

# SENATE BILL No. 529

May 29, 2003, Introduced by Senators GARCIA, LELAND and THOMAS and referred to the Committee on Gaming and Casino Oversight.

A bill to amend 1972 PA 239, entitled "McCauley-Traxler-Law-Bowman-McNeely lottery act," by amending section 11 (MCL 432.11), as amended by 1996 PA 167, and by adding section 24.

**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, ~~Act~~  
 3 ~~No. 306 of the Public Acts of 1969, being sections 24.201 to~~  
 4 ~~24.328 of the Michigan Compiled Laws— 1969 PA 306, MCL 24.201 to~~  
 5 **24.328**, as necessary to implement this act.

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

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

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

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

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

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

7 (f) The frequency of the drawings or selections of winning  
8 tickets or shares.

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

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

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

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

21 (k) The apportionment of the total annual revenues accruing  
22 from the sale of lottery tickets or shares and from all other  
23 sources for the payment of prizes to the holders of winning  
24 tickets or shares, for the payment of costs incurred in the  
25 operation and administration of the lottery, including the  
26 expenses of the bureau and the costs resulting from any contract  
27 or contracts entered into for promotional, advertising,

1 consulting, or operational services or for the purchase or lease  
2 of lottery equipment and materials, for the repayment of the  
3 money appropriated to the state lottery fund, and for transfer to  
4 the general fund.

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

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

22 **Sec. 24. A licensed lottery sales agent is entitled to**  
23 **receive as commission for lottery ticket sales 2% of the prize**  
24 **value of a winning lottery ticket sold by the agent, but not more**  
25 **than \$2,500.00.**