



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 528 (Substitute S-1 as reported)
Sponsor: Senator Mike Nofs
Committee: Families, Seniors and Human Services

CONTENT

The bill would amend the Lottery Act to change the procedure by which a prize winner's liabilities are deducted from his or her lottery prize.

The Act requires the Lottery Bureau, before paying a prize of \$1,000 or more, to determine whether the winner has a current liability to the State or a support arrearage, or any current liability for restitution of unemployment benefits. The Bureau must determine the amount and then apply the winnings in the following order of priority: any liability to the State; any support arrearage; any unemployment compensation debt; and any assigned delinquent account of money owed to a court. Any balance must be paid to the winner.

The Bureau must pay a winner's liability for a support arrearage to the Department of Treasury, which then must pay the amount to the Friend of the Court or to the State Disbursement Unit.

The bill would require the Bureau, instead, to pay the total amount of the winner's current liability to the Department of Treasury, and pay the remainder of the prize to the winner. The Department would have to apply the funds according to priority as discussed above. The Department would have to pay funds designated for support arrearage to the State Disbursement Unit.

The Office of Child Support would have to provide the Department with the names of people who have a support arrearage. Currently, each Friend of the Court must report the names to the Office of Child Support, which must provide the names to the Department.

MCL 432.32

Legislative Analyst: Glenn Steffens

FISCAL IMPACT

The bill would have no fiscal impact on State or local government. Currently, the Department of Treasury tracks certain debts including child support, tax debts, and driver responsibility fees. Treasury has the ability to intercept State payments if necessary to recoup funds owed. The Lottery Bureau uses the Department of Treasury system to look up the amount of debts owed before issuing a prize check. The amount of these debts is withheld from the prize check. The Department of Treasury then uses the withheld funds to pay debts in the order of priority established in statute. The bill would amend the statute to reflect these systems.

Date Completed: 11-12-13

Fiscal Analyst: Elizabeth Pratt