

5:9-13.1

LEGISLATIVE HISTORY CHECKLIST
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NJSA: 5:9-13.1 (Lottery prizes over \$2500—offset overdue child support payments)

LAWS OF: 1991 **CHAPTER:** 384

Bill No: S1412/S1535

Sponsor(s): Bassano

Date Introduced: Pre-filed

Committee: Assembly: Health & Human Services

Senate: Institutions, Health & Welfare

Amended during passage: Yes Senate Committee Substitute (IR) enacted

Date of Passage: Assembly: January 10, 1992 Re-enacted 1-13-92

Senate: December 13, 1991 Re-enacted 1-13-92

Date of Approval: January 16, 1992

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes

Senate: Yes

Fiscal Note: No

Veto Message: Yes

Message on signing: No

Following were printed:

Reports: No

Hearings: No

KBG/dgw

§§1-9
C.5:9-13.1
to
5:9-13.9
§10
Note to §§1-9

P.L.1991, CHAPTER 384, *approved January 16, 1992*
Senate Committee Substitute (*First Reprint*) for
1990 Senate No. 1412 and 1535

AN ACT concerning lottery prizes and the payment of child support and public assistance overpayments and supplementing Title 5 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. The Director of the Division of the State Lottery in the Department of the Treasury and the Director of the Division of Economic Assistance in the Department of Human Services shall initiate an ongoing data exchange in the Office of Telecommunications and Information Systems in the Department of the Treasury before a payment is made of a State lottery prize in excess of \$2,500.

2. The Director of the Division of Economic Assistance shall periodically supply the Office of Telecommunications and Information Systems with a list of:

a. those individuals in arrears of a court ordered child support obligation; and

b. those former recipients of Aid to Families with Dependent Children, pursuant to P.L.1959, c.86 (C.44:10-1 et seq.), food stamp benefits issued pursuant to Pub.L. 95-113, Title XIII (7 U.S.C. §2011 et seq.), or low-income home energy assistance benefits issued pursuant to Pub.L. 97-35, Title XXVI (42 U.S.C. §8621 et seq.) who incurred an overpayment which has not been repaid.

3. The Director of the Division of the State Lottery shall promptly provide the Office of Telecommunications and Information Systems with a prize winners list, which shall include the prize claimant's name, address and social security number and the amount of the pending payment.

4. The Office of Telecommunications and Information Systems shall cross check the lottery list with the data supplied by the Director of the Division of Economic Assistance for a social security number match. If a match is made, the Office of Telecommunications and Information Systems shall notify the Division of Economic Assistance.

5. If a lottery prize claimant is in arrears of a child support order, or is a former recipient of Aid to Families with

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate amendments adopted in accordance with Governor's recommendations January 13, 1992.

Dependent Children, food stamp benefits or low-income home energy assistance benefits who has incurred an overpayment which has not been repaid, the Division of Economic Assistance shall promptly notify the Department of the Treasury and the Division of the State Lottery of the claimant's name, address, social security number and amount due on an arrears child support order or the amount due on an overpayment. The Department of the Treasury shall ¹[thereafter]¹ withhold this amount from the pending lottery payment and transmit same to the Department of Human Services or appropriate county probation department, as the case may be¹, in accordance with regulations promulgated by the State Treasurer¹.

6. The county welfare agency which provided the public assistance benefits or the county probation office, acting as agent for the child support payee, shall have a lien on the proceeds of the State lottery prize in an amount equal to the amount of child support arrearage or the amount of overpayment incurred.

The lien imposed by this act shall be enforceable in the Superior Court.

7. Any of the claimant's lottery prize funds remaining after withholding pursuant to the lien established pursuant to this act shall be paid to the claimant in accordance with lottery procedures.

8. The State Treasurer shall promulgate, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), such rules and regulations as may be necessary to effectuate the purposes of this act including, but not limited to, regulations providing for prompt notice to any prize winner from whose award the Department of the Treasury seeks to withhold funds, of the amount to be withheld and the reason therefor and providing the prize winners with the opportunity for a hearing upon request prior to the disposition of any funds. For the purposes of this act, "prompt notice" shall mean notice within 14 days or less.

The State Treasurer shall also provide by regulation, safeguards against the disclosure or inappropriate use of any personally identifiable information regarding any person obtained pursuant to this act.

9. The costs associated with or necessary for the implementation of P.L. , c. (C.) (now before the Legislature as this bill) shall be borne by the Division of Economic Assistance in the Department of Human Services.

