

ANONYMOUS LOTTERY WINNERS

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House Bill 4433 (reported from committee w/o amendment)

Sponsor: Rep. Ray A. Franz

Committee: Regulatory Reform

Complete to 5-20-15

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4433 would amend Section 25 of the McCauley-Traxler-Law-Bowman-McNeely Lottery Act to prohibit the lottery commissioner, or an officer or employee of the Michigan Bureau of State Lottery, from disclosing certain information about an individual who has won a prize in a "joint enterprise," unless that individual agrees in writing to the disclosure.

Currently, the commissioner, officer, or an employee of the bureau may disclose the name, address, or any other personal information concerning a winner of a prize awarded under a game played pursuant to a joint enterprise, to the extent required under the joint enterprise participation agreement. The information of individuals who have won a prize of greater than \$10,000 in the state lottery may not be disclosed unless that individual agrees in writing to the disclosure.

A joint enterprise is defined as, "any lottery activity in which the bureau participates pursuant to a written agreement between the state of Michigan and any state, territory, country, or other sovereignty as executed by the commissioner. Joint enterprise does not include the state lottery created pursuant to this act."

The bill also would make other technical non-substantive changes.

BACKGROUND AND DISCUSSION:

According to testimony presented in committee, individuals who win large sums of money in multi-state lotto games are often subjected to unwanted publicity, as well as harassment from others asking for money. The stated intent of the bill is to allow winners to only be publically identified by the State Lottery if they first grant written permission. Individuals who win a prize of more than \$10,000 in Michigan-only lotto games already have this ability.

Opponents of the bill, which included the Michigan Bureau of State Lottery, believe that the publication of winners' names grants a level of transparency to the lottery system by allowing non-winners to verify that someone has, indeed, won the big prize. To a lesser extent, the Michigan Lottery also claimed a benefit of increased advertising exposure by using in-state winners in promotional material.

FISCAL IMPACT:

House Bill 4433 would have an indeterminate fiscal impact on lottery revenues and subsequent distributions to the School Aid Fund. According to the Michigan Bureau of State Lottery, the bill would have a negative fiscal impact as it relates to the Bureau's ability to generate publicity and advertise prizes won for multi-state games (Mega Millions, Powerball, and Lucky for Life). The Bureau of State Lottery has indicated that this will likely have a negative impact on sales, thereby reducing the annual distribution to the School Aid Fund. In FY 2014, the distribution to the School Aid Fund totaled \$742.8 million. There would be no administrative costs associated with the changes required under the provisions of the bill.

POSITIONS:

The Michigan Lottery indicated opposition to the bill. (5-13-15)

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