Sec. 13. The ~~commissioner~~**CORPORATION** shall ~~make~~**PRODUCE** a
4 monthly report ~~to the governor, the state treasurer and the~~
5 ~~legislature. The monthly report shall include~~**THAT INCLUDES** the
6 total lottery revenues, prize disbursements, and other expenses **OF**
7 **THE CORPORATION** for the preceding month. The ~~commissioner~~**CEO** shall
8 ~~make~~**SUBMIT** an annual report to the governor, the state treasurer,
9 and the legislature. **THE ANNUAL REPORT MAY BE TRANSMITTED IN AN**
10 **ELECTRONIC FORMAT.** The annual report shall include a full and
11 complete statement of lottery revenues, prize disbursements, and
12 other expenses **OF THE CORPORATION** and recommendations for changes
13 in this act as the ~~commissioner~~**CEO** deems necessary or desirable.
14 **THE CORPORATION SHALL MAKE A REPORT REQUIRED BY THIS SECTION**
15 **AVAILABLE TO THE PUBLIC ON THE CORPORATION'S INTERNET WEBSITE.**

16 Sec. 15. (1) The ~~commissioner~~**CEO** shall report immediately to
17 the governor ~~, the state treasurer and the legislature~~ any matters
18 that require immediate changes in the laws of this state ~~in order~~
19 to prevent abuses or evasions of this act or rules promulgated
20 ~~hereunder~~**UNDER THIS ACT** or to rectify undesirable conditions ~~in~~
21 ~~connection with~~**RELATED TO** the administration or operation of the
22 lottery.

23 (2) The ~~commissioner~~**CEO** shall make a continuous study and
24 investigation of the lottery **FOR ALL OF THE FOLLOWING PURPOSES:**

25 (a) To ascertain any defects in this act or in the rules ~~by~~
26 ~~reason whereof any abuses~~**PROMULGATED UNDER THIS ACT THAT COULD**
27 **RESULT IN AN ABUSE** in the administration and operation of the

1 lottery or ~~any~~ **AN** evasion of this act or the rules. ~~may arise or be~~
 2 ~~practiced.~~

3 (b) To formulate recommendations for changes in this act and
 4 the rules **PROMULGATED UNDER THIS ACT.**

5 (c) To guard against the use of this act and the rules
 6 **PROMULGATED UNDER THIS ACT** as a cloak for ~~the carrying on of~~
 7 organized gambling **NOT AUTHORIZED UNDER THE LAWS OF THIS STATE** and
 8 crime.

9 (d) To ~~insure~~ **ENSURE** that this act and the rules **PROMULGATED**
 10 **UNDER THIS ACT** are in a form and are administered **SO** as to serve
 11 the true purposes of this act.

12 (3) The ~~commissioner~~ **CEO** shall make a continuous study and
 13 investigation of the operation and the administration of similar
 14 laws ~~which may be in effect in~~ **OF** other states or countries, ~~any~~
 15 literature on the subject ~~which may be~~ **THAT IS** published or
 16 available, any federal laws ~~which may affect~~ **AFFECTING** the
 17 operation of the lottery, and the reaction of citizens **OF THIS**
 18 **STATE** to existing and potential features of the lottery with a view
 19 to recommending or effecting changes that will tend to serve the
 20 purposes of this act **AND MAXIMIZE NET REVENUE CONSISTENT WITH THE**
 21 **GENERAL WELFARE OF THIS STATE.**

22 Sec. 16. ~~(1) The commissioner shall conduct a study of~~
 23 ~~compulsive gambling and the extent to which persons with compulsive~~
 24 ~~gambling disorders participate in gambling activities. The~~
 25 ~~commissioner shall submit a written summary of the findings of the~~
 26 ~~study to the clerk of the house of representatives and the~~
 27 ~~secretary of the senate not later than 1 year after the effective~~

1 ~~date of this section.~~

2 ~~—— (2) The~~ **A** toll-free compulsive gaming helpline **TELEPHONE**
 3 number **AND, IF PRACTICABLE, A COMPULSIVE GAMING INTERNET WEBSITE**
 4 **ADDRESS** shall be printed on all lottery tickets, printed
 5 advertisements, and promotional materials and posted at each
 6 location where lottery tickets are sold.

