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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1347 Session of  
2013

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INTRODUCED BY HARKINS, KOTIK, METZGAR, YOUNGBLOOD, O'BRIEN,  
MILLARD, STEPHENS, SONNEY, HARHAI, SCHLOSSBERG, KORTZ, HESS,  
CUTLER, COHEN, MOUL, MAHONEY, BARRAR, C. HARRIS, CALTAGIRONE,  
CARROLL, SWANGER, DENLINGER, BENNINGHOFF AND WHITE,  
MAY 8, 2013

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REFERRED TO COMMITTEE ON JUDICIARY, MAY 8, 2013

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AN ACT

1 Providing for the payment of outstanding court-ordered fines and  
2 restitutions by the attachment of State tax refunds and  
3 lottery winnings.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Lottery  
8 Winnings and State Income Tax Refunds Attachment Act.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall  
11 have the meanings given to them in this section unless the  
12 context clearly indicates otherwise:

13 "Department." The Department of Revenue of the Commonwealth.

14 "Obligee." A municipal or county court to whom a court-  
15 ordered fee or restitution is owed as a result of an  
16 adjudication against an individual.

17 "Obligor." An individual to whom a court-ordered fine or

1 restitution has been issued by a municipal or county court.

2 "Refund." The amount of an overpayment of tax as determined  
3 under section 346 of the act of March 4, 1971 (P.L.6, No.2),  
4 known as the Tax Reform Code of 1971.

5 Section 3. Lottery winnings intercept.

6 (a) General rule.--In the case of a person winning more than  
7 \$2,500 in the Pennsylvania State Lottery, the department shall  
8 make all reasonable efforts to determine if the winner is a  
9 delinquent obligor of court-ordered fees or restitution prior to  
10 making any lottery prize payment. If the winner is so found, the  
11 amount of any arrearages shall be deducted from the amount of  
12 the lottery prize and paid to the obligee.

13 (b) Duties of department.--The department shall:

14 (1) Cause a search to be made of the records relative to  
15 the Magisterial District Judge System (MDJS) and Common Pleas  
16 Case Management System (CPCMS) using the winner's full name  
17 and Social Security number.

18 (2) If the winner is a delinquent obligor, ascertain the  
19 amount of the unpaid court-ordered fees and restitution and  
20 the identifier of the court order that underlies it.

21 (3) Within 30 days of the date the prize was won, notify  
22 the winner that the prize or a portion thereof will be used  
23 to satisfy arrearages owed for court-ordered fees and  
24 restitution.

25 (4) Withhold from the obligor's lottery prize the amount  
26 of any arrearage discovered pursuant to the provisions of  
27 paragraph (1).

28 (5) Within 45 days of the date of notice under paragraph  
29 (3), pay over, whether in a lump sum or by installment, to  
30 the proper municipal or county court that part of the prize

1 that satisfies the arrearage, less any amount assigned to the  
2 department.

3 (6) If the prize is insufficient to satisfy the  
4 arrearages owed under the court order, proceed as follows:

5 (i) The department may pay over the prize as  
6 provided under this section.

7 (ii) The department may reinitiate the procedures  
8 set forth in this section if the obligor wins a  
9 subsequent lottery prize.

10 (7) Determine and set a fee that reflects the actual  
11 costs the department incurs to administer this section and  
12 deduct the calculated amount from the amount to be paid to  
13 the winner after the winner's court-ordered obligation has  
14 been fully satisfied.

15 (c) Right to review.--A lottery winner whose prize is used  
16 to satisfy an obligation under this section may appeal to the  
17 department in accordance with 2 Pa.C.S. (relating to  
18 administrative law and procedure). The appeal shall be filed  
19 within 30 days after the winner is notified by the department  
20 that the prize has been reduced or totally withheld to satisfy  
21 the winner's outstanding arrearage.

22 (d) Rules and regulations.--The department shall promulgate  
23 the rules and regulations necessary to carry out this section.  
24 Section 4. Income tax refund intercept.

25 (a) General rule.--In the case of a taxpayer entitled to a  
26 refund of more than \$2,500, the department shall make all  
27 reasonable efforts to determine if the taxpayer is a delinquent  
28 obligor of court-ordered fees or restitution prior to making any  
29 refund payment. If the winner is a delinquent obligor, the  
30 amount of any arrearages shall be deducted from the refund and

1 paid to the obligee.

2 (b) Duties of department.--The department shall:

3 (1) Cause a search to be made of the records relative to  
4 the Magisterial District Judge System (MDJS) and Common Pleas  
5 Case Management System (CPCMS) using the full name and Social  
6 Security number of the taxpayer entitled to a refund.

7 (2) If the taxpayer is a delinquent obligor, ascertain  
8 the amount of the unpaid court-ordered fees and restitution  
9 and the identifier of the court order that underlies it.

10 (3) Within 30 days of the date of the search under  
11 paragraph (1), notify the taxpayer that the refund or a  
12 portion thereof will be used to satisfy arrearages owed for  
13 court-ordered fees and restitution.

14 (4) Withhold from the taxpayer the amount of any  
15 arrearage discovered pursuant to the provisions of paragraph  
16 (1).

17 (5) Within 45 days of the date of notice under paragraph  
18 (3), pay over, whether in a lump sum or by installment, to  
19 the proper municipal or county court that part of the refund  
20 that satisfies the arrearage, less any amount assigned to the  
21 department.

22 (6) If the refund is insufficient to satisfy the  
23 arrearages owed under the court order, proceed as follows:

24 (i) The department may pay over the refund as  
25 provided under this section.

26 (ii) The department may reinitiate the procedures  
27 set forth in this section if the obligor is entitled to a  
28 subsequent refund.

29 (7) Determine and set a fee that reflects the actual  
30 costs the department incurs to administer this section and

1 deduct the calculated amount from the amount to be paid to  
2 the taxpayer after the taxpayer's court-ordered obligation  
3 has been fully satisfied.

4 (c) Right to review.--A taxpayer whose refund is used to  
5 satisfy an obligation under this section may appeal to the  
6 department in accordance with 2 Pa.C.S. (relating to  
7 administrative law and procedure). The appeal shall be filed  
8 within 30 days after the taxpayer is notified by the department  
9 that the refund has been reduced or totally withheld to satisfy  
10 the taxpayer's outstanding arrearages.

11 (d) Rules and regulations.--The department shall promulgate  
12 the rules and regulations necessary to carry out this section.  
13 Section 5. Notice of attachment.

14 (a) Future orders.--All orders for the payment of fees or  
15 restitution as of the effective date of this section, as well as  
16 all orders for the payment of fees or restitution entered or  
17 modified after the effective date of this section, shall provide  
18 for mandatory attachment of lottery prizes and refunds if the  
19 obligor is in arrears in payment for a period of 30 days or  
20 more.

21 (b) Notice to existing obligors.--The department shall send  
22 a one-time notice to all obligors of existing court orders  
23 informing them that arrearages may be intercepted as provided  
24 under sections 3 and 4.

25 Section 6. Effective date.

26 This act shall take effect in 60 days.