

# Legislative Analysis



## LOTTERY WINNINGS OFFSET FOR CERTAIN COUNTY DEBTS

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<http://www.house.mi.gov/hfa>

**House Bill 5017 as introduced**  
**Sponsor: Rep. Eric Leutheuser**  
**Committee: Local Government and Municipal Finance**  
**Complete to 10-23-19**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 5017 would amend the McCauley-Traxler-Law-Bowman-McNeely Lottery Act to require that a state lottery winner's prize money go first toward paying off any debt the winner owes to the county where he or she lives.

Under the act, when a person wins a prize of \$1,000 or more, the Bureau of State Lottery first determines whether the winner has certain outstanding liabilities to the state, as specified in the act. If so, then those liabilities are deducted from the prize money before the remaining proceeds—if any—are paid to the winner.

The bill would add county liabilities to the list of liabilities to be offset from lottery winnings. The bill would first require the bureau to determine whether records of the county where the lottery winner resides show that he or she has any current liability to that county. If any current county liabilities were found, the bureau would have to pay the amount of the liability to the Department of Treasury, which would apply it to the debt owed by the winner to the county.

Under the bill, the Department of Treasury would have to work with a nonprofit association that represents counties to develop a program that would allow counties to offset prizes for liabilities that are owed to them by winners, except for ad valorem property taxes. The program would have to require the county or its designated representative to provide notice to the lottery winner and allow him or her the opportunity for a hearing before beginning the offset process.

MCL 432.32

### FISCAL IMPACT:

The bill would increase revenues for counties by an unknown amount. If the county debt would not have been paid but for the capture of lottery winnings, the provisions of the bill would result in new revenue. In a scenario where the debt would have been paid at a later time, the provisions of the bill would result in more timely receipt of a debt owed to the county by the lottery winner.

The bill would increase administrative and operations costs for the Department of Treasury and the Bureau of State Lottery by an unknown amount. Costs associated with the creation of a program for monitoring and tracking county debts are unknown.

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