

Legislative Analysis



DEDUCT DHS BENEFITS FORM LOTTERY WINNINGS

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

House Bill 4855 (Substitute H-1)

Sponsor: Rep. Kenneth Kurtz

Committee: Families, Children, and Seniors

Complete to 2-25-14

A SUMMARY OF HOUSE BILL 4855 AS REPORTED FROM COMMITTEE

The bill would require the Lottery Bureau, before payment of a prize of \$1,000 or more, to determine whether records of the Department of Human Services show that the lottery winner has any current liability to it. If a debt to the DHS is identified, after ascertaining the amount owed by the lottery winner, the Lottery Bureau would be required to apply prize money to the amount owed to the DHS.

Debts owed to the DHS, however, would follow in order of priority any liability to the state, to child support arrearages, and to unemployment compensation debt. A debt owed to the department would have a higher priority than amounts owed to a court. The bill would amend the McCauley-Traxler-Law-Bowman-McNeely Lottery Act (MCL 432.32).

Under the bill, in regard to information provided by the DHS to the Lottery Bureau, the bureau would be subject to the same confidentiality restrictions as the DHS prescribed by federal regulations governing temporary assistance to needy families or other federal programs or rules of the department.

The bill would take effect 90 days after it is enacted into law. (This effective date language is the only difference between the bill as introduced and the substitute bill.)

[Note: Similar legislation was enacted in 2012 applying to amounts lottery winners owe to unemployment compensation debts.]

FISCAL IMPACT:

House Bill 4855 would have a positive fiscal impact on the Department of Human Services to the extent that lottery winnings are garnished to pay current liabilities.

House Bill 4855 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: E. Best

Fiscal Analyst: Ben Gielczyk
Kevin Koorstra

■ 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.