



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1323 (Substitute S-1)
Sponsor: Senator Shirley Johnson
Committee: Appropriations

Date Completed: 9-8-04

CONTENT

The bill would amend the Lottery Act to authorize the Lottery Commission to contract with one or more persons to allow the placement of advertising or promotional material, including the placement of discount coupons for retail goods, on lottery tickets, shares, and other available media under the Lottery Bureau's control. Currently, the Act contains a prohibition against printing a person's name on lottery tickets. The bill would create an exception to this prohibition if the name were used in advertising or promotional material.

MCL 432.11 & 432.18

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bill would increase State School Aid Fund revenue by an unknown amount. The amount of the increase would depend on a wide variety of factors, including how successful advertising on lottery products would be perceived to be by advertisers, the degree to which advertising on lottery products would be marketed effectively, the cost of advertising on lottery products, the number and types of businesses and/or activities advertised, and the cost and effectiveness of competing advertising media. The Lottery Bureau has estimated that selling advertising space on lottery tickets and Club Keno video monitors could generate an additional \$7.9 million in revenue for the State School Aid Fund. While the assumptions and methodology used by the Lottery Bureau appear reasonable, the actual revenue generated could easily be higher or lower than the \$7.9 million estimate.

This analysis is preliminary and will be revised as new information becomes available.

Fiscal Analyst: David Zin

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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.