7 Sec. 17. **(1) The commissioner-CEO shall DO BOTH OF THE**
 8 **FOLLOWING:**

9 (a) Supervise and administer the operation of the lottery in
 10 accordance with this act and the rules **PROMULGATED UNDER THIS ACT.**

11 (b) License as ~~agents~~ **RETAILERS** to sell ~~lottery tickets such~~
 12 **FOR LOTTERY GAMES** persons ~~whom he deems~~ **THE CEO DETERMINES** will
 13 best serve the public convenience and promote the sale of tickets
 14 ~~or shares~~ **CONSISTENT WITH THIS ACT.**

15 **(2) A LICENSE GRANTED UNDER THIS ACT IS A PRIVILEGE PERSONAL**
 16 **TO THE LICENSEE AND IS NOT A LEGAL RIGHT. A LICENSE GRANTED OR**
 17 **RENEWED UNDER THIS ACT SHALL NOT BE TRANSFERRED OR ASSIGNED TO**
 18 **ANOTHER PERSON OR BE PLEDGED AS COLLATERAL.**

19 Sec. 18. ~~(1) The commissioner, subject to the applicable laws~~
 20 ~~relating to public contracts, may enter into contracts for the~~
 21 ~~operation of the lottery, or any part of the lottery, and into~~
 22 ~~contracts for the promotion of the lottery. A contract awarded or~~
 23 ~~entered into by the commissioner shall not be assigned by the other~~
 24 ~~contracting party except by specific approval of the commissioner.~~

25 **(1)** ~~(2) The commissioner-CEO~~ may contract with 1 or more
 26 persons to allow the placement of advertising or promotional
 27 material, including, but not limited to, the placement of discount

1 coupons for retail goods and NASCAR logos, images, and drivers'
2 pictures and names, on lottery tickets, shares, and other available
3 media under the control of the ~~bureau~~**CORPORATION**. However, except
4 for advertising that promotes responsible consumption of alcoholic
5 beverages, the ~~commissioner~~**CEO** shall not allow the placement of
6 advertising for the promotion of the consumption of alcoholic
7 beverages or tobacco products on lottery tickets under the control
8 of the ~~bureau~~**CORPORATION**.

9 (2) ~~(3)~~As used in this section, "NASCAR" means the national
10 association for stock car auto racing, inc.

11 Sec. 19. (1) The ~~commissioner~~**CEO** shall employ personnel as
12 necessary to implement this act. ~~at least 2 of whom shall not be in~~
13 ~~the classified service.~~

14 (2) The departments, boards, commissions, ~~or~~**AGENCIES,**
15 **OFFICERS, AND** other governmental subdivisions of this state shall
16 provide assistance to the ~~bureau~~**upon CORPORATION ON** the ~~bureau's~~
17 **CORPORATION'S** request. **THE GOVERNOR MAY ISSUE EXECUTIVE DIRECTIVES**
18 **AS NECESSARY TO ASSURE COMPLIANCE WITH THIS SUBSECTION AND THIS ACT**
19 **BY A STATE DEPARTMENT OR AGENCY.**

20 Sec. 20. ~~The circuit court upon petition of the commissioner~~
21 ~~after a hearing may issue subpoenas to compel the attendance of~~
22 ~~witnesses and the production of documents, papers, books, records~~
23 ~~and other evidence before it in any matter over which it has~~
24 ~~jurisdiction, control or supervision. If a person subpoenaed to~~
25 ~~attend in any such proceeding or hearing fails to obey the command~~
26 ~~of the subpoena without reasonable cause, or if a person in~~
27 ~~attendance in any such proceeding or hearing refuses, without~~

1 ~~lawful cause, to be examined or to answer a legal or pertinent~~
2 ~~question or to exhibit any book, account, record or other document~~
3 ~~when ordered to do so by the court may be punished as a contempt of~~
4 ~~the court.~~

5 (1) CONSISTENT WITH THIS ACT AND RULES PROMULGATED UNDER THIS
6 ACT, THE CEO MAY CONDUCT INVESTIGATIVE HEARINGS AND ISSUE SUBPOENAS
7 FOR WITNESSES AND THE PRODUCTION OF DOCUMENTS, PAPERS, BOOKS,
8 RECORDS, AND OTHER THINGS.

9 (2) THE CEO MAY SUMMON WITNESSES AND ADMINISTER OATHS OR
10 AFFIRMATIONS TO EXERCISE AND DISCHARGE HIS OR HER POWERS AND DUTIES
11 UNDER THIS ACT. A PERSON WHO FAILS TO APPEAR BEFORE THE CEO AT THE
12 TIME AND PLACE SPECIFIED IN A SUMMONS FROM THE CEO OR REFUSES TO
13 TESTIFY, WITHOUT JUST CAUSE, IN ANSWER TO A SUMMONS FROM THE CEO IS
14 GUILTY OF A MISDEMEANOR PUNISHABLE BY IMPRISONMENT FOR NOT MORE
15 THAN 6 MONTHS OR A FINE OF NOT MORE THAN \$1,000.00, OR BOTH.

