

# SENATE BILL No. 699

November 30, 1989, Introduced by Senator VAUGHN  
and referred to the Committee on Regulatory Affairs.

A bill to amend sections 33, 41, and 43 of Act No. 239 of the Public Acts of 1972, entitled as amended "McCauley-Traxler-Law-Bowman-McNeely lottery act," section 33 as amended by Act No. 40 of the Public Acts of 1981 and sections 41 and 43 as amended by Act No. 55 of the Public Acts of 1987, being sections 432.33, 432.41, and 432.43 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Sections 33, 41, and 43 of Act No. 239 of the  
2 Public Acts of 1972, section 33 as amended by Act No. 40 of the  
3 Public Acts of 1981 and sections 41 and 43 as amended by Act  
4 No. 55 of the Public Acts of 1987, being sections 432.33, 432.41,  
5 and 432.43 of the Michigan Compiled Laws, are amended to read as  
6 follows:

1        Sec. 33. Unclaimed prize money for the prize on a winning  
2 ticket or share shall be retained by the commissioner for the  
3 person entitled to the prize money for 1 year after the drawing  
4 in which the prize was won. If a claim is not made for the money  
5 within the year, the prize money shall be ~~deposited in the state~~  
6 ~~school aid fund and~~ distributed ~~pursuant to law~~ THE SCHOOL  
7 DISTRICT IN WHICH THE WINNING TICKET WAS PURCHASED.

8        Sec. 41. (1) A special fund to be known as the "state lot-  
9 tery fund" is created. ~~Except as provided in subsection (3),~~  
10 ~~the~~ THE fund consists of all revenues received from the sale of  
11 lottery tickets or shares and all other money credited or trans-  
12 ferred to the fund from any other fund or sources pursuant to  
13 law. Earnings resulting from installment payment of any lottery  
14 prizes shall be used for payment of prizes to lottery winners,  
15 and the prize structure formulated pursuant to sections 11 and 12  
16 shall be established accordingly.

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

1 fail to agree on the amount to be reserved, the matter shall be  
2 referred to the state administrative board for decision.

3 (3) After the payment of prizes to the holders of winning  
4 lottery tickets or shares, ~~or~~ the payment pursuant to  
5 section 32 of the liabilities to this state of holders of winning  
6 lottery tickets or shares, and the payment of the reasonable  
7 expenses of the bureau in its operation of the lottery, the net  
8 revenue in the state lottery fund shall be ~~deposited in the~~  
9 ~~state school aid fund and shall be distributed as provided by~~  
10 ~~law~~ TO THE SCHOOL DISTRICT FROM WHICH THE REVENUE WAS  
11 GENERATED.

12 Sec. 43. The money in the state lottery fund is appropri-  
13 ated only for the payment of prizes to the holders of winning  
14 lottery tickets or shares, for the payment pursuant to section 32  
15 of the liabilities to this state of holders of winning lottery  
16 tickets or shares, for reasonable expenses of the bureau in its  
17 operation of the lottery, and for ~~deposit in the state school~~  
18 ~~aid fund~~ DISTRIBUTION TO THE SCHOOL DISTRICT FROM WHICH THE  
19 MONEY WAS GENERATED as provided in ~~section~~ SECTIONS 33 AND 41.

20 Section 2. This amendatory act shall take effect October 1,  
21 1990.