

HOUSE BILL No. 4529

April 26, 2017, Introduced by Rep. Kosowski and referred to the Committee on Regulatory Reform.

A bill to amend 1972 PA 239, entitled "McCauley-Traxler-Law-Bowman-McNeely lottery act," by amending the title and section 23 (MCL 432.23), the title as amended by 2012 PA 293 and section 23 as amended by 2008 PA 142.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act to establish and operate a state lottery and to allow state participation in certain lottery-related joint enterprises with other sovereignties; to create a bureau of state lottery and to prescribe its powers and duties; to prescribe certain powers and duties of other state departments and agencies; to license and regulate certain sales agents; to create funds; to provide for the distribution of lottery revenues and earnings for certain purposes; to provide for an appropriation; **TO ALLOW SPORTS BETTING AT LOTTERY TERMINALS; TO PROVIDE FOR A REFERENDA;** and to provide for remedies

1 and penalties.

2 Sec. 23. (1) The commissioner shall not issue a license to a
3 person to engage in business exclusively as a lottery sales agent.
4 Before issuing a lottery sales license, the commissioner shall
5 consider factors such as the financial responsibility and security
6 of the person and his or her business or activity, the
7 accessibility of his or her place of business or activity to the
8 public, the sufficiency of existing licenses to serve the public
9 convenience, and the volume of expected sales.

10 (2) The commissioner shall issue an initial or renewal lottery
11 sales license not later than 90 days after the applicant files a
12 completed application. Receipt of the application is considered the
13 date the application is received by ~~any~~**AN** agency or department of
14 this state. If the commissioner determines that the application is
15 incomplete, the commissioner shall notify the applicant in writing,
16 or make information electronically available, within 30 days after
17 receipt of the incomplete application, describing the deficiency
18 and requesting the additional information. The 90-day period is
19 tolled upon notification by the commissioner of a deficiency until
20 the date the requested information is received by the commissioner.
21 The determination of the completeness of an application does not
22 operate as an approval of the application for the license and does
23 not confer eligibility of an applicant determined otherwise
24 ineligible for issuance of a license.

25 (3) If the commissioner fails to issue or deny a lottery sales
26 license within the time required by this section, the commissioner

1 shall return the license fee and shall reduce the license fee for
2 the applicant's next renewal application, if any, by 15%. The
3 failure to issue a lottery sales license within the time required
4 under this section does not allow the commissioner to otherwise
5 delay the processing of the application, and that application, ~~upon~~
6 **ON** completion, ~~shall~~**MUST** be placed in sequence with other
7 completed applications received at that same time. The commissioner
8 shall not discriminate against an applicant in the processing of
9 the application based ~~upon~~**ON** the fact that the license fee was
10 refunded or discounted under this subsection.

11 (4) The commissioner shall submit a report by December 1 of
12 each year to the standing committees and appropriations
13 subcommittees of the senate and house of representatives concerned
14 with gaming issues. The commissioner shall include all of the
15 following information in the report concerning the preceding fiscal
16 year:

17 (a) The number of initial and renewal applications the
18 commissioner received and completed within the 90-day time period
19 described in subsection (2).

20 (b) The number of applications denied.

21 (c) The number of applicants not issued a license within the
22 90-day time period and the amount of money returned to licensees
23 and applicants under subsection (3).

24 (5) Notwithstanding any other provision of law, a person
25 licensed as a lottery sales agent may sell lottery tickets and
26 shares. A person lawfully engaged in nongovernmental business on
27 state property may be licensed as a lottery sales agent.

1 (6) A lottery sales license is not assignable or transferable.

2 (7) A licensed agent or his or her employee may sell lottery
3 tickets or shares only on the premises stated in the lottery sales
4 license. A licensed agent who violates this subsection is, at the
5 commissioner's discretion, subject to 1 or more of the following:

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

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

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

9 (8) The commissioner may require a bond from a licensed agent
10 in an amount provided in rules promulgated under this act.

11 (9) A licensed agent shall display his or her license or a
12 copy of the license conspicuously in accordance with rules
13 promulgated under this act.

14 (10) The commissioner may suspend or revoke the license of an
15 agent who violates this act or a rule promulgated under this act.

16 (11) For purposes of terminal placement, the commissioner
17 shall take into account with equal emphasis both of the following:

18 (a) The total instant game sales for the 3 months immediately
19 preceding a market evaluation.

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

22 (12) A licensed lottery sales agent shall not offer to give or
23 give any money or other thing of value to the holder of a lottery
24 ticket or share for winning the lottery, other than the prize if
25 payment of the prize by the agent is authorized by the
26 commissioner.

27 **(13) A PERSON LICENSED AS A LOTTERY SALES AGENT THAT IS ALSO A**

1 SPORTS BETTING AGENT MAY ACCEPT PARLAY WAGERS ON SPORTING EVENTS. A
2 PERSON LICENSED AS A LOTTERY SALES AGENT THAT IS ALSO A SPORTS
3 BETTING AGENT MAY ACCEPT PARLAY WAGERS ON SPORTING EVENTS ONLY ON
4 THE PREMISES STATED IN THE LOTTERY SALES LICENSE.

5 (14) THE BUREAU SHALL WORK WITH THE MICHIGAN GAMING CONTROL
6 BOARD TO DEVELOP A SYSTEM THAT ALLOWS PARLAY WAGERS AT LOTTERY
7 TERMINALS.

8 (15) ~~(13)~~—As used in this section:

9 (a) "Completed application" means an application complete on
10 its face and submitted with any applicable licensing fees and any
11 other information, records, approval, security, or similar item
12 required by law or rule from a local unit of government, a federal
13 agency, or a private entity but not from another department or
14 agency of this state.

15 (B) "MICHIGAN GAMING CONTROL BOARD" MEANS THE MICHIGAN GAMING
16 CONTROL BOARD CREATED UNDER SECTION 4 OF THE MICHIGAN GAMING
17 CONTROL AND REVENUE ACT, 1996 IL 1, MCL 432.204.

18 (C) "PARLAY WAGER" MEANS THAT TERM AS DEFINED IN SECTION 9E OF
19 THE MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL
20 432.209E.

21 (D) ~~(b)~~—"Person" means an individual, association,
22 corporation, club, trust, estate, society, company, joint stock
23 company, receiver, trustee, referee, or other person acting in a
24 fiduciary or representative capacity who is appointed by a court,
25 or any combination of individuals. Person includes a department,
26 commission, agency, or instrumentality of the state, including a
27 county, city, village, or township and an agency or instrumentality

1 of the county, city, village, or township.

2 **(E) "SPORTS BETTING AGENT" MEANS AN INDIVIDUAL LICENSED TO**
3 **FACILITATE PARLAY WAGERS IN THIS STATE UNDER SECTION 9E OF THE**
4 **MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL 432.209E.**

5 Enacting section 1. This amendatory act shall be submitted as
6 provided by the Michigan election law, 1954 PA 116, MCL 168.1 to
7 168.992, to the qualified electors of this state at the next
8 general election held after the effective date of this amendatory
9 act. This amendatory act does not take effect unless it is approved
10 by both of the following at that election:

11 (a) A majority of the electors of this state voting on the
12 question.

13 (b) A majority of the electors voting on the question in the
14 township or city where gambling as authorized under this amendatory
15 act will take place.

16 Enacting section 2. If approved by the electors under enacting
17 section 1, this amendatory act takes effect 10 days after the date
18 of the official declaration of the vote.

19 Enacting section 3. This amendatory act does not take effect
20 unless House Bill No. 4261 of the 99th Legislature is enacted into
21 law.