

# HOUSE BILL NO. 4592

May 17, 2023, Introduced by Rep. Kuhn 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 section 11 (MCL 432.11), as amended by 2012 PA 293, and  
by adding section 11a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 11. (1) The commissioner shall promulgate rules pursuant  
2 to the administrative procedures act of 1969, 1969 PA 306, MCL  
3 24.201 to 24.328, as necessary to implement this act.

4           (2) The rules authorized under this section may include any of  
5 the following, subject to requirements and limitations in this act:

6           (a) The type of lottery to be conducted.

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.

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 locations  
10 at which tickets or shares may be sold.

11 (h) The method to be used in selling tickets or shares, except  
12 that a person's name, other than a name used in advertising or a  
13 promotion under section 18(2) or (3), ~~shall~~**must** not be printed on  
14 the tickets or shares.

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

18 (j) ~~The~~**Subject to section 11a, the** manner and amount of  
19 compensation to be paid licensed sales agents necessary to provide  
20 for the adequate availability of tickets or shares to prospective  
21 buyers and for the convenience of the public.

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

1 for the repayment of the money appropriated to the state lottery  
2 fund, and for transfer to the general fund.

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

9 **Sec. 11a. (1) Except as otherwise provided in this subsection,**  
10 **a licensed agent is entitled to a sales commission for a lottery**  
11 **ticket or share sold by the licensed agent or the licensed agent's**  
12 **employee in an amount equal to 7% of the price of the lottery**  
13 **ticket or share. A licensed agent is entitled to a sales commission**  
14 **for a lottery ticket or share sold after September 30, 2023 and**  
15 **before October 1, 2024 sold by the licensed agent or the licensed**  
16 **agent's employee in an amount equal to 9% of the price of the**  
17 **lottery ticket or share.**

18 (2) A licensed agent is entitled to a redemption commission of  
19 2% of the prize on a pre-designated winning lottery ticket if all  
20 of the following conditions are met:

21 (a) The lottery ticket is eligible for redemption by the  
22 licensed agent.

23 (b) The lottery ticket is redeemed at the licensed agent's  
24 licensed premises.

25 (c) The lottery ticket is intact and complete.

26 (d) The lottery ticket is not counterfeit, mutilated,  
27 illegible, stolen, canceled, expired, void, or altered in any  
28 manner.

29 (e) For an online lottery game ticket, the lottery ticket

1 contains information specified in the game's directive to define an  
2 eligible lottery ticket.

3 (f) For a pull-tab ticket, the front and back of the ticket is  
4 complete, fully legible, and not miscut. The pull-tab ticket must  
5 also have 1 pre-printed game-deal number and 1 pre-printed bar code  
6 at the bottom of the pull-tab ticket front.

7 (3) A licensed agent is entitled to a bonus commission of 1%  
8 of the prize of a winning lottery ticket purchased from the  
9 licensed agent's licensed premises if the prize is \$1,000,000.00 or  
10 more.