

SUBSTITUTE FOR  
SENATE BILL NO. 596

A bill to amend 1972 PA 239, entitled  
"McCauley-Traxler-Law-Bowman-McNeely lottery act,"  
by amending section 25 (MCL 432.25), as amended by 1996 PA 167.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 25. (1) The right of any person to a prize drawn from  
2 the state lottery is not assignable, except ~~that payment of any~~  
3 ~~prize drawn may be paid to the family members or to the estate of~~  
4 ~~a deceased prizewinner as provided in subsection (2), to a person~~  
5 ~~pursuant to an appropriate judicial order, or to the state pursu-~~  
6 ~~ant to section 32-~~ AS PROVIDED IN THIS SECTION. The commissioner  
7 shall be discharged of all further liability upon payment of a  
8 prize pursuant to this section.

9       (2) PAYMENT OF ANY PRIZE DRAWN MAY BE MADE TO A PERSON  
10 PURSUANT TO AN APPROPRIATE JUDICIAL ORDER.

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1           (3) PAYMENT OF ANY PRIZE DRAWN MAY BE MADE TO THE STATE  
2 PURSUANT TO SECTION 32.

3           (4) ~~-(2)-~~ If a prizewinner dies before collecting the full  
4 amount of his or her prize drawn from the state lottery, the  
5 bureau shall continue to make the remaining prize payments to the  
6 prizewinner's surviving spouse and the prizewinner's living chil-  
7 dren, in equal proportions, unless otherwise directed by the  
8 prizewinner. If there is not a surviving spouse or living chil-  
9 dren or other designated beneficiaries, the remaining prize pay-  
10 ments shall be made to the prizewinner's estate.

11           (5) EXCEPT AS PROVIDED IN SUBSECTION (10), PAYMENT OF ANY  
12 PRIZE DRAWN MAY BE MADE TO ANY PERSON PURSUANT TO A VOLUNTARY  
13 ASSIGNMENT OF THE RIGHT TO RECEIVE FUTURE PRIZE PAYMENTS, IN  
14 WHOLE OR IN PART, IF THE ASSIGNMENT IS MADE TO A PERSON OR ENTITY  
15 DESIGNATED PURSUANT TO AN APPROPRIATE JUDICIAL ORDER OF A COURT  
16 OF COMPETENT JURISDICTION LOCATED IN EITHER THE COUNTY IN WHICH  
17 THE ASSIGNOR RESIDES OR THE COUNTY IN WHICH THE BUREAU IS  
18 LOCATED. AN ORDER APPROVING THE ASSIGNMENT AND DIRECTING THE  
19 COMMISSIONER TO PAY THE ASSIGNEE ALL OR A PART OF FUTURE PRIZE  
20 PAYMENTS IS PROPERLY ISSUED IF THE COURT FINDS THAT ALL OF THE  
21 FOLLOWING CIRCUMSTANCES EXIST:

22           (A) THE ASSIGNMENT IS IN WRITING, EXECUTED BY THE ASSIGNOR  
23 IN ACCORDANCE WITH THE LAWS OF THIS STATE.

24           (B) THE ASSIGNOR PROVIDES A SWORN AFFIDAVIT TO THE COURT  
25 ATTESTING THAT THE ASSIGNOR IS OF SOUND MIND, IS NOT ACTING UNDER  
26 DURESS, HAS BEEN ADVISED REGARDING THE ASSIGNMENT BY HIS OR HER  
27 LEGAL COUNSEL, AND UNDERSTANDS AND AGREES THAT THE STATE AND THE

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1 COMMISSIONER WILL HAVE NO FURTHER LIABILITY OR RESPONSIBILITY TO  
2 MAKE PRIZE PAYMENTS TO THE ASSIGNOR.

3 (C) THE PROPOSED ASSIGNMENT DOES NOT INCLUDE OR COVER PAY-  
4 MENTS OR PORTIONS OF PAYMENTS ALLEGED TO BE SUBJECT TO SECTION  
5 32, UNLESS AN APPROPRIATE PROVISION IS MADE TO SATISFY ANY OBLI-  
6 GATION TO THE STATE UNDER SECTION 32.

7 (6) SOLICITING OR OFFERING RIGHTS TO LOTTERY PRIZE PAYMENTS,  
8 EITHER BY ASSIGNMENT OR THROUGH PLEDGE AS COLLATERAL FOR A LOAN,  
9 SHALL NOT BE CONSIDERED SELLING OR OFFERING FOR SALE LOTTERY  
10 TICKETS OR SHARES UNDER THIS ACT.

11 (7) THE COMMISSIONER IS AUTHORIZED TO ESTABLISH A REASONABLE  
12 FEE TO DEFRAY THE COST OF ANY ADMINISTRATIVE EXPENSES ASSOCIATED  
13 WITH ASSIGNMENTS MADE PURSUANT TO THIS SECTION, INCLUDING THE  
14 COST OF A PROCESSING FEE THAT MAY BE IMPOSED BY A PRIVATE ANNUITY  
15 PROVIDER. THE AMOUNT OF THE FEE SHALL REFLECT THE DIRECT AND  
16 INDIRECT COSTS ASSOCIATED WITH PROCESSING THE ASSIGNMENTS.

17 (8) ~~(3)~~ Except as otherwise provided by state or federal  
18 law, the commissioner or an officer or employee of the bureau  
19 shall not disclose the name, address, or any other personal  
20 information concerning a winner of a prize greater than  
21 \$10,000.00 drawn from the state lottery, unless the winner of a  
22 prize agrees in writing to allow the disclosure. Subject to  
23 subsection ~~(4)~~ (9), the information protected against disclo-  
24 sure under this section is exempt from disclosure under the free-  
25 dom of information act, ~~Act No. 442 of the Public Acts of 1976,~~  
26 ~~being sections 15.231 to 15.246 of the Michigan Compiled Laws~~  
27 1976 PA 442, MCL 15.231 TO 15.246.

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1       (9) ~~(4)~~ Notwithstanding subsection ~~(3)~~ (8), the  
2 commissioner or an officer or employee of the bureau may disclose  
3 the name, address, or any other personal information concerning a  
4 winner of a prize awarded under a game played pursuant to a joint  
5 enterprise to the extent required under the joint enterprise par-  
6 ticipation agreement executed by the commissioner.

7       (10) IF AT ANY TIME THE FEDERAL INTERNAL REVENUE SERVICE OR  
8 A COURT OF COMPETENT JURISDICTION ISSUES A DETERMINATION LETTER,  
9 REVENUE RULING, OTHER PUBLIC RULING OF THE INTERNAL REVENUE SERV-  
10 ICE, OR PUBLISHED DECISION TO ANY STATE LOTTERY OR STATE LOTTERY  
11 PRIZEWINNER DECLARING THAT THE VOLUNTARY ASSIGNMENT OF PRIZES  
12 WILL AFFECT THE FEDERAL INCOME TAX TREATMENT OF PRIZEWINNERS WHO  
13 DO NOT ASSIGN THEIR PRIZES, THE COMMISSIONER SHALL IMMEDIATELY  
14 FILE A COPY OF THAT LETTER, RULING, OR PUBLISHED DECISION WITH  
15 THE SECRETARY OF STATE AND THE OFFICE OF THE STATE COURT  
16 ADMINISTRATOR. A COURT SHALL NOT ISSUE A VOLUNTARY ASSIGNMENT  
17 ORDER UNDER SUBSECTION (5) AFTER THE DATE THE RULING, LETTER, OR  
18 PUBLISHED DECISION IS FILED.