



# SENATE BILL No. 371

March 7, 1995, Introduced by Senators HART and YOUNG and referred to the Committee on Local, Urban and State Affairs.

A bill to amend the title and sections 11, 17, 23, 27, and 35 of Act No. 239 of the Public Acts of 1972, entitled as amended "McCauley-Traxler-Law-Bowman-McNeely lottery act," section 11 as amended by Act No. 165 of the Public Acts of 1991, being sections 432.11, 432.17, 432.23, 432.27, and 432.35 of the Michigan Compiled Laws.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Section 1. The title and sections 11, 17, 23, 27, and 35 of  
2 Act No. 239 of the Public Acts of 1972, section 11 as amended by  
3 Act No. 165 of the Public Acts of 1991, being sections 432.11,  
4 432.17, 432.23, 432.27, and 432.35 of the Michigan Compiled Laws,  
5 are amended to read as follows:

## 1 TITLE

2 An act to establish and operate a state lottery; to create a  
3 bureau of state lottery; to prescribe its powers and duties; to  
4 prescribe certain powers and duties of other state departments  
5 and agencies; to license and regulate PERSONS CONDUCTING sales  
6 ~~agents~~ OF TICKETS OR SHARES; to create the state lottery fund;  
7 to provide for the distribution of lottery revenues and earnings;  
8 to provide for an appropriation; and to provide penalties.

9 Sec. 11. (1) The commissioner shall promulgate rules pursu-  
10 ant to the administrative procedures act of 1969, Act No. 306 of  
11 the Public Acts of 1969, ~~as amended,~~ being sections 24.201 to  
12 24.328 of the Michigan Compiled Laws, as necessary to implement  
13 this act.

14 (2) The rules authorized under this section may include any  
15 of the following:

16 (a) The type of lottery to be conducted subject to section  
17 9(2).

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

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

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

22 (e) The manner of payment of prizes to the holders of win-  
23 ning tickets or shares, subject to section 32.

24 (f) The frequency of the drawings or selections of winning  
25 tickets or shares.

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

1 (h) The method to be used in selling tickets or shares,  
2 except that ~~no~~ A person's name shall NOT be printed on ~~such~~  
3 THE tickets or shares.

4 (i) The licensing of ~~agents~~ PERSONS to sell tickets or  
5 shares, but a person under the age of 18 shall not be licensed as  
6 an agent.

7 (j) The manner and amount of compensation to be paid PERSONS  
8 licensed ~~sales agents necessary~~ TO SELL LOTTERY TICKETS OR  
9 SHARES SO AS to provide for the adequate availability of tickets  
10 or shares to prospective buyers and for the convenience of the  
11 public.

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

22 Sec. 17. The commissioner shall DO THE FOLLOWING:

23 (a) Supervise and administer the operation of the lottery in  
24 accordance with this act and the rules.

25 (b) License ~~as agents~~ to sell lottery tickets ~~such~~ per-  
26 sons whom he ~~deems~~ OR SHE CONSIDERS will best serve the public  
27 convenience and promote the sale of tickets or shares.

1       Sec. 23. (1) ~~A~~ THE COMMISSIONER SHALL NOT ISSUE A license  
2 ~~as an agent~~ to sell lottery tickets or shares ~~shall not be~~  
3 ~~issued~~ to any person to engage in business exclusively ~~as a~~  
4 ~~lottery sales agent~~ IN THE SALE OF LOTTERY TICKETS OR SHARES.  
5 Before issuing a license, the commissioner shall consider factors  
6 such as the financial responsibility and security of the person  
7 and his OR HER business or activity, the accessibility of his OR  
8 HER place of business or activity to the public, the sufficiency  
9 of existing licenses to serve the public convenience, and the  
10 volume of expected sales.

11       ~~(2) As used in this section "person" means an individual,~~  
12 ~~association, corporation, club, trust, estate, society, company,~~  
13 ~~joint stock company, receiver, trustee, referee, any other person~~  
14 ~~acting in a fiduciary or representative capacity who is appointed~~  
15 ~~by a court, or any combination of individuals. Person includes~~  
16 ~~any department, commission, agency or instrumentality of the~~  
17 ~~state, including any county, city, village or township and any~~  
18 ~~agency or instrumentality thereof.~~

19       (2) ~~(3) Notwithstanding any other provision of law, a~~ A  
20 person licensed pursuant to this act may ~~act as a lottery sales~~  
21 ~~agent.~~ ~~A~~ SELL LOTTERY TICKETS OR SHARES. THE COMMISSIONER MAY  
22 ISSUE A LICENSE TO A person lawfully engaged in nongovernmental  
23 business on state property. ~~may be licensed as a lottery sales~~  
24 ~~agent.~~

25       (3) ~~(4)~~ A license is not assignable or transferable.

