



**Senate Fiscal Agency**  
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**BILL ANALYSIS**



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Senate Bill 1210 (Substitute S-2 as reported)  
Sponsor: Senator Joel D. Gougeon  
Committee: Families, Mental Health and Human Resources

**CONTENT**

The bill would amend the Social Welfare Act to specify that an individual who won a lottery prize of \$1,000 or more would be liable to the Family Independence Agency for the amount of cash assistance paid to that individual or his or her spouse or minor children during the previous three years up to 50% of the amount of the lottery prize. This requirement would apply to a lottery winner who was currently receiving, or who, in the past three years had received, continuous cash assistance under the Act, or whose spouse or minor children were receiving or, in the previous three years, had received such assistance. The liability would constitute a liability to the State for purposes of the Lottery Act.

The Director of the Agency and the State Lottery Commissioner would have to enter into a written agreement that would establish the procedures for implementing the bill. The Agency would have to provide written notice to each prize winner of the amount of the prize winning to be credited against assistance received and the procedure and time frame by which the prize winner could contest that crediting.

The Agency would have to implement the bill to the extent that it was cost-effective. Further, the Agency would not be required to comply with the written agreement and notification requirements until April 1, 1998.

The bill is tie-barred to Senate Bill 1211. Senate Bill 1211 (S-2) would amend the Lottery Act to specify that for lottery winners liable to the State for the receipt of cash assistance, the administrative remedies specified in Senate Bill 1210, instead of the hearing provisions in the Lottery Act, would apply.

MCL 400.43b

Legislative Analyst: L. Burghardt

**FISCAL IMPACT**

It appears that the bills could have an indeterminate fiscal impact on State government. The amendment would allow for the comparison of cash assistance recipients with lottery winners to target possible reimbursement by assistance grant recipients for payments received. This proposed system is similar to the method currently used by the Friend of the Court in conjunction with the Lottery Bureau and the State Department of Treasury to collect support payment arrearage or other liabilities to the State from lottery prizes over \$1,000. It is uncertain how many cash assistance recipients have won or would win lottery prizes of \$1,000 or more. However, the Department or the Family Independency Agency could monitor the process in order to determine the actual fiscal impact on State revenues.

Date Completed: 11-26-96

Fiscal Analyst: C.Cole  
M. Ortiz

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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.