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BILL ANALYSIS

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Senate Fiscal Agency

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Senate Bill 14

Sponsor: Senator Jack Welborn

Committee: Regulatory Affairs

Date Completed: 2-15-89

SUMMARY OF SENATE BILL 14 as introduced 1-11-89:

The bill would amend the McCauley-Traxler-Bowman-McNeely Lottery Act to require the State Lottery Bureau, before awarding a prize of \$600 or more, to determine if the Department of Treasury knew of any liability of a lottery winner to the State, and to apply the prize to any such liability before paying the excess to the winner. Currently, this requirement applies in the case of a prize over \$5,000. The bill would further require the Lottery Bureau to determine whether the Office of the Friend of the Court knew of any "support arrearage" of a lottery winner, and require that any winnings be applied toward the arrearage before payment to the winner.

The bill would define "support arrearage" as unpaid spouse or child support payments as determined by the Office of the Friend of the Court under the Friend of the Court Act. An amount applied to pay a support arrearage would have to be paid to the Office of the Friend of the Court for the appropriate judicial circuit in the same manner, and subject to the same interest liability, as prescribed for payments pursuant to an order of income withholding under the Support and Visitation Enforcement Act.

MCL 432.32

Legislative Analyst: G. Towne

FISCAL IMPACT

According to the Bureau of State Lottery, the bill would require the hiring of two additional full-time employees at an approximate total cost of \$60,000 per year. Under the current statute, the Lottery Bureau (through the Department of Treasury) is required to determine if a winner of any lottery prize over \$5,000 has any liability to the State prior to payment of that prize. Each year 400 to 500 prize winners fall into this category. Lowering the prize minimum to \$600 would add an additional 36,000 prize winners to be checked for any liability to the State and, additionally, any liabilities to the Friend of the Court.

Since no statewide data system exists that would tell the Lottery Bureau who is in arrears to the Friend of the Court, it is difficult to determine the amount of labor that would be required to run a check with the Office of the Friend of the Court in each of the 55 circuit courts in the State.

The bill also could result in additional revenue to the State Treasury, to an indeterminate degree, based on whatever State liabilities were collected due to the lowering of the level of prize winnings subject to interception.

Fiscal Analyst: B. Baker

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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.