

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

8           (3) If a liability to this state, a support arrearage, or an  
9 unemployment compensation debt is identified under subsection (1),  
10 the bureau shall ascertain the amount owed from the department of  
11 treasury or the unemployment insurance agency, as applicable.

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

18           (a) First to any liability to this state other than an  
19 assigned delinquent account of money ~~due and owing~~ **OWED** to a court  
20 or an unemployment compensation debt.

21           (b) Next to any support arrearage.

22           (c) Next to any unemployment compensation debt.

23           (d) Next to any assigned delinquent accounts of money ~~due and~~  
24 ~~owing~~ **OWED** to a court.

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

26           (5) Except for a payment applied to a liability under  
27 subsection (4)(c), a lottery winner shall be given notice and an

1 opportunity for a hearing before the department of treasury or its  
2 designee with respect to the liability to which the prize is to be  
3 applied if the liability has not been reduced to judgment or has  
4 not been finalized under statutory review provisions of the statute  
5 under which the liability arose. The notice shall be given by  
6 regular mail. The lottery winner may request a hearing before the  
7 department of treasury within 15 days after the date of the notice  
8 by making a written request to the state treasurer.

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

17 (7) In regard to information provided by the department of  
18 treasury to the bureau under this section, the bureau is subject to  
19 the confidentiality restrictions and penalties provided in section  
20 28(1)(f) and (2) of 1941 PA 122, MCL 205.28. In regard to  
21 information provided by the unemployment insurance agency to the  
22 bureau under section 15 of the Michigan employment security act,  
23 1936 (Ex Sess) PA 1, MCL 421.15, the bureau is subject to the  
24 confidentiality restrictions and penalties provided in sections 11  
25 and 54 of the Michigan employment security act, 1936 (Ex Sess) PA  
26 1, MCL 421.11 and 421.54.

27 (8) ~~Each office of the friend of the court shall report to the~~

1 **THE** office of child support **SHALL PROVIDE** the names of persons who  
2 have a current support arrearage ~~and the office of child support~~  
3 ~~shall provide that information to~~ the department of treasury.

4 (9) As used in this section:

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

8 (A) "STATE DISBURSEMENT UNIT" MEANS THE ENTITY ESTABLISHED BY  
9 SECTION 6 OF THE OFFICE OF CHILD SUPPORT ACT, 1971 PA 174, MCL  
10 400.236.

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