10. This act shall take effect on the 90th day after enactment.

PUBLIC ASSISTANCE

Provides that State lottery prizes over \$2,500 shall be offset to satisfy overdue child support payments and overpayments in certain public assistance programs.

1 of the State Lottery of the claimant's name, address, social
2 security number and amount due on an arrears child support order
3 or the amount due on an overpayment. The Department of the
4 Treasury shall thereafter withhold this amount from the pending
5 lottery payment and transmit same to the Department of Human
6 Services or appropriate county probation department, as the case
7 may be.

8 6. The county welfare agency which provided the public
9 assistance benefits or the county probation office, acting as
10 agent for the child support payee, shall have a lien on the
11 proceeds of the State lottery prize in an amount equal to the
12 amount of child support arrearage or the amount of overpayment
13 incurred. The lien imposed by this act shall be enforceable in the
14 Superior Court.

15 7. Any of the claimant's lottery prize funds remaining after
16 withholding pursuant to the lien established pursuant to this act
17 shall be paid to the claimant in accordance with lottery
18 procedures. If there is an existing child support order, the court
19 which issued the order shall review the matter and consider the
20 surplus remaining and the best interests of the claimant's
21 dependents.

22 8. The State Treasurer in conjunction with the Division of the
23 State Lottery shall promulgate, pursuant to the "Administrative
24 Procedure Act, P.L. 1968, c. 410 (C. 52:14B-1 et seq.), such rules
25 and regulations as may be necessary to effectuate the purposes of
26 this act including, but not limited to, regulations providing for
27 prompt notice to any prize winner from whose award the
28 Department of the Treasury seeks to withhold funds of the
29 amount to be withheld and the reason therefor and providing the
30 prize winners with the opportunity for a hearing upon request
31 prior to the disposition of any funds.

32 The State Treasurer shall also provide by regulation, safeguards
33 against the disclosure or inappropriate use of any personally
34 identifiable information regarding any person obtained pursuant
35 to this act. For the purposes of this section, "prompt notice"
36 shall mean within 14 days or less.

37 9. The costs associated with or necessary for the
38 implementation of P.L. , c. (C.) (now before the Legislature
39 as this bill) shall be borne by the Division of Public Welfare
40 within the Department of Human Services.

41 10. This act shall take effect on the 90th day after enactment.
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44 STATEMENT

45
46 This bill establishes procedures to ensure that persons who win
47 State lottery prizes in excess of \$2,500 and who are former or
48 current recipients of Aid to Families with Dependent Children or
49 in arrears of court ordered child support payments shall

1 reimburse the State for the assistance received or make payment
2 of their child support obligations.

3 The bill directs the State Lottery and Division of Public
4 Welfare to institute an ongoing computer data exchange to
5 identify these prize claimants and withhold the amount of
6 assistance or child support arrears from the lottery payment.
7 The bill would give the Division of Public Welfare or county
8 probation department responsible for the enforcement of the
9 support order a lien on the proceeds of the lottery prize.

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PUBLIC ASSISTANCE

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14 Provides that State lottery prizes over \$2,500 shall be offset to
15 satisfy overdue child support payments and overpayments in
16 certain public assistance programs.

SENATE, No. 1412

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator BASSANO

1 AN ACT concerning lottery prizes and the payment of child
2 support and public assistance overpayments and supplementing
3 Title 5 of the Revised Statutes.

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5 BE IT ENACTED *by the Senate and General Assembly of the*
6 *State of New Jersey:*

7 1. The Director of the Division of the State Lottery in the
8 Department of the Treasury and the Director of the Division of
9 Public Welfare in the Department of Human Services shall
10 initiate an ongoing data exchange in the Office of
11 Telecommunications and Information Systems in the Department
12 of the Treasury before a payment is made of a State lottery
13 prize in excess of \$2,500.

14 2. The Director of the Division of Public Welfare shall
15 periodically supply the Office of Telecommunications and
16 Information Systems with a list of:

17 a. those individuals in arrears of a court ordered child support
18 obligation; and

19 b. those former recipients of Aid to Families with Dependent
20 Children, pursuant to P.L.1959, c.86 (C.44:10-1 et seq.), food
21 stamp benefits issued pursuant to Pub.L. 95-113 (7 U.S.C. §2011
22 et seq.), or low-income home energy assistance benefits issued
23 pursuant to Pub.L. 97-35, Title XXVI (42 U.S.C. §8621 et seq.)
24 who incurred an overpayment which has not been repaid.

