

# HOUSE BILL No. 6520

November 13, 2002, Introduced by Reps. Sheltroun, Scranton and Plakas and referred to the Committee on Agriculture and Resource Management.

A bill to amend 1972 PA 239, entitled "McCauley-Traxler-Law-Bowman-McNeely lottery act," by amending the title and sections 3, 11, 23, and 32 (MCL 432.3, 432.11, 432.23, and 432.32), the title as amended by 1996 PA 95, sections 3, 11, and 23 as amended by 1996 PA 167, and section 32 as amended by 1996 PA 13, and by adding article 2.

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

1 TITLE

2 An act to establish and operate a state lottery and to allow

3 state participation in certain lottery-related joint enterprises

4 with other sovereignties; TO ALLOW AND REGULATE THE OPERATION OF

5 VIDEO LOTTERY GAMES AT LICENSED HORSE RACETRACKS IN THIS STATE;

6 to create a bureau of state lottery and to prescribe its powers

7 and duties; to prescribe certain powers and duties of other state

8 departments and agencies; TO PROVIDE FOR THE PROMULGATION OF

1 RULES; to license and regulate ~~certain~~ LOTTERY sales agents AND  
 2 MANUFACTURERS AND SERVICE TECHNICIANS OF VIDEO LOTTERY MACHINES  
 3 AND RELATED EQUIPMENT; to create the state lottery fund; TO  
 4 IMPOSE FEES; to provide for the distribution of lottery revenues  
 5 and earnings for certain purposes; to provide for an appropria-  
 6 tion; and to provide for remedies and penalties.

7 ARTICLE 1

8 Sec. 3. As used in this act:

9 (a) "Bureau" means the bureau of state lottery created ~~by~~  
 10 ~~this act~~ IN SECTION 5.

11 (b) "Commissioner" ~~means the~~ OR "commissioner of state  
 12 lottery" MEANS THE HEAD OF THE BUREAU.

13 (c) "Joint enterprise" means ~~any~~ A lottery activity in  
 14 which the bureau participates pursuant to a written agreement  
 15 between ~~the state of Michigan~~ THIS STATE and any state, terri-  
 16 tory, country, or other sovereignty as executed by the  
 17 commissioner. Joint enterprise does not include ~~the state~~ A  
 18 lottery created ~~pursuant to~~ UNDER this act.

19 (d) "Lottery" ~~or "state lottery"~~ means ~~the~~ A lottery  
 20 created ~~pursuant to~~ UNDER this act and operated exclusively by  
 21 or under the exclusive control of the bureau of state lottery.

22 (E) "STATE LOTTERY" MEANS THE LOTTERY CREATED IN ARTICLE 1.

23 Sec. 11. (1) The commissioner shall promulgate rules pursu-  
 24 ant to the administrative procedures act of 1969, ~~Act No. 306 of~~  
 25 ~~the Public Acts of 1969, being sections 24.201 to 24.328 of the~~  
 26 ~~Michigan Compiled Laws~~ 1969 PA 306, MCL 24.201 TO 24.328, as  
 27 necessary to implement this act.

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

3           (a) The type of lottery to be conducted subject to section  
4 9(2).

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

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

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

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

11           (f) The frequency of the drawings or selections of winning  
12 tickets or shares.

13           (g) Without limit as to number, the type or types of loca-  
14 tions at which tickets or shares may be sold subject to section  
15 ~~23(10)~~ 23(8).

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

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

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

25           (k) The apportionment of the total annual revenues accruing  
26 from the sale of lottery tickets or shares and from all other  
27 sources for the payment of prizes to the holders of winning

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

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

15 (4) This section is repealed if the Michigan supreme court  
16 rules that sections 45 and 46 of the administrative procedures  
17 act of 1969, ~~Act No. 306 of the Public Acts of 1969, being sec-~~  
18 ~~tions 24.245 and 24.246 of the Michigan Compiled Laws~~ 1969 PA  
19 306, MCL 24.245 AND 24.246, are unconstitutional and a statute  
20 requiring legislative review of administrative rules is not  
21 enacted within 90 days after the Michigan supreme court ruling.  
22 ~~Nothing in this subsection invalidates rules that have been~~  
23 ~~promulgated prior to the effective date of the amendatory act~~  
24 ~~that added this subsection.~~ RULES PROMULGATED BEFORE APRIL 17,  
25 1996 ARE NOT INVALIDATED BY THIS SUBSECTION.

26 Sec. 23. (1) ~~A~~ THE COMMISSIONER SHALL NOT ISSUE A license  
27 ~~as an agent to sell lottery tickets or shares shall not be~~

1 ~~issued~~ to any person to engage in business exclusively as a  
2 lottery sales agent. Before issuing a license TO A PERSON TO ACT  
3 AS A LOTTERY SALES AGENT, the commissioner shall consider factors  
4 such as the financial responsibility and security of the person  
5 and his or her business or activity, the accessibility of his or  
6 her place of business or activity to the public, the sufficiency  
7 of existing licenses to serve the public convenience, and the  
8 volume of expected sales.

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

17 (2) ~~(3)~~ Notwithstanding any other provision of law, a  
18 person licensed ~~pursuant to this act may act~~ as a lottery sales  
19 agent MAY SELL LOTTERY TICKETS AND SHARES. A person lawfully  
20 engaged in nongovernmental business on state property may be  
21 licensed as a lottery sales agent.

22 (3) ~~(4)~~ A LOTTERY SALES AGENT license is not assignable or  
23 transferable.

24 (4) ~~(5)~~ A licensed LOTTERY SALES agent or his or her  
25 employee may sell lottery tickets or shares only on the premises  
26 stated in the license of the LOTTERY SALES agent. Effective July  
27 1, 1996, a licensed LOTTERY SALES agent who violates this

1 subsection is, at the commissioner's discretion, subject to 1 or  
2 more of the following:

3 (a) Probation for not more than 2 years.

4 (b) A fine of not more than \$1,000.00.

5 (c) Removal of his or her lottery terminal.

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

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

12 (6) ~~(8)~~ A licensed LOTTERY SALES agent shall display his  
13 or her license or a copy ~~thereof~~ OF THE LICENSE conspicuously  
14 in accordance with ~~the~~ rules PROMULGATED UNDER THIS ACT.

15 (7) ~~(9)~~ The commissioner may suspend or revoke the license  
16 of ~~any~~ A LOTTERY SALES agent who violates this act or a rule  
17 promulgated ~~pursuant to~~ UNDER this act.

18 (8) ~~(10)~~ For purposes of terminal placement, the commis-  
19 sioner shall take into account with equal emphasis both of the  
20 following:

21 (a) The total instant game sales for the 3 months immedi-  
22 ately preceding a market evaluation.

23 (b) The need to maximize net lottery revenues from the total  
24 number of terminals placed.

25 (9) AS USED IN THIS SECTION, "PERSON" MEANS AN INDIVIDUAL,  
26 ASSOCIATION, CORPORATION, CLUB, TRUST, ESTATE, SOCIETY, COMPANY,  
27 JOINT STOCK COMPANY, RECEIVER, TRUSTEE, REFEREE, ANY OTHER PERSON

1 ACTING IN A FIDUCIARY OR REPRESENTATIVE CAPACITY WHO IS APPOINTED  
2 BY A COURT, OR ANY COMBINATION OF INDIVIDUALS. PERSON INCLUDES  
3 ANY DEPARTMENT, COMMISSION, AGENCY, OR INSTRUMENTALITY OF THE  
4 STATE, INCLUDING ANY COUNTY, CITY, VILLAGE, OR TOWNSHIP AND ANY  
5 AGENCY OR INSTRUMENTALITY OF A COUNTY, CITY, VILLAGE, OR  
6 TOWNSHIP.

7 Sec. 32. (1) Before payment UNDER THIS ARTICLE of a prize  
8 of \$1,000.00 or more, the bureau shall determine whether the  
9 department of treasury records show that a lottery winner has a  
10 current liability to this state or a support arrearage. The  
11 department of treasury shall provide the bureau with a list or  
12 computer access to a compilation of persons known to the depart-  
13 ment to have a current liability to this state, including A  
14 delinquent ~~accounts~~ ACCOUNT of ~~amounts due and owing~~ MONEY  
15 DUE to a court that ~~have~~ HAS been assigned to the state for  
16 collection, or a support arrearage. The information shall be  
17 updated not less than once a month. If a liability to this state  
18 or support arrearage is identified, the bureau shall ascertain  
19 the amount owed from the department of treasury and ~~first~~ apply  
20 the ~~amount of the~~ prize FIRST to ~~the~~ A liability to the state  
21 other than ~~the amount of any~~ AN assigned delinquent account of  
22 ~~amounts due and owing~~ MONEY DUE to a court, next to ~~the~~ A  
23 support arrearage, and next to ~~the~~ AN assigned delinquent  
24 ~~accounts of amounts due and owing~~ ACCOUNT OF MONEY DUE to a  
25 court. ~~and the~~ THE excess, if any, shall be paid to the lot-  
26 tery winner.

1 (2) A lottery winner shall receive notice and an opportunity  
2 for a hearing before the department of treasury or its designee  
3 with respect to the liability to which the prize is to be applied  
4 ~~where~~ UNDER THIS SECTION, IF the liability has not been reduced  
5 to judgment or has not been finalized under statutory review pro-  
6 visions of the statute under which the liability arose. The  
7 notice shall be ~~made~~ GIVEN by regular mail. The lottery winner  
8 may request a hearing within 15 days of the date of the notice by  
9 making a written request to the revenue commissioner.

10 (3) ~~An amount~~ MONEY applied to ~~pay~~ a support arrearage  
11 UNDER THIS SECTION shall be paid by the bureau to the department  
12 of treasury which shall pay the ~~amount~~ MONEY to the office of  
13 the friend of the court for the appropriate judicial circuit in  
14 the ~~same~~ manner ~~as is~~ prescribed for a payment pursuant to an  
15 order of income withholding under section 9 of the support and  
16 parenting time enforcement act, ~~Act No. 295 of the Public Acts~~  
17 ~~of 1982, being section 552.609 of the Michigan Compiled Laws~~  
18 1982 PA 295, MCL 552.609.

