

HOUSE BILL NO. 6022

April 14, 2022, Introduced by Reps. Eisen, Tisdell, Markkanen, Bezotte, Cambensy, Steenland, Garza, Mueller, Outman and Coleman and referred to the Committee on Regulatory Reform.

A bill to amend 1972 PA 239, entitled
"McCauley-Traxler-Law-Bowman-McNeely lottery act,"
by amending sections 12, 33, and 41 (MCL 432.12, 432.33, and
432.41), section 12 as amended by 2011 PA 279, section 33 as
amended by 1996 PA 167, and section 41 as amended by 2009 PA 25,
and by adding sections 10 and 44.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 10. (1) The commissioner shall establish a separate**
2 **lottery game named the "road rally 50/50" to fund the county road**
3 **commissions in this state.**

1 (2) The commissioner shall promulgate rules under section 11
2 to implement a separate lottery game under this section.

3 (3) All of the following requirements apply to the separate
4 lottery game established under this section:

5 (a) Tickets cost \$1.00 each.

6 (b) Tickets are sold on a monthly basis with 1 winning ticket
7 randomly chosen on the last day of each month.

8 (c) Each individual who wins a prize from the lottery
9 established under this section has 30 days to claim his or her
10 prize. If the prize is not claimed within 30 days, the winnings
11 roll over into the prize to be awarded in the following month.

12 (d) The total annual revenue accruing from the sale of lottery
13 tickets or shares must be apportioned as follows:

14 (i) Forty-five percent for the payment of prizes to the holders
15 of winning tickets or shares.

16 (ii) No more than 5% for the payment of the reasonable expenses
17 of the bureau in its operation of the separate lottery game
18 established under this section.

19 (iii) Five percent to the state school aid fund to be
20 distributed as provided by law.

21 (iv) The balance, not to be less than 45%, to be paid annually
22 in an equal amount to each county road commission.

23 (4) All lottery sales agents that sell tickets for the state
24 lottery shall sell tickets or shares of a separate lottery game
25 established under this section.

26 (5) Money from the sale of tickets or shares of a separate
27 lottery game established under this section must be deposited in
28 the road rally 50/50 lottery fund created in section 44.

29 (6) Except as specifically provided otherwise, the provisions

1 of this act that are generally applicable to the conduct of the
 2 state lottery apply to the conduct of a separate lottery game
 3 established under this section.

4 Sec. 12. (1) ~~Except as otherwise provided in subsection (2),~~
 5 ~~as~~ **As** nearly as is practicable, not less than 45% of the total
 6 annual revenue accruing from the sale of lottery tickets or shares
 7 ~~shall~~ **must** be apportioned for payment of prizes to the holders of
 8 winning tickets or shares.

9 (2) Notwithstanding subsection (1), the prize money from the
 10 sale of tickets or shares of any joint enterprise is that
 11 percentage of the total annual revenue accrued from that game as
 12 prescribed by the joint enterprise participation agreement executed
 13 by the commissioner.

14 (3) Notwithstanding subsection (1), revenue from the sale of
 15 lottery tickets or shares to a separate lottery game established
 16 under section 10 must be apportioned for payment of prizes as
 17 provided in section 10.

18 Sec. 33. (1) ~~Unclaimed~~ **Except as provided in section 10, the**
 19 **commissioner shall retain unclaimed** prize money for the prize on a
 20 winning ticket or share of the state lottery ~~shall be retained by~~
 21 ~~the commissioner~~ for the person entitled to the prize money for 1
 22 year after the drawing in which the prize was won. If a claim is
 23 not made for the prize money within the year, the **commissioner**
 24 **shall deposit the** prize money ~~shall be deposited in the state~~
 25 school aid fund ~~and distributed for distribution~~ pursuant to law.

26 (2) Unclaimed prize money for the prize on a winning ticket or
 27 share of any joint enterprise ~~shall~~ **must** be treated in the manner
 28 provided for in the joint enterprise participation agreement
 29 executed by the commissioner. To the extent that ~~the state of~~

1 ~~Michigan~~**this state** is entitled to any unclaimed prize money, ~~that~~
2 ~~the~~ money received ~~shall~~**must** be deposited into the state school
3 aid fund and distributed pursuant to law.

