



**State of Michigan  
Bureau of State Lottery**

TYPE:  
**Directive**

NUMBER:  
**20.SLS.1.15.4**

CATEGORY:  
**RETAILER DIRECTIVE**

PAGE:  
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SUBJECT:  
**ON-LINE TERMINAL PLACEMENT**

EFFECTIVE DATE:  
**4/20/2010**

**Overview**

The Michigan Bureau of State Lottery (Bureau) is to produce the maximum amount of net revenues for the state consonant with the general welfare of the people. Consistent with that mandate, §23 (11) of the Lottery Act provides that the commissioner must take the following into account when determining where terminals will be placed: (a) the total instant game sales for the 3 months immediately preceding a market evaluation; and, (b) the need to maximize net lottery revenues from the total number of terminals placed.

Applicants for licensing as a retailer must be evaluated for suitability. If applicants are qualified, the Bureau will determine if a terminal will be placed at their location. If an applicant does not qualify or declines a terminal, the next qualified applicant will be offered the terminal in place of the applicant that did not qualify or declined a terminal.

**Terminal Placement**

On-line terminals generally become available in the following manner: (1) when surrendered by retailers; and/or (2) when provisions of any on-line gaming system contract allow. When on-line terminals become available, they are to be assigned on a regular basis with minimum delay to maximize sales and net profits for public education.

Applicants are subject to eligibility review by the Bureau, specifically Retailer Services staff and Security, for general fitness and compliance with the Lottery Act, administrative rules, directives, and procedures. Once determined to be eligible for licensure, Retailer Services will maintain a list in order by date of application for terminal placement. Denial by an eligible applicant for terminal placement will result in that applicant being deleted from the placement list. To be considered for placement in the future, the applicant will be required to reapply for licensure.

At the Commissioner's discretion, a qualified applicant may be considered for terminal placement before other qualified applicants based on the need to maximize net lottery revenues.

Prior to on-line terminal placement, the Bureau and retailer may enter into an agreement/contract for the placement of that on-line terminal. The agreement/contract may include conditions such as minimal performance requirements, commitment to point of sale placement, and other terms necessary for the business relationship.



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**Reference**

Licensing Qualifications for Retailers 20.SLS.1.9.3  
Lottery Act  
Lottery Administrative Rules

**Contact / Update Responsibility**

Sales Division, Deputy Commissioner  
Retailer Services Manager

**Approving Authority**

\_\_\_\_\_  
M. Scott Bowen, Lottery Commissioner

\_\_\_\_\_  
Date