

HOUSE BILL No. 5077

September 25, 2003, Introduced by Reps. Hardman, McConico, Stallworth, Hager, Caswell, Plakas, Waters, Clack and Murphy 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 sections 9 and 11 (MCL 432.9 and 432.11), as amended
by 1996 PA 167.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

9 (2) The commissioner shall not conduct a lottery based upon
10 an activity that utilizes the mechanical, physical, or mental

1 skills of the participant and that is traditionally regarded as a
2 sporting event.

3 **(3) The commissioner shall not allow the sale of lottery**
4 **tickets or draw winning lottery tickets on Easter Sunday.**

5 **(4) —(3)—** The commissioner may participate in joint
6 enterprises with other sovereignties ~~so long as~~ **if** the
7 commissioner determines that the joint enterprise is designed to
8 produce the maximum amount of net revenues for the state
9 consonant with the general welfare of the people. The
10 commissioner shall only participate in a joint enterprise
11 agreement that provides that the commissioner may discontinue
12 participation in the agreement if he or she determines it to be
13 necessary. The commissioner shall report to the legislature
14 every 6 months on the progress of the joint enterprise
15 agreement.

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

20 Sec. 11. (1) The commissioner shall promulgate rules
21 pursuant to the administrative procedures act of 1969, ~~Act~~
22 ~~No. 306 of the Public Acts of 1969, being sections 24.201 to~~
23 ~~24.328 of the Michigan Compiled Laws~~ **1969 PA 306, MCL 24.201 to**
24 **24.328**, as necessary to implement this act.

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

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

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

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

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

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

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

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

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

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

19 (j) The manner and amount of compensation to be paid licensed
20 sales agents necessary to provide for the adequate availability
21 of tickets or shares to prospective buyers and for the
22 convenience of the public.

23 (k) The apportionment of the total annual revenues accruing
24 from the sale of lottery tickets or shares and from all other
25 sources for the payment of prizes to the holders of winning
26 tickets or shares, for the payment of costs incurred in the
27 operation and administration of the lottery, including the

1 expenses of the bureau and the costs resulting from any contract
2 or contracts entered into for promotional, advertising,
3 consulting, or operational services or for the purchase or lease
4 of lottery equipment and materials, for the repayment of the
5 money appropriated to the state lottery fund, and for transfer to
6 the general fund.

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

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