

REPRINT

**SUBSTITUTE FOR  
SENATE BILL NO. 596**

(As Passed the Senate October 22, 1997)

A bill to amend 1972 PA 239, entitled  
"McCauley-Traxler-Law-Bowman-McNeely lottery act,"  
by amending section 25 (MCL 432.25), as amended by 1996 PA 167.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 25. (1) The right of any person to a prize drawn from  
2 the state lottery is not assignable, except ~~that payment of any~~  
3 ~~prize drawn may be paid to the family members or to the estate of~~  
4 ~~a deceased prizewinner as provided in subsection (2), to a person~~  
5 ~~pursuant to an appropriate judicial order, or to the state pursu-~~  
6 ~~ant to section 32~~ AS PROVIDED IN THIS SECTION. The commissioner  
7 shall be discharged of all further liability upon payment of a  
8 prize pursuant to this section.

9       (2) PAYMENT OF ANY PRIZE DRAWN MAY BE MADE TO A PERSON  
10 PURSUANT TO AN APPROPRIATE JUDICIAL ORDER.

**SB0596, As Passed House, December 9, 1997**

Sub. S.B. 596 (S-1) as amended December 9, 1997

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1           (3) PAYMENT OF ANY PRIZE DRAWN MAY BE MADE TO THE STATE  
2 PURSUANT TO SECTION 32.

3           (4) ~~—(2)—~~ If a prizewinner dies before collecting the full  
4 amount of his or her prize drawn from the state lottery, the  
5 bureau shall continue to make the remaining prize payments to the  
6 prizewinner's surviving spouse and the prizewinner's living chil-  
7 dren, in equal proportions, unless otherwise directed by the  
8 prizewinner. If there is not a surviving spouse or living chil-  
9 dren or other designated beneficiaries, the remaining prize pay-  
10 ments shall be made to the prizewinner's estate.

11           (5) EXCEPT AS PROVIDED IN SUBSECTION (10), PAYMENT OF ANY  
12 PRIZE DRAWN MAY BE MADE TO ANY PERSON PURSUANT TO A VOLUNTARY  
13 ASSIGNMENT OF THE RIGHT TO RECEIVE FUTURE PRIZE PAYMENTS, IN  
14 WHOLE OR IN PART, IF THE ASSIGNMENT IS MADE TO A PERSON OR ENTITY  
15 DESIGNATED PURSUANT TO AN APPROPRIATE JUDICIAL ORDER OF A COURT  
16 OF COMPETENT JURISDICTION LOCATED IN EITHER THE COUNTY IN WHICH  
17 THE ASSIGNOR RESIDES OR THE COUNTY IN WHICH THE BUREAU IS  
18 LOCATED. AN ORDER APPROVING THE ASSIGNMENT AND DIRECTING THE  
19 COMMISSIONER TO PAY THE ASSIGNEE ALL OR A PART OF FUTURE PRIZE  
20 PAYMENTS IS PROPERLY ISSUED IF THE COURT FINDS THAT ALL OF THE  
21 FOLLOWING CIRCUMSTANCES EXIST:

22           (A) THE ASSIGNMENT IS IN WRITING, EXECUTED BY THE ASSIGNOR  
23 IN ACCORDANCE WITH THE LAWS OF THIS STATE [, AND THE TERMS OF THE  
ASSIGNMENT ARE DISCLOSED, INCLUDING THE IDENTITY OF THE ASSIGNEE,  
THE PORTION OR PORTIONS OF PRIZE PAYMENTS TO BE ASSIGNED, AND THE  
AMOUNTS AND DATES OF ANY PAYMENTS THAT SHALL BE GIVEN IN EXCHANGE  
FOR THE ASSIGNMENT].

24           (B) THE ASSIGNOR PROVIDES A SWORN AFFIDAVIT TO THE COURT  
25 ATTESTING THAT THE ASSIGNOR IS OF SOUND MIND, IS NOT ACTING UNDER  
26 DURESS, HAS BEEN ADVISED REGARDING THE ASSIGNMENT BY HIS OR HER  
27 LEGAL COUNSEL, AND UNDERSTANDS AND AGREES THAT THE STATE AND THE

1 COMMISSIONER WILL HAVE NO FURTHER LIABILITY OR RESPONSIBILITY TO  
2 MAKE PRIZE PAYMENTS TO THE ASSIGNOR.

3 (C) THE PROPOSED ASSIGNMENT DOES NOT INCLUDE OR COVER PAY-  
4 MENTS OR PORTIONS OF PAYMENTS [THAT ARE SUBJECT TO

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6

] SECTION 32.

