



HOUSE BILL No. 5166

October 26, 1993, Introduced by Rep. Jaye and referred to the Committee on State Affairs.

A bill to amend section 41 of Act No. 239 of the Public Acts of 1972, entitled as amended

"McCauley-Traxler-Law-Bowman-McNeely lottery act,"

as amended by Act No. 55 of the Public Acts of 1987, being section 432.41 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 41 of Act No. 239 of the Public Acts of
2 1972, as amended by Act No. 55 of the Public Acts of 1987, being
3 section 432.41 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 41. (1) A special fund to be known as the "state lot-
6 tery fund" is created IN THE DEPARTMENT OF TREASURY. Except as
7 provided in subsection (3), the STATE LOTTERY fund consists of
8 all revenues received from the sale of lottery tickets or shares
9 and all other money credited or transferred to the fund from any

1 other fund or sources pursuant to law. Earnings resulting from
2 installment payment of any lottery prizes shall be used for pay-
3 ment of prizes to lottery winners ~~—~~ and the prize structure
4 formulated pursuant to sections 11 and 12 shall be established
5 accordingly.

6 (2) The investment authority of the state treasurer with
7 regard to the state lottery fund shall be the same as his or her
8 investment authority with regard to retirement system funds. To
9 assure a continuing availability of money with which to pay lot-
10 tery prize installments and to compensate for variations in the
11 yield on investments, the commissioner and the state treasurer
12 shall, every 6 months, review the status of the installment prize
13 investments and shall agree on an amount to be restricted out of
14 the total revenues of the state lottery fund as a reserve against
15 a drop in yield. If the commissioner and the state treasurer
16 fail to agree on the amount to be reserved, the matter shall be
17 referred to the state administrative board for decision.

18 (3) After the payment of prizes to the holders of winning
19 lottery tickets or shares or the payment pursuant to section 32
20 of the liabilities to this state of holders of winning lottery
21 tickets or shares, and the payment of the reasonable expenses of
22 the bureau in its operation of the lottery, the net revenue in
23 the state lottery fund AND ANY MONEY OR INTEREST GENERATED BY
24 THAT NET REVENUE WHILE DEPOSITED IN THE STATE LOTTERY FUND shall
25 be deposited in the state school aid fund and shall be distrib-
26 uted as provided by law.