19 (4) In regard to the information provided by the department  
20 of treasury to the bureau under this section, the bureau is  
21 subject to the confidentiality restrictions and penalties pro-  
22 vided in section 28(1)(f) and (2) of ~~Act No. 122 of the Public~~  
23 ~~Acts of 1941, being section 205.28 of the Michigan Compiled Laws~~  
24 1941 PA 122, MCL 205.28.

25 (5) ~~Until October 1, 1995 each office of the friend of the~~  
26 ~~court may report to the department of treasury the names of~~  
27 ~~persons who have a current support arrearage. Beginning October~~



1 ~~1, 1995 each~~ THE office of the friend of the court shall report  
2 to the office of child support the names of persons who have a  
3 current support arrearage and the office of child support shall  
4 provide that information to the department of treasury.

5 (6) As used in this section:

6 (a) "Office of the friend of the court" means an agency cre-  
7 ated in section 3 of the friend of the court act, ~~Act No. 294 of~~  
8 ~~the Public Acts of 1982, being section 552.503 of the Michigan~~  
9 ~~Compiled Laws~~ 1982 PA 294, MCL 552.503.

10 (b) "Support" means that term as defined in section ~~31 of~~  
11 ~~Act No. 294 of the Public Acts of 1982, being section 552.531 of~~  
12 ~~the Michigan Compiled Laws~~ 2A OF THE FRIEND OF THE COURT ACT,  
13 1982 PA 294, MCL 552.502A.

14 ARTICLE 2

15 SEC. 50. AS USED IN THIS ARTICLE:

16 (A) "ADMINISTRATIVE COSTS" MEANS THE COSTS AND EXPENSES  
17 INCURRED BY THE BUREAU IN ADMINISTERING VIDEO LOTTERY AT THE  
18 RACETRACK OF A LICENSE HOLDER, INCLUDING, BUT NOT LIMITED TO,  
19 EXPENSES INCURRED BY THE BUREAU IN PERFORMING AN INVESTIGATION OF  
20 AN APPLICANT FOR A LICENSE OR A LICENSE HOLDER.

21 (B) "APPLICANT" MEANS A PERSON APPLYING FOR A LICENSE OR  
22 PERMIT.

23 (C) "ASSOCIATED EQUIPMENT" MEANS HARDWARE LOCATED AT THE  
24 RACETRACK OF A LICENSE HOLDER THAT IS CONNECTED TO THE CENTRAL  
25 CONTROL SYSTEM FOR COMMUNICATION, VALIDATION, OR OTHER PURPOSES.  
26 ASSOCIATED EQUIPMENT DOES NOT INCLUDE A VIDEO LOTTERY TERMINAL OR  
27 THE COMMUNICATION FACILITIES OF A REGULATED PUBLIC UTILITY.

1 (D) "CENTRAL CONTROL SYSTEM" MEANS A COMPUTER OR COMPUTER  
2 SYSTEM PROVIDED TO AND CONTROLLED BY THE BUREAU THAT COMMUNICATES  
3 WITH VIDEO LOTTERY TERMINALS TO RETRIEVE INFORMATION AND ACTIVATE  
4 AND DISABLE THE TERMINALS.

5 (E) "DISABLE" MEANS THE PROCESS OF EXECUTING A SHUTDOWN COM-  
6 MAND FROM THE CENTRAL CONTROL SYSTEM THAT CAUSES A VIDEO LOTTERY  
7 TERMINAL TO CEASE FUNCTIONING.

8 (F) "DISPLAY" MEANS THE VISUAL PRESENTATION OF VIDEO LOTTERY  
9 GAME FEATURES ON A VIDEO LOTTERY TERMINAL IN THE FORM OF VIDEO  
10 IMAGES, ACTUAL SYMBOLS, OR BOTH.

11 (G) "GROSS TERMINAL INCOME" MEANS THE TOTAL AMOUNT OF CASH,  
12 VOUCHERS, AND TOKENS INSERTED INTO THE VIDEO LOTTERY TERMINALS  
13 OPERATED BY A LICENSE HOLDER, MINUS THE TOTAL VALUE OF COINS AND  
14 TOKENS WON BY PLAYERS AND GAME CREDITS CLEARED FROM THE VIDEO  
15 LOTTERY TERMINALS IN EXCHANGE FOR WINNING REDEMPTION TICKETS.

16 (H) "LICENSE" MEANS AUTHORIZATION GRANTED BY THE BUREAU TO A  
17 PERSON THAT HOLDS A TRACK LICENSE UNDER THE HORSE RACING LAW OF  
18 1995, 1995 PA 279, MCL 431.301 TO 431.336, PERMITTING THE PERSON  
19 TO OPERATE VIDEO LOTTERY TERMINALS REGISTERED AND APPROVED BY THE  
20 BUREAU.

21 (I) "MANUFACTURER" MEANS A PERSON HOLDING A PERMIT ISSUED BY  
22 THE BUREAU TO ENGAGE IN THE BUSINESS OF DESIGNING, BUILDING, CON-  
23 STRUCTING, ASSEMBLING, OR MANUFACTURING VIDEO LOTTERY TERMINALS,  
24 THE ELECTRONIC COMPUTER COMPONENTS OF VIDEO LOTTERY TERMINALS,  
25 THE RANDOM NUMBER GENERATOR OF VIDEO LOTTERY TERMINALS, OR CABI-  
26 NETS IN WHICH VIDEO LOTTERY TERMINALS ARE HOUSED, WHOSE PRODUCTS  
27 ARE INTENDED FOR SALE, LEASE, OR OTHER TRANSFER TO LICENSE

1 HOLDERS IN THIS STATE, AND WHO CONTRACTS DIRECTLY WITH THE  
2 LICENSE HOLDER FOR THE SALE, LEASE, OR OTHER TRANSFER OF THE  
3 PRODUCT.

4 (J) "NET TERMINAL INCOME" MEANS GROSS TERMINAL INCOME MINUS  
5 AN AMOUNT DEDUCTED BY THE BUREAU FOR ADMINISTRATIVE COSTS. COSTS  
6 AND EXPENSES OF A LICENSE HOLDER RELATED TO THE OPERATION OF  
7 VIDEO LOTTERY GAMES SHALL NOT BE DEDUCTED FROM GROSS TERMINAL  
8 INCOME TO DETERMINE NET TERMINAL INCOME.

9 (K) "NONCASH PRIZE" MEANS MERCHANDISE A PLAYER MAY BE GIVEN  
10 THE OPTION OF RECEIVING INSTEAD OF CASH IN EXCHANGE FOR A WINNING  
11 REDEMPTION TICKET. A NONCASH PRIZE SHALL BE ASSIGNED A REDEMP-  
12 TION VALUE EQUAL TO THE ACTUAL COST OF THE MERCHANDISE TO THE  
13 LICENSE HOLDER.

14 (L) "PERMIT" MEANS AUTHORIZATION GRANTED BY THE BUREAU TO A  
15 PERSON TO FUNCTION AS A MANUFACTURER OR SERVICE TECHNICIAN.

16 (M) "PERSON" MEANS AN INDIVIDUAL, CORPORATION, ASSOCIATION,  
17 PARTNERSHIP, LIMITED PARTNERSHIP, OR OTHER LEGAL ENTITY.

18 (N) "PLAYER" MEANS A PERSON WHO PLAYS A VIDEO LOTTERY GAME  
19 ON A VIDEO LOTTERY TERMINAL AT A RACETRACK OF A LICENSE HOLDER.

20 (O) "RACETRACK" MEANS A FACILITY WHERE LICENSED RACE MEET-  
21 INGS ARE HELD AND THE PARI-MUTUEL SYSTEM OF WAGERING IS CONDUCTED  
22 AS AUTHORIZED UNDER THE HORSE RACING LAW OF 1995, 1995 PA 279,  
23 MCL 431.301 TO 431.336.

24 (P) "RACING COMMISSIONER" MEANS THE RACING COMMISSIONER CRE-  
25 ATED BY SECTION 3 OF THE HORSE RACING LAW OF 1995, 1995 PA 279,  
26 MCL 431.303.

1 (Q) "SERVICE TECHNICIAN" MEANS AN INDIVIDUAL EMPLOYED BY A  
2 LICENSE HOLDER WHO HOLDS A PERMIT ISSUED BY THE BUREAU AND WHO  
3 PERFORMS SERVICE, MAINTENANCE, AND REPAIR ON VIDEO LOTTERY TERMI-  
4 NALS OF LICENSE HOLDERS IN THIS STATE.

5 (R) "VIDEO LOTTERY" MEANS A LOTTERY THAT ALLOWS A GAME TO BE  
6 PLAYED USING AN ELECTRONIC COMPUTER AND AN INTERACTIVE COMPUTER  
7 TERMINAL DEVICE, EQUIPPED WITH A VIDEO SCREEN AND KEYS, A KEY-  
8 BOARD, OR OTHER EQUIPMENT ALLOWING INPUT BY A PLAYER, INTO WHICH  
9 THE PLAYER INSERTS COINS, CURRENCY, VOUCHERS, OR TOKENS AS CON-  
10 sideration in order for play to be available, and through which  
11 terminal device the player may receive free games, coins, tokens,  
12 or credit that can be redeemed for cash, annuitized payments over  
13 time, a noncash prize, or nothing as determined wholly or predom-  
14 inantly by chance. VIDEO LOTTERY DOES NOT INCLUDE A LOTTERY GAME  
15 THAT MERELY USES AN ELECTRONIC COMPUTER AND A VIDEO SCREEN TO  
16 OPERATE A LOTTERY GAME AND COMMUNICATE THE RESULTS OF THE GAME  
17 AND THAT DOES NOT USE AN INTERACTIVE ELECTRONIC TERMINAL DEVICE  
18 ALLOWING INPUT BY A PLAYER.

19 (S) "VIDEO LOTTERY GAME" MEANS A BUREAU-APPROVED, ELECTRONI-  
20 CALLY SIMULATED GAME OF CHANCE THAT IS DISPLAYED ON A VIDEO LOT-  
21 TERY TERMINAL AND TO WHICH ALL OF THE FOLLOWING APPLY:

22 (i) THE VIDEO LOTTERY TERMINAL ON WHICH THE GAME IS DIS-  
23 PLAYED IS CONNECTED TO THE CENTRAL CONTROL SYSTEM BY AN ON-LINE  
24 OR DIAL-UP COMMUNICATION SYSTEM.

