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LOTTO WINNERS

House Bill 5094 (Substitute H-1)
First Analysis (10-21-93)

Sponsor: Rep. David Jaye
Committee: State Affairs

THE APPARENT PROBLEM:

Apparently some people believe that there are a disproportionate number of lotto winners in certain areas of the state (such as suburbs of large cities). So rather than buying lotto tickets in their own neighborhoods or hometowns, people will instead travel to these perceived "luckier" places to buy their lotto tickets, hoping to better their chances of winning. Perhaps compounding the problem, a 1988 amendment to the lottery act (Public Act 243, enrolled House Bill 4640), among other things, allows lottery winners of over \$10,000 to remain anonymous. So even if certain towns or neighborhoods in fact are the sites of lottery winnings, that information won't necessarily become public knowledge. Understandably, businesspeople who sell tickets in areas perceived to have few lotto winners are concerned that they are losing business because of these perceptions, and the lottery itself loses a certain number of customers who otherwise would buy tickets if they knew that someone in their hometown had won at lotto. Legislation has been introduced to address this and other issues.

THE CONTENT OF THE BILL:

The bill would amend the McCauley-Traxler-Law-Bowman-McNeely Lottery Act (Public Act 239 of 1972), which regulates the state lottery, to require the lottery commissioner to publish:

- (1) the total lottery sales, winnings, and commissions paid to lottery agents; and
- (2) the home towns of lotto jackpot winners.

Publication of total lottery sales, winnings, and commissions would have to be quarterly and by county; the bill would take effect on March 1, 1994.

MCL 4235.25

FISCAL IMPLICATIONS:

Fiscal information is not available.

ARGUMENTS:

For:

The bill basically is an "open books" bill that would help market the lottery program, since knowledge of winners' home towns, for many people, tends to reinforce their belief that they, too, can win. At the same time, local papers are more likely to publish news of local winnings, even if the winner is anonymous. Such newspaper accounts would tend to reinforce local people's belief that they might also win if someone in their hometown had already won. Finally, requiring press releases of total lottery winnings and prizes would increase people's general knowledge of the lottery program, which could result in more people playing the lottery.

Against:

The bill raises once again the question of the morality of state-sanctioned gambling. All of the literature on state lotteries indicates that chances of winning large prizes are extremely small and that lotto tickets tend to be bought in disproportionate numbers by poor people who can least afford them. The fact that someone in your hometown won a large lotto prize probably would encourage some people in that town to buy more lotto tickets in the hopes of also winning a large prize. The fact remains, however, that chances of winning will not be improved at all by the fact that someone in that town already won a large jackpot. Indeed, getting people's hopes up falsely by using effective but misleading psychological tactics seems unfair if not cruel.

POSITIONS:

The lottery bureau supports the bill. (10-20-93)