
HOUSE BILL 2142

State of Washington 55th Legislature 1997 Regular Session

By Representatives Lisk, Cole and Honeyford

Read first time 02/24/97. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to assignment of rights of lottery winnings; and
2 amending RCW 67.70.100.

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

4 **Sec. 1.** RCW 67.70.100 and 1996 c 228 s 2 are each amended to read
5 as follows:

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

11 (2)(a) The payment of the remainder of an annuity may be assigned
12 to another person, pursuant to a voluntary assignment of the right to
13 receive future annual prize payments, if the assignment is made
14 pursuant to an appropriate judicial order of the Thurston county
15 superior court or the superior court of the county in which the prize
16 winner resides, if the winner is a resident of Washington state. If
17 the prize winner is not a resident of Washington state, the winner must
18 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;
18 ((and))

19 (iii) In the case of a present value payment, the interest and
20 discount rate used to arrive at the prize winner's present value
21 payment amount has been disclosed, in writing, to the prize winner; and

22 (iv) The proposed assignment does not and will not include or cover
23 payments or portions of payments subject to offsets pursuant to RCW
24 67.70.255 unless appropriate provision is made in the order to satisfy
25 the obligations giving rise to the offset.

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

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

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

35 (5) No voluntary assignment under this section is effective unless
36 and until the national office of the federal internal revenue service
37 provides a ruling ((that declares)) declaring that the voluntary
38 assignment of prizes will not affect the federal income tax treatment
39 of prize winners who do not assign their prizes. If at any time the

1 federal internal revenue service or a court of competent jurisdiction
2 provides a ruling or issues a decision to any state lottery or state
3 lottery prize winner declaring that the voluntary assignment of prizes
4 will affect the federal income tax treatment of prize winners who do
5 not assign their prizes, the director shall file with the secretary of
6 state a copy of the ruling or decision and no further voluntary
7 assignments shall be allowed after the date the ruling or decision is
8 filed.

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

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