16 Sec. 23. (1) The ~~commissioner~~CEO shall not issue a license to
17 a person to engage in business exclusively as a lottery sales ~~agent~~
18 **RETAILER**. Before issuing a lottery sales license, the ~~commissioner~~
19 CEO shall consider factors such as the financial responsibility and
20 security of the person and ~~his or her~~**THE PERSON'S** business or
21 activity, the accessibility of ~~his or her~~**THE PERSON'S** place of
22 business or activity to the public, the sufficiency of existing
23 licenses to serve the public convenience, and the volume of
24 expected sales.

25 (2) The ~~commissioner~~CEO shall issue an initial or renewal
26 lottery sales license not later than 90 days after the ~~applicant~~
27 ~~files~~**DATE THE CORPORATION RECEIVES** a completed application.

~~Receipt of the application is considered the date the application is received by any agency or department of this state. If the commissioner-CEO determines that the application is incomplete, the commissioner-CEO shall notify the applicant in writing, or make information electronically available, within 30 days after receipt of~~ **THE CORPORATION RECEIVES** the incomplete application, describing the deficiency and requesting the additional information. The 90-day period is tolled upon notification by the ~~commissioner-CEO~~ of a deficiency until the date the requested information is received by the ~~commissioner-CEO~~. The determination of the completeness of an application does not operate as an approval of the application for the license and does not confer eligibility of an applicant determined otherwise ineligible for issuance of a license.

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

(4) The ~~commissioner-CEO~~ shall ~~submit a report by December 1 of each year to the standing committees and appropriations~~

~~subcommittees of the senate and house of representatives concerned with gaming issues. The commissioner shall include all of the following information in the **ANNUAL** report concerning the preceding fiscal year~~ **OF THE CORPORATION:**

(a) The number of initial and renewal **LOTTERY SALES LICENSE** applications the ~~commissioner~~ **CORPORATION** received and completed within the 90-day time period described in subsection (2).

(b) The number of applications denied.

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

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

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

(7) A licensed agent ~~agent~~ **LOTTERY SALES RETAILER** or ~~his or her~~ **AN** employee **OF THE RETAILER** may sell lottery tickets or shares only on the premises stated in the lottery sales **RETAILER** license. A licensed agent ~~agent~~ **LOTTERY SALES RETAILER** who violates this subsection is, at the ~~commissioner's~~ **CEO'S** discretion, subject to 1 or more of the following:

(a) Probation for not more than 2 years.

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

(c) Removal of ~~his or her~~ **THE RETAILER'S** lottery terminal.

(8) The ~~commissioner~~CEO may require a bond from a licensed agent **LOTTERY SALES RETAILER** in an amount provided in rules promulgated under this act.

(9) A licensed agent **LOTTERY SALES RETAILER** shall display his or her ~~THE RETAILER'S~~ license or a copy of the license conspicuously in accordance with rules promulgated under this act.

(10) The ~~commissioner~~CEO may suspend or revoke the license of an agent **A LOTTERY SALES RETAILER** who violates this act or a rule promulgated under this act.

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

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

—— (b) ~~The~~ **THE** need to maximize net lottery revenues from the total number of terminals placed **CONSISTENT WITH THE GENERAL WELFARE OF THIS STATE.**

(12) A licensed lottery sales agent ~~RETAILER~~ shall not offer to give or give any money or other thing of value to the holder of a lottery ticket or share for winning the lottery, other than the prize if payment of the prize by the agent ~~RETAILER~~ is authorized by the ~~commissioner~~CEO.

(13) As used in this section:

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

1 agency of this state.

2 (b) "Person" means an individual, association, corporation,
3 club, trust, estate, society, company, joint stock company,
4 receiver, trustee, referee, or other person acting in a fiduciary
5 or representative capacity who is appointed by a court, or any
6 combination of individuals. Person includes a department,
7 commission, agency, **AUTHORITY**, or instrumentality of the state,
8 including a county, city, village, or township and an agency,
9 **AUTHORITY**, or instrumentality of the county, city, village, or
10 township.

