

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, WATSON, WARD, SAYLOR, ZIMMERMAN, MASSER, PHILLIPS-HILL, KORTZ AND DUSH, MARCH 2, 2017

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, APRIL 19, 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

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~~ FIRST, PAY the amount deducted for support <--  
16 as provided in 23 Pa.C.S. § 4308 and, SECOND, APPLY the <--  
17 amount deducted for any outstanding State tax liability  
18 ~~in accordance with the act of March 4, 1971 (P.L.6,~~ <--  
19 ~~No.2), known as the Tax Reform Code of 1971, to satisfy~~  
20 ~~or partially satisfy the~~ TO THE prizewinner's delinquent <--  
21 support obligations or 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 FOR CRIMES AS DEFINED IN SECTION 103 OF THE <--  
5       ACT OF NOVEMBER 24, 1998 (P.L.882, NO.111), KNOWN AS THE  
6       CRIME VICTIMS ACT. If a determination is made that the  
7       prizewinner owes court-ordered obligations, the  
8       Administrative Office of Pennsylvania Courts shall  
9       provide the Department of Revenue with the total amount  
10       of obligations owed.

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

16       (iii) Pay the amounts deducted under subparagraph  
17       (ii) as provided by applicable law to satisfy or  
18       partially satisfy the prizewinner's court-ordered  
19       obligations. ~~The Administrative Office of Pennsylvania~~ <--  
20       ~~Courts shall furnish the Department of Revenue with the~~  
21       ~~information needed to make the payments.~~ TO THE CLERK OF <--  
22       COURTS OF THE COUNTY IN WHICH THE COURT ORDER WAS ISSUED.

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

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

29       (ii) if applicable, notify the prizewinner that part  
30       or all of the lottery prize was used to satisfy the

1 prizewinner's obligations described in paragraphs (1) and  
2 (3). If the amount of the lottery prize is not sufficient  
3 to fully satisfy any of the obligations of the  
4 prizewinner, the prizewinner shall owe the balance of the  
5 obligations as provided under applicable law.

6 (b) Right to review.--

7 (1) A prizewinner whose prize is used to satisfy or  
8 partially satisfy an outstanding State tax obligation under  
9 subsection (a) (1) may file a petition of review with the  
10 Department of Revenue within 90 days after the mailing of the  
11 notice under subsection (a) (4). The only issue that may be  
12 considered is whether the proper amount of the State tax  
13 obligation was deducted or there is an unresolved valid and  
14 timely filed State tax appeal of the State tax obligation.  
15 The provisions of Article XXVII of the Tax Reform Code of  
16 1971 shall apply to each appeal under this section.

17 (2) A PRIZEWINNER WHOSE PRIZE IS USED TO SATISFY OR <--  
18 PARTIALLY SATISFY AN OBLIGATION UNDER 23 PA.C.S. § 4308 MAY  
19 APPEAL IN ACCORDANCE WITH APPLICABLE LAW. THE APPEAL MUST BE  
20 FILED WITH A COURT OF COMPETENT JURISDICTION WITHIN 30 DAYS  
21 AFTER THE PERSON IS NOTIFIED BY THE DEPARTMENT OF REVENUE  
22 THAT THE PRIZE HAS BEEN REDUCED OR TOTALLY WITHHELD TO  
23 SATISFY THE PERSON'S OBLIGATIONS UNDER 23 PA.C.S. § 4308.

24 ~~(2)~~ (3) If it is determined under subsection (a) (2) that <--  
25 the prizewinner is no longer eligible for public assistance  
26 benefits in this Commonwealth, the Department of Human  
27 Services shall notify the prizewinner and the Department of <--  
28 Revenue and the prizewinner shall be subject to the act of  
29 June 13, 1967 (P.L.31, No.21), known as the Human Services  
30 Code.

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

8 (d) Report.--The Department of Revenue shall annually report  
9 to the Finance Committee of the Senate and the Finance Committee  
10 of the House of Representatives the amount of outstanding State  
11 tax liability and court-ordered obligations collected under this  
12 section.

13 (e) Rules and regulations.--The Department of Revenue may  
14 promulgate rules and regulations necessary to carry out this  
15 section.

16 Section 2. This act shall take effect ~~as follows:~~ <--

17 ~~(1) The addition of section 316(a)(3) of the act shall~~  
18 ~~take effect in 180 days.~~

19 ~~(2) The remainder of this act shall take effect~~  
20 ~~immediately~~ IN ONE YEAR. <--