

Legislative Analysis



DEDUCT UNEMPLOYMENT INSURANCE DEBTS FROM LOTTERY WINNINGS

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5437

Sponsor: Rep. Dale W. Zorn

Committee: Commerce

Complete to 6-4-12

A SUMMARY OF HOUSE BILL 5437 AS INTRODUCED 2-23-12

House Bill 5437 would require the Lottery Bureau, before paying a prize of \$1,000 or more, to check whether unemployment records show that the lottery winner has any current liability for restitution of unemployment benefits, penalty, or interest. If so, the Bureau would have to apply the amount of the prize to any unemployment compensation debt. Unemployment compensation debts, however, would follow in order of priority, any liability to the state and to child support arrearages. They would have a higher priority than amounts owed to a court.

The bill is an amendment to the McCauley-Traxler-Law-Bowman-McNeely Lottery Act. As introduced, it is tie-barred to Senate Bill 806, which has already been enacted as Public Act 269 of 2011.

MCL 432.32

FISCAL IMPACT:

House Bill 5437 would have a positive fiscal impact on the Unemployment Insurance Agency to the extent that lottery winnings are garnished to pay unemployment compensation debt, penalties, and interest.

House Bill 5437 would have an indeterminate, but likely negligible, fiscal impact on the Bureau of State Lottery. It is possible that the provisions of the bill would increase administrative costs for the Bureau of State Lottery. However, the costs are would likely be absorbed under current appropriation levels.

Legislative Analyst: Chris Couch
Fiscal Analyst: Ben Gielczyk
Paul Holland

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.