

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 528

A bill to amend 1972 PA 239, entitled
"McCauley-Traxler-Law-Bowman-McNeely lottery act,"
by amending section 32 (MCL 432.32), as amended by 2012 PA 428.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 32. (1) Before payment of a prize of \$1,000.00 or more,
2 the bureau shall determine both of the following:

3 (a) Whether department of treasury records show that the
4 lottery winner has a current liability to this state or a support
5 arrearage.

6 (b) Whether unemployment insurance agency records show that
7 the lottery winner has any current liability for restitution of
8 unemployment benefits, penalty, or interest under section 15 of the
9 Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.15.

1 (C) WHETHER RECORDS OF THE DEPARTMENT OF HUMAN SERVICES SHOW
2 THAT THE LOTTERY WINNER HAS ANY CURRENT LIABILITY TO THE DEPARTMENT
3 OF HUMAN SERVICES.

4 (2) The department of treasury shall provide the bureau with a
5 list or computer access to a compilation of persons known to the
6 department to have a current liability to this state, including **A**
7 delinquent ~~accounts~~ **ACCOUNT** of money ~~due and owing~~ **OWED** to a court
8 that ~~have~~ **HAS** been assigned to this state for collection, or a
9 support arrearage. The information shall be updated not less than
10 once a month.

11 (3) If a liability to this state, a support arrearage, ~~or~~ an
12 unemployment compensation debt, **OR A DEBT TO THE DEPARTMENT OF**
13 **HUMAN SERVICES** is identified under subsection (1), the bureau shall
14 ascertain the amount owed from the department of treasury, ~~or~~ the
15 unemployment insurance agency, **OR THE DEPARTMENT OF HUMAN SERVICES,**
16 as applicable.

17 (4) After ascertaining the amount owed by the lottery winner
18 under subsection (3), the bureau shall **PAY THE AMOUNT DETERMINED**
19 **UNDER SUBSECTION (3) TO THE DEPARTMENT OF TREASURY AND PAY THE**
20 **BALANCE, IF ANY, TO THE LOTTERY WINNER. THE DEPARTMENT OF TREASURY**
21 **SHALL** apply the amount ~~of the prize~~ **AS DETERMINED UNDER SUBSECTION**
22 **(3)** as follows:

23 (a) First to any liability to this state other than an
24 assigned delinquent account of money ~~due and owing~~ **OWED** to a court,
25 ~~or~~ an unemployment compensation debt, **OR A DEBT TO THE DEPARTMENT**
26 **OF HUMAN SERVICES.**

27 (b) Next to any support arrearage.

1 (c) Next to any unemployment compensation debt.

2 (D) **NEXT TO ANY DEBT TO THE DEPARTMENT OF HUMAN SERVICES.**

3 (E) ~~(d)~~ Next to any assigned delinquent accounts of money due
4 and owing ~~OWED~~ to a court.

5 ~~— (e) The balance, if any, shall be paid to the lottery winner.~~

6 (5) Except for a payment applied to a liability under
7 subsection (4)(c) **OR (D)**, a lottery winner shall be given notice
8 and an opportunity for a hearing before the department of treasury
9 or its designee with respect to the liability to which the prize is
10 to be applied if the liability has not been reduced to judgment or
11 has not been finalized under statutory review provisions of the
12 statute under which the liability arose. The notice shall be given
13 by regular mail. The lottery winner may request a hearing before
14 the department of treasury within 15 days after the date of the
15 notice by making a written request to the state treasurer.

16 (6) An amount applied to pay a support arrearage shall be paid
17 by ~~the bureau to the~~ department of treasury, ~~which shall pay the~~
18 ~~amount to the office of the friend of the court for the appropriate~~
19 ~~judicial circuit or to the state disbursement unit in the same~~
20 ~~manner as a payment pursuant to an order of income withholding~~
21 ~~under section 9~~ **FOR DISBURSEMENT AS PROVIDED IN SECTION 48** of the
22 support and parenting time enforcement act, 1982 PA 295, MCL
23 ~~552.609.~~ **552.648.**

24 (7) In regard to information provided by the department of
25 treasury to the bureau under this section, the bureau is subject to
26 the confidentiality restrictions and penalties provided in section
27 28(1)(f) and (2) of 1941 PA 122, MCL 205.28. In regard to

1 information provided by the unemployment insurance agency to the
2 bureau under section 15 of the Michigan employment security act,
3 1936 (Ex Sess) PA 1, MCL 421.15, the bureau is subject to the
4 confidentiality restrictions and penalties provided in sections 11
5 and 54 of the Michigan employment security act, 1936 (Ex Sess) PA
6 1, MCL 421.11 and 421.54. **IN REGARD TO INFORMATION PROVIDED BY THE
7 DEPARTMENT OF HUMAN SERVICES TO THE BUREAU, THE BUREAU IS SUBJECT
8 TO THE SAME EXTENT AS IS THE DEPARTMENT OF HUMAN SERVICES TO
9 RESTRICTIONS PRESCRIBED BY FEDERAL REGULATIONS GOVERNING TEMPORARY
10 ASSISTANCE TO NEEDY FAMILIES OR OTHER FEDERAL PROGRAMS, BY RULES OF
11 THE DEPARTMENT OF HUMAN SERVICES, OR OTHERWISE, FOR PREVENTING THE
12 DISCLOSURE OF CONFIDENTIAL INFORMATION TO ANY PERSON NOT AUTHORIZED
13 BY LAW TO RECEIVE THE INFORMATION.**

14 ~~(8) Each office of the friend of the court shall report to the~~
15 **THE** office of child support **SHALL PROVIDE** the names of persons who
16 have a current support arrearage ~~and the office of child support~~
17 ~~shall provide that information to the department of treasury.~~

18 (9) As used in this section:

19 ~~—— (a) "Office of the friend of the court" means an agency~~
20 ~~created in section 3 of the friend of the court act, 1982 PA 294,~~
21 ~~MCL 552.503.~~

22 **(A) "STATE DISBURSEMENT UNIT" MEANS THE ENTITY ESTABLISHED BY**
23 **SECTION 6 OF THE OFFICE OF CHILD SUPPORT ACT, 1971 PA 174, MCL**
24 **400.236.**

25 (b) "Support" means that term as defined in section 2a of the
26 friend of the court act, 1982 PA 294, MCL 552.502a.

27 Enacting section 1. This amendatory act takes effect 90 days

1 after the date it is enacted into law.