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BILL ANALYSIS

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Senate Bill 1502 (as introduced 9-16-08)
Sponsor: Senator Jud Gilbert, II
Committee: Families and Human Services

Date Completed: 11-12-08

CONTENT

The bill would amend the Michigan Gaming Control and Revenue Act to do the following:

- Require a casino operator, before paying winnings of \$1,000 or more, to determine whether the wagerer had a support arrearage.**
- If an arrearage were identified, require the money to be paid to the Department of Treasury and applied to the arrearage, before the payment of any excess to the wagerer.**
- Require the Department to give casino operators a list of people having a support arrearage or computer access to a compilation.**
- Require the chairperson of the Michigan Gaming Control Board to attempt to enter into agreements with Indian tribes for the voluntary withholding of support arrearages from gambling winnings.**
- Provide immunity to casinos, tribes, and their employees for incorrectly withholding money.**

Specifically, before payment of winnings of \$1,000 or more, a person licensed to operate a casino would have to determine whether the Department of Treasury records showed that the wagerer had a current support arrearage. The Department would have to provide each such licensee with a list or computer access to a compilation of people known to the Department to have a current support arrearage. The information would have to be updated at least once a month.

If a support arrearage were identified, the licensee would have to ascertain the amount owed from the Department and first apply the amount of the winnings to the arrearage. The excess, if any, would have to be paid to the wagerer.

The licensee would have to pay to the Department money applied to a support arrearage. The Department would have to pay the money to the Office of the Friend of the Court for the appropriate judicial circuit in the same manner as is prescribed for a payment pursuant to an order of income withholding under the Support and Parenting Time Enforcement Act.

The chairperson of the Michigan Gaming Control Board would have attempt to enter into an agreement with each Indian tribe that conducts gambling games in the State for the tribe voluntarily to withhold support arrearages from money won by individuals in games operated by the tribe. A voluntary agreement would have to require the withholding and

payment of money withheld to be performed in essentially the same manner as the bill would require for casino licensees.

A licensee, Indian tribe, or employee or agent of the licensee or tribe that incorrectly withheld money under these provisions would be immune from liability to the wagerer or individual who won the money, other than payment of the money withheld if it has not been paid to the Department. This provision would not apply if the licensee, tribe, employee, or agent knew that the withholding was improper or acted in a manner that was grossly negligent (i.e., so reckless as to demonstrate a substantial lack of concern for whether an injury would result).

The bill would define "support" as the term is defined in Section 2a of the Friend of the Court Act. (Under that definition, "support" includes child support or spousal support ordered by the circuit court; the payment of money ordered by the circuit court under the Paternity Act; and a surcharge added to a Friend of the Court case under the Support and Parenting Time Enforcement Act.)

MCL 432.203 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would likely lead to an increase in payments made to recipients of Title IV-D services, which could lead to a reduction in need for other assistance programs provided by the State. A requirement that operators of casinos withhold payments to individuals with support arrearages also would result in a decrease in enforcement cost to the State currently allocated to investigating and seizing casino winnings.

According to the Department of Treasury, current withholding of lottery winnings for individuals with support arrearages is cost neutral as the Lottery Bureau has access to the Department's existing database. As long as casinos used Department of Treasury employees to gain access to the same State database in order to withhold payments, it is anticipated that this requirement also would be cost neutral to the State.

Fiscal Analyst: Joe Carrasco
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.