

1997 ASSEMBLY BILL 710

January 13, 1998 - Introduced by Representative Duff, by request of Irene Brown. Referred to Joint committee on Finance.

- AN ACT **relating to:** the expenditure of \$927,232.46 from moneys appropriated to the department of revenue for payment of a claim against the state made by Irene Brown.
 - Analysis by the Legislative Reference Bureau

This bill directs the expenditure of \$927,232.46 from moneys appropriated to the department of revenue (DOR) from the lottery fund for payments to holders of winning tickets and shares. The claimant purchased a ticket issued by DOR in the game called "Wisconsin's Very Own Megabucks". On March 9, 1997, the claimant's ticket was drawn and she won \$1,000,000. When the claimant claimed her prize, DOR notified her that it would be paid in annual instalments over a period of 25 years. Prior to purchasing her ticket, the claimant learned about the lottery from information printed on the back of the pay slip used for on-line games, by listening to broadcast advertisements for the lottery and by borrowing a videotape issued by DOR from a lottery retailer. These sources either indicated that the winner of the Megabucks game would be paid in "25 instalments" or provided no information concerning instalment payments. Additional information provided by DOR to the claimant after she claimed her prize indicated that the prize would be paid in 25 annual instalments. The claimant had assumed that her prize would be payable in 25 monthly instalments. Under s. 560.30 (2m), 1995 stats., "[i]f the prize for a winning lottery ... is payable in instalments over a period of years, any informational material about the lottery must state the number of years over which the prize shall be paid". The claimant claimed \$927,232.46, representing the loss she calculated to be incurred in receiving her prize over a period of 25 years as compared to a period of 25 months, using a "present value of money" accounting methodology and applying an interest rate of 4% on the delayed payments. On April 29, 1997, the claims board recommended denial of this claim. See Senate Journal, p. 150.

1

 $\mathbf{2}$

3

4

5

6

7

8

9

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

Section 1. Claim against the state. There is directed to be expended from the appropriation account under section 20.566 (8) (s) of the statutes, as affected by the acts of 1997, \$927,232.46 in payment of a claim against the state made by Irene Brown, New Berlin, Wisconsin, to compensate her for the difference in value between payment of a prize she won on March 9, 1997, in the Wisconsin lottery in 25 annual instalments instead of 25 monthly instalments, as she had anticipated. Acceptance of this payment releases this state, its officers, employes and agents from any further claim resulting from the methodology for payment of this prize to the claimant.

(END)