

CERTIFICATION OF ENROLLMENT  
**SUBSTITUTE SENATE BILL 5865**

Chapter 228, Laws of 1996

54th Legislature  
1996 Regular Session

LOTTERY PRIZE WINNERS--ASSIGNMENT OF RIGHTS

EFFECTIVE DATE: 6/6/96

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

JOEL PRITCHARD

**President of the Senate**

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

CLYDE BALLARD

**Speaker of the  
House of Representatives**

Approved March 28, 1996

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.

MARTY BROWN

**Secretary**

FILED

March 28, 1996 - 5:03 p.m.

MIKE LOWRY

**Governor of the State of Washington**

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 5865**

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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.

Passed the Senate March 4, 1996.

Passed the House February 27, 1996.

Approved by the Governor March 28, 1996.

Filed in Office of Secretary of State March 28, 1996.