

HOUSE BILL NO. 5017

September 24, 2019, Introduced by Reps. Leutheuser, Yaroch, Wozniak and Lightner and referred to the Committee on Local Government and Municipal Finance.

A bill to amend 1972 PA 239, entitled
"McCauley-Traxler-Law-Bowman-McNeely lottery act,"
by amending section 32 (MCL 432.32), as amended by 2014 PA 388.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

6 (b) Whether unemployment insurance agency records show that



1 the lottery winner has any current liability for restitution of
2 unemployment benefits, penalty, or interest under section 15 of the
3 Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.15.

4 (c) Whether records of the department of **health and** human
5 services show that the lottery winner has any current liability to
6 the department of **health and** human services.

7 (d) **Whether records of the county where the lottery winner**
8 **resides show that the lottery winner has any current liability to**
9 **the county.**

10 (2) The department of treasury shall provide the bureau with a
11 list or computer access to a compilation of persons known to the
12 department to have a current liability to this state, including a
13 delinquent account of money owed to a court that has been assigned
14 to this state for collection, or a support arrearage. The
15 information ~~shall~~**must** be updated not less than once a month.

16 (3) If a liability to this state, a support arrearage, an
17 unemployment compensation debt, ~~or~~a debt to the department of
18 **health and** human services, **or a liability to a county** is identified
19 under subsection (1), the bureau shall ascertain the amount owed
20 from the department of treasury, the unemployment insurance agency,
21 ~~or~~the department of **health and** human services, **or the county**, as
22 applicable.

23 (4) After ascertaining the amount owed by the lottery winner
24 under subsection (3), the bureau shall pay the amount determined
25 under subsection (3) to the department of treasury and pay the
26 balance, if any, to the lottery winner. The department of treasury
27 shall apply the amount as determined under subsection (3) as
28 follows:

29 (a) First to any liability to this state other than an



1 assigned delinquent account of money owed to a court, an
 2 unemployment compensation debt, or a debt to the department of
 3 **health and** human services.

4 (b) Next to any support arrearage.

5 (c) Next to any unemployment compensation debt.

6 (d) Next to any debt to the department of **health and** human
 7 services.

8 (e) Next to any assigned delinquent accounts of money owed to
 9 a court.

10 (f) **Next to any debt to the county where the lottery winner**
 11 **resides. The department of treasury shall work with a nonprofit**
 12 **association that represents counties to develop a program that**
 13 **allows counties to offset prizes for liabilities, excluding ad**
 14 **valorem property taxes, owed to counties in this state. The program**
 15 **must provide that the county or its designated representative shall**
 16 **provide notice to the lottery winner and opportunity for a hearing**
 17 **before beginning the offset process developed under this**
 18 **subdivision.**

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



1 (6) An amount applied to pay a support arrearage ~~shall~~**must** be
2 paid by the department of treasury to the state disbursement unit
3 for disbursement as provided in section 48 of the support and
4 parenting time enforcement act, 1982 PA 295, MCL 552.648.

5 (7) In regard to information provided by the department of
6 treasury to the bureau under this section, the bureau is subject to
7 the confidentiality restrictions and penalties provided in section
8 28(1)(f) and (2) of 1941 PA 122, MCL 205.28. In regard to
9 information provided by the unemployment insurance agency to the
10 bureau under section 15 of the Michigan employment security act,
11 1936 (Ex Sess) PA 1, MCL 421.15, the bureau is subject to the
12 confidentiality restrictions and penalties provided in sections 11
13 and 54 of the Michigan employment security act, 1936 (Ex Sess) PA
14 1, MCL 421.11 and 421.54. In regard to information provided by the
15 department of **health and** human services to the bureau, the bureau
16 is subject to the same extent as is the department of **health and**
17 human services to restrictions prescribed by federal regulations
18 governing temporary assistance to needy families or other federal
19 programs, by rules of the department of **health and** human services,
20 or otherwise, for preventing the disclosure of confidential
21 information to any person not authorized by law to receive the
22 information.

23 (8) The office of child support shall provide the names of
24 persons who have a current support arrearage to the department of
25 treasury.

26 (9) As used in this section:

27 (a) "State disbursement unit" means the entity established by
28 section 6 of the office of child support act, 1971 PA 174, MCL
29 400.236.



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

