

Act No. 274
Public Acts of 2008
Approved by the Governor
September 27, 2008
Filed with the Secretary of State
September 29, 2008
EFFECTIVE DATE: September 29, 2008

**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2008**

Introduced by Rep. Meisner

ENROLLED HOUSE BILL No. 5999

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 the state lottery fund; 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 41 (MCL 432.41), as amended by 1997 PA 72.

The People of the State of Michigan enact:

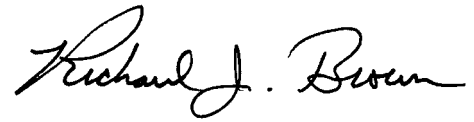
Sec. 41. (1) The state lottery fund is created in the department of treasury. Except as provided in subsection (3), the state lottery fund consists of all money received from the sale of state lottery tickets or shares and all other money credited or transferred to the fund from any other fund or source pursuant to law including interest earnings on common cash attributable to the state lottery fund. Money derived from the sale of tickets or shares of any joint enterprise shall be treated in the manner provided for in the joint enterprise participation agreement executed by the commissioner. The commissioner shall deposit net revenue from any joint enterprise in the state lottery fund. Earnings resulting from installment payment of any lottery prizes shall be used for payment of prizes to lottery winners and the prize structure formulated pursuant to sections 11 and 12 shall be established accordingly.

(2) The investment authority of the state treasurer with regard to the state lottery fund is the same as his or her investment authority with regard to retirement system funds. The state treasurer shall comply with the divestment from terror act, 2008 PA 234, MCL 129.291 to 129.301, in making investments under this act. To assure a continuing availability of money with which to pay state lottery prize installments and to compensate for variations in the yield on investments, every 6 months the commissioner and the state treasurer shall review the status of the installment prize investments and shall agree on an amount to be restricted out of the total revenues of the state lottery fund as a reserve against a drop in yield. If the commissioner and the state treasurer fail to agree on the amount to be reserved, the matter shall be referred to the state administrative board for a decision on the amount to be reserved.


(3) Except as provided in subsection (4), after the payment of prizes to the holders of winning state lottery tickets or shares or the payment pursuant to section 32 of the liabilities to this state of holders of winning state lottery tickets or shares, and the payment of the reasonable expenses of the bureau in its operation of the lottery, the net revenue in the state lottery fund and any money or interest generated by the state lottery fund and share of common cash shall be deposited in the state school aid fund and shall be distributed as provided by law.

(4) Ten percent of each year's state lottery advertising budget but not more than \$1,000,000.00 shall be deposited in the compulsive gaming prevention fund created in section 3 of the compulsive gaming prevention act, 1997 PA 70, MCL 432.253.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor