

SENATE BILL No. 904

December 18, 2003, Introduced by Senator THOMAS 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 sections 3, 9, and 11 (MCL 432.3, 432.9, and 432.11), as amended by 1996 PA 167.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

2 (a) "Bureau" means the bureau of state lottery created by
3 this act.

4 (b) "Casino-style gambling game" means a gambling game as
5 that term is defined in section 2 of the Michigan gaming control
6 and revenue act, the Initiated Law of 1996, MCL 432.202.

7 (c) ~~(b)~~ "Commissioner" means the commissioner of state
8 lottery.

9 (d) ~~(e)~~ "Joint enterprise" means any lottery activity in
10 which the bureau participates pursuant to a written agreement

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1 between the state of Michigan and any state, territory, country,
2 or other sovereignty as executed by the commissioner. Joint
3 enterprise does not include the state lottery created pursuant to
4 this act.

5 (e) ~~(d)~~ "Lottery" or "state lottery" means the lottery
6 created pursuant to this act and operated exclusively by or under
7 the exclusive control of the bureau of state lottery.

8 Sec. 9. (1) The commissioner shall initiate, establish, and
9 operate a state lottery at the earliest feasible and practicable
10 time. The lottery shall produce the maximum amount of net
11 revenues for the state consonant with the general welfare of the
12 people. The commissioner shall solicit bids from financially
13 responsible vendors of data processing equipment and services for
14 the operation of the lottery and may contract with the approval
15 of the state administrative board.

16 (2) The commissioner shall not conduct a lottery based upon
17 an activity that utilizes the mechanical, physical, or mental
18 skills of the participant and that is traditionally regarded as a
19 sporting event.

20 (3) **The commissioner shall not conduct under this act a**
21 **lottery game that is a casino-style gambling game.**

22 (4) ~~(3)~~ The commissioner may participate in joint
23 enterprises with other sovereignties ~~so long as~~ **if** the
24 commissioner determines that the joint enterprise is designed to
25 produce the maximum amount of net revenues for the state
26 consonant with the general welfare of the people. The
27 commissioner shall only participate in a joint enterprise

1 agreement that provides that the commissioner may discontinue
2 participation in the agreement if he or she determines it to be
3 necessary. The commissioner shall report to the legislature
4 every 6 months on the progress of the joint enterprise
5 agreement.

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

10 Sec. 11. (1) The commissioner shall promulgate rules
11 pursuant to the administrative procedures act of 1969, ~~Act~~
12 ~~No. 306 of the Public Acts of 1969, being sections 24.201 to~~
13 ~~24.328 of the Michigan Compiled Laws— 1969 PA 306, MCL 24.201 to~~
14 ~~24.328~~, as necessary to implement this act.

15 (2) The rules authorized under this section may include any
16 of the following, **subject to requirements and limitations**
17 **expressed in this act:**

18 (a) The type of lottery to be conducted. ~~subject to~~
19 ~~section 9(2).~~

20 (b) The price of tickets or shares in the lottery.

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

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

24 (e) The manner of payment of prizes to the holders of winning
25 tickets or shares. ~~, subject to section 32.~~

26 (f) The frequency of the drawings or selections of winning
27 tickets or shares.

1 (g) Without limit as to number, the type or types of
2 locations at which tickets or shares may be sold. ~~subject to~~
3 ~~section 23(10).~~

4 (h) The method to be used in selling tickets or shares,
5 except that a person's name shall not be printed on the tickets
6 or shares.

7 (i) The licensing of agents to sell tickets or shares but a
8 person under the age of 18 shall not be licensed as an agent.

9 (j) The manner and amount of compensation to be paid licensed
10 sales agents necessary to provide for the adequate availability
11 of tickets or shares to prospective buyers and for the
12 convenience of the public.

13 (k) The apportionment of the total annual revenues accruing
14 from the sale of lottery tickets or shares and from all other
15 sources for the payment of prizes to the holders of winning
16 tickets or shares, for the payment of costs incurred in the
17 operation and administration of the lottery, including the
18 expenses of the bureau and the costs resulting from any contract
19 or contracts entered into for promotional, advertising,
20 consulting, or operational services or for the purchase or lease
21 of lottery equipment and materials, for the repayment of the
22 money appropriated to the state lottery fund, and for transfer to
23 the general fund.

24 (3) The commissioner may promulgate rules incorporating by
25 reference existing rules or regulations of any joint enterprise
26 as required as a condition for participation in that joint
27 enterprise. Any subsequent changes or additions to the rules or

1 regulations of the joint enterprise may be adopted by the
2 commissioner through the promulgation of a rule.

3 (4) This section is repealed if the Michigan supreme court
4 rules that sections 45 and 46 of the administrative procedures
5 act of 1969, ~~Act No. 306 of the Public Acts of 1969, being~~
6 ~~sections 24.245 and 24.246 of the Michigan Compiled Laws~~
7 **1969 PA 306, MCL 24.245 and 24.246**, are unconstitutional and a
8 statute requiring legislative review of administrative rules is
9 not enacted within 90 days after the Michigan supreme court
10 ruling. ~~Nothing in this subsection invalidates rules that have~~
11 ~~been promulgated prior to the effective date of the amendatory~~
12 ~~act that added this subsection.~~ **Rules promulgated before**
13 **April 17, 1996 are not invalidated by this subsection.**