25 (ii) THE GAME IS INITIATED BY A PLAYER'S INSERTION OF COINS,  
26 CURRENCY, VOUCHERS, OR TOKENS INTO A VIDEO LOTTERY TERMINAL,  
27 WHICH CAUSES GAME PLAY CREDITS TO BE DISPLAYED ON THE VIDEO

1 LOTTERY TERMINAL, EACH GAME PLAY CREDIT ENTITLING A PLAYER TO  
2 CHOOSE 1 OR MORE SYMBOLS OR NUMBERS OR TO CAUSE THE VIDEO LOTTERY  
3 TERMINAL TO RANDOMLY SELECT SYMBOLS OR NUMBERS.

4 (iii) THE GAME ALLOWS A PLAYER TO WIN ADDITIONAL GAME PLAY  
5 CREDITS, COINS, OR TOKENS BASED UPON GAME RULES THAT ESTABLISH  
6 THE RANDOM SELECTION OF WINNING COMBINATIONS OF SYMBOLS, NUMBERS,  
7 OR BOTH AND THE NUMBER OF GAME PLAY CREDITS, COINS, OR TOKENS TO  
8 BE AWARDED FOR EACH WINNING COMBINATION OF SYMBOLS, NUMBERS, OR  
9 BOTH.

10 (iv) THE GAME IS BASED ON COMPUTER-GENERATED RANDOM SELEC-  
11 TION OF WINNING COMBINATIONS PRODUCED TOTALLY OR PREDOMINANTLY BY  
12 CHANCE.

13 (v) IF THE VIDEO LOTTERY GAME ALLOWS THE PLAYER AN OPTION TO  
14 SELECT REPLACEMENT SYMBOLS OR NUMBERS OR ADDITIONAL SYMBOLS OR  
15 NUMBERS AFTER THE GAME IS INITIATED AND IN THE COURSE OF PLAY,  
16 THE GAME DOES 1 OF THE FOLLOWING BEFORE THE OPTIONAL SELECTION BY  
17 THE PLAYER OF RANDOMLY GENERATED REPLACEMENT OR ADDITIONAL SYM-  
18 BOLS OR NUMBERS:

19 (A) SIGNALS THE PLAYER WHICH SYMBOLS OR NUMBERS SHOULD BE  
20 RETAINED BY THE PLAYER TO PRESENT THE BEST CHANCE, BASED ON PROB-  
21 ABILITIES, THAT THE PLAYER MAY SELECT A WINNING COMBINATION.

22 (B) SIGNALS THE PLAYER WHETHER ADDITIONAL SELECTION PRESENTS  
23 THE BEST CHANCE, BASED ON PROBABILITIES, THAT THE PLAYER MAY  
24 SELECT A WINNING COMBINATION.

25 (C) RANDOMLY GENERATES ADDITIONAL OR REPLACEMENT SYMBOLS AND  
26 NUMBERS FOR THE PLAYER AFTER AUTOMATICALLY SELECTING THE SYMBOLS  
27 AND NUMBERS THAT SHOULD BE RETAINED TO PRESENT THE BEST CHANCE,

1 BASED ON PROBABILITIES, FOR A WINNING COMBINATION, SO THAT THE  
2 PLAYER IS NOT PERMITTED TO BENEFIT FROM PERSONAL SKILL, BASED ON  
3 A KNOWLEDGE OF PROBABILITIES, BEFORE DECIDING WHICH OPTIONAL NUM-  
4 BERS OR SYMBOLS TO CHOOSE IN THE COURSE OF VIDEO LOTTERY GAME  
5 PLAY.

6 (vi) THE GAME ALLOWS A PLAYER AT ANY TIME TO SIMULTANEOUSLY  
7 CLEAR ALL GAME PLAY CREDITS AND PRINT A REDEMPTION TICKET ENTITL-  
8 ING THE PLAYER TO RECEIVE THE CASH VALUE OF THE GAME PLAY CREDITS  
9 CLEARED FROM THE VIDEO LOTTERY TERMINAL.

10 (vii) THE GAME DOES NOT DISPLAY ROULETTE, DICE, OR BACCARAT  
11 CARD GAME THEMES COMMONLY ASSOCIATED WITH CASINO GAMBLING. THE  
12 GAME MAY DISPLAY SYMBOLS THAT APPEAR TO ROLL ON DRUMS TO SIMULATE  
13 A CLASSIC CASINO SLOT MACHINE OR MAY DISPLAY OTHER CARD GAME OR  
14 KENO GAME THEMES.

15 (T) "VIDEO LOTTERY TERMINAL" MEANS A BUREAU-APPROVED INTER-  
16 ACTIVE ELECTRONIC TERMINAL DEVICE THAT IS CONNECTED TO THE CEN-  
17 TRAL CONTROL SYSTEM AND USED TO PLAY VIDEO LOTTERY GAMES AUTHO-  
18 RIZED BY THE BUREAU. A VIDEO LOTTERY TERMINAL MAY SIMULATE THE  
19 PLAY OF 1 OR MORE VIDEO LOTTERY GAMES.

20 (U) "WAGER" MEANS A SUM OF MONEY OR THING OF VALUE RISKED ON  
21 AN UNCERTAIN OCCURRENCE.

22 SEC. 51. (1) THE BUREAU MAY IMPLEMENT AND OPERATE VIDEO  
23 LOTTERY GAMES AT RACETRACKS IN THIS STATE IN ACCORDANCE WITH THIS  
24 ARTICLE.

25 (2) ARTICLE 1 APPLIES TO VIDEO LOTTERY OPERATIONS UNDER THIS  
26 ARTICLE, BUT A PROVISION OF THIS ARTICLE SUPERSEDES A CONFLICTING  
27 OR INCONSISTENT PROVISION OF ARTICLE 1.

1           SEC. 52. (1) A MANUFACTURER SHALL NOT SELL OR LEASE A VIDEO  
2 LOTTERY TERMINAL FOR PLACEMENT AT A RACETRACK IN THIS STATE  
3 UNLESS THE BUREAU HAS APPROVED THE TERMINAL. ONLY A MANUFACTURER  
4 WITH A PERMIT MAY APPLY FOR APPROVAL OF A VIDEO LOTTERY TERMINAL  
5 OR ASSOCIATED EQUIPMENT. TO APPLY FOR APPROVAL, A MANUFACTURER  
6 SHALL SUBMIT 2 COPIES OF TERMINAL ILLUSTRATIONS, SCHEMATICS,  
7 BLOCK DIAGRAMS, CIRCUIT ANALYSIS, TECHNICAL AND OPERATION MANU-  
8 ALS, AND ANY OTHER INFORMATION REQUESTED BY THE BUREAU TO ALLOW  
9 ANALYSIS AND TESTING OF THE VIDEO LOTTERY TERMINAL OR ASSOCIATED  
10 EQUIPMENT.

11           (2) THE BUREAU MAY REQUIRE THAT 2 WORKING MODELS OF A VIDEO  
12 LOTTERY TERMINAL BE TRANSPORTED TO A LOCATION DESIGNATED BY THE  
13 BUREAU FOR TESTING, EXAMINATION, AND ANALYSIS. THE MANUFACTURER  
14 SHALL PAY ALL COSTS OF TESTING, EXAMINATION, ANALYSIS, AND TRANS-  
15 PORTATION OF THE VIDEO LOTTERY TERMINAL MODELS. THE TESTING,  
16 EXAMINATION, AND ANALYSIS OF A VIDEO LOTTERY TERMINAL MODEL MAY  
17 REQUIRE DISMANTLING THE TERMINAL, AND SOME TESTS MAY RESULT IN  
18 DAMAGE OR DESTRUCTION TO 1 OR MORE ELECTRONIC COMPONENTS OF THE  
19 MODEL. THE BUREAU MAY REQUIRE THE MANUFACTURER TO PROVIDE SPE-  
20 CIALIZED EQUIPMENT OR PAY FOR THE SERVICES OF AN INDEPENDENT  
21 TECHNICAL EXPERT TO TEST THE TERMINAL.

22           (3) THE MANUFACTURER SHALL PAY THE COST OF TRANSPORTING 2  
23 VIDEO LOTTERY TERMINALS TO BUREAU HEADQUARTERS. THE BUREAU SHALL  
24 CONDUCT A TEST AT BUREAU HEADQUARTERS TO DETERMINE TERMINAL FUNC-  
25 TIONS AND CENTRAL CONTROL SYSTEM COMPATIBILITY. IF THE VIDEO  
26 LOTTERY TERMINAL FAILS THE TEST CONDUCTED BY THE BUREAU UNDER

1 THIS SUBSECTION, THE MANUFACTURER SHALL MAKE ALL MODIFICATIONS  
2 REQUIRED BY THE BUREAU.

3 (4) AFTER THE COMPLETION OF TESTING UNDER THIS SECTION, THE  
4 BUREAU SHALL PROVIDE THE TERMINAL MANUFACTURER WITH A REPORT CON-  
5 TAINING FINDINGS, CONCLUSIONS, AND PASS OR FAIL RESULTS. THE  
6 REPORT MAY CONTAIN RECOMMENDATIONS FOR MODIFICATION OF THE VIDEO  
7 LOTTERY TERMINAL TO BRING THE TERMINAL INTO COMPLIANCE WITH THIS  
8 ARTICLE. BEFORE APPROVING A PARTICULAR TERMINAL MODEL, THE  
9 BUREAU MAY REQUIRE A TRIAL PERIOD OF NOT MORE THAN 60 DAYS FOR A  
10 LICENSE HOLDER TO TEST THE TERMINAL. THE MANUFACTURER SHALL NOT  
11 MAKE ANY MODIFICATIONS TO THE TERMINAL MODEL DURING THE TRIAL  
12 PERIOD UNLESS THE BUREAU APPROVES THE MODIFICATIONS.

