



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1211 (Substitute S-1 as reported)
Sponsor: Senator Joel D. Gougeon
Committee: Families, Mental Health and Human Resources

CONTENT

The bill would amend the Lottery Act to specify that for lottery winners liable to the State for receipt of cash assistance, the administrative remedies specified in Senate Bill 1210, instead of the hearing provisions in the Lottery Act, would apply.

Currently, the Lottery Act requires the Bureau of State Lottery, before paying any lottery prize of \$1,000 or more, to determine whether Department of Treasury records show that a lottery winner has a current liability to the State or a support arrearage. If there is a liability or support arrearage, the Bureau must first apply the amount of the prize to the liability or arrearage before paying the remainder of the prize money, if any, to the lottery winner. The lottery winner may request a hearing concerning his or her liability by making a written request to the Revenue Commissioner. Under the bill, the administrative remedies specified in Senate Bill 1210, rather than the hearing provisions of the Act, would apply.

The bill is tie-barred to Senate Bill 1210. Senate Bill 1210 (S-2) 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.

MCL 432.32

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 Independence 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
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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.