

Act No. 72  
Public Acts of 1997  
Approved by the Governor  
July 17, 1997  
Filed with the Secretary of State  
July 17, 1997  
EFFECTIVE DATE: July 17, 1997

**STATE OF MICHIGAN  
89TH LEGISLATURE  
REGULAR SESSION OF 1997**

Introduced by Senators Rogers, Schuette, Bouchard, Geake, North, Shugars and Dunaskiss

# **ENROLLED SENATE BILL No. 571**

AN ACT to amend 1972 PA 239, entitled "An act to establish and operate a state lottery and to allow state participation in certain lottery-related joint enterprises with other sovereignties; to create a bureau of state lottery and to prescribe its powers and duties; to prescribe certain powers and duties of other state departments and agencies; to license and regulate certain sales agents; to create the state lottery fund; to provide for the distribution of lottery revenues and earnings for certain purposes; to provide for an appropriation; and to provide for remedies and penalties," by amending sections 16, 41, and 43 (MCL 432.16, 432.41, and 432.43), section 16 as added and sections 41 and 43 as amended by 1996 PA 167.

*The People of the State of Michigan enact:*

Sec. 16. (1) The commissioner shall conduct a study of compulsive gambling and the extent to which persons with compulsive gambling disorders participate in gambling activities. The commissioner shall submit a written summary of the findings of the study to the clerk of the house of representatives and the secretary of the senate not later than 1 year after the effective date of this section.

(2) The toll-free compulsive gaming helpline number shall be printed on all lottery tickets, printed advertisements, and promotional materials and posted at each location where lottery tickets are sold.

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

(2) The investment authority of the state treasurer with regard to the state lottery fund shall be the same as his or her investment authority with regard to retirement system funds. To assure a continuing availability of money with which to pay state lottery prize installments and to compensate for variations in the yield on investments, every 6 months the commissioner and the state treasurer shall review the status of the installment prize investments and shall agree on an amount to be restricted out of the total revenues of the state lottery fund as a reserve against a drop in yield. If the commissioner and the state treasurer fail to agree on the amount to be reserved, the matter shall be referred to the state administrative board for a decision on the amount to be reserved.

(3) Except as provided in subsection (4), after the payment of prizes to the holders of winning state lottery tickets or shares or the payment pursuant to section 32 of the liabilities to this state of holders of winning state lottery tickets

or shares, and the payment of the reasonable expenses of the bureau in its operation of the lottery, the net revenue in the state lottery fund and any money or interest generated by the state lottery fund and share of common cash shall be deposited in the state school aid fund and shall be distributed as provided by law.

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

Sec. 43. Subject to section 41(1), the money in the state lottery fund is appropriated only for the payment of prizes to the holders of winning state lottery tickets or shares, for the payment pursuant to section 32 of the liabilities to this state of holders of winning state lottery tickets or shares, for reasonable expenses of the bureau in its operation of the state lottery, for deposit in the compulsive gaming prevention fund as provided in section 41(4), and for deposit in the state school aid fund as provided in section 41(3).

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 569 of the 89th Legislature is enacted into law.

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate.

*Mary Ann Bell*

Clerk of the House of Representatives.

Approved .....

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Governor.