

“ROAD RALLY 50/50” LOTTERY GAME

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House Bill 6022 as introduced
Sponsor: Rep. Gary R. Eisen
Committee: Regulatory Reform
Revised 9-28-22

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 6022 would amend the McCauley-Traxler-Law-Bowman-McNeely Lottery Act to create a new lottery game, called the “Road Rally 50/50,” and to direct a portion of the revenue to county road commissions in Michigan.

The state lottery commissioner would have to promulgate rules to implement a separate lottery game named the Road Rally 50/50. All of the following would apply to the new game:

- Tickets would cost \$1 each.
- Tickets would be sold on a monthly basis, with one winning ticket randomly chosen on the last day of each month.
- Each winner would have 30 days to claim their prize. The winnings from a prize not claimed within 30 days would roll over into the prize to be awarded in the following month.
- All lottery sales agents would be required to sell tickets or shares of the game.
- The total annual revenue from the sale of lottery tickets or shares would be apportioned as follows:
 - 45% for the payment of prizes to the holders of winning tickets or shares.
 - 5% or less for the payment of the reasonable expenses of the Bureau of State Lottery in its operation of the game.
 - 5% to the School Aid Fund to be distributed as provided by law.
 - The balance, to be at least 45%, to be paid annually in an equal amount to each county road commission.

All money from the sale of tickets or shares of this game would be deposited into the Road Rally 50/50 Lottery Fund, which the bill would create in the state treasury. Money and other assets received from the sale of tickets or shares in the Road Rally 50/50 game or from any other source would have to be deposited into the fund. The state treasurer would have to direct the investment of money in the fund and credit to the fund interest and earnings from those investments. The Michigan Department of Transportation (MDOT) would be the administrator of the fund for audit purposes.

MDOT would have to expend money from the fund only for one or more of the following purposes:

- For the payment of prizes in the Road Rally 50/50 game in accordance with the act and the rules promulgated by the commissioner.
- For payment under section 32 of liabilities to the state of holders of winning tickets or shares in the Road Rally 50/50 game.
- As appropriated, for the payment of the reasonable expenses of the Bureau of State Lottery in its operation of the Road Rally 50/50 game, not to exceed 5% of the total annual revenue accruing from the sale of Road Rally 50/50 tickets or shares.

- For the payment of 5% of the total annual revenue accruing from the sale of the Road Rally 50/50 game tickets or shares to the School Aid Fund.
- For the balance, to be at least 45% of the total annual revenue accruing from the sale of Road Rally 50/50 game tickets or shares, to be paid annually in an equal amount to each county road commission in the state.

MCL 432.12, 432.33, and 432.41 and proposed MCL 432.10 and 432.44

FISCAL IMPACT:

House Bill 6022 may increase costs to the Bureau of State Lottery by an minimal amount. The amount of any increased costs would depend upon additional administrative costs and staff resources that may be required under the bill's requirements, such as establishing the new lottery game, promulgating rules, and printing game tickets. It is unknown whether the revenues from 5.0% of ticket sales would generate enough funding to cover any additional costs.

The bill would require 5% of total annual revenue from the sale of Road Rally 50/50 lottery tickets to be deposited in the School Aid Fund. That said, total annual revenue from the proposed lottery game cannot be estimated at this time.

Impacts on road agencies

As described above, the bill would earmark revenue from the sale of the proposed Road Rally 50/50 lottery tickets, including an earmark for county road commissions. Specifically, the bill directs that the balance after other deductions, but not less than 45%, of ticket revenue be paid annually in an equal amount to each county road commission in the state.

The bill does not define "road commission." It is assumed to include all 77 road agencies organized as road commissions under 1909 PA 283 (the county road law), as well as six county road agencies organized under other statutes. Of the six county road agencies organized under other statutes, both Wayne County and Macomb County are organized under the Charter County Act (1966 PA 293). Both Wayne County and Macomb County have county road departments as opposed to road commissions. Ingham, Calhoun, Jackson, and Berrien Counties also have road departments as opposed to road commissions.

Revenue from ticket sales can not be readily estimated at this time. As a result, neither can the distribution of ticket sale revenue.

In making MDOT the administrator of the fund, the bill would impose new responsibilities on the department. The extent and related costs associated with those responsibilities have not yet been established.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.