

HOUSE BILL No. 4748

May 8, 2001, Introduced by Reps. Phillips, Daniels, Kilpatrick, Rison, Quarles, Plakas, Hale, Lipsey, Williams, Hardman, Reeves, Waters, Stallworth, Clarke, Clark, Thomas, Murphy, Garza, McConico and Lemmons 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 33 and 41 (MCL 432.33 and 432.41), section
33 as amended by 1996 PA 167 and section 41 as amended by 1997 PA
72.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 33. (1) Unclaimed prize money for the prize on a win-
2 ning ticket or share of the state lottery shall be retained by
3 the commissioner for the person entitled to the prize money for 1
4 year after the drawing in which the prize was won. If a claim is
5 not made for the prize money within the year, the prize money
6 shall be deposited in the state school aid fund ~~and distributed~~
7 ~~pursuant to law~~ ESTABLISHED UNDER SECTION 11 OF ARTICLE IX OF
8 THE STATE CONSTITUTION OF 1963 AND ONLY SHALL BE EXPENDED IN THE
9 MANNER PRESCRIBED IN SECTION 41(3).

1 (2) Unclaimed prize money for the prize on a winning ticket
2 or share of any joint enterprise shall be treated in the manner
3 provided for in the joint enterprise participation agreement exe-
4 cuted by the commissioner. To the extent that the state of
5 Michigan is entitled to any unclaimed prize money, that money
6 received shall be deposited into the state school aid fund ~~and~~
7 ~~distributed pursuant to law~~ ESTABLISHED UNDER SECTION 11 OF
8 ARTICLE IX OF THE STATE CONSTITUTION OF 1963 AND ONLY SHALL BE
9 EXPENDED IN THE MANNER PRESCRIBED IN SECTION 41(3).

10 Sec. 41. (1) A special fund to be known as the "state lot-
11 tery fund" is created in the department of treasury. Except as
12 provided in subsection (3), the state lottery fund consists of
13 all revenues received from the sale of state lottery tickets or
14 shares and all other money credited or transferred to the fund
15 from any other fund or sources pursuant to law including interest
16 earnings on common cash attributable to the state lottery fund.
17 Revenue derived from the sale of tickets or shares of any joint
18 enterprise shall be treated in the manner provided for in the
19 joint enterprise participation agreement executed by the
20 commissioner. The commissioner shall deposit net revenue from
21 any joint enterprise in the state lottery fund. Earnings result-
22 ing from installment payment of any lottery prizes shall be used
23 for payment of prizes to lottery winners and the prize structure
24 formulated pursuant to sections 11 and 12 shall be established
25 accordingly.

26 (2) The investment authority of the state treasurer with
27 regard to the state lottery fund shall be the same as his or her

1 investment authority with regard to retirement system funds. To
2 assure a continuing availability of money with which to pay state
3 lottery prize installments and to compensate for variations in
4 the yield on investments, every 6 months the commissioner and the
5 state treasurer shall review the status of the installment prize
6 investments and shall agree on an amount to be restricted out of
7 the total revenues of the state lottery fund as a reserve against
8 a drop in yield. If the commissioner and the state treasurer
9 fail to agree on the amount to be reserved, the matter shall be
10 referred to the state administrative board for a decision on the
11 amount to be reserved.

12 (3) Except as provided in subsection (4), after the payment
13 of prizes to the holders of winning state lottery tickets or
14 shares or the payment pursuant to section 32 of the liabilities
15 to this state of holders of winning state lottery tickets or
16 shares, and the payment of the reasonable expenses of the bureau
17 in its operation of the lottery, the net revenue in the state
18 lottery fund and any money or interest generated by the state
19 lottery fund and share of common cash shall be deposited in A
20 SEPARATE ACCOUNT IN the state school aid fund ESTABLISHED UNDER
21 SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 and
22 shall ~~be distributed as provided by law~~ ONLY BE EXPENDED TO
23 SCHOOL DISTRICTS AND INTERMEDIATE SCHOOL DISTRICTS IN AN AMOUNT
24 THAT IS PROPORTIONATE TO THE AMOUNT OF LOTTERY REVENUE GENERATED
25 BY LOTTERY SALES WITHIN THE SCHOOL DISTRICT OR INTERMEDIATE
26 SCHOOL DISTRICT DURING THE PRECEDING FISCAL YEAR.

1 (4) Ten percent of each year's state lottery advertising
2 budget but not to exceed \$1,000,000.00 shall be deposited in the
3 compulsive gaming prevention fund created in SECTION 3 OF the
4 compulsive gaming prevention act, 1997 PA 70, MCL 432.253.

5 Enacting section 1. This amendatory act does not take
6 effect unless Senate Bill No. _____ or House Bill No. 4749
7 (request no. 03348'01 a) of the 91st Legislature is enacted into
8 law.