

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5865

54th Legislature
1996 Regular Session

Passed by the Senate March 4, 1996
YEAS 44 NAYS 1

President of the Senate

Passed by the House February 27, 1996
YEAS 98 NAYS 0

**Speaker of the
House of Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Marty Brown, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5865** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5865

AS AMENDED BY THE HOUSE

Passed Legislature - 1996 Regular Session

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, if the assignment is made
11 pursuant to an appropriate judicial order of the Thurston county
12 superior court or the superior court of the county in which the prize
13 winner resides, if the winner is a resident of Washington state. If
14 the prize winner is not a resident of Washington state, the winner must
15 seek an appropriate order from the Thurston county superior court.

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

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

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

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

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

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

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

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

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

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

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