



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4478 (Substitute S-1 as reported by the Committee of the Whole)

Sponsor: Representative David Jaye

House Committee: Regulatory Affairs

Senate Committee: Local, Urban and State Affairs

CONTENT

The bill would amend the Lottery Act to require the Lottery Commissioner, when determining the placement of lottery terminals, to take into account with equal emphasis the total instant game sales for the three months immediately preceding a market evaluation and the need to maximize net lottery revenues from the total number of terminals placed.

The bill also specifies that the Commissioner could participate only in a joint enterprise agreement that provided that he or she could discontinue participation in the agreement if he or she determined it to be necessary. The Commissioner would have to report to the Legislature every six months on the progress of the joint enterprise agreement. The Commissioner would have to submit a proposal to develop a program for the education and treatment of compulsive gamblers to the Legislature within six months after the bill's effective date. Revenue derived from the sale of tickets or shares of any joint enterprise would have to be treated in the manner provided in the agreement. The Commissioner would be required to deposit in the State Lottery Fund net revenue from any joint enterprise.

The Commissioner could promulgate rules incorporating by reference existing rules or regulations of any joint enterprise as required as a condition for participating in that joint enterprise. Any subsequent changes or additions to the joint enterprise's rules or regulations could be adopted by the Commissioner through the promulgation of a rule. The Commissioner's rule-making authority would be repealed if the Michigan Supreme Court ruled that certain sections of the Administrative Procedures Act were unconstitutional and a statute requiring legislative review of administrative rules were not enacted within 90 days after the Supreme Court ruling.

Currently, a licensed agent or his or her employee may sell lottery tickets or shares only on the premises stated in the agent's license. Under the bill, an agent who violated this provision would be subject, at the Commissioner's discretion, to one or more of the following: probation for up to two years, a fine of up to \$1,000, or removal of his or her lottery terminal.

MCL 432.11 et al.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 2-5-96

Fiscal Analyst: M. Bain

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.