

SENATE BILL No. 1323

June 29, 2004, Introduced by Senators JOHNSON, JELINEK, SWITALSKI, JACOBS,
 CLARKE, EMERSON and McMANUS and referred to the Committee on Appropriations.

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 1996 PA 167.

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 section~~
 10 ~~9(2).~~

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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, **other than a name used in**
14 **advertising or a promotion under section 18(2)**, shall not be
15 printed on the tickets or shares.

16 (i) The licensing of agents to sell tickets or shares, ~~but~~
17 **except that** a person under the age of 18 shall not be licensed as
18 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 1969 PA~~
17 **306, MCL 24.245 and 24.246**, are unconstitutional and a statute
18 requiring legislative review of administrative rules is not
19 enacted within 90 days after the Michigan supreme court ruling.
20 ~~Nothing in this subsection invalidates rules that have been~~
21 ~~promulgated prior to the effective date of the amendatory act~~
22 ~~that added this subsection.~~ **Rules promulgated before April 17,**
23 **1996 are not invalidated by this subsection.**

24 Sec. 18. (1) The commissioner, ~~may,~~ subject to the
25 applicable laws relating to public contracts, **may** enter into
26 contracts for the operation of the lottery, or any part ~~thereof~~
27 **of the lottery**, and into contracts for the promotion of the

1 lottery. A contract awarded or entered into by the commissioner
2 shall not be assigned by the ~~holder thereof~~ **other contracting**
3 **party** except by specific approval of the commissioner.

4 (2) The commissioner may contract with 1 or more persons to
5 allow the placement of advertising or promotional material,
6 including, but not limited to, the placement of discount coupons
7 for retail goods, on lottery tickets, shares, and other available
8 media under the control of the bureau.