

Legislative Analysis



LOTTERY PRIZE AWARDS

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Senate Bill 1208 (as introduced)
Sponsor: Sen. Michael Switalski
House Committee: Appropriations
Senate Committee: Appropriations

Complete to 12-5-06

A REVISED SUMMARY OF SENATE BILL 1208 AS PASSED BY THE SENATE 11-30-06

The State Lottery Act currently provides that prior to January 1, 2007, at least 45% of the total ticket sales shall be apportioned for the payment of prizes and that, beginning on that date, 45% of total lottery revenue shall be apportioned for the payment of prizes. The bill would push back the date to January 1, 2012. In recent years, payouts have averaged about 55% of ticket sales.

MCL 432.12

FISCAL IMPACT:

Experiences in other states have shown that reductions in percentage of prizes awarded resulted in a significant reduction of ticket sales. Assuming a reduction in ticket sales current law would result in a reduction in School Aid Revenue from the FY 2007 revenue consensus estimate of \$712 million. Additionally, the Bureau of State Lottery would incur expenses related to altering the payouts of on-line games and new instant ticket games. The bureau has no games that offer a payout of 45%.

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