

SENATE BILL No. 75

February 3, 2015, Introduced by Senators SCHMIDT, MACGREGOR, KNOLLENBERG, ZORN and SCHUITMAKER 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 18 (MCL 432.18), as amended by 2012 PA 293.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 18. (1) The commissioner, subject to the applicable laws
2 relating to public contracts, may enter into contracts for the
3 operation of the lottery, or any part of the lottery, **INCLUDING**
4 **LOTTERY MANAGEMENT SERVICES**, and into contracts for the promotion
5 of the lottery. A contract awarded or entered into by the
6 commissioner shall not be assigned by the other contracting party
7 except by specific approval of the commissioner.

8 (2) The commissioner may contract with 1 or more persons to
9 allow the placement of advertising or promotional material,
10 including, but not limited to, the placement of discount coupons

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

9 (3) The commissioner may contract with 1 or more persons to
10 allow the placement of advertising or promotional material on
11 available media related to the bureau's club keno game or to
12 sponsor individual draws in the club keno game. If the commissioner
13 enters into a contract under this subsection, the commissioner
14 shall allow at least 1 minute between games of club keno during
15 which 1 or more advertisements may be exhibited.

16 (4) ~~A~~ **THE COMMISSIONER SHALL NOT ENTER INTO A** contract entered
17 ~~into~~ under subsection (3) ~~shall provide~~ **UNLESS THE CONTRACT**
18 **REQUIRES** that any advertisements exhibited between club keno games
19 ~~shall~~ comply with content regulations for televised broadcasts
20 adopted by the federal communications commission, with the
21 exception that the advertising ~~under subsection (3)~~ may include
22 advertisements for alcoholic beverages with only any restrictions
23 imposed by the commissioner, or the administrative commissioners of
24 the liquor control commission acting under the Michigan liquor
25 control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303, and
26 rules promulgated under the code.

27 (5) If a contract under subsection (3) will involve

1 advertisements for alcoholic beverages, 10 days or more before
2 entering into the contract the bureau shall provide the
3 administrative commissioners of the liquor control commission, as
4 described in section 209 of the Michigan liquor control code of
5 1998, 1998 PA 58, MCL 436.1209, with all available information
6 about the proposed contract, the contracting party, and the
7 proposed advertisements. Within 10 days after the information is
8 provided by the bureau, the administrative commissioners shall
9 advise the bureau of any objections or any proposed conditions to
10 be placed on the contract or advertising. Objections and proposed
11 conditions under this subsection ~~shall~~**MUST** relate only to matters
12 under the jurisdiction of the liquor control commission. The
13 commissioner shall comply with all objections and require the
14 contractor to comply with any proposed conditions under this
15 subsection. The failure of the administrative commissioners to
16 respond to information under this subsection constitutes a waiver
17 of any objections or proposed conditions.

18 (6) In considering a proposed contract and advertising under
19 subsection (5), if the proposed contractor is a licensee under the
20 Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to
21 436.2303, the administrative commissioners shall, among other
22 relevant factors, consider whether the licensee has a history of
23 violations of the code or rules promulgated under the code.

24 (7) The commissioner shall solicit bids from responsible
25 persons for **LOTTERY MANAGEMENT SERVICES CONTRACTS UNDER SUBSECTION**
26 **(1) OR** advertising or promotional contracts under subsection (3).
27 The commissioner shall select from among the bids received so as to

1 produce the maximum amount of net revenues for this state consonant
2 with the general welfare of the citizens of this state. In deciding
3 whether to enter into a contract under subsection (3), the
4 commissioner shall consider whether the terms of the contract are
5 comparable to the terms of similar advertising or promotional
6 contracts relating to lottery or other gaming in other states.

7 (8) Money from an advertising contract under subsection (3)
8 ~~shall~~**MUST** be deposited in the club keno advertising fund created
9 in section 45.

10 (9) As used in this section, "NASCAR" means the ~~national~~
11 ~~association for stock car auto racing, inc.~~**NATIONAL ASSOCIATION FOR**
12 **STOCK CAR AUTO RACING, INC.**