

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 251 Session of 2015

INTRODUCED BY A. HARRIS, COHEN, PASHINSKI, BAKER, BARRAR, HEFFLEY, MILLARD, STEPHENS, KAUFFMAN, LONGIETTI, PETRI, MULLERY, D. COSTA, MENTZER, GABLER, DUNBAR, O'NEILL, GROVE, MURT, OBERLANDER, M. K. KELLER, PICKETT, MAHONEY AND BENNINGHOFF, JANUARY 28, 2015

REFERRED TO COMMITTEE ON FINANCE, JANUARY 28, 2015

AN ACT

1 Amending the act of August 26, 1971 (P.L.351, No.91), entitled
 2 "An act providing for a State Lottery and administration
 3 thereof; authorizing the creation of a State Lottery
 4 Commission; prescribing its powers and duties; disposition of
 5 funds; violations and penalties therefor; exemption of prizes
 6 from State and local taxation and making an appropriation,"
 7 in State lottery, providing for lottery winnings intercept.

8 The General Assembly of the Commonwealth of Pennsylvania
 9 hereby enacts as follows:

10 Section 1. The act of August 26, 1971 (P.L.351, No.91),
 11 known as the State Lottery Law, is amended by adding a section
 12 to read:

13 Section 316. Lottery winnings intercept.

14 (a) Duty of Department of Revenue.--In the case of any
 15 person winning a single lottery prize of more than \$2,500 in the
 16 State Lottery, the Department of Revenue shall:

17 (1) (i) Make reasonable efforts to determine if the
 18 prizewinner has an outstanding State tax liability prior
 19 to paying the lottery prize. If the Department of Revenue

1 determines that the prizewinner has an outstanding State
2 tax liability and the rights to appeal have expired with
3 no appeal having been taken or, if an appeal has been
4 taken, it has been resolved and is not pending, the
5 Department of Revenue shall deduct from the lottery prize
6 the amount of outstanding State tax liability. A
7 deduction under this subparagraph may only be made after
8 the Department of Revenue determines under 23 Pa.C.S. §
9 4308 (relating to lottery winnings intercept) that either
10 the lottery prize is not subject to a deduction for
11 delinquent support, or that, after deducting for
12 delinquent support, prize amounts remain that can be
13 subject to deduction for the amount of the outstanding
14 State tax liability.

15 (ii) Pay the amount deducted for support as provided
16 in 23 Pa.C.S. § 4308 and the amount deducted for any
17 outstanding State tax liability in accordance with the
18 act of March 4, 1971 (P.L.6, No.2), known as the Tax
19 Reform Code of 1971, to satisfy or partially satisfy the
20 prizewinner's delinquent support obligations or
21 outstanding State tax liability.

22 (2) Request the Department of Human Services to make a
23 reasonable effort to determine if the prizewinner is
24 currently a recipient of public assistance benefits in this
25 Commonwealth prior to paying the lottery prize. If the
26 prizewinner is found to be a recipient of public assistance
27 benefits in this Commonwealth, the Department of Human
28 Services shall determine the prizewinner's eligibility to
29 continue to receive public assistance benefits as a result of
30 winning the lottery prize.

1 (3) (i) in conjunction with the Administrative Office
2 of Pennsylvania Courts, make a reasonable effort to
3 determine if the prizewinner owes court-ordered
4 obligations. If a determination is made that the
5 prizewinner owes court-ordered obligations, the
6 Administrative Office of Pennsylvania Courts shall
7 provide the Department of Revenue with the total amount
8 of obligations owed.

9 (ii) If it is determined under subparagraph (i) that
10 the prizewinner owes court-ordered obligations, deduct
11 from the amount of the lottery prize remaining after the
12 deductions made under paragraph (1) the amount of the
13 obligations owed.

14 (iii) Pay the amounts deducted under subparagraph
15 (ii) as provided by applicable law to satisfy or
16 partially satisfy the prizewinner's court-ordered
17 obligations. The Administrative Office of Pennsylvania
18 Courts shall furnish the Department of Revenue with the
19 information needed to make the payments.

20 (4) If applicable, no later than 30 days after the date
21 the lottery prize was claimed, notwithstanding the provisions
22 of 23 Pa.C.S. § 4308(7):

23 (i) award the prizewinner the amount of the lottery
24 prize to be paid to the prizewinner after any deductions
25 made under paragraphs (1) and (3); and

26 (ii) notify the prizewinner that part or all of the
27 lottery prize was used to satisfy the prizewinner's
28 obligations described in paragraphs (1) and (3). If the
29 amount of the lottery prize is not sufficient to fully
30 satisfy any of the obligations of the prizewinner, the

1 prizewinner shall owe the balance of the obligations as
2 provided under applicable law.

3 (b) Right to review.--

4 (1) A lottery prizewinner whose prize is used to satisfy
5 or partially satisfy an outstanding State tax obligation
6 under subsection (a)(1) may appeal to the Department of
7 Revenue in accordance with 2 Pa.C.S. (relating to
8 administrative law and procedure) only the issue of the
9 legality of the deduction under this section and not the
10 amount of the State tax liability. The appeal shall be filed
11 within 30 days after the prizewinner is notified under
12 subsection (a)(4) by the Department of Revenue that the prize
13 has been reduced or totally withheld to satisfy or partially
14 satisfy the amount of the prizewinner's outstanding State tax
15 liability.

16 (2) If it is determined under subsection (a)(2) that the
17 prizewinner is no longer eligible for public assistance
18 benefits in this Commonwealth, the Department of Human
19 Services shall notify the prizewinner and the Department of
20 Revenue and the prizewinner shall be subject to the act of
21 June 13, 1967 (P.L.31, No.21), known as the Public Welfare
22 Code.

23 (c) Administrative fee.--The Department of Revenue shall
24 determine and set a fee which reflects the actual costs it
25 incurs to administer this section with respect to a specific
26 prizewinner and deduct the calculated amount from the lottery
27 prize if the prizewinner is found to have an outstanding State
28 tax liability or court-ordered obligations subject to a
29 deduction under subsection (a)(1) or (3).

30 (d) Report.--The Department of Revenue shall annually report

1 to the Finance Committee of the Senate and the Finance Committee
2 of the House of Representatives the amount of outstanding State
3 tax liability and court-ordered obligations collected under this
4 section.

5 (e) Rules and regulations.--The Department of Revenue shall
6 promulgate rules and regulations necessary to carry out this
7 section.

8 Section 2. This act shall take effect as follows:

9 (1) The addition of section 316(a)(3) of the act shall
10 take effect in 90 days.

11 (2) The remainder of this act shall take effect
12 immediately.