11 Sec. 25. (1) The ~~bureau~~ **CORPORATION** shall give a prizewinner
12 in the ~~Michigan lotto game~~ **LOTTERY GAMES DESIGNATED BY THE CEO** the
13 option of receiving his or her prize in a single payment or in
14 installments. ~~This option shall be made available to and exercised~~
15 ~~by the purchaser of a Michigan lotto game ticket at the point of~~
16 ~~purchase. As used in this subsection, "Michigan lotto game" means a~~
17 ~~game administered by the bureau in which the matrix is 6 out of 49~~
18 ~~numbers drawn.~~

19 (2) The right of any person to a prize drawn from the state
20 lottery is not assignable, except as provided in this section. The
21 ~~commissioner~~ **CORPORATION** shall be discharged of all further
22 liability upon payment of a prize pursuant to this section.

23 (3) Payment of any prize drawn may be made to a person
24 pursuant to an appropriate judicial order.

25 (4) Payment of any prize drawn may be made to ~~the~~ **THIS** state
26 pursuant to section 32.

27 (5) If a prizewinner dies before collecting the full amount of

1 his or her prize drawn from the state lottery, the ~~bureau~~
 2 **CORPORATION** shall continue to make the remaining prize payments to
 3 the prizewinner's surviving spouse and ~~the prizewinner's~~ **EACH**
 4 living ~~children~~ **CHILD OF THE PRIZEWINNER**, in equal proportions,
 5 unless otherwise directed by the prizewinner. If there is not a
 6 surviving spouse, ~~or~~ **A** living ~~children~~ **CHILD**, or ~~other~~ **ANOTHER**
 7 designated ~~beneficiaries~~ **BENEFICIARY**, the remaining prize payments
 8 shall be made to the prizewinner's estate. **AS USED IN THIS**
 9 **SUBSECTION, "BENEFICIARY" AND "CHILD" MEAN THOSE TERMS AS DEFINED**
 10 **IN SECTION 1103 AND "ESTATE" MEANS THAT TERM AS DEFINED IN SECTION**
 11 **1104 OF THE ESTATES AND PROTECTED INDIVIDUALS CODE, 1998 PA 386,**
 12 **MCL 700.1103 AND 700.1104. FOR PURPOSES OF THIS SUBSECTION, A**
 13 **SPOUSE IS A SURVIVING SPOUSE ACCORDING TO THE DEFINITION OF**
 14 **"SURVIVE" IN SECTION 1107 OF THE ESTATES AND PROTECTED INDIVIDUALS**
 15 **CODE, 1998 PA 386, MCL 700.1107.**

16 (6) Except as provided in subsection (11), payment of any
 17 prize ~~drawn~~ may be made to any person pursuant to a voluntary
 18 assignment of the right to receive future prize payments, in whole
 19 or in part, if the assignment is made to a person or entity
 20 designated ~~pursuant to~~ **UNDER** an ~~appropriate judicial order of a~~
 21 ~~court of competent jurisdiction~~ located in either the county in
 22 which the assignor resides or the county in which the ~~bureau~~
 23 **CORPORATION** is located. An order approving the assignment and
 24 directing the ~~commissioner~~ **CEO** to pay the assignee all or a part of
 25 future prize payments is properly issued if the court finds that
 26 all of the following circumstances exist:

27 (a) The assignment is in writing, executed by the assignor in

1 accordance with the laws of this state, and the terms of the
 2 assignment are disclosed, including the identity of the assignee,
 3 the portion or portions of prize payments to be assigned, and the
 4 amounts and dates of any payments that ~~shall~~ **WILL** be given in
 5 exchange for the assignment.

6 (b) The assignor ~~provides~~ **HAS PROVIDED** a sworn affidavit to
 7 the court attesting that the assignor is of sound mind, is not
 8 acting under duress, has been advised regarding the assignment by
 9 his or her legal counsel, and understands and agrees that ~~the~~ **THIS**
 10 state and the ~~commissioner~~ **CORPORATION** will have no further
 11 liability or responsibility to make prize payments to the assignor.

12 (c) The proposed assignment does not include or cover payments
 13 or portions of payments that are subject to section 32.

14 (d) ~~Not~~ **A COPY OF THE COMPLAINT OR MOTION FOR THE APPROVAL OF**
 15 **THE VOLUNTARY ASSIGNMENT UNDER THIS SUBSECTION AND A NOTICE OF**
 16 **HEARING ON THE COMPLAINT OR MOTION HAS BEEN SERVED ON THE ATTORNEY**
 17 **GENERAL NOT** less than 5 days after ~~filing a petition for a judicial~~
 18 ~~order that approves a voluntary assignment under this subsection~~
 19 **THE COMPLAINT OR MOTION WAS FILED** and not less than 10 days before
 20 ~~a~~ **THE** hearing on the petition, ~~the petitioner shall cause a copy~~
 21 ~~of the petition and notice of hearing on the petition to be served~~
 22 ~~upon the attorney general. The~~ **AND THE** attorney general ~~or his or~~
 23 ~~her assistant shall be permitted to~~ **HAD THE OPPORTUNITY TO** appear
 24 and take action ~~that is~~ in the best interests of the ~~bureau~~
 25 **CORPORATION** and this state.

