SENATE BILL NO. 926

June 13, 2024, Introduced by Senator ANTHONY and referred to the Committee on Appropriations.

A bill to amend 1972 PA 239, entitled "McCauley-Traxler-Law-Bowman-McNeely lottery act,"

by amending section 41 (MCL 432.41), as amended by 2009 PA 25.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

(2) The investment authority of the state treasurer with regard to the state lottery fund is the same as ~~his or her~~ **the state treasurer's** investment authority with regard to retirement system funds. The state treasurer may also invest all or part of the money in the state lottery fund in obligations issued by this state ~~pursuant to~~ **under** section 14, 15, or 16 of article IX of the state constitution of 1963 if the treasurer determines that the obligations are full faith and credit obligations of this state and provide a rate of return at the time of investment that is not less than the rate of return at the time of investment on United States ~~treasury~~ **Treasury** obligations of comparable maturity. The state treasurer shall comply with the divestment from terror act, 2008 PA 234, MCL 129.291 to 129.301, in making investments under this act. To assure a continuing availability of money with which to pay state lottery prize installments and to compensate for variations in the yield on investments, every 6 months the commissioner and the state treasurer shall review the status of the installment prize investments and shall agree on an amount to be restricted out of the total revenues of the state lottery fund as a reserve against a drop in yield. If the commissioner and the state

treasurer fail to agree on the amount to be reserved, the matter ~~shall~~ **must** be referred to the state administrative board for a decision on the amount to be reserved.

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

(4) Ten percent of each year's state lottery advertising budget but not more than ~~$1,000,000.00 shall~~ **$2,000,000.00 must** be deposited in the compulsive gaming prevention fund created in section 3 of the compulsive gaming prevention act, 1997 PA 70, MCL 432.253.