

**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2012**

Introduced by Rep. Zorn

ENROLLED HOUSE BILL No. 5437

AN ACT to amend 1972 PA 239, entitled "An act to establish and operate a state lottery and to allow state participation in certain lottery-related joint enterprises with other sovereignties; to create a bureau of state lottery and to prescribe its powers and duties; to prescribe certain powers and duties of other state departments and agencies; to license and regulate certain sales agents; to create funds; to provide for the distribution of lottery revenues and earnings for certain purposes; to provide for an appropriation; and to provide for remedies and penalties," by amending section 32 (MCL 432.32), as amended by 1996 PA 13.

The People of the State of Michigan enact:

Sec. 32. (1) Before payment of a prize of \$1,000.00 or more, the bureau shall determine both of the following:

(a) Whether department of treasury records show that the lottery winner has a current liability to this state or a support arrearage.

(b) Whether unemployment insurance agency records show that the lottery winner has any current liability for restitution of unemployment benefits, penalty, or interest under section 15 of the Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.15.

(2) The department of treasury shall provide the bureau with a list or computer access to a compilation of persons known to the department to have a current liability to this state, including delinquent accounts of money due and owing to a court that have been assigned to this state for collection, or a support arrearage. The information shall be updated not less than once a month.

(3) If a liability to this state, a support arrearage, or an unemployment compensation debt is identified under subsection (1), the bureau shall ascertain the amount owed from the department of treasury or the unemployment insurance agency, as applicable.

(4) After ascertaining the amount owed by the lottery winner under subsection (3), the bureau shall apply the amount of the prize as follows:

(a) First to any liability to this state other than an assigned delinquent account of money due and owing to a court or an unemployment compensation debt.

(b) Next to any support arrearage.

(c) Next to any unemployment compensation debt.

(d) Next to any assigned delinquent accounts of money due and owing to a court.

(e) The balance, if any, shall be paid to the lottery winner.

(5) Except for a payment applied to a liability under subsection (4)(c), a lottery winner shall be given notice and an opportunity for a hearing before the department of treasury or its designee with respect to the liability to which the prize is to be applied if the liability has not been reduced to judgment or has not been finalized under statutory review provisions of the statute under which the liability arose. The notice shall be given by regular mail. The lottery winner may request a hearing before the department of treasury within 15 days after the date of the notice by making a written request to the state treasurer.

(6) An amount applied to pay a support arrearage shall be paid by the bureau to the department of treasury, which shall pay the amount to the office of the friend of the court for the appropriate judicial circuit or to the state disbursement unit in the same manner as a payment pursuant to an order of income withholding under section 9 of the support and parenting time enforcement act, 1982 PA 295, MCL 552.609.

(7) In regard to information provided by the department of treasury to the bureau under this section, the bureau is subject to the confidentiality restrictions and penalties provided in section 28(1)(f) and (2) of 1941 PA 122, MCL 205.28. In regard to information provided by the unemployment insurance agency to the bureau under section 15 of the Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.15, the bureau is subject to the confidentiality restrictions and penalties provided in sections 11 and 54 of the Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.11 and 421.54.

(8) Each office of the friend of the court shall report to the office of child support the names of persons who have a current support arrearage and the office of child support shall provide that information to the department of treasury.

(9) As used in this section:

(a) "Office of the friend of the court" means an agency created in section 3 of the friend of the court act, 1982 PA 294, MCL 552.503.

(b) "Support" means that term as defined in section 2a of the friend of the court act, 1982 PA 294, MCL 552.502a.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved

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Governor