26 (7) Soliciting or offering rights to lottery prize payments,
 27 either by assignment or through pledge as collateral for a loan,

1 shall not be considered selling or offering for sale lottery
2 tickets or shares under this act.

3 (8) The ~~commissioner is authorized to~~ **CEO MAY** establish a
4 reasonable fee to defray the cost of any administrative expenses
5 associated with assignments made ~~pursuant to~~ **UNDER** this section,
6 including the cost of a ~~ANY~~ processing fee ~~that may be imposed by a~~
7 private annuity provider. The amount of the fee **ESTABLISHED UNDER**
8 **THIS SUBSECTION** shall reflect the direct and indirect costs
9 associated with processing the assignments.

10 (9) Except as otherwise provided by state or federal law, ~~the~~
11 ~~commissioner~~ **BY CLAIMING A PRIZE, A PRIZEWINNER GRANTS THE CEO** or
12 an officer or employee of the ~~bureau~~ **CORPORATION THE RIGHT TO USE**
13 **THE NAME AND CITY, TOWNSHIP, OR VILLAGE OF RESIDENCE OF THE**
14 **PRIZEWINNER TO PUBLICIZE THE WINNINGS OF THE PRIZEWINNER. THE NAME**
15 **AND CITY, TOWNSHIP, OR VILLAGE OF RESIDENCE OF A PRIZEWINNER IS**
16 **PUBLIC INFORMATION. THE CORPORATION** shall not disclose the ~~name,~~
17 **STREET** address, **TELEPHONE NUMBER, ELECTRONIC MAIL ADDRESS,** or any
18 other personal information concerning a ~~winner of a prize greater~~
19 ~~than \$10,000.00 drawn from the state lottery~~ **PRIZEWINNER NOT**
20 **AUTHORIZED TO BE DISCLOSED UNDER THIS SECTION,** unless the ~~winner of~~
21 ~~a prize~~ **PRIZEWINNER** agrees in writing to allow the disclosure.
22 Subject to subsection (10), the information protected against
23 disclosure under this section is exempt from disclosure under the
24 freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
25 (10) Notwithstanding subsection (9), the ~~commissioner~~ **CEO** or
26 an officer or employee of the ~~bureau~~ **CORPORATION** may disclose the
27 name, address, or any other personal information concerning a

1 winner of a prize awarded under a game played pursuant to a joint
2 enterprise to the extent required under the joint enterprise
3 participation agreement executed by the ~~commissioner~~**CEO**.

4 (11) If at any time the federal internal revenue service or a
5 court of competent jurisdiction issues a determination letter,
6 revenue ruling, other public ruling of the internal revenue
7 service, or published decision to any state lottery or state
8 lottery prizewinner declaring that the voluntary assignment of
9 prizes will affect the federal income tax treatment of prizewinners
10 who do not assign their prizes, the ~~commissioner~~**CEO** shall
11 immediately file a copy of that letter, ruling, or published
12 decision with the ~~secretary of state~~**OFFICE OF THE GREAT SEAL** and
13 the office of the state court administrator. A court shall not
14 issue a voluntary assignment order under subsection (6) after the
15 date the ruling, letter, or published decision is filed.

16 Sec. 27. (1) A person shall not sell a ticket or share at a
17 price greater than that fixed by ~~rule of the commissioner~~**THE**
18 **CORPORATION UNDER THIS ACT**. A person other than a licensed lottery
19 sales agent ~~RETAILER~~ shall not sell lottery tickets or shares. This
20 section shall not be construed to prevent a person from giving
21 lottery tickets or shares to another as a gift.

22 (2) A person violating this section is guilty of a
23 misdemeanor.

24 Sec. 29. A ticket or share shall not be sold to ~~any~~**A** person
25 ~~under the age of 18~~**WHO IS LESS THAN 18 YEARS OF AGE**. This **SECTION**
26 does not prohibit the purchase of a ticket or share for the purpose
27 of making a gift by a person 18 years of age or older to a person

1 less than ~~age~~ **18 YEARS OF AGE**. A licensee who knowingly sells or
 2 offers to sell a lottery ticket or share to a person ~~under the age~~
 3 ~~of 18~~ **WHO IS LESS THAN 18 YEARS OF AGE** is guilty of a misdemeanor.

