

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 674 Session of 2017

INTRODUCED BY BERNSTINE, A. HARRIS, O'NEILL, SOLOMON, METZGAR, PICKETT, TOEPEL, RYAN, MILLARD, SANKEY, CAUSER, DUNBAR, BOBACK AND WATSON, MARCH 2, 2017

REFERRED TO COMMITTEE ON FINANCE, MARCH 2, 2017

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
 20 determines that the prizewinner has an outstanding State

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

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

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

30 (3) (i) In conjunction with the Administrative Office

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

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

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

19 (4) As soon as reasonably possible after the lottery
20 prize was claimed, notwithstanding the provisions of 23
21 Pa.C.S. § 4308(b)(7):

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

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

1 obligations as provided under applicable law.

2 (b) Right to review.--

3 (1) A prizewinner whose prize is used to satisfy or
4 partially satisfy an outstanding State tax obligation under
5 subsection (a) (1) may file a petition of review with the
6 Department of Revenue within 90 days after the mailing of the
7 notice under subsection (a) (4). The only issue that may be
8 considered is whether the proper amount of the State tax
9 obligation was deducted or there is an unresolved valid and
10 timely filed State tax appeal of the State tax obligation.
11 The provisions of Article XXVII of the Tax Reform Code of
12 1971 shall apply to each appeal under this section.

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

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

27 (d) Report.--The Department of Revenue shall annually report
28 to the Finance Committee of the Senate and the Finance Committee
29 of the House of Representatives the amount of outstanding State
30 tax liability and court-ordered obligations collected under this

1 section.

2 (e) Rules and regulations.--The Department of Revenue may
3 promulgate rules and regulations necessary to carry out this
4 section.

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

6 (1) The addition of section 316(a)(3) of the act shall
7 take effect in 180 days.

8 (2) The remainder of this act shall take effect
9 immediately.