



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4484 (Substitute H-1 as reported with amendments)
Sponsor: Representative Gerald Law
House Committee: Regulatory Affairs
Senate Committee: Local, Urban and State Affairs

CONTENT

The bill would amend the Lottery Act to permit the State Lottery Commissioner to participate in a "joint enterprise", which would be defined as any lottery activity in which the Bureau of State Lottery participated pursuant to a written agreement between this State and any state, territory, or country or other sovereignty as executed by the Commissioner. The Commissioner would have to report to the Legislature every six months on the progress of this joint enterprise agreement. The determination of prize money, disclosure of personal information concerning a prize winner, and treatment of unclaimed prize money and revenue resulting from the sale of tickets would be subject to the joint enterprise participation agreement. The bill would require that any unclaimed prize money the State received be deposited in the State School Aid Fund, and that net revenue from any joint enterprise deposited in the State Lottery Fund, if so provided in the joint enterprise participation agreement. The Commissioner would have to submit a proposal to develop a program for the education and treatment of compulsive gamblers to the Legislature within six months after the bill's effective date.

Under the bill, the Commissioner could participate in joint enterprises with other sovereignties so long as he or she determined that the joint enterprise was designed to produce the maximum amount of net revenues for the State consonant with the general welfare of the people. The joint agreement would have to provide that participation in the agreement could be discontinued if the Commissioner determined it was necessary to do so.

MCL 432.3 et al.

Legislative Analyst: L. Arasim

FISCAL IMPACT

According to the Bureau of State Lottery, early estimates project that gross sales would increase by approximately \$200,000,000. When the effect on sales of the Michigan Lotto is factored in, the net increase is closer to \$150,000,000. This estimate in increased sales due to a larger jackpot would mean an additional \$50 million to \$60 million a year in revenue for the School Aid Fund.

Date Completed: 12-11-95

Fiscal Analyst: M. Bain

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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.