4 Sec. 41. (1) The state lottery fund is created in the
5 department of treasury. Except as provided in **section 10 and**
6 subsection (3), the state lottery fund consists of all money
7 received from the sale of state lottery tickets or shares and all
8 other money credited or transferred to the fund from any other fund
9 or source pursuant to law including interest earnings on common
10 cash attributable to the state lottery fund. Money derived from the
11 sale of tickets or shares of any joint enterprise ~~shall~~**must** be
12 treated in the manner provided for in the joint enterprise
13 participation agreement executed by the commissioner. The
14 commissioner shall deposit net revenue from any joint enterprise in
15 the state lottery fund. Earnings resulting from installment payment
16 of any lottery prizes ~~shall~~**must** be used for payment of prizes to
17 lottery winners and the prize structure formulated ~~pursuant to~~
18 **under** sections 11 and 12 ~~shall~~**must** be established accordingly.

19 (2) The investment authority of the state treasurer with
20 regard to the state lottery fund is the same as his or her
21 investment authority with regard to retirement system funds. The
22 state treasurer may also invest all or part of the money in the
23 state lottery fund in obligations issued by this state ~~pursuant to~~
24 **under** section 14, 15, or 16 of article IX of the state constitution
25 of 1963 if the treasurer determines that the obligations are full
26 faith and credit obligations of this state and provide a rate of
27 return at the time of investment that is not less than the rate of
28 return at the time of investment on United States ~~treasury~~**Treasury**
29 obligations of comparable maturity. The state treasurer shall

1 comply with the divestment from terror act, 2008 PA 234, MCL
2 129.291 to 129.301, in making investments under this act. To assure
3 a continuing availability of money with which to pay state lottery
4 prize installments and to compensate for variations in the yield on
5 investments, every 6 months the commissioner and the state
6 treasurer shall review the status of the installment prize
7 investments and shall agree on an amount to be restricted out of
8 the total revenues of the state lottery fund as a reserve against a
9 drop in yield. If the commissioner and the state treasurer fail to
10 agree on the amount to be reserved, the matter ~~shall~~**must** be
11 referred to the state administrative board for a decision on the
12 amount to be reserved.

13 (3) Except as provided in **section 10 and** subsection (4), after
14 the payment of prizes to the holders of winning state lottery
15 tickets or shares or the payment ~~pursuant to~~**under** section 32 of
16 the liabilities to this state of holders of winning state lottery
17 tickets or shares, and the payment of the reasonable expenses of
18 the bureau in its operation of the lottery, the net revenue in the
19 state lottery fund and any money or interest generated by the state
20 lottery fund and share of common cash ~~shall~~**must** be deposited in
21 the state school aid fund and ~~shall be~~ distributed as provided by
22 law.

23 (4) Ten percent of each year's state lottery advertising
24 budget but not more than \$1,000,000.00 ~~shall~~**must** be deposited in
25 the compulsive gaming prevention fund created in section 3 of the
26 compulsive gaming prevention act, 1997 PA 70, MCL 432.253.

27 **Sec. 44. (1) The road rally 50/50 lottery fund is created in**
28 **the state treasury.**

29 **(2) The state treasurer shall deposit money and other assets**

1 received from the sale of tickets or shares in the separate lottery
2 game established under section 10 or from any other source in the
3 road rally 50/50 lottery fund. The state treasurer shall direct the
4 investment of money in the road rally 50/50 lottery fund and credit
5 interest and earnings from the investments to the fund.

6 (3) The department of transportation is the administrator of
7 the road rally 50/50 lottery fund for audits of that fund.

8 (4) The department of transportation shall expend money from
9 the road rally 50/50 lottery fund only for 1 or more of the
10 following purposes:

11 (a) For the payment of prizes in the separate lottery game
12 established under section 10 in accordance with this act and the
13 rules promulgated by the commissioner under this act.

14 (b) For payment under section 32 of liabilities to this state
15 of holders of winning tickets or shares in the separate lottery
16 game established under section 10.

17 (c) As appropriated, for the payment of the reasonable
18 expenses of the bureau in its operation of the separate lottery
19 game established under section 10, not to exceed 5% of the total
20 annual revenue accruing from the sale of lottery tickets or shares
21 of the separate lottery game established under section 10.

22 (d) For the payment of 5% of the total annual revenue accruing
23 from the sale of lottery tickets or shares of the separate lottery
24 game established under section 10 to the state school aid fund.

25 (e) The balance, not to be less than 45% of the total annual
26 revenue accruing from the sale of lottery tickets or shares of the
27 separate lottery game established under section 10, paid annually
28 in an equal amount to each county road commission in this state.