[(D) NOT LESS THAN 5 DAYS AFTER FILING A PETITION FOR A JUDICIAL  
ORDER THAT APPROVES A VOLUNTARY ASSIGNMENT UNDER THIS SUBSECTION AND  
NOT LESS THAN 10 DAYS BEFORE A HEARING ON THE PETITION, THE PETITIONER  
SHALL CAUSE A COPY OF THE PETITION AND NOTICE OF HEARING ON THE  
PETITION TO BE SERVED UPON THE ATTORNEY GENERAL. THE ATTORNEY GENERAL  
OR HIS OR HER ASSISTANT SHALL BE PERMITTED TO APPEAR AND TAKE ACTION  
THAT IS IN THE BEST INTERESTS OF THE BUREAU AND THIS STATE.]

7 (6) SOLICITING OR OFFERING RIGHTS TO LOTTERY PRIZE PAYMENTS,

8 EITHER BY ASSIGNMENT OR THROUGH PLEDGE AS COLLATERAL FOR A LOAN,

9 SHALL NOT BE CONSIDERED SELLING OR OFFERING FOR SALE LOTTERY

10 TICKETS OR SHARES UNDER THIS ACT.

11 (7) THE COMMISSIONER IS AUTHORIZED TO ESTABLISH A REASONABLE

12 FEE TO DEFRAY THE COST OF ANY ADMINISTRATIVE EXPENSES ASSOCIATED

13 WITH ASSIGNMENTS MADE PURSUANT TO THIS SECTION, INCLUDING THE

14 COST OF A PROCESSING FEE THAT MAY BE IMPOSED BY A PRIVATE ANNUITY

15 PROVIDER. THE AMOUNT OF THE FEE SHALL REFLECT THE DIRECT AND

16 INDIRECT COSTS ASSOCIATED WITH PROCESSING THE ASSIGNMENTS.

17 (8) ~~-(3)-~~ Except as otherwise provided by state or federal

18 law, the commissioner or an officer or employee of the bureau

19 shall not disclose the name, address, or any other personal

20 information concerning a winner of a prize greater than

21 \$10,000.00 drawn from the state lottery, unless the winner of a

22 prize agrees in writing to allow the disclosure. Subject to

23 subsection ~~-(4)-~~ (9), the information protected against disclo-

24 sure under this section is exempt from disclosure under the free-

25 dom of information act, ~~Act No. 442 of the Public Acts of 1976,~~

26 ~~being sections 15.231 to 15.246 of the Michigan Compiled Laws~~

27 1976 PA 442, MCL 15.231 TO 15.246.

1       (9) ~~—(4)—~~ Notwithstanding subsection ~~—(3)—~~ (8), the  
2 commissioner or an officer or employee of the bureau may disclose  
3 the name, address, or any other personal information concerning a  
4 winner of a prize awarded under a game played pursuant to a joint  
5 enterprise to the extent required under the joint enterprise par-  
6 ticipation agreement executed by the commissioner.

7       (10) IF AT ANY TIME THE FEDERAL INTERNAL REVENUE SERVICE OR  
8 A COURT OF COMPETENT JURISDICTION ISSUES A DETERMINATION LETTER,  
9 REVENUE RULING, OTHER PUBLIC RULING OF THE INTERNAL REVENUE SERV-  
10 ICE, OR PUBLISHED DECISION TO ANY STATE LOTTERY OR STATE LOTTERY  
11 PRIZEWINNER DECLARING THAT THE VOLUNTARY ASSIGNMENT OF PRIZES  
12 WILL AFFECT THE FEDERAL INCOME TAX TREATMENT OF PRIZEWINNERS WHO  
13 DO NOT ASSIGN THEIR PRIZES, THE COMMISSIONER SHALL IMMEDIATELY  
14 FILE A COPY OF THAT LETTER, RULING, OR PUBLISHED DECISION WITH  
15 THE SECRETARY OF STATE AND THE OFFICE OF THE STATE COURT  
16 ADMINISTRATOR. A COURT SHALL NOT ISSUE A VOLUNTARY ASSIGNMENT  
17 ORDER UNDER SUBSECTION (5) AFTER THE DATE THE RULING, LETTER, OR  
18 PUBLISHED DECISION IS FILED.