

SENATE BILL No. 855

October 25, 2007, Introduced by Senators THOMAS, HUNTER, KUIPERS, JACOBS, JANSEN, ANDERSON, BASHAM, BARCIA, OLSHOVE, BROWN, SANBORN, GILBERT, GLEASON, PAPPAGEORGE, JELINEK, VAN WOERKOM, CLARKE, BRATER and SCHAUER and referred to the Committee on Homeland Security and Emerging Technologies.

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 1997 PA 72.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 41. (1) ~~A special fund to be known as the "state~~**THE**
2 **STATE** lottery fund~~"~~**FUND** is created in the department of treasury.
3 Except as provided in subsection (3), the state lottery fund
4 consists of all ~~revenues~~**MONEY** received from the sale of state
5 lottery tickets or shares and all other money credited or
6 transferred to the fund from any other fund or ~~sources~~**SOURCE**
7 pursuant to law including interest earnings on common cash
8 attributable to the state lottery fund. ~~Revenue~~**MONEY** derived from
9 the sale of tickets or shares of any joint enterprise shall be
10 treated in the manner provided for in the joint enterprise

1 participation agreement executed by the commissioner. The
2 commissioner shall deposit net revenue from any joint enterprise in
3 the state lottery fund. Earnings resulting from installment payment
4 of any lottery prizes shall be used for payment of prizes to
5 lottery winners and the prize structure formulated pursuant to
6 sections 11 and 12 shall be established accordingly.

7 (2) The investment authority of the state treasurer with
8 regard to the state lottery fund ~~shall be~~ **IS** the same as his or her
9 investment authority with regard to retirement system funds. **THE**
10 **STATE TREASURER SHALL COMPLY WITH THE DIVESTMENT FROM TERROR ACT IN**
11 **MAKING INVESTMENTS UNDER THIS ACT.** To assure a continuing
12 availability of money with which to pay state lottery prize
13 installments and to compensate for variations in the yield on
14 investments, every 6 months the commissioner and the state
15 treasurer shall review the status of the installment prize
16 investments and shall agree on an amount to be restricted out of
17 the total revenues of the state lottery fund as a reserve against a
18 drop in yield. If the commissioner and the state treasurer fail to
19 agree on the amount to be reserved, the matter shall be referred to
20 the state administrative board for a decision on the amount to be
21 reserved.

22 (3) Except as provided in subsection (4), after the payment of
23 prizes to the holders of winning state lottery tickets or shares or
24 the payment pursuant to section 32 of the liabilities to this state
25 of holders of winning state lottery tickets or shares, and the
26 payment of the reasonable expenses of the bureau in its operation
27 of the lottery, the net revenue in the state lottery fund and any

1 money or interest generated by the state lottery fund and share of
2 common cash shall be deposited in the state school aid fund and
3 shall be distributed as provided by law.

4 (4) Ten percent of each year's state lottery advertising
5 budget but not ~~to exceed~~ **MORE THAN** \$1,000,000.00 shall be deposited
6 in the compulsive gaming prevention fund created in **SECTION 3 OF**
7 the compulsive gaming prevention act, **1997 PA 70, MCL 432.253.**

8 Enacting section 1. This amendatory act does not take effect
9 unless Senate Bill No. 846

10 of the 94th Legislature is enacted into law.