13 (5) A VIDEO MANUFACTURER AND A LICENSE HOLDER ARE JOINTLY  
14 RESPONSIBLE FOR THE ASSEMBLY AND INSTALLATION OF A VIDEO LOTTERY  
15 TERMINAL AND ASSOCIATED EQUIPMENT. A MANUFACTURER OR A LICENSE  
16 HOLDER SHALL NOT MODIFY THE ASSEMBLY OR OPERATIONAL FUNCTIONS OF  
17 A VIDEO TERMINAL APPROVED FOR PLACEMENT IN THIS STATE UNLESS THE  
18 BUREAU FIRST APPROVES A REQUEST FOR THE MODIFICATION. A REQUEST  
19 FOR MODIFICATION OF AN APPROVED VIDEO TERMINAL MODEL SHALL CON-  
20 TAIN A DETAILED DESCRIPTION OF THE TYPE OF CHANGE, THE REASONS  
21 FOR THE CHANGE, AND TECHNICAL DOCUMENTATION OF THE CHANGE.

22 (6) A VIDEO LOTTERY TERMINAL APPROVED FOR PLACEMENT AT A  
23 RACETRACK SHALL CONFORM TO THE EXACT SPECIFICATIONS OF THE VIDEO  
24 LOTTERY TERMINAL MODEL TESTED AND APPROVED BY THE BUREAU. THE  
25 BUREAU SHALL SEIZE AND DESTROY A VIDEO LOTTERY TERMINAL OR MODI-  
26 FICATION TO A VIDEO LOTTERY TERMINAL THAT HAS NOT BEEN APPROVED  
27 BY THE BUREAU AND SHALL SUSPEND THE LICENSE OF A LICENSE HOLDER



1 OR PERMIT OF A MANUFACTURER THAT OPERATES OR MANUFACTURES A VIDEO  
2 LOTTERY TERMINAL OR MODIFICATION TO A VIDEO LOTTERY TERMINAL THAT  
3 HAS NOT BEEN APPROVED BY THE BUREAU.

4 SEC. 53. (1) A VIDEO LOTTERY TERMINAL APPROVED FOR PLACE-  
5 MENT IN THIS STATE SHALL MEET ALL OF THE FOLLOWING HARDWARE  
6 SPECIFICATIONS:

7 (A) ELECTRICAL AND MECHANICAL PARTS AND DESIGN PRINCIPLES  
8 SHALL NOT SUBJECT A PLAYER TO PHYSICAL HAZARDS OR INJURY.

9 (B) A SURGE PROTECTOR SHALL BE INSTALLED ON THE ELECTRICAL  
10 POWER SUPPLY LINE TO THE VIDEO LOTTERY TERMINAL. A BATTERY OR  
11 EQUIVALENT POWER BACKUP FOR ELECTRONIC METERS CAPABLE OF MAIN-  
12 TAINING ACCURACY OF ALL ACCOUNTING RECORDS AND TERMINAL STATUS  
13 REPORTS FOR A TIME ESTABLISHED BY THE BUREAU SHALL BE LOCATED  
14 WITHIN THE LOCKED LOGIC BOARD COMPARTMENT OF THE VIDEO LOTTERY  
15 TERMINAL.

16 (C) AN ON-OFF SWITCH THAT CONTROLS THE ELECTRICAL CURRENT  
17 USED IN THE OPERATION OF THE VIDEO LOTTERY TERMINAL SHALL BE  
18 LOCATED IN AN ACCESSIBLE PLACE WITHIN THE INTERIOR OF THE  
19 TERMINAL.

20 (D) STATIC DISCHARGE OR OTHER ELECTROMAGNETIC INTERFERENCE  
21 SHALL NOT ADVERSELY AFFECT THE OPERATION OF THE VIDEO LOTTERY  
22 TERMINAL.

23 (E) AT LEAST 1 ELECTRONIC OR MECHANICAL COIN ACCEPTOR OR  
24 OTHER METHOD TO ACCURATELY AND EFFICIENTLY ESTABLISH CREDITS  
25 SHALL BE INSTALLED ON EACH VIDEO LOTTERY TERMINAL. THE VIDEO  
26 LOTTERY TERMINAL MAY ALSO CONTAIN A BILL ACCEPTOR CAPABLE OF  
27 ACCEPTING CURRENCY IN DENOMINATIONS AS DETERMINED BY THE BUREAU

1 IF THE BUREAU HAS APPROVED THE BILL ACCEPTOR FOR USE ON THE VIDEO  
2 LOTTERY TERMINAL.

3 (F) ACCESS TO THE INTERIOR OF THE VIDEO LOTTERY TERMINAL  
4 SHALL BE CONTROLLED THROUGH A SERIES OF LOCKS AND SEALS.

5 (G) THE MAIN LOGIC BOARDS SHALL BE LOCATED IN A SEPARATE  
6 LOCKED AND SEALED AREA WITHIN THE VIDEO LOTTERY TERMINAL.

7 (H) THE CASH COMPARTMENT SHALL BE LOCATED IN A SEPARATE  
8 LOCKED AREA WITHIN OR ATTACHED TO THE VIDEO LOTTERY TERMINAL.

9 (I) HARDWARE SWITCHES, JUMPERS, WIRE POSTS, OR OTHER MEANS  
10 OF MANIPULATION THAT ALTER THE PAY TABLES OR PAYOUT PERCENTAGES  
11 IN THE OPERATION OF A GAME SHALL NOT BE INSTALLED IN THE VIDEO  
12 LOTTERY TERMINAL. THE BUREAU MAY APPROVE HARDWARE SWITCHES ON A  
13 VIDEO LOTTERY TERMINAL TO CONTROL THE TERMINAL'S GRAPHIC ROU-  
14 TINES, SPEED OF PLAY, SOUND, AND OTHER PURELY COSMETIC FEATURES.

15 (J) THE VIDEO LOTTERY TERMINAL SHALL CONTAIN A SINGLE PRINT-  
16 ING MECHANISM CAPABLE OF PRINTING AN ORIGINAL TICKET AND RETAIN-  
17 ING AN EXACT LEGIBLE COPY WITHIN THE VIDEO LOTTERY TERMINAL OR  
18 OTHER MEANS OF ELECTRONICALLY CAPTURING AND RETAINING THE TICKET  
19 DATA AS APPROVED BY THE BUREAU. ALL OF THE FOLLOWING INFORMATION  
20 SHALL BE PRINTED ON THE TICKET WHEN CREDITS ACCRUED ON THE VIDEO  
21 LOTTERY TERMINAL ARE CLEARED:

22 (i) THE NUMBER OF CREDITS ACCRUED.

23 (ii) THE VALUE OF THE CREDITS IN DOLLARS AND CENTS DISPLAYED  
24 IN NUMBERS AND WORDS.

25 (iii) THE DATE AND TIME.

26 (iv) THE VALIDATION NUMBER.

1 (v) ANY OTHER INFORMATION REQUIRED BY THE BUREAU.

2 (k) THE VIDEO LOTTERY TERMINAL SHALL HAVE A PERMANENTLY  
3 AFFIXED IDENTIFICATION PLATE ON THE EXTERIOR CONTAINING ALL OF  
4 THE FOLLOWING FOR THE VIDEO LOTTERY TERMINAL:

5 (i) THE MANUFACTURER.

6 (ii) THE SERIAL NUMBER.

7 (iii) THE MODEL NUMBER.

8 (l) A VIDEO LOTTERY TERMINAL REGISTERED WITH AND APPROVED BY  
9 THE BUREAU FOR USE AT A RACETRACK SHALL ONLY ALLOW THE PLAY OF  
10 VIDEO LOTTERY GAMES REGULATED AND CONTROLLED BY THE BUREAU UNDER  
11 THIS SECTION THAT USE SPECIFIC GAME RULES PROMULGATED BY THE  
12 BUREAU PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969,  
13 1969 PA 306, MCL 24.201 TO 24.328.

14 (m) THE RULES OF PLAY FOR EACH VIDEO LOTTERY GAME SHALL BE  
15 DISPLAYED ON THE VIDEO LOTTERY TERMINAL SCREEN. THE BUREAU MAY  
16 REJECT ANY RULES OF PLAY THAT ARE INCOMPLETE, CONFUSING, MISLEAD-  
17 ING, OR INCONSISTENT WITH GAME RULES APPROVED BY THE BUREAU.  
18 EACH VIDEO LOTTERY GAME SHALL HAVE A DISPLAY DETAILING THE CRED-  
19 ITS AWARDED FOR THE OCCURRENCE OF EACH POSSIBLE WINNING COMBINA-  
20 TION OF NUMBERS OR SYMBOLS. ALL INFORMATION REQUIRED BY THIS  
21 SUBDIVISION SHALL BE DISPLAYED UNDER GLASS OR ANOTHER TRANSPARENT  
22 SUBSTANCE. NO STICKERS OR OTHER REMOVABLE DEVICES SHALL BE  
23 PLACED ON THE VIDEO LOTTERY TERMINAL SCREEN WITHOUT THE PRIOR  
24 APPROVAL OF THE BUREAU.

25 (n) THE VIDEO LOTTERY TERMINAL SHALL HAVE COMMUNICATION  
26 EQUIPMENT AND DEVICES INSTALLED THAT ENABLE IT TO COMMUNICATE  
27 WITH THE CENTRAL CONTROL SYSTEM USING A COMMUNICATIONS PROTOCOL

1 THAT THE BUREAU SHALL PROVIDE TO EACH MANUFACTURER, INCLUDING  
2 INFORMATION RETRIEVAL AND TERMINAL ACTIVATION AND DISABLING  
3 PROGRAMS.

4 (O) THE VIDEO LOTTERY TERMINAL SHALL HAVE A SECURITY SYSTEM  
5 THAT TEMPORARILY DISABLES THE GAMING FUNCTION OF THE TERMINAL  
6 WHILE OPENED.

7 (2) A VIDEO LOTTERY TERMINAL SHALL USE A RANDOM NUMBER GEN-  
8 ERATOR TO DETERMINE RANDOMLY THE OCCURRENCE OF EACH SPECIFIC  
9 SYMBOL OR NUMBER USED IN A VIDEO LOTTERY GAME. A DETERMINATION  
10 PROCESS IS RANDOM IF IT MEETS ALL OF THE FOLLOWING STATISTICAL  
11 CRITERIA:

12 (A) EACH SYMBOL OR NUMBER SATISFIES THE 99% CONFIDENCE LIMIT  
13 USING THE STANDARD CHI-SQUARE STATISTICAL ANALYSIS OF THE DIFFER-  
14 ENCE BETWEEN THE EXPECTED RESULT AND THE OBSERVED RESULT.