25 3. The Director of the Division of the State Lottery shall
26 promptly provide the Office of Telecommunications and
27 Information Systems with a prize winners list, which shall
28 include the prize claimant's name, address and social security
29 number and the amount of the pending payment.

30 4. The Office of Telecommunications and Information
31 Systems shall cross check the lottery list with the data supplied
32 by the Director of the Division of Public Welfare for a social
33 security number match. If a match is made, the Office of
34 Telecommunications and Information Systems shall notify the
35 Division of Public Welfare.

36 5. If a lottery prize claimant is in arrears of a child support
37 order, or is a former recipient of Aid to Families with
38 Dependent Children, food stamp benefits or low-income home
39 energy assistance benefits who has incurred an overpayment
40 which has not been repaid, the Division of Public Welfare shall
41 promptly notify the Department of the Treasury and the

1 Division of the State Lottery of the claimant's name, address,
2 social security number and amount due on an arrears child
3 support order or the amount due on an overpayment. The
4 Department of the Treasury shall thereafter withhold this
5 amount from the pending lottery payment and transmit same to
6 the Department of Human Services or appropriate county
7 probation department, as the case may be.

8 6. The county welfare agency which provided the public
9 assistance benefits or the county probation office, acting as
10 agent for the child support payee, shall have a lien on the
11 proceeds of the State lottery prize in an amount equal to the
12 amount of child support arrearage or the amount of
13 overpayment incurred.

14 The lien imposed by this act shall be enforceable in the
15 Superior Court.

16 7. Any of the claimant's lottery prize funds remaining after
17 withholding pursuant to the lien established pursuant to this act
18 shall be paid to the claimant in accordance with lottery
19 procedures.

20 8. The State Treasurer shall promulgate, pursuant to the
21 "Administrative Procedure Act, P.L.1968, c.410 (C.52:14B-1 et
22 seq.), such rules and regulations as may be necessary to
23 effectuate the purposes of this act including, but not limited to,
24 regulations providing for prompt notice to any prize winner from
25 whose award the Department of the Treasury seeks to withhold
26 funds of the amount to be withheld and the reason therefor and
27 providing the prize winners with the opportunity for a hearing
28 upon request prior to the disposition of any funds.

29 The State Treasurer shall also provide by regulation,
30 safeguards against the disclosure or inappropriate use of any
31 personally identifiable information regarding any person
32 obtained pursuant to this act.

33 9. This act shall take effect on the 90th day after enactment.
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36 STATEMENT

37
38 This bill establishes procedures to ensure that persons who win
39 State lottery prizes in excess of \$2,500 and who are: (1) in
40 arrears of court ordered child support payments or (2) former
41 recipients of Aid to Families with Dependent Children, pursuant
42 to P.L.1959, c.86 (C.44:10-1 et seq.), food stamp benefits issued
43 pursuant to Pub.L. 95-113 (7 U.S.C. §2011 et seq.), or
44 low-income home energy assistance benefits issued pursuant to
45 Pub.L. 97-35, Title XXVI (42 U.S.C. §8621 et seq.) who incurred
46 an overpayment which has not been repaid, shall reimburse the
47 State for the amount of overdue child support obligations or the
48 amount of the overpayment that has not been repaid.

1 The bill directs the Directors of the Division of the State
2 Lottery and Division of Public Welfare to institute an ongoing
3 computer data exchange to identify these prize claimants and
4 withhold the amount of child support arrears or unpaid
5 overpayment from the lottery payment. The bill would give the
6 county welfare agency which provided the public assistance
7 benefits or county probation department responsible for
8 enforcement of the support order a lien on the proceeds of the
9 lottery prize.

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PUBLIC ASSISTANCE

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14 Provides that State lottery prizes over \$2,500 shall be offset to
15 satisfy overdue child support payments and overpayments in
16 certain public assistance programs.

ASSEMBLY HEALTH AND HUMAN SERVICES COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, Nos. 1412 and 1535

STATE OF NEW JERSEY

DATED: APRIL 8, 1991

The Assembly Health and Human Services Committee favorably reports the Senate Committee Substitute for Senate Bill Nos. 1412 and 1535.

