

Act No. 383
Public Acts of 2004
Approved by the Governor
October 12, 2004
Filed with the Secretary of State
October 12, 2004
EFFECTIVE DATE: October 12, 2004

**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2004**

Introduced by Senators Johnson, Jelinek, Switalski, Jacobs, Clarke, Emerson and McManus

ENROLLED SENATE BILL No. 1323

AN ACT to amend 1972 PA 239, entitled "An act to establish and operate a state lottery and to allow state participation in certain lottery-related joint enterprises with other sovereignties; to create a bureau of state lottery and to prescribe its powers and duties; to prescribe certain powers and duties of other state departments and agencies; to license and regulate certain sales agents; to create the state lottery fund; to provide for the distribution of lottery revenues and earnings for certain purposes; to provide for an appropriation; and to provide for remedies and penalties," by amending sections 11 and 18 (MCL 432.11 and 432.18), section 11 as amended by 2004 PA 272.

The People of the State of Michigan enact:

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

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

- (a) The type of lottery to be conducted.
- (b) The price of tickets or shares in the lottery.
- (c) The number and size of the prizes on the winning tickets or shares.
- (d) The manner of selecting the winning tickets or shares.
- (e) The manner of payment of prizes to the holders of winning tickets or shares.
- (f) The frequency of the drawings or selections of winning tickets or shares.
- (g) Without limit as to number, the type or types of locations at which tickets or shares may be sold.
- (h) The method to be used in selling tickets or shares, except that a person's name, other than a name used in advertising or a promotion under section 18(2), shall not be printed on the tickets or shares.
- (i) The licensing of agents to sell tickets or shares, but a person under the age of 18 shall not be licensed as an agent.
- (j) The manner and amount of compensation to be paid licensed sales agents necessary to provide for the adequate availability of tickets or shares to prospective buyers and for the convenience of the public.

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

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

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

(2) The commissioner may contract with 1 or more persons to allow the placement of advertising or promotional material, including, but not limited to, the placement of discount coupons for retail goods and NASCAR logos, images, and drivers' pictures and names, on lottery tickets, shares, and other available media under the control of the bureau. However, except for advertising that promotes responsible consumption of alcoholic beverages, the commissioner shall not allow the placement of advertising for the promotion of the consumption of alcoholic beverages or tobacco products on lottery tickets under the control of the bureau.

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

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Jay E. Randall

Clerk of the House of Representatives

Approved

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Governor