15 (B) EACH SYMBOL OR NUMBER DOES NOT PRODUCE A SIGNIFICANT  
16 STATISTIC WITH REGARD TO PRODUCING PATTERNS OF OCCURRENCES. EACH  
17 SYMBOL OR NUMBER IS RANDOM IF IT MEETS THE 99% CONFIDENCE LEVEL  
18 WITH REGARD TO THE RUNS TEST FOR THE EXISTENCE OF RECURRING PAT-  
19 TERNS WITHIN A SET OF DATA.

20 (C) EACH PAIR OF SYMBOLS OR NUMBERS MEETS THE 99% CONFIDENCE  
21 LEVEL USING STANDARD CORRELATION ANALYSIS TO DETERMINE WHETHER  
22 EACH SYMBOL OR NUMBER IS INDEPENDENTLY CHOSEN WITHOUT REGARD TO  
23 ANOTHER SYMBOL OR NUMBER WITHIN A SINGLE GAME PLAY.

24 (D) EACH SYMBOL OR NUMBER MEETS THE 99% CONFIDENCE LEVEL  
25 USING STANDARD SERIAL CORRELATION ANALYSIS TO DETERMINE WHETHER  
26 EACH SYMBOL OR NUMBER IS INDEPENDENTLY CHOSEN WITHOUT REFERENCE  
27 TO THE SAME SYMBOL OR NUMBER IN A PREVIOUS GAME.

1           (3) A VIDEO LOTTERY TERMINAL SHALL MEET THE FOLLOWING  
2 THEORETICAL PAYOUT PERCENTAGES:

3           (A) A MINIMUM OF 80% OF THE AMOUNT WAGERED DURING THE  
4 EXPECTED LIFETIME OF THE TERMINAL, DETERMINED USING STANDARD  
5 METHODS OF PROBABILITY THEORY.

6           (B) A MAXIMUM OF 95% OF THE AMOUNT WAGERED DURING THE  
7 EXPECTED LIFETIME OF THE TERMINAL, DETERMINED USING STANDARD  
8 METHODS OF PROBABILITY THEORY, UNLESS THE BUREAU APPROVES A  
9 REQUEST BY THE MANUFACTURER TO PROGRAM THE VIDEO LOTTERY TERMINAL  
10 FOR A PAYOUT GREATER THAN 95% OF THE AMOUNT WAGERED. A MANUFAC-  
11 TURER SHALL OBTAIN BUREAU APPROVAL BEFORE APPLYING FOR TESTING OF  
12 A HIGH PAYOUT TERMINAL.

13           (C) A PROBABILITY GREATER THAN 1 IN 17,000,000 OF OBTAINING  
14 THE MAXIMUM PAYOUT FOR EACH PLAY.

15           (4) A VIDEO LOTTERY TERMINAL SHALL BE CAPABLE OF CONTINUING  
16 THE CURRENT GAME WITH ALL CURRENT GAME FEATURES AFTER A MALFUNC-  
17 TION OF THE TERMINAL IS CLEARED. IF A VIDEO LOTTERY TERMINAL  
18 BECOMES TOTALLY INOPERABLE DURING A GAME, THE CURRENT WAGER AND  
19 ALL CREDITS APPEARING ON THE VIDEO LOTTERY TERMINAL DISPLAY  
20 BEFORE THE MALFUNCTION SHALL BE RETURNED TO THE PLAYER.

21           (5) A VIDEO LOTTERY TERMINAL SHALL MAINTAIN ELECTRONIC  
22 ACCOUNTING AT ALL TIMES REGARDLESS OF WHETHER THE TERMINAL IS  
23 BEING SUPPLIED WITH ELECTRICAL POWER. THE ELECTRONIC METER OF A  
24 VIDEO LOTTERY TERMINAL SHALL RECORD ALL OF THE FOLLOWING  
25 INFORMATION:

26           (A) THE NUMBER OF COINS INSERTED BY PLAYERS OR THE COIN  
27 EQUIVALENT IF A BILL ACCEPTOR, TOKENS, OR VOUCHERS ARE USED.

1 (B) THE NUMBER OF CREDITS WAGERED.

2 (C) THE NUMBER OF TOTAL CREDITS, COINS, AND TOKENS WON.

3 (D) THE NUMBER OF CREDITS PAID OUT BY A PRINTED TICKET.

4 (E) THE NUMBER OF COINS OR TOKENS WON, IF APPLICABLE.

5 (F) THE NUMBER OF TIMES THE LOGIC AREA HAS BEEN ACCESSED.

6 (G) THE NUMBER OF TIMES THE CASH DOOR HAS BEEN ACCESSED.

7 (H) THE NUMBER OF CREDITS WAGERED IN THE CURRENT GAME.

8 (I) THE NUMBER OF CREDITS WON IN THE LAST COMPLETE VIDEO  
9 LOTTERY GAME.

10 (J) THE NUMBER OF CUMULATIVE CREDITS REPRESENTING MONEY  
11 INSERTED BY A PLAYER AND CREDITS FOR VIDEO LOTTERY GAMES WON BUT  
12 NOT COLLECTED.

13 (6) A VIDEO LOTTERY TERMINAL SHALL NOT HAVE A MECHANISM THAT  
14 ALLOWS THE ELECTRONIC ACCOUNTING METERS TO CLEAR AUTOMATICALLY.  
15 A PERSON SHALL NOT CLEAR AN ELECTRONIC ACCOUNTING METER WITHOUT  
16 THE PRIOR APPROVAL OF THE BUREAU. BOTH BEFORE AND AFTER AN ELEC-  
17 TRONIC ACCOUNTING METER IS CLEARED, ALL METER READINGS SHALL BE  
18 RECORDED IN THE PRESENCE OF A BUREAU EMPLOYEE.

19 (7) THE BUREAU HAS PRIMARY RESPONSIBILITY FOR THE CONTROL  
20 AND REGULATION OF A VIDEO LOTTERY GAME OR VIDEO LOTTERY TERMINAL  
21 OPERATED UNDER THIS ARTICLE.

22 (8) THE BUREAU SHALL, DIRECTLY OR THROUGH A CONTRACT WITH A  
23 THIRD PARTY VENDOR OTHER THAN A LICENSE HOLDER, MAINTAIN A CEN-  
24 TRAL CONTROL SYSTEM TO MONITOR LOTTERY TERMINALS USING AN ON-LINE  
25 OR DIAL-UP COMMUNICATION METHOD. THE CENTRAL CONTROL SYSTEM  
26 SHALL BE CAPABLE OF MONITORING THE OPERATION OF AND IMMEDIATELY  
27 DISABLING EACH VIDEO LOTTERY TERMINAL. THE BUREAU MAY REQUIRE A

1 LICENSE HOLDER TO PAY THE COST OF A CENTRAL CONTROL SYSTEM AS  
2 PART OF THE LICENSE HOLDER'S LICENSING REQUIREMENT.

3 SEC. 54. THE BUREAU SHALL NOT GRANT A LICENSE OR A PERMIT  
4 UNLESS IT HAS DETERMINED THAT THE APPLICANT SATISFIES ALL OF THE  
5 FOLLOWING QUALIFICATIONS:

6 (A) IF APPLYING FOR A LICENSE, THE APPLICANT HOLDS A VALID  
7 TRACK LICENSE UNDER THE HORSE RACING LAW OF 1995, 1995 PA 279,  
8 MCL 431.301 TO 431.336.

9 (B) THE APPLICANT HAS GOOD CHARACTER AND INTEGRITY.

10 (C) THE APPLICANT'S BACKGROUND, INCLUDING CRIMINAL RECORD,  
11 REPUTATION, AND ASSOCIATIONS, DOES NOT POSE A THREAT TO THE  
12 SECURITY AND INTEGRITY OF THE LOTTERY OR TO THE PUBLIC INTEREST  
13 OF THIS STATE. AN APPLICANT FOR A NEW LICENSE OR FOR THE RENEWAL  
14 OF A LICENSE SHALL FURNISH FINGERPRINTS FOR A CRIMINAL BACKGROUND  
15 CHECK BY THE DEPARTMENT OF STATE POLICE AND THE FEDERAL BUREAU OF  
16 INVESTIGATION. THE FINGERPRINTS SHALL BE FURNISHED BY EACH INDI-  
17 VIDUAL REQUIRED TO BE NAMED IN THE APPLICATION, AND EACH INDIVID-  
18 UAL SHALL PROVIDE A SIGNED AUTHORIZATION FOR THE RELEASE OF  
19 INFORMATION BY THE DEPARTMENT OF STATE POLICE AND THE FEDERAL  
20 BUREAU OF INVESTIGATION. A PERSON WHO HAS BEEN CONVICTED OF A  
21 CRIME RELATED TO BRIBERY OR GAMBLING OR INVOLVING MORAL TURPITUDE  
22 IS NOT ELIGIBLE FOR A LICENSE OR PERMIT. THE BUREAU SHALL REVOKE  
23 THE LICENSE OR PERMIT OF A PERSON WHO, AFTER A LICENSE OR PERMIT  
24 IS GRANTED, IS CONVICTED OF A CRIME RELATED TO BRIBERY OR GAMBL-  
25 ING OR INVOLVING MORAL TURPITUDE.

1 (D) THE APPLICANT DEMONSTRATES THE BUSINESS ABILITY AND  
2 EXPERIENCE NECESSARY TO ESTABLISH, OPERATE, AND MAINTAIN THE  
3 BUSINESS FOR WHICH APPLICATION IS MADE.