1       (4) ~~(5)~~ A licensed ~~agent~~ PERSON or his OR HER employee  
2 may sell lottery tickets or shares only on the premises stated in  
3 the license. ~~of the agent.~~

4       ~~(6) The commissioner may issue temporary licenses upon con-~~  
5 ~~ditions as he deems necessary for a term which shall not extend~~  
6 ~~beyond 1 year after the effective date of this act.~~

7       (5) ~~(7)~~ The commissioner may require a bond from any  
8 licensed ~~agent~~ PERSON in an amount as provided in the rules  
9 PROMULGATED UNDER THIS ACT.

10       (6) ~~(8)~~ A licensed ~~agent~~ PERSON shall display his OR HER  
11 license or a copy ~~thereof~~ OF THE LICENSE conspicuously in  
12 accordance with the rules PROMULGATED UNDER THIS ACT.

13       (7) ~~(9)~~ The commissioner may suspend or revoke the license  
14 of any ~~agent~~ PERSON who violates this act or a rule promulgated  
15 ~~pursuant to~~ UNDER this act. THE ACTION TAKEN BY THE COMMIS-  
16 SIONER SHALL COMPLY WITH THE PROCEDURES IN CONTESTED CASES SET  
17 FORTH IN CHAPTER 4 OF THE ADMINISTRATIVE PROCEDURES ACT OF 1969,  
18 ACT NO. 306 OF THE PUBLIC ACTS OF 1969, BEING SECTIONS 24.271 TO  
19 24.287 OF THE MICHIGAN COMPILED LAWS.

20       (8) AS USED IN THIS SECTION:

21       (A) "LICENSE" MEANS AN AUTHORIZATION ISSUED BY THE COMMIS-  
22 SIONER UNDER THIS ACT FOR A PERSON TO SELL LOTTERY TICKETS OR  
23 SHARES.

24       (B) "PERSON" MEANS AN INDIVIDUAL, ASSOCIATION, CORPORATION,  
25 CLUB, TRUST, ESTATE, SOCIETY, COMPANY, JOINT STOCK COMPANY,  
26 RECEIVER, TRUSTEE, REFEREE, ANY OTHER PERSON ACTING IN A  
27 FIDUCIARY OR REPRESENTATIVE CAPACITY WHO IS APPOINTED BY A COURT,

1 OR ANY COMBINATION OF INDIVIDUALS. PERSON INCLUDES ANY  
2 DEPARTMENT, COMMISSION, AGENCY, OR INSTRUMENTALITY OF THE STATE,  
3 INCLUDING ANY COUNTY, CITY, VILLAGE, OR TOWNSHIP AND ANY AGENCY  
4 OR INSTRUMENTALITY THEREOF.

5       Sec. 27. (1) A person shall not sell a ticket or share at a  
6 price greater than that fixed by rule of the commissioner. A  
7 person other than a PERSON licensed TO SELL lottery ~~sales agent~~  
8 TICKETS OR SHARES shall not sell lottery tickets or shares. This  
9 section shall not be construed to prevent a person from giving  
10 lottery tickets or shares to another PERSON as a gift.

11       (2) A person violating this section is guilty of a  
12 misdemeanor.

13       Sec. 35. (1) The commissioner shall require that all  
14 ~~moneys~~ MONEY collected from the sale of lottery tickets be  
15 deposited in banks, savings and loan associations, and credit  
16 unions to the credit of the state as designated by the state  
17 treasurer. Each deposit shall be accompanied by a report of the  
18 ~~agent's~~ PERSON'S receipts and transactions in the sale of lot-  
19 tery tickets and ~~containing such~~ SHALL CONTAIN ALL information  
20 ~~as~~ the commissioner may require.

21       (2) The commissioner may ~~make such arrangements~~ ARRANGE  
22 for banks, savings and loan associations, and credit unions to  
23 perform ~~such~~ ANY functions, activities, or services in connec-  
24 tion with the operation of the lottery as he ~~deems~~ OR SHE  
25 CONSIDERS advisable pursuant to this act and the rules, and the  
26 functions, activities, or services shall constitute lawful

1 functions, activities, and services of banks, savings and loans  
2 associations, and credit unions.