

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Support
SPONSOR: Lottery Commission

BILL NUMBER: SB 831
AUTHOR: Senate Governmental Organization

BILL SUMMARY: State Lottery: Multi-State Lottery

This Administration-sponsored bill would give a player up to one year to claim a prize won in a multistate lottery game.

This bill was introduced to fix a chaptering out issue. This bill's provisions were chaptered as part of Chapter 8, Statutes of 2008 (AB 1251), but were overwritten by Chapter 764, Statutes of 2008 (AB 1654).

FISCAL SUMMARY

Currently, prize winnings that go unclaimed after 180 days are contributed to public education. The Lottery Commission notes that very few prize winners attempt to make claims once the current 180 day claim period has passed. This bill will have the effect of at least delaying the distribution of unclaimed winnings to schools, and may have the effect of decreasing the amount of winnings distributed depending on whether the number of lottery winners seeking to claim their prizes after 180 days increases.

COMMENTS

Finance notes that this bill is necessary to comply with a court order. The bill would grant a lottery player up to one year to claim prize money won in a multistate lottery game. Current law allows a player up to 180 days to claim a prize.

The Lottery Commission introduced this legislation in response to a judicial writ related to the *California Coalition Against Gambling Expansion vs. California State Lottery Commission* case. The judge ordered the Lottery Commission to take steps to align its claim period with that of some of the other states participating in the MEGA Millions lottery game.

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| Code/Department Agency or Revenue Type | (Fiscal Impact by Fiscal Year) | | | | | | | Fund Code |
|--|--------------------------------|----|-------|------------------------|-------|-----------|-------|--------------|
| | SO | LA | CO | PROP | FC | FC | FC | |
| | RV | 98 | FC | 2008-2009 | FC | 2009-2010 | FC | 2010-2011 |
| 1614/Misc Revenue | RV | No | ----- | See Fiscal Summary | ----- | ----- | ----- | 0562 |
| 0850/Lottery Comm | SO | No | ----- | No/Minor Fiscal Impact | ----- | ----- | ----- | 0562 |

| <u>Fund Code</u> | <u>Title</u> |
|------------------|---------------------|
| 0562 | Lottery Fund, State |

| Analyst/Principal | Date | Program Budget Manager | Date |
|-------------------|------|------------------------|------|
| (0211) J. Osborn | | Todd Jerue | |

| Department Deputy Director | Date |
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| Governor's Office: | By: | Date: | Position Approved |
|--------------------|-----|-------|----------------------|
| | | | Position Disapproved |

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