4 Sec. 30. (1) A person, with the intent to defraud, shall not
 5 falsely make, alter, forge, utter, pass, or counterfeit a state
 6 lottery ticket or share.

7 (2) A person, with the intent to defraud, shall not falsely
 8 make, alter, forge, utter, pass, or counterfeit a ticket or share
 9 of any joint enterprise entered into by the ~~commissioner~~ **CEO**.

10 (3) A person convicted of violating this section is guilty of
 11 a felony punishable by imprisonment for not more than 5 years or by
 12 a fine of not more than \$1,000.00, or both.

13 Sec. 31. A ticket or share shall not be purchased by and a
 14 prize shall not be paid to an officer or employee of the ~~bureau~~
 15 **CORPORATION** or to ~~any~~ **A** spouse, child, brother, sister, or parent
 16 residing as a member of the same household in the principal place
 17 of abode of an officer or employee **OF THE CORPORATION**.

18 Sec. 32. (1) Before payment of a prize of \$1,000.00 or more,
 19 the ~~bureau~~ **CORPORATION** shall determine whether the department of
 20 treasury records show that ~~a lottery winner~~ **THE PERSON WHO HAS THE**
 21 **WINNING LOTTERY TICKET OR SHARE** has a current liability to this
 22 state or a support arrearage. The department of treasury shall
 23 provide the ~~bureau~~ **CORPORATION** with a list or computer access to a
 24 compilation of persons known to the department to have a current
 25 liability to this state, including **A** delinquent ~~accounts~~ **ACCOUNT** of
 26 ~~amounts due and owing~~ **MONEY DUE** to a court that ~~have~~ **HAS** been
 27 assigned to ~~the~~ **THIS** state for collection, or a support arrearage.

1 The information shall be updated not less than once a month. If a
 2 liability to this state or support arrearage is identified, the
 3 ~~bureau~~**CORPORATION** shall ascertain the amount owed from the
 4 department of treasury and first apply the amount of the prize to
 5 ~~the~~**ANY** liability to ~~the~~**THIS** state other than the amount of any
 6 assigned delinquent account of ~~amounts~~**MONEY** due and ~~owing~~ to a
 7 court, next to ~~the~~**ANY** support arrearage, and next to ~~the~~**ANY**
 8 assigned delinquent ~~accounts~~**ACCOUNT** of ~~amounts~~**MONEY** due and ~~owing~~
 9 to a court. ~~, and the~~**THE** excess, if any, shall be paid to the
 10 ~~lottery winner~~**PERSON WHO HAS THE WINNING LOTTERY TICKET OR SHARE.**

11 (2) ~~A lottery winner~~**THE PERSON WHO HAS THE WINNING LOTTERY**
 12 **TICKET OR SHARE** shall receive notice and an opportunity for a
 13 hearing before the department of treasury or its designee with
 14 respect to the liability to which the prize is to be applied ~~where~~
 15 **UNDER THIS SECTION IF** the liability has not been reduced to
 16 judgment or has not been finalized under statutory review
 17 provisions of the statute under which the liability arose. The
 18 notice shall be ~~made~~**SENT** by regular mail. The ~~lottery winner~~
 19 **PERSON WHO HAS THE WINNING LOTTERY TICKET OR SHARE** may request a
 20 hearing within 15 days ~~of~~**AFTER** the date of the notice by making a
 21 written request to the ~~revenue commissioner~~**STATE TREASURER.**

22 (3) ~~An amount~~**MONEY** applied to ~~pay~~ a support arrearage **UNDER**
 23 **THIS SECTION** shall be paid by the ~~bureau~~**CORPORATION** to the
 24 department of treasury which shall pay the ~~amount~~**MONEY** to the
 25 office of the friend of the court for the appropriate judicial
 26 circuit in the ~~same manner as is~~ prescribed for a payment pursuant
 27 to an order of income withholding under section 9 of the support

1 and parenting time enforcement act, ~~Act No. 295 of the Public Acts~~
2 ~~of 1982, being section 552.609 of the Michigan Compiled Laws 1982~~
3 **PA 295, MCL 552.609.**

4 (4) In regard to the information provided by the department of
5 treasury to the ~~bureau~~ **CORPORATION** under this section, the ~~bureau~~
6 **CORPORATION** is subject to the confidentiality restrictions and
7 penalties provided in section 28(1)(f) and (2) of ~~Act No. 122 of~~
8 ~~the Public Acts of 1941, being section 205.28 of the Michigan~~
9 ~~Compiled Laws 1941 PA 122, MCL 205.28.~~

10 (5) ~~Until October 1, 1995 each office of the friend of the~~
11 ~~court may report to the department of treasury the names of persons~~
12 ~~who have a current support arrearage. Beginning October 1, 1995~~
13 ~~each~~ **EACH** office of the friend of the court shall report to the
14 office of child support the names of persons who have a current
15 support arrearage and the office of child support shall provide
16 that information to the department of treasury.