4 (E) THE APPLICANT HAS SECURED ADEQUATE FINANCING FOR THE  
5 BUSINESS FOR WHICH APPLICATION IS MADE. THE BUREAU SHALL DETER-  
6 MINE WHETHER FINANCING IS FROM A SOURCE THAT MEETS THE QUALIFICA-  
7 TIONS OF THIS SECTION AND IS ADEQUATE TO SUPPORT THE SUCCESSFUL  
8 PERFORMANCE OF THE DUTIES AND RESPONSIBILITIES OF THE APPLICANT.  
9 AN APPLICANT FOR A LICENSE SHALL DISCLOSE ALL FINANCING OR REFI-  
10 NANCING ARRANGEMENTS FOR THE PURCHASE, LEASE, OR OTHER ACQUISI-  
11 TION OF VIDEO LOTTERY TERMINALS AND ASSOCIATED EQUIPMENT IN THE  
12 DEGREE OF DETAIL REQUESTED BY THE BUREAU. A LICENSE HOLDER SHALL  
13 REQUEST BUREAU APPROVAL OF ANY CHANGE IN FINANCING OR LEASE  
14 ARRANGEMENTS AT LEAST 30 DAYS BEFORE THE EFFECTIVE DATE OF THE  
15 CHANGE.

16 SEC. 55. (1) A LICENSE OR PERMIT HOLDER SHALL DO ALL OF THE  
17 FOLLOWING:

18 (A) REPORT TO THE BUREAU PROMPTLY ANY FACTS OR CIRCUMSTANCES  
19 RELATED TO VIDEO LOTTERY OPERATIONS THAT CONSTITUTE A VIOLATION  
20 OF STATE OR FEDERAL LAW.

21 (B) CONDUCT ALL VIDEO LOTTERY ACTIVITIES AND FUNCTIONS IN A  
22 MANNER THAT DOES NOT POSE A THREAT TO THE PUBLIC HEALTH, SAFETY,  
23 OR WELFARE OF THE CITIZENS OF THIS STATE, AND THAT DOES NOT  
24 ADVERSELY AFFECT THE SECURITY OR INTEGRITY OF THE LOTTERY.

25 (C) HOLD THE BUREAU AND THIS STATE HARMLESS FROM AND DEFEND  
26 AND PAY FOR THE DEFENSE OF A CLAIM ASSERTED AGAINST A LICENSE  
27 HOLDER, THE BUREAU, THE STATE, OR AN EMPLOYEE OF A LICENSE



1 HOLDER, THE BUREAU, OR THE STATE, ARISING FROM THE LICENSE  
2 HOLDER'S PARTICIPATION IN VIDEO LOTTERY.

3 (D) ASSIST THE BUREAU IN MAXIMIZING VIDEO LOTTERY REVENUES.

4 (E) MAINTAIN ALL RECORDS REQUIRED BY THE BUREAU.

5 (F) UPON REQUEST BY THE BUREAU, PROVIDE THE BUREAU ACCESS TO  
6 ALL RECORDS AND THE PHYSICAL PREMISES OF THE BUSINESS OR BUSI-  
7 NESSES WHERE THE LICENSE OR PERMIT HOLDER'S VIDEO LOTTERY ACTIVI-  
8 TIES OCCUR SO THAT THE BUREAU MAY MONITOR OR INSPECT THE LICENSE  
9 OR PERMIT HOLDER'S ACTIVITIES AND THE VIDEO LOTTERY GAMES, VIDEO  
10 LOTTERY TERMINALS, AND ASSOCIATED EQUIPMENT.

11 (G) KEEP CURRENT IN ALL PAYMENTS AND OBLIGATIONS TO THE  
12 BUREAU.

13 (2) A MANUFACTURER SHALL DO ALL OF THE FOLLOWING:

14 (A) MANUFACTURE TERMINALS AND ASSOCIATED EQUIPMENT FOR  
15 PLACEMENT IN THIS STATE IN ACCORDANCE WITH THE SPECIFICATIONS AND  
16 PROCEDURES OF SECTIONS 52 AND 53.

17 (B) MANUFACTURE TERMINALS AND ASSOCIATED EQUIPMENT TO ENSURE  
18 TIMELY DELIVERY TO RACETRACKS OF LICENSE HOLDERS.

19 (C) MAINTAIN AND PROVIDE AN INVENTORY OF SPARE PARTS TO  
20 ASSURE THE TIMELY REPAIR AND CONTINUOUS OPERATION OF VIDEO LOT-  
21 TERY TERMINALS OF LICENSE HOLDERS IN THIS STATE.

22 (D) PROVIDE TECHNICAL ASSISTANCE AND TRAINING IN THE SERVICE  
23 AND REPAIR OF VIDEO LOTTERY TERMINALS AND ASSOCIATED EQUIPMENT TO  
24 LICENSE HOLDERS AND SERVICE TECHNICIANS TO ASSURE THE CONTINUOUS  
25 OPERATION OF THE VIDEO LOTTERY TERMINALS.

26 (E) OBTAIN CERTIFICATION OF COMPLIANCE UNDER 47 C.F.R. PART  
27 15 FOR ALL VIDEO LOTTERY TERMINALS PLACED IN THIS STATE.

1 (3) A LICENSE HOLDER SHALL DO ALL OF THE FOLLOWING:

2 (A) ACQUIRE VIDEO LOTTERY TERMINALS BY PURCHASE, LEASE, OR  
3 OTHER TRANSFER AND PROVIDE A SECURE LOCATION FOR THE PLACEMENT,  
4 OPERATION, AND PLAY OF THE VIDEO LOTTERY TERMINALS.

5 (B) PAY FOR THE INSTALLATION AND OPERATION OF  
6 BUREAU-APPROVED TELEPHONE LINES TO PROVIDE DIRECT DIAL-UP OR  
7 ON-LINE COMMUNICATION BETWEEN EACH VIDEO LOTTERY TERMINAL AND THE  
8 CENTRAL CONTROL SYSTEM.

9 (C) NOT PERMIT A PERSON TO TAMPER OR INTERFERE WITH THE  
10 OPERATION OF A VIDEO LOTTERY TERMINAL.

11 (D) ENSURE THAT TELEPHONE LINES FROM THE CENTRAL CONTROL  
12 SYSTEM TO THE VIDEO LOTTERY TERMINALS LOCATED AT THE RACETRACK OF  
13 THE LICENSE HOLDER ARE CONNECTED AT ALL TIMES AND PREVENT ANY  
14 PERSON FROM TAMPERING OR INTERFERING WITH THE OPERATION OF THE  
15 TELEPHONE LINES.

16 (E) ENSURE THAT A VIDEO LOTTERY TERMINAL IS WITHIN THE SIGHT  
17 AND CONTROL OF A DESIGNATED EMPLOYEE OF THE LICENSE HOLDER WHEN  
18 THE TERMINAL IS AVAILABLE FOR PLAY.

19 (F) ENSURE THAT A VIDEO LOTTERY TERMINAL IS PLACED AND  
20 REMAINS IN THE SPECIFIC LOCATION OR LOCATIONS AT THE RACETRACK OF  
21 THE LICENSE HOLDER THAT HAVE BEEN APPROVED BY THE BUREAU, UNLESS  
22 THE BUREAU FIRST APPROVES THE RELOCATION OF THE VIDEO LOTTERY  
23 TERMINAL.

24 (G) MONITOR A VIDEO LOTTERY TERMINAL TO PREVENT ACCESS TO OR  
25 PLAY AT THE TERMINAL BY AN INDIVIDUAL WHO IS UNDER 18 YEARS OF  
26 AGE OR VISIBLY INTOXICATED.

1           (H) MAINTAIN SUFFICIENT CURRENCY AND COINS AT ALL TIMES IN  
2 THE DENOMINATIONS ACCEPTED BY THE VIDEO LOTTERY TERMINALS.

3           (I) NOT DO ANY OF THE FOLLOWING:

4           (i) PROVIDE PLAYERS ACCESS TO AN AUTOMATED TELLER MACHINE IN  
5 THE AREA OF THE RACETRACK WHERE VIDEO LOTTERY GAMES ARE PLAYED.

6           (ii) ACCEPT A CREDIT CARD OR DEBIT CARD FROM A PLAYER FOR  
7 THE EXCHANGE OR PURCHASE OF VIDEO LOTTERY GAME CREDITS OR FOR AN  
8 ADVANCE OF COINS OR CURRENCY TO BE USED BY A PLAYER TO PLAY VIDEO  
9 LOTTERY GAMES.

10          (iii) EXTEND CREDIT, IN ANY MANNER, TO A PLAYER TO ENABLE  
11 THE PLAYER TO PLAY A VIDEO LOTTERY GAME.

12          (J) PAY FOR ALL CREDITS WON BY A PLAYER ON PRESENTMENT OF A  
13 VALID WINNING VIDEO LOTTERY TICKET.

14          (K) REPORT A VIDEO LOTTERY TERMINAL MALFUNCTION PROMPTLY TO  
15 THE MANUFACTURER AND THE BUREAU AND NOTIFY THE BUREAU OF THE  
16 FAILURE OF A MANUFACTURER OR SERVICE TECHNICIAN TO PROVIDE PROMPT  
17 SERVICE AND REPAIR OF THE MALFUNCTION OF A VIDEO LOTTERY TERMINAL  
18 OR ASSOCIATED EQUIPMENT.

19          (l) INSTALL, POST, AND DISPLAY PROMINENTLY AT LOCATIONS AT  
20 THE RACETRACK OF THE LICENSE HOLDER SIGNS, REDEMPTION INFORMA-  
21 TION, AND OTHER PROMOTIONAL MATERIAL AS REQUIRED BY THE BUREAU.

22          (M) PERMIT VIDEO LOTTERY GAMES TO BE PLAYED ONLY DURING  
23 HOURS ESTABLISHED AND APPROVED BY THE BUREAU.

24          (N) MAINTAIN GENERAL LIABILITY INSURANCE COVERAGE FOR ALL  
25 VIDEO LOTTERY TERMINALS IN AN AMOUNT OF AT LEAST \$2,000,000.00  
26 PER CLAIM.

1 (O) PROMPTLY NOTIFY THE BUREAU IN WRITING OF ANY BREAKS OR  
2 TEARS IN ANY LOGIC UNIT SEALS.

3 (P) ASSUME LIABILITY FOR MONEY LOST OR STOLEN FROM A VIDEO  
4 LOTTERY TERMINAL.

5 (Q) SUBMIT AN AUDITED FINANCIAL STATEMENT ON A FORM THAT HAS  
6 BEEN APPROVED BY THE BUREAU TO THE BUREAU WHEN INITIALLY APPLYING  
7 FOR A LICENSE OR PERMIT AND, AFTER A LICENSE OR PERMIT HAS BEEN  
8 GRANTED, ANNUALLY BEFORE THE TIME FOR RENEWAL.

