

Legislative Analysis



COMPULSIVE GAMING PREVENTION FUND

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bills 926, 933, and 934 as passed by the Senate
Senate Bill 931 (proposed substitute H-1)

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

Sponsor: Sen. Sarah Anthony

Senate Committee: Appropriations [Discharged]

House Committee: Appropriations

Complete to 9-24-24

SUMMARY:

Senate Bills 926, 933, and 934 would increase, from a total of \$2.0 million to a total of \$6.0 million, the annual deposits into the Compulsive Gaming Prevention Fund from various lottery and gaming revenues. Senate Bill 931 would amend the Compulsive Gaming Prevention Act to account for the increased deposits into the Compulsive Gaming Prevention Fund.

Senate Bill 926 would amend the McCauley-Traxler-Law-Bowman-McNeely Lottery Act to increase the deposit from the State Lottery Fund to the Compulsive Gaming Prevention Fund from \$1.0 million to \$2.0 million.

MCL 432.41

Senate Bill 931 would amend the Compulsive Gaming Prevention Act to do all of the following:

- Account for the increased deposit from the State Lottery Fund.
- Add references to the deposits from the Internet Sports Betting Fund and Internet Gaming Fund into the Compulsive Gaming Prevention Fund.
- Fix an incorrect reference to the amount now required to be deposited from the Michigan Agriculture Equine Industry Development Fund into the Compulsive Gaming Prevention Fund.
- Change the amount distributed to the Domestic and Sexual Violence Prevention and Treatment Board from \$1,040,000 to \$1,040,500.
- Allow the state treasurer to deposit any other resources required to be paid into the Compulsive Gaming Prevention Fund.

MCL 432.253

Senate Bill 933 would amend the Lawful Sports Betting Act to increase the deposit from the Internet Sports Betting Fund to the Compulsive Gaming Prevention Fund from \$500,000 to \$1.0 million.

MCL 432.416

Senate Bill 934 would amend the Lawful Internet Gaming Act to increase the deposit from the Internet Gaming Fund to the Compulsive Gaming Prevention Fund from \$500,000 to \$3.0 million.

MCL 432.316

FISCAL IMPACT:

Senate Bills 926, 931, 933, and 934 would increase state restricted fund deposits into the Compulsive Gaming Prevention Fund from lottery and internet gaming revenues from a total of \$2.0 million to \$6.0 million. The additional \$4.0 million would allow the Department of Health and Human Services (DHHS) to add additional staff; support the problem gambling helpline and media outreach efforts; and provide additional prevention programming and services, including programming and services for youth. The additional \$4.0 million has already been appropriated in the FY 2024-25 DHHS budget.

The \$4.0 million increase to the Compulsive Gaming Prevention Fund would reduce revenues to the School Aid Fund (SAF) by a corresponding amount. Net lottery revenues are deposited in the SAF and totaled \$1.35 billion in FY 2022-23 (the last full year available). Below is a five-year history, and the Consensus Revenue Estimating Conference (CREC) estimates, of lottery revenue disbursed to the SAF:

FY 2018-19: \$1.07 billion
FY 2019-20: \$1.18 billion
FY 2020-21: \$1.43 billion
FY 2021-22: \$1.26 billion
FY 2022-23: \$1.35 billion
FY 2023-24: \$1.27 billion CREC estimate
FY 2024-25: \$1.27 billion CREC estimate

Since its inception in 2021, revenues from internet sports betting have grown from \$4.4 million in FY 2020-21 to \$16.1 million in FY 2022-23 (the last full year of available data).

Since its inception in 2021, revenues from internet gaming (non-sports) have grown from \$139.0 million in FY 2020-21 to \$338.7 million in FY 2022-23 (the last full year of available data).

CREC does not parse out internet sports betting and internet gaming revenues, but CREC estimates combined revenues of \$378.4 million for FY 2023-24 and \$396.7 million for FY 2024-25.

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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.