17 (6) As used in this section:

18 (a) "Office of the friend of the court" means an agency
19 created in section 3 of the friend of the court act, ~~Act No. 294 of~~
20 ~~the Public Acts of 1982, being section 552.503 of the Michigan~~
21 ~~Compiled Laws 1982 PA 294, MCL 552.503.~~

22 (b) "Support" means that term as defined in section 31 ~~of Act~~
23 ~~No. 294 of the Public Acts of 1982, being section 552.531 of the~~
24 ~~Michigan Compiled Laws~~ **2A OF THE FRIEND OF THE COURT ACT, 1982 PA**
25 **294, MCL 552.502A.**

26 Sec. 33. (1) Unclaimed ~~prize~~ money for the prize on a winning
27 ticket or share of the state lottery shall be retained by the

~~commissioner~~ **CORPORATION** for the person entitled to the ~~prize-money~~ for ~~1-year~~ **180 DAYS** after the drawing in which the prize was won. If a claim is not made for the ~~prize-money~~ within the ~~year~~ **180 DAYS**, the ~~prize-money~~ shall be deposited in the state school aid fund and distributed pursuant to law.

(2) Unclaimed ~~prize-money~~ for the prize on a winning ticket or share of any joint enterprise shall be treated in the manner provided for in the joint enterprise participation agreement executed by the ~~commissioner~~ **CEO**. To the extent that ~~the~~ **THIS** state of Michigan is entitled to any unclaimed prize money, that money received shall be deposited into the state school aid fund and distributed pursuant to law.

(3) FOR INSTANT GAMES, PULL-TAB GAMES, AND SIMILAR GAMES AS DETERMINED BY THE CEO, ANY PRIZE MUST BE CLAIMED BY THE EXPIRATION DATE OF THE PARTICULAR GAME.

Sec. 35. (1) The ~~commissioner~~ **CEO** shall require that all ~~moneys~~ **MONEY** collected from the sale of lottery tickets **OR SHARES** be deposited in 1 or more financial institutions to the credit of ~~the~~ **THIS** state as designated by the state treasurer. Each deposit shall be accompanied by a report of the ~~agent's~~ **LOTTERY SALES RETAILER'S** receipts and transactions in the sale of lottery tickets **OR SHARES** and containing ~~such~~ **ANY OTHER** information ~~as~~ **REQUIRED BY** the ~~commissioner~~ **may require** **CEO**.

(2) The ~~commissioner~~ **CEO** may make arrangements for a financial institution to perform functions, activities, or services in connection with the operation of the lottery as ~~he or she~~ **THE CEO** considers advisable under this act and the functions, activities,

1 or services shall constitute lawful functions, activities and
2 services of the financial institution.

3 (3) As used in this section, "financial institution" means a
4 state or nationally chartered bank or a state or federally
5 chartered savings and loan association, savings bank, or credit
6 union whose deposits are insured by an agency of the United States
7 government and which maintains a principal office or branch office
8 located in this state under the laws of this state or the United
9 States.

10 Sec. 39. If the person entitled to a prize or any winning
11 ticket is under the age of 18 years ~~—~~and the prize is more than
12 \$1,000.00, the ~~commissioner~~**CEO** shall direct payment of the prize
13 by transfer to the guardian of the minor of a check or draft
14 payable to the order of the guardian. If **THE PRIZE IS** less than
15 \$1,000.00, the ~~commissioner~~**CEO** may direct payment of the prize to
16 the adult member of the minor's family who is legally responsible
17 for the care and custody of the minor. The ~~commissioner shall be~~
18 **CORPORATION IS** discharged of all further liability upon payment of
19 a prize to a minor pursuant to this section.

20 Sec. 41. (1) The state lottery fund is created in the
21 department of treasury. Except as provided in subsection (3), the
22 state lottery fund consists of all money received from the sale of
23 state lottery tickets or shares and all other money credited or
24 transferred to the fund from any other fund or source pursuant to
25 law including interest earnings on common cash attributable to the
26 state lottery fund. Money derived from the sale of tickets or
27 shares of any joint enterprise shall be treated in the manner

1 provided for in the joint enterprise participation agreement
2 executed by the ~~commissioner~~**CEO**. The ~~commissioner~~**CEO** shall
3 deposit net revenue from any joint enterprise in the state lottery
4 fund. Earnings resulting from installment payment of any lottery
5 prizes shall be used for payment of prizes to lottery winners and
6 the prize structure formulated pursuant to sections 11 and 12 shall
7 be established accordingly.