9 SEC. 56. (1) THE BUREAU SHALL PROVIDE TO A MANUFACTURER, OR  
10 AN APPLICANT APPLYING FOR A MANUFACTURER'S PERMIT, THE PROTOCOL  
11 DOCUMENTATION DATA NECESSARY TO ENABLE THE MANUFACTURER'S VIDEO  
12 LOTTERY TERMINALS TO COMMUNICATE WITH THE CENTRAL CONTROL SYSTEM  
13 TO TRANSMIT AUDITING PROGRAM INFORMATION AND ACTIVATE AND DISABLE  
14 THE VIDEO LOTTERY TERMINALS.

15 (2) A LICENSE HOLDER SHALL REMIT ITS GROSS TERMINAL INCOME  
16 TO THE BUREAU BY ELECTRONIC TRANSFER OF FUNDS ON DATES ESTAB-  
17 LISHED BY THE BUREAU. A LICENSE HOLDER SHALL FURNISH TO THE  
18 BUREAU ALL INFORMATION AND BANK AUTHORIZATIONS REQUIRED TO FACIL-  
19 ITATE THE TIMELY TRANSFER OF MONEY TO THE BUREAU. A LICENSE  
20 HOLDER SHALL PROVIDE THE BUREAU AT LEAST 30 DAYS' ADVANCE NOTICE  
21 OF ANY PROPOSED ACCOUNT CHANGES TO ENSURE THE UNINTERRUPTED ELEC-  
22 TRONIC TRANSFER OF FUNDS. THE BUREAU SHALL DEDUCT FROM THE GROSS  
23 TERMINAL INCOME REMITTED BY THE LICENSE HOLDER AN AMOUNT SUFFI-  
24 CIENT TO REIMBURSE THE BUREAU FOR ADMINISTRATIVE COSTS. THE  
25 BUREAU SHALL ANNUALLY RETURN ANY AMOUNT DEDUCTED FOR ADMINISTRA-  
26 TIVE COSTS THAT EXCEEDS ACTUAL ADMINISTRATIVE COSTS TO EACH

1 LICENSE HOLDER IN PROPORTION TO THE ADMINISTRATIVE COSTS DEDUCTED  
2 FROM THE LICENSE HOLDER'S GROSS TERMINAL INCOME.

3 (3) NET TERMINAL INCOME SHALL BE DIVIDED AS FOLLOWS:

4 (A) THIRTY-SEVEN AND FOUR-TENTHS PERCENT SHALL BE DEPOSITED  
5 IN THE STATE SCHOOL AID FUND.

6 (B) SIXTY-TWO AND SIX-TENTHS PERCENT SHALL BE PAID TO THE  
7 RACING COMMISSIONER TO BE DISTRIBUTED ACCORDING TO THE PROVISIONS  
8 IN THE HORSE RACING LAW OF 1995, 1995 PA 279, MCL 431.301 TO  
9 431.336, FOR THE DIVISION OF MONEY FROM THE OPERATION OF  
10 PARI-MUTUEL CARD GAMES AND EVENTS AND SITE-ONLY SIMULCASTING,  
11 EXCEPT THAT THE DEPOSIT OF MONEY UNDER SUBDIVISION (A) SUBSTI-  
12 TUTES FOR THE DISTRIBUTION TO THE STATE UNDER THOSE PROVISIONS.

13 (4) A LICENSE HOLDER SHALL MAINTAIN IN THE BANK ACCOUNT OR  
14 ACCOUNTS FROM WHICH FUNDS ARE TRANSFERRED TO THE BUREAU UNDER  
15 SUBSECTION (2) AN AMOUNT EQUAL TO OR GREATER THAN THE GROSS TER-  
16 MINAL INCOME FROM ITS OPERATION OF VIDEO LOTTERY GAMES. IF A  
17 LICENSE HOLDER FAILS TO MAINTAIN THIS BALANCE, THE BUREAU MAY  
18 DISABLE ALL OF THE LICENSE HOLDER'S VIDEO LOTTERY TERMINALS UNTIL  
19 FULL PAYMENT OF ALL AMOUNTS DUE.

20 (5) THE CENTRAL CONTROL SYSTEM SHALL KEEP ACCURATE RECORDS  
21 OF ALL INCOME GENERATED BY EACH VIDEO LOTTERY TERMINAL. THE  
22 BUREAU SHALL PREPARE AND MAIL TO EACH LICENSE HOLDER A STATEMENT  
23 REFLECTING THE GROSS TERMINAL INCOME GENERATED BY THE LICENSE  
24 HOLDER'S VIDEO LOTTERY TERMINALS. A LICENSE HOLDER SHALL REPORT  
25 TO THE BUREAU ANY DISCREPANCY BETWEEN THE BUREAU'S STATEMENT AND  
26 A TERMINAL'S MECHANICAL AND ELECTRONIC METER READINGS. A LICENSE  
27 HOLDER IS SOLELY RESPONSIBLE FOR RESOLVING AN INCOME DISCREPANCY

1 BETWEEN ACTUAL MONEY COLLECTED AND THE AMOUNT SHOWN ON THE  
2 ACCOUNTING METERS OR ON THE BUREAU'S STATEMENT.

3 (6) THE BUREAU SHALL NOT MAKE A CREDIT ADJUSTMENT UNLESS AN  
4 ACCOUNTING DISCREPANCY IS RESOLVED IN FAVOR OF A LICENSE HOLDER.  
5 IF A VIDEO LOTTERY TERMINAL SHOWS A DISCREPANCY, THE LICENSE  
6 HOLDER SHALL SUBMIT TO THE BUREAU THE MAINTENANCE LOG THAT  
7 INCLUDES CURRENT MECHANICAL METER READINGS AND THE AUDIT TICKET  
8 THAT CONTAINS ELECTRONIC METER READINGS GENERATED BY THE  
9 TERMINAL'S SOFTWARE. IF THE METER READINGS AND THE BUREAU'S  
10 RECORDS CANNOT BE RECONCILED, FINAL DISPOSITION OF THE MATTER  
11 SHALL BE DETERMINED BY THE BUREAU. ANY ACCOUNTING DISCREPANCIES  
12 THAT CANNOT BE OTHERWISE RESOLVED SHALL BE RESOLVED IN FAVOR OF  
13 THE BUREAU.

14 (7) A LICENSE HOLDER SHALL REMIT PAYMENT BY MAIL IF THE  
15 ELECTRONIC TRANSFER OF FUNDS UNDER SUBSECTION (2) IS NOT OPER-  
16 ATIONAL OR THE BUREAU NOTIFIES THE LICENSE HOLDER THAT REMITTANCE  
17 BY THIS METHOD IS REQUIRED. THE LICENSE HOLDER SHALL REPORT AN  
18 AMOUNT EQUAL TO THE TOTAL AMOUNT OF CASH INSERTED INTO EACH VIDEO  
19 LOTTERY TERMINAL OPERATED BY THE LICENSE HOLDER, MINUS THE TOTAL  
20 VALUE OF GAME CREDITS WHICH ARE CLEARED FROM THE VIDEO LOTTERY  
21 TERMINAL IN EXCHANGE FOR WINNING REDEMPTION TICKETS, AND REMIT  
22 THE AMOUNT AS GENERATED FROM ITS TERMINALS DURING THE REPORTING  
23 PERIOD. THE REMITTANCE SHALL BE SEALED IN A PROPERLY ADDRESSED  
24 AND STAMPED ENVELOPE AND DEPOSITED IN THE UNITED STATES MAIL NO  
25 LATER THAN 12 NOON ON THE DAY WHEN THE PAYMENT WOULD OTHERWISE BE  
26 COMPLETED THROUGH ELECTRONIC FUNDS TRANSFER.

1           (8) THE BUREAU SHALL PROVIDE ADDITIONAL REPORTS OF PLAY  
2 TRANSACTIONS FOR A LICENSE HOLDER'S VIDEO LOTTERY TERMINALS AND  
3 OTHER MARKETING INFORMATION NOT CONSIDERED CONFIDENTIAL BY THE  
4 BUREAU TO THE LICENSE HOLDER IF THE LICENSE HOLDER REQUESTS  
5 THEM. THE BUREAU MAY CHARGE A REASONABLE FEE FOR THE COST OF  
6 PRODUCING AND MAILING A REPORT OTHER THAN A STATEMENT UNDER SUB-  
7 SECTION (5).

8           (9) THE BUREAU MAY EXAMINE ALL ACCOUNTS, BANK ACCOUNTS,  
9 FINANCIAL STATEMENTS, AND RECORDS IN POSSESSION OR UNDER CONTROL  
10 OF A LICENSE HOLDER, OR IN WHICH THE LICENSE HOLDER HAS AN  
11 INTEREST. A LICENSE HOLDER SHALL AUTHORIZE A THIRD PARTY IN POS-  
12 SESSION OR CONTROL OF AN ACCOUNT, STATEMENT, OR RECORD OF THE  
13 LICENSE HOLDER TO ALLOW THE BUREAU TO EXAMINE THE ACCOUNT, STATE-  
14 MENT, OR RECORD.

15           SEC. 57. (1) A PERSON SHALL NOT PLACE A VIDEO LOTTERY TER-  
16 MINAL IN OPERATION IN THIS STATE UNTIL THE MANUFACTURER PROVIDES  
17 TRAINING IN THE SERVICE AND REPAIR OF EACH APPROVED VIDEO LOTTERY  
18 TERMINAL MODEL AND A SERVICE TECHNICIAN EMPLOYED BY THE LICENSE  
19 HOLDER TO WHOM THE MACHINE IS TO BE SOLD, LEASED, OR TRANSFERRED  
20 COMPLETES THE TRAINING. A MANUFACTURER SHALL SUBMIT TO THE  
21 BUREAU ALL OF THE FOLLOWING INFORMATION ON EACH TRAINING PROGRAM  
22 CONDUCTED:

23           (A) AN OUTLINE OF THE TRAINING CURRICULUM.

24           (B) A LIST OF THE INSTRUCTORS AND THEIR QUALIFICATIONS.

25           (C) INSTRUCTIONAL MATERIALS.

26           (D) THE TIME, DATE, AND LOCATION OF EACH TRAINING PROGRAM.

