AN ACT

Amending the act of August 26, 1971 (P.L.351, No.91), entitled
"An act providing for a State Lottery and administration thereof; authorizing the creation of a State Lottery Commission; prescribing its powers and duties; disposition of funds; violations and penalties therefor; exemption of prizes from State and local taxation and making an appropriation," in State lottery, providing for lottery winnings intercept.

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

Section 1. The act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law, is amended by adding a section to read:

Section 316. Lottery winnings intercept.

(a) Duty of Department of Revenue.--In the case of any person winning a single lottery prize of more than $2,500 in the State Lottery, the Department of Revenue shall:

(1) (i) Make reasonable efforts to determine if the prizewinner has an outstanding State tax liability prior to paying the lottery prize. If the Department of Revenue
determines that the prizewinner has an outstanding State
tax liability and the rights to appeal have expired with
no appeal having been taken or if an appeal has been
taken, it has been resolved and is not pending, the
Department of Revenue shall deduct from the lottery prize
the amount of outstanding State tax liability. A
deduction under this subparagraph may only be made after
the Department of Revenue determines under 23 Pa.C.S. §
4308 (relating to lottery winnings intercept) that either
the lottery prize is not subject to a deduction for
delinquent support or that, after deducting for
delinquent support, prize amounts remain that can be
subject to deduction for the amount of the outstanding
State tax liability.

(ii) Pay FIRST, PAY the amount deducted for support
as provided in 23 Pa.C.S. § 4308 and, SECOND, APPLY the
amount deducted for any outstanding State tax liability
in accordance with the act of March 4, 1971 (P.L.6,
No.2), known as the Tax Reform Code of 1971, to satisfy
or partially satisfy the TO THE prizewinner's delinquent
support obligations or outstanding State tax liability.

(2) Request the Department of Human Services to make a
reasonable effort to determine if the prizewinner is
currently a recipient of public assistance benefits in this
Commonwealth prior to paying the lottery prize. If the
prizewinner is found to be a recipient of public assistance
benefits in this Commonwealth, the Department of Human
Services shall determine the prizewinner's eligibility to
continue to receive public assistance benefits as a result of
winning the lottery prize.
(3) (i) In conjunction with the Administrative Office of Pennsylvania Courts, make a reasonable effort to determine if the prizewinner owes court-ordered obligations FOR CRIMES AS DEFINED IN SECTION 103 OF THE ACT OF NOVEMBER 24, 1998 (P.L.882, NO.111), KNOWN AS THE CRIME VICTIMS ACT. If a determination is made that the prizewinner owes court-ordered obligations, the Administrative Office of Pennsylvania Courts shall provide the Department of Revenue with the total amount of obligations owed.

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

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

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

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

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

(b) Right to review.--

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

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

(3) If it is determined under subsection (a)(2) that
the prizewinner is no longer eligible for public assistance
benefits in this Commonwealth, the Department of Human
Services shall notify the prizewinner and the Department of
Revenue and the prizewinner shall be subject to the act of
June 13, 1967 (P.L.31, No.21), known as the Human Services
Code.
(c) Administrative fee.--The Department of Revenue shall determine and set a fee which reflects the actual costs it incurs to administer this section with respect to a specific prizewinner and deduct the calculated amount from the lottery prize if the prizewinner is found to have an outstanding State tax liability or court-ordered obligations subject to a deduction under subsection (a)(1) or (3).

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

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

Section 2. This act shall take effect as follows:

   (1) The addition of section 316(a)(3) of the act shall take effect in 180 days.
   (2) The remainder of this act shall take effect immediately IN ONE YEAR.