

**House Bill 4640 (Substitute S-2 as reported)**

Sponsor: Representative Joseph Young, Sr.

House Committee: State Affairs

Senate Committee: Regulatory Affairs

Date Completed: 4-4-88

RATIONALE

Under the lottery Act, if a prizewinner dies and there are remaining prize payments, the payments must be paid to the prizewinner's estate, or to a person pursuant to a judicial order. It has been pointed out that often this can cause difficulty for a prizewinner's family since the distribution of cash assets in an estate must be determined in probate court. Probate proceedings can sometimes take several months or years before a final settlement is reached, and can be costly for the family. It has been suggested that lottery prizes should be paid to a deceased prizewinner's family directly, or to a beneficiary designated by a prizewinner, without going through probate.

CONTENT

The bill would amend the McCauley-Traxler-Law-Bowman-McNeely Lottery Act to provide that if a prizewinner died before collecting the full amount of his or her prize, the Lottery Bureau would be required to make the remaining prize payments to the prizewinner's surviving spouse and children, in equal proportions, unless otherwise directed by the prizewinner. If the prizewinner had no spouse or children, or other designated beneficiary, the remaining prize payments would go to the prizewinner's estate.

MCL 432.25

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

ARGUMENTS***Supporting Argument***

The Act's requirement that a deceased prizewinner's prize be paid to his or her estate can often cause trouble for the prizewinner's family; family members must spend many hours in court, and sometimes spend a great deal of money in lawyers' fees, in order to collect a prize. The bill would by-pass the probate system in regard to lottery prizes, making it easier for the family, or the prizewinner's designated beneficiary, to receive the prize without having to endure legal entanglements.

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