This committee substitute establishes procedures to ensure that persons who win State lottery prizes in excess of \$2,500 and who are: (1) in arrears of court ordered child support payments or (2) former recipients of Aid to Families with Dependent Children, pursuant to P.L.1959, c.86 (C.44:10-1 et seq.), food stamp benefits issued pursuant to Pub.L. 95-113 (7 U.S.C. §2011 et seq.), or low-income home energy assistance benefits issued pursuant to Pub.L. 97-35, Title XXVI (42 U.S.C. §8621 et seq.) who incurred an overpayment which has not been repaid, shall reimburse the State for the amount of overdue child support obligations or the amount of the overpayment that has not been repaid.

The substitute directs the Directors of the Division of the State Lottery and Division of Economic Assistance to institute an ongoing computer data exchange to identify these prize claimants and withhold the amount of child support arrears or unpaid overpayment from the lottery payment. The substitute would give the county welfare agency which provided the public assistance benefits or county probation department responsible for enforcement of the support order a lien on the proceeds of the lottery prize.

SENATE INSTITUTIONS, HEALTH AND WELFARE COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, Nos. 1412 and 1535

STATE OF NEW JERSEY

DATED: MARCH 12, 1990

The Senate Institutions, Health and Welfare Committee favorably reports a Senate Committee Substitute for Senate Bill Nos. 1412 and 1535.

This substitute establishes procedures to ensure that persons who win State lottery prizes in excess of \$2,500 and who are: (1) in arrears of court ordered child support payments or (2) former recipients of Aid to Families with Dependent Children, pursuant to P.L.1959, c.86 (C.44:10-1 et seq.), food stamp benefits issued pursuant to Pub.L. 95-113 (7 U.S.C. §2011 et seq.), or low-income home energy assistance benefits issued pursuant to Pub.L. 97-35, Title XXVI (42 U.S.C. §8621 et seq.) who incurred an overpayment which has not been repaid, shall reimburse the State for the amount of overdue child support obligations or the amount of the overpayment that has not been repaid.

The substitute directs the Directors of the Division of the State Lottery and Division of Economic Assistance to institute an ongoing computer data exchange to identify these prize claimants and withhold the amount of child support arrears or unpaid overpayment from the lottery payment. The substitute would give the county welfare agency which provided the public assistance benefits or county probation department responsible for enforcement of the support order a lien on the proceeds of the lottery prize.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

January 13, 1992

SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NOS. 1412 and 1535

To the Senate:

Pursuant to Article V, Section I, Paragraph 14, of the New Jersey Constitution, I herewith return Senate Committee Substitute for Senate Bill Nos. 1412 and 1535 with my objections for reconsideration.

This bill establishes procedures to ensure that persons who win State lottery prizes in excess of \$2,500 and who are: (1) in arrears of court-ordered child support payments or (2) former recipients of Aid to Families with Dependent Children, food stamp benefits, or low-income home energy assistance benefits who incurred an overpayment that has not been repaid, shall reimburse the State for the amount of overdue child support obligations or the amount of the overpayment that has not been repaid.

The bill directs the Directors of the Division of the State Lottery and the Division of Economic Assistance to institute an ongoing computer data exchange to identify these prize claimants. Once these individuals are identified, the State Treasurer is required to withhold the amount of child support arrears or unpaid overpayment from the lottery winnings. In addition, this legislation gives the county welfare agency that provided the public assistance benefits or the county probation department responsible for enforcement of the support order a lien on the proceeds of the lottery prize.

I support the intent of this legislation-- those in arrears in child support payments should be compelled to fulfill their obligations. However, I am concerned that the withholding of lottery winnings be accomplished in a manner that will ensure the prompt and accurate payment of arrearages, while allowing the

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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lottery winner a reasonable opportunity to put his affairs in order. Therefore, I am recommending that the State Treasurer promulgate regulations governing the withholding of lottery winnings, as well as any other such rules and regulations necessary to effectuate the purposes of the act.

Therefore, I herewith return Senate Committee Substitute for Senate Bill Nos. 1412 and 1535 and recommend that it be amended as follows:

<u>Page 2, Section 5, Line 5:</u>	Delete "thereafter"
<u>Page 2, Section 5, Line 8:</u>	After "may be" insert ", in accordance with regulations promulgated by the State Treasurer"

Respectfully,

/s/ Jim Florio

GOVERNOR

[seal]

Attest:

/s/ Elizabeth A. Ryan

Assistant Counsel to the Governor