1           (2) A MANUFACTURER SHALL NOTIFY EACH LICENSE HOLDER THAT HAS  
2 PURCHASED OR LEASED THE MANUFACTURER'S VIDEO LOTTERY TERMINALS OF  
3 ALL SCHEDULED TRAINING PROGRAMS. A MANUFACTURER SHALL SCHEDULE  
4 TRAINING PROGRAMS AT CONVENIENT LOCATIONS IN THIS STATE TO FACIL-  
5 ITATE ATTENDANCE BY SERVICE TECHNICIANS. A MANUFACTURER SHALL  
6 INFORM EACH LICENSE HOLDER OF ALL NEW DEVELOPMENTS IN THE SERVICE  
7 AND REPAIR OF VIDEO LOTTERY TERMINALS AND PROVIDE APPROPRIATE  
8 SUBSEQUENT TRAINING PROGRAMS.

9           (3) A MANUFACTURER SHALL ISSUE A TRAINING CERTIFICATE TO A  
10 PERSON AFTER THE PERSON SUCCESSFULLY COMPLETES A VIDEO LOTTERY  
11 TRAINING PROGRAM. THE CERTIFICATE SHALL INCLUDE THE NAME OF THE  
12 PERSON WHO COMPLETED THE TRAINING PROGRAM AND THE DATE AND LOCA-  
13 TION OF THE TRAINING PROGRAM. A PERSON WHO SUCCESSFULLY COM-  
14 PLETES TRAINING IS ELIGIBLE FOR A SERVICE TECHNICIAN'S PERMIT. A  
15 PERSON SHALL NOT CONDUCT MAINTENANCE ON A VIDEO LOTTERY TERMINAL  
16 OR ASSOCIATED EQUIPMENT UNLESS THE BUREAU HAS ISSUED A SERVICE  
17 TECHNICIAN PERMIT TO THAT PERSON.

18           (4) A MANUFACTURER SHALL FILE ALL OF THE FOLLOWING INFORMA-  
19 TION WITH THE BUREAU WITHIN 2 WEEKS AFTER THE COMPLETION OF A  
20 TRAINING PROGRAM:

21           (A) THE NAME OF EACH PERSON THAT ATTENDED AND COMPLETED THE  
22 TRAINING PROGRAM.

23           (B) THE NAME OF THE MANUFACTURER OFFERING THE PROGRAM.

24           (C) THE VIDEO LOTTERY TERMINAL MODELS FOR WHICH SERVICE AND  
25 REPAIR TRAINING WERE PROVIDED.

26           (D) THE DATE AND LOCATION OF THE TRAINING PROGRAM.



1 (E) COPIES OF ALL CERTIFICATES OF COMPLETION.

2 (5) A LICENSE HOLDER SHALL KEEP A WRITTEN MAINTENANCE LOG  
3 WITHIN THE MAIN CABINET ACCESS AREA IN EACH VIDEO LOTTERY  
4 TERMINAL. EVERY PERSON, INCLUDING BUREAU PERSONNEL, WHO GAINS  
5 ENTRY INTO AN INTERNAL SPACE OF A VIDEO LOTTERY TERMINAL SHALL  
6 SIGN THE LOG, RECORD THE TIME AND DATE OF ENTRY, RECORD THE  
7 MECHANICAL METER READINGS, AND LIST THE AREAS INSPECTED OR  
8 REPAIRED. A LICENSE HOLDER SHALL RETAIN A MAINTENANCE LOG FOR 3  
9 YEARS FROM THE DATE OF THE LAST ENTRY. A LICENSE HOLDER SHALL  
10 MAKE A MAINTENANCE LOG AVAILABLE FOR INSPECTION ON REQUEST BY THE  
11 BUREAU.

12 (6) A LICENSE HOLDER SHALL PROVIDE THE BUREAU WITH A MASTER  
13 KEY FOR ACCESS INTO THE MAIN CABINET DOOR OF EACH VIDEO LOTTERY  
14 TERMINAL PLACED IN OPERATION. THE BUREAU SHALL PROVIDE A LOGIC  
15 BOX SEAL THAT BUREAU PERSONNEL SHALL AFFIX TO PREVENT UNAUTHO-  
16 RIZED ACCESS TO THE VIDEO LOTTERY TERMINAL'S LOGIC UNIT.

17 SEC. 58. (1) A LICENSE HOLDER MAY INSTALL AND OPERATE UP TO  
18 1,500 VIDEO LOTTERY TERMINALS AT THE LICENSE HOLDER'S RACETRACK.  
19 A LICENSE HOLDER MAY APPLY TO THE BUREAU FOR AUTHORIZATION TO  
20 INSTALL AND OPERATE MORE THAN 1,500 VIDEO LOTTERY TERMINALS. IF  
21 THE BUREAU DETERMINES THAT IT IS IN THE BEST INTERESTS OF THE  
22 LICENSE HOLDER, THE BUREAU, AND THE CITIZENS OF THIS STATE, THE  
23 BUREAU MAY GRANT THE LICENSE HOLDER PERMISSION TO INSTALL AND  
24 OPERATE THE ADDITIONAL VIDEO LOTTERY TERMINALS.

25 (2) A VIDEO LOTTERY TERMINAL SHALL BE PHYSICALLY LOCATED IN  
26 AN AREA TO WHICH ALL OF THE FOLLOWING APPLY:

1 (A) THE AREA SHALL BE CONTINUOUSLY MONITORED BY A CLOSED  
2 CIRCUIT TELEVISION SYSTEM CAPABLE OF RECORDING ACTIVITY FOR A  
3 CONTINUOUS 24-HOUR PERIOD. ALL RECORDED VIDEOTAPES OR OTHER  
4 MEDIA SHALL BE RETAINED FOR AT LEAST 30 DAYS.

5 (B) ACCESS TO THE AREA SHALL BE RESTRICTED TO PERSONS  
6 LEGALLY ENTITLED BY AGE TO PLAY VIDEO LOTTERY GAMES.

7 (C) THE LICENSE HOLDER HAS SUBMITTED FOR BUREAU APPROVAL A  
8 FLOOR PLAN OF THE AREA SHOWING THE LOCATIONS OF TERMINALS AND  
9 SECURITY CAMERAS.

10 (D) THE AREA IS IN A BUILDING OR STRUCTURE LOCATED ON PROP-  
11 ERTY CONTIGUOUS TO THE GRANDSTAND AREA OF THE RACETRACK.

12 (E) THE LICENSE HOLDER HAS DESIGNATED A PORTION OF THE AREA  
13 AS A NO-SMOKING AREA AND PROHIBITS SMOKING IN THAT PORTION OF THE  
14 AREA.

15 (F) THE AREA, OR THE AREA WHERE THE LICENSE HOLDER CONDUCTS  
16 GAMING OTHER THAN HORSE RACING, HAS WINDOWS THAT ALLOW A VIEW OF  
17 THE LICENSE HOLDER'S RACETRACK AND THAT ARE UNCOVERED DURING ALL  
18 RACES HELD ON THE TRACK.

19 (G) THERE IS NO ELECTRONIC FUNDS TRANSFER TERMINAL WITHIN 50  
20 FEET OF A VIDEO LOTTERY TERMINAL.

21 SEC. 59. PAYMENT FOR CREDITS AWARDED ON A VIDEO LOTTERY  
22 TERMINAL SHALL NOT BE MADE UNLESS THE TICKET MEETS ALL OF THE  
23 FOLLOWING REQUIREMENTS:

24 (A) THE TICKET IS FULLY LEGIBLE, PRINTED ON PAPER APPROVED  
25 BY THE BUREAU, AND CONTAINS ALL INFORMATION REQUIRED BY THIS  
26 ARTICLE.

1 (B) THE TICKET HAS NOT BEEN MUTILATED, ALTERED, MADE  
2 UNREADABLE, OR TAMPERED WITH IN ANY MANNER.

3 (C) THE TICKET, OR ANY PART OF IT, IS NOT COUNTERFEIT.

4 (D) THE TICKET IS PRESENTED BY A PERSON AUTHORIZED TO PLAY  
5 VIDEO LOTTERY UNDER THIS ARTICLE.

6 SEC. 60. THE BUREAU MAY PROMULGATE RULES TO IMPLEMENT THIS  
7 ARTICLE PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969,  
8 1969 PA 306, MCL 24.201 TO 24.328.

9 SEC. 61. (1) THE COMMISSIONER MAY TAKE DISCIPLINARY ACTION  
10 AGAINST A PERSON, AFTER A HEARING, FOR A VIOLATION OF THIS ARTI-  
11 CLE OR THE ADMINISTRATIVE RULES ADOPTED UNDER THIS ARTICLE.

12 DISCIPLINARY ACTION INCLUDES SUSPENDING OR REVOKING A LICENSE  
13 ISSUED UNDER THIS PART AND FINING, EXCLUDING, REPRIMANDING, OR  
14 OTHERWISE PENALIZING A PERSON.

15 (2) UNLESS AUTHORIZED TO DO SO BY THE BUREAU, A PERSON WHO  
16 MANIPULATES THE OUTCOME, PAYOFF, OR OPERATION OF A VIDEO LOTTERY  
17 GAME WITH THE INTENT TO MANIPULATE THE OUTCOME, PAYOFF, OR OPERA-  
18 TION OF THE VIDEO LOTTERY GAME IS GUILTY OF A FELONY PUNISHABLE  
19 BY IMPRISONMENT FOR NOT MORE THAN 10 YEARS OR A FINE OF NOT LESS  
20 THAN \$10,000.00, OR BOTH. IF THE PERSON WHO MANIPULATES THE OUT-  
21 COME, PAYOFF, OR OPERATION OF A VIDEO LOTTERY GAME UNDER THIS  
22 SUBSECTION IS LICENSED UNDER THIS ARTICLE, THE BUREAU SHALL  
23 REVOKE THE PERSON'S LICENSE.

24 Enacting section 1. This amendatory act does not take  
25 effect unless all of the following bills of the 91st Legislature  
26 are enacted into law:

- 1 (a) House Bill No. 5285.
- 2 (b) House Bill No. 5286.
- 3 (c) House Bill No. 5287.
- 4 (d) House Bill No. 5288.
- 5 (e) House Bill No. 6142.