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**SUBSTITUTE SENATE BILL 5865**

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**State of Washington**

**54th Legislature**

**1996 Regular Session**

**By** Senate Committee on Labor, Commerce & Trade (originally sponsored by Senators Snyder, Newhouse, Heavey and Winsley)

Read first time 01/31/96.

1       AN ACT Relating to the assignment of rights of lottery prize  
2 winners; amending RCW 67.70.100; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4       NEW SECTION.   **Sec. 1.**   The Washington state lottery act under  
5 chapter 7, Laws of 1982 2nd ex. sess., provides, among other things,  
6 that the right of any person to a prize shall not be assignable, except  
7 to the estate of a deceased prize winner, or to a person designated  
8 pursuant to an appropriate judicial order. Current law and practices  
9 provide that those who win lotto jackpots are paid in annual  
10 installments over a period of twenty years. The legislature recognizes  
11 that some prize winners, particularly elderly persons, those seeking to  
12 acquire a small business, and others with unique needs, may not want to  
13 wait to be paid over the course of up to twenty years. It is the  
14 intent of the legislature to provide a restrictive means to accommodate  
15 those prize winners who wish to enjoy more of their winnings currently,  
16 without impacting the current fiscal structure of the Washington state  
17 lottery commission.

1       **Sec. 2.** RCW 67.70.100 and 1982 2nd ex.s. c 7 s 10 are each amended  
2 to read as follows:

3       (1) Except under subsection (2) of this section, no right of any  
4 person to a prize drawn is assignable, except that payment of any prize  
5 drawn may be paid to the estate of a deceased prize winner, and except  
6 that any person pursuant to an appropriate judicial order may be paid  
7 the prize to which the winner is entitled.

8       (2)(a) The payment of the remainder of an annuity may be assigned  
9 to another person, pursuant to a voluntary assignment of the right to  
10 receive future annual prize payments, in whole or in part, if the  
11 assignment is made pursuant to an appropriate judicial order of the  
12 superior court located in Thurston county or the judicial district  
13 where the assignor resides.

14       (b) If there is a voluntary assignment under (a) of this  
15 subsection, a copy of the petition for an order under (a) of this  
16 subsection and all notices of any hearing in the matter shall be served  
17 on the attorney general no later than ten days before any hearing or  
18 entry of any order.

19       (c) The court receiving the petition may issue an order approving  
20 the assignment and directing the director to pay to the assignee the  
21 remainder of an annuity so assigned upon finding that all of the  
22 following conditions have been met:

23       (i) The assignment has been memorialized in writing and executed by  
24 the assignor and is subject to Washington law;

25       (ii) The assignor provides a sworn declaration to the court  
26 attesting to the facts that the assignor has had the opportunity to be  
27 represented by independent legal counsel in connection with the  
28 assignment, has received independent financial and tax advice  
29 concerning the effects of the assignment, and is of sound mind and not  
30 acting under duress, and the court makes findings determining so; and

31       (iii) The proposed assignment does not and will not include or  
32 cover payments or portions of payments subject to offsets pursuant to  
33 RCW 67.70.255 unless appropriate provision is made in the order to  
34 satisfy the obligations giving rise to the offset.

35       (3) The director will not pay the assignee an amount in excess of  
36 the annual payment entitled to the assignor.

37       (4) The commission may adopt rules pertaining to the assignment of  
38 prizes under this section, including establishing a reasonable fee for  
39 any expenses incurred in order to comply with this section. The fee

1 shall be deducted from the initial annuity payment made to the  
2 assignee.

3 (5) No voluntary assignment under this section is effective unless  
4 and until the national office of the federal internal revenue service  
5 provides a ruling that declares that the voluntary assignment of prizes  
6 allowed under this section will not affect the federal income tax  
7 treatment of prize winners who do not assign their prizes.

8 (6) The commission and the director shall be discharged of all  
9 further liability upon payment of a prize pursuant to this section.

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