

SENATE BILL No. 481

May 17, 2001, Introduced by Senators HART, MURPHY, PETERS, EMERSON, CHERRY, DINGELL, KOIVISTO, YOUNG, DE BEAUSSAERT, LELAND, SCOTT and JAYE and referred to the Committee on Gaming and Casino Oversight.

A bill to amend 1972 PA 239, entitled
"McCauley-Traxler-Law-Bowman-McNeely lottery act,"
by amending sections 17, 41, and 43 (MCL 432.17, 432.41, and
432.43), sections 41 and 43 as amended by 1997 PA 72.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 17. The commissioner shall DO ALL OF THE FOLLOWING:

2 (a) Supervise and administer the operation of the lottery in
3 accordance with this act and the rules PROMULGATED UNDER THIS
4 ACT.

5 (b) License as agents to sell lottery tickets ~~such~~ THOSE
6 persons whom he ~~deems~~ OR SHE CONSIDERS will best serve the
7 public ~~convenience~~ and promote the sale of tickets or shares.

8 (c) NOTIFY THE PUBLIC WHEN ALL OF THE PRINCIPAL PRIZES OF AN
9 INSTANT GAME HAVE BEEN AWARDED AND PURCHASE, UPON THE REQUEST OF

1 A LOTTERY AGENT, THE AGENT'S INSTANT GAME LOTTERY TICKETS THAT
2 ARE UNSOLD AT THE TIME OF THE NOTIFICATION.

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

19 (2) The investment authority of the state treasurer with
20 regard to the state lottery fund shall be the same as his or her
21 investment authority with regard to retirement system funds. To
22 assure a continuing availability of money with which to pay state
23 lottery prize installments and to compensate for variations in
24 the yield on investments, every 6 months the commissioner and the
25 state treasurer shall review the status of the installment prize
26 investments and shall agree on an amount to be restricted out of
27 the total revenues of the state lottery fund as a reserve against

1 a drop in yield. If the commissioner and the state treasurer
2 fail to agree on the amount to be reserved, the matter shall be
3 referred to the state administrative board for a decision on the
4 amount to be reserved.

5 (3) Except as provided in subsection (4), after the payment
6 of prizes to the holders of winning state lottery tickets or
7 shares or the payment pursuant to section 32 of the liabilities
8 to this state of holders of winning state lottery tickets or
9 shares, THE PAYMENT FOR THE PURCHASE OF THE UNSOLD INSTANT GAME
10 LOTTERY TICKETS PURSUANT TO SECTION 17(C), and the payment of the
11 reasonable expenses of the bureau in its operation of the lot-
12 tery, the net revenue in the state lottery fund and any money or
13 interest generated by the state lottery fund and share of common
14 cash shall be deposited in the state school aid fund ESTABLISHED
15 UNDER SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963
16 and shall be distributed as provided by law.

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

21 Sec. 43. Subject to section 41(1), the money in the state
22 lottery fund is appropriated only for the payment of prizes to
23 the holders of winning state lottery tickets or shares, FOR THE
24 PAYMENT FOR THE PURCHASE OF THE UNSOLD INSTANT GAME LOTTERY TICK-
25 ETS PURSUANT TO SECTION 17(C), for the payment pursuant to
26 section 32 of the liabilities to this state of holders of winning
27 state lottery tickets or shares, for reasonable expenses of the

1 bureau in its operation of the state lottery, for deposit in the
2 compulsive gaming prevention fund CREATED IN SECTION 3 OF THE
3 COMPULSIVE GAMING PREVENTION ACT, 1997 PA 70, MCL 432.253, as
4 provided in section 41(4), and for deposit in the state school
5 aid fund ESTABLISHED UNDER SECTION 11 OF ARTICLE IX OF THE STATE
6 CONSTITUTION OF 1963, as provided in section 41(3).