

2 **SSB 5865** - H COMM AMD **ADOPTED 2-27-96**
3 By Committee on Commerce & Labor

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5 Strike everything after the enacting clause and insert the
6 following:

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

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

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

28 (2)(a) The payment of the remainder of an annuity may be assigned
29 to another person, pursuant to a voluntary assignment of the right to
30 receive future annual prize payments, if the assignment is made
31 pursuant to an appropriate judicial order of the Thurston county
32 superior court or the superior court of the county in which the prize
33 winner resides, if the winner is a resident of Washington state. If
34 the prize winner is not a resident of Washington state, the winner must
35 seek an appropriate order from the Thurston county superior court.

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

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

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

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

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

22 (d) The commission may intervene as of right in any proceeding
23 under this section but shall not be deemed an indispensable or
24 necessary party.

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

27 (4) The commission may adopt rules pertaining to the assignment of
28 prizes under this section, including recovery of actual costs incurred
29 by the commission. The recovery of actual costs shall be deducted from
30 the initial annuity payment made to the assignee.

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

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

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4 On page 1, line 2 of the title, after "winners;" strike the
5 remainder of the title and insert "amending RCW 67.70.100; and creating
6 a new section."

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