



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1111 (as introduced 6-30-22)
Senate Bill 1112 (as introduced 6-30-22)
Sponsor: Senator Michael D. MacDonald (S.B. 1111)
Senator Jeremy Moss (S.B. 1112)
Committee: Regulatory Reform

Date Completed: 9-20-22

CONTENT

Senate Bill 1111 would amend the Lawful Internet Gaming Act to require the Michigan Gaming Control Board to spend money from the Internet Gaming Fund, on appropriation, for the costs incurred by the Executive Director of the Board or the Board in the administration and enforcement of millionaire party activity under the Traxler-McCauley-Law-Bowman Bingo Act.

Senate Bill 1112 would amend the Traxler-McCauley-Law-Bowman Bingo Act to specify that all necessary expenses incurred by the Executive Director or Board in the administration and enforcement of millionaire party activity would have to be financed from the Internet Gaming Fund instead of the State Lottery Fund.

The bills are tie-barred.

Senate Bill 1111

The Lawful Internet Gaming Act, among other things, establishes the Internet Gaming Fund and specifies that the Michigan Gaming Control Board is the administrator of the Fund. The Board must spend money from the Fund, on appropriation, for the Board's costs to regulate and enforce internet gaming under the Act. After that, the Board must spend money from the Fund for the following:

- Each year, \$500,000 to the Compulsive Gaming Prevention Fund.
- Each year, \$2.0 million to the First Responder Presumed Coverage Fund.

All money remaining after those expenditures must be deposited into the State School Aid Fund.

Under the bill, before disbursements to the Compulsive Gaming Prevention Fund, the Board would have to spend money from the Internet Gaming Fund, on appropriation, for the costs incurred by the Executive Director or Board in the administration and enforcement of millionaire party activity under the Traxler-McCauley-Law-Bowman Bingo Act (as well as the costs incurred by the Board to regulate and enforcement internet gaming, as currently required.)

Senate Bill 1112

Under the Bingo Act, all fees and revenue collected by the Executive Director or Board must be paid to the State Lottery Fund. All necessary expenses incurred by the Executive Director or Board in the administration and enforcement of any activity authorized by the Act in the initiation, implementation, and ongoing operation of any activity authorized by the Act must be financed from the State Lottery Fund.

Under the bill, all necessary expenses incurred by the Executive Director or Board in the administration and enforcement of millionaire party activity authorized by the Act and in the initiation, implementation, and ongoing operation of millionaire party activity authorized by the Act would have to be financed from the Internet Gaming Fund.

Under the Act, the amount of necessary expenses incurred by the Commissioner of State Lottery or the Bureau of State Lottery and the Executive Director or the Board to administer or enforce the Act and in the initiation, implementation, and ongoing operation of any activity authorized under the Act may not exceed the amount of revenue received from the sale of charity game tickets and all fees collected under the Act. Under the bill, this provision would apply only the necessary expenses incurred by the Commissioner or Bureau.

MCL 432.316 (S.B. 1111)

MCL 432.108 (S.B. 1112)

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bills would have no overall fiscal impact on the State and no fiscal impact on local units of government. The bills would not have a gross fiscal impact on the Michigan Gaming Control Board, which regulates millionaire party activity. However, they would change the source of funding to support the necessary regulatory activity, from millionaire party revenue to internet gaming revenue. The funding would be capped at the amount annually appropriated. Revenue generated from million party licensing instead would lapse to the School Aid Fund at the end of the fiscal year.

Fiscal Analyst: Cory Savino, PhD

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.