8 (2) The investment authority of the state treasurer with
9 regard to the state lottery fund is the same as his or her
10 investment authority with regard to retirement system funds. The
11 state treasurer may also invest all or part of the money in the
12 state lottery fund in obligations issued by this state pursuant to
13 section 14, 15, or 16 of article IX of the state constitution of
14 1963 if the treasurer determines that the obligations are full
15 faith and credit obligations of this state and provide a rate of
16 return at the time of investment that is not less than the rate of
17 return at the time of investment on United States treasury
18 obligations of comparable maturity. The state treasurer shall
19 comply with the divestment from terror act, 2008 PA 234, MCL
20 129.291 to 129.301, in making investments under this act. To assure
21 a continuing availability of money with which to pay state lottery
22 prize installments and to compensate for variations in the yield on
23 investments, every 6 months the ~~commissioner~~**CEO** and the state
24 treasurer shall review the status of the installment prize
25 investments and shall agree on an amount to be restricted out of
26 the total revenues of the state lottery fund as a reserve against a
27 drop in yield. If the ~~commissioner~~**CEO** and the state treasurer fail

1 to agree on the amount to be reserved, the matter shall be referred
2 to the state administrative board for a decision on the amount to
3 be reserved.

4 (3) Except as provided in subsection (4), after the payment of
5 prizes to the holders of winning state lottery tickets or shares or
6 the payment pursuant to section 32 of the liabilities to this state
7 of holders of winning state lottery tickets or shares, and the
8 payment of the reasonable expenses of the ~~bureau~~**CORPORATION** in its
9 operation of the lottery, the net revenue in the state lottery fund
10 and any money or interest generated by the state lottery fund and
11 share of common cash shall be deposited in the state school aid
12 fund and shall be distributed as provided by law.

13 (4) Ten percent of each year's state lottery advertising
14 budget but not more than \$1,000,000.00 shall be deposited in the
15 compulsive gaming prevention fund created in section 3 of the
16 compulsive gaming prevention act, 1997 PA 70, MCL 432.253.

17 Sec. 43. Subject to section 41(1), the money in the state
18 lottery fund is appropriated only for the payment of prizes to the
19 holders of winning state lottery tickets or shares, for the payment
20 pursuant to section 32 of the liabilities to this state of holders
21 of winning state lottery tickets or shares, for reasonable expenses
22 of the ~~bureau~~**CORPORATION** in its operation of the state lottery,
23 for deposit in the compulsive gaming prevention fund as provided in
24 section 41(4), and for deposit in the state school aid fund as
25 provided in section 41(3).

26 Sec. 47. The auditor general or an independent public
27 accounting firm ~~appointed~~**EMPLOYED** by the auditor general shall ~~shall~~**MAY**

1 ~~conduct biannual postaudits of all accounts and transactions of the~~
 2 ~~bureau and other special postaudits as the auditor general or~~
 3 ~~legislature deems necessary.~~ **POSTAUDITS OF FINANCIAL TRANSACTIONS**
 4 **AND ACCOUNTS OF THE CORPORATION AND PERFORMANCE POSTAUDITS OF THE**
 5 **CORPORATION TO THE EXTENT AUTHORIZED BY SECTION 53 OF ARTICLE IV OF**
 6 **THE STATE CONSTITUTION OF 1963.** The auditor general or his or her
 7 agent conducting ~~an audit~~ **A POSTAUDIT** under this act shall ~~have~~ **BE**
 8 **GIVEN** access **TO** and ~~authority to~~ **MAY** examine all records of the
 9 ~~bureau~~ **CORPORATION**, its distributing agents **OR RETAILERS**, and its
 10 licensees.

11 Enacting section 1. This amendatory act takes effect October
 12 1, 2010.

13 Enacting section 2. This amendatory act does not take effect
 14 unless all of the following bills of the 95th Legislature are
 15 enacted into law:

16 (a) Senate Bill No. ____ or House Bill No. 6339(request no.
 17 07160'10 a).

18 (b) Senate Bill No. ____ or House Bill No. 6337(request no.
 19 07160'10 b).

20 (c) Senate Bill No. ____ or House Bill No. 6336(request no.
 21 07160'10 c).

22 (d) Senate Bill No. ____ or House Bill No. 6338(request no.
 23 07160'10 d).