

**SUBSTITUTE FOR  
SENATE BILL NO. 1323**

A bill to amend 1972 PA 239, entitled  
"McCauley-Traxler-Law-Bowman-McNeely lottery act,"  
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:**

- 1       Sec. 11. (1) The commissioner shall promulgate rules  
2 pursuant to the administrative procedures act of 1969, 1969 PA  
3 306, MCL 24.201 to 24.328, as necessary to implement this act.  
4       (2) The rules authorized under this section may include any  
5 of the following subject to requirements and limitations in this  
6 act:  
7       (a) The type of lottery to be conducted.  
8       (b) The price of tickets or shares in the lottery.  
9       (c) The number and size of the prizes on the winning tickets  
10 or shares.

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

2 (e) The manner of payment of prizes to the holders of winning  
3 tickets or shares.

4 (f) The frequency of the drawings or selections of winning  
5 tickets or shares.

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

8 (h) The method to be used in selling tickets or shares,  
9 except that a person's name, **other than a name used in**  
10 **advertising or a promotion under section 18(2)**, shall not be  
11 printed on the tickets or shares.

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

14 (j) The manner and amount of compensation to be paid licensed  
15 sales agents necessary to provide for the adequate availability  
16 of tickets or shares to prospective buyers and for the  
17 convenience of the public.

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

Senate Bill No. 1323 as amended September 9, 2004

1 the general fund.

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

8 (4) This section is repealed if the Michigan supreme court  
9 rules that sections 45 and 46 of the administrative procedures  
10 act of 1969, 1969 PA 306, MCL 24.245 and 24.246, are  
11 unconstitutional and a statute requiring legislative review of  
12 administrative rules is not enacted within 90 days after the  
13 Michigan supreme court ruling. This subsection does not  
14 invalidate rules promulgated prior to April 17, 1996.

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

22 (2) The commissioner may contract with 1 or more persons to  
23 allow the placement of advertising or promotional material,  
24 including, but not limited to, the placement of discount coupons  
25 for retail goods, on lottery tickets, shares, and other available  
26 media under the control of the bureau. <<However, 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.>>