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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

"Lottery can dun deadbeat winners," The Record, 6-29-07, p. A03

"Debts to be deducted from lottery winnings," Asbury Park Press, 6-29-07, p.A3

"New law deducts debts from lottery winnings," The Trentonian, 6-29-07, p.12

IS 4/11/08

P.L. 2007, CHAPTER 106, *approved June 28, 2007*
Senate, No. 2400

1 AN ACT concerning lottery prizes and supplementing P.L.1970,
2 c.13 (C.5:9-1 et seq.)
3

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

7 1. a. Whenever any claimant of a lottery prize greater than \$600
8 is indebted to any agency or institution of State Government,
9 including, but not limited to the Victims of Crime Compensation
10 Board for the portion of an assessment ordered pursuant to
11 N.J.S.2C:43-3.1 for deposit in the Victims of Crime Compensation
12 Board Account or restitution ordered to be paid to the board
13 pursuant to N.J.S.2C:44-2 for deposit in the Victims of Crime
14 Compensation Board Account, or for child support under Title IV-
15 A, Title IV-D, or Title IV-E of the federal Social Security Act (42
16 U.S.C. s.601 et seq.), or other indebtedness in accordance with
17 section 1 of P.L.1995, c.290 (C.2A:17-56.11b) the Department of
18 the Treasury shall apply or cause to be applied to the lottery prize as
19 much as is necessary to satisfy the indebtedness. Child support
20 indebtedness shall take precedence over all other indebtedness. The
21 Department of the Treasury shall retain a percentage of the
22 proceeds of any collection setoff as shall be necessary to provide
23 for any expenses of the collection effort.

24 b. A State department or agency which is owed a debt shall
25 notify the Department of the Treasury of the existence of the debt
26 and shall request that the Department of the Treasury execute a
27 setoff as provided for in this section.
28

29 2. The Department of the Treasury shall promulgate regulations
30 concerning the procedures and methods to be employed by all
31 agencies and institutions in the executive branch in the collection or
32 the setting off of delinquent accounts. The regulations shall be
33 consistent with all federal requirements or limitations regarding any
34 information utilized in any collection or setoff, and shall in addition
35 provide for due notice to the debtor and opportunity for a hearing
36 upon request prior to any setoff and safeguards against the
37 disclosure or inappropriate use of any personally identifiable
38 information regarding the debtor obtained or maintained pursuant to
39 this act.
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41 3. This act shall take effect immediately.

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STATEMENT

This bill provides that if the winner of a lottery prize greater than \$600 is indebted to any agency or institution of State Government, the Victims of Crime Compensation Board, or owes child support, the Department of the Treasury would deduct from the prize winnings the amount owed to satisfy the indebtedness. Under current law, the Department of the Treasury may deduct from lottery prize winnings:

- 1) Money that is owed from default of a student loan,
- 2) Overpayments which have not been repaid by individuals who are former recipients of Aid to Families with Dependent Children, Work First New Jersey, food stamp benefits or low-income home energy assistance benefits, and
- 3) Unpaid court-ordered child support obligations.

The bill implements a recommendation of the State Auditor from the audit conducted of the Division of the State Lottery, July 1, 2005 to August 31, 2006.

Requires lottery prizes over \$600 be offset to satisfy debt owed to State government.

SENATE, No. 2400

STATE OF NEW JERSEY

212th LEGISLATURE

INTRODUCED DECEMBER 11, 2006

Sponsored by:

Senator BARBARA BUONO

District 18 (Middlesex)

Assemblyman JEFF VAN DREW

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman JIM WHELAN

District 2 (Atlantic)

Assemblyman NELSON T. ALBANO

District 1 (Cape May, Atlantic and Cumberland)

Co-Sponsored by:

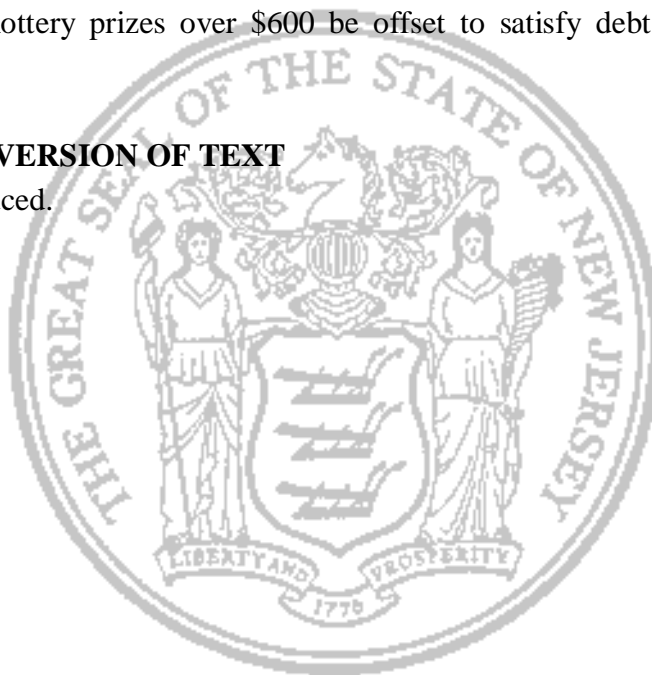
Assemblyman P. Barnes, III

SYNOPSIS

Requires lottery prizes over \$600 be offset to satisfy debt owed to State government.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/22/2007)

S2400 BUONO

2

1 AN ACT concerning lottery prizes and supplementing P.L.1970,
2 c.13 (C.5:9-1 et seq.)

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STATEMENT

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47 \$600 is indebted to any agency or institution of State Government,
48 the Victims of Crime Compensation Board, or owes child support,

S2400 BUONO

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- 6 2) Overpayments which have not been repaid by individuals
7 who are former recipients of Aid to Families with Dependent
8 Children, Work First New Jersey, food stamp benefits or low-
9 income home energy assistance benefits, and
- 10 3) Unpaid court-ordered child support obligations.

11 The bill implements a recommendation of the State Auditor from
12 the audit conducted of the Division of the State Lottery, July 1,
13 2005 to August 31, 2006.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

SENATE, No. 2400

STATE OF NEW JERSEY

DATED: JUNE 18, 2007

The Assembly Budget Committee reports favorably Senate Bill No. 2400.

The bill requires the Division of the State Lottery within the Department of the Treasury to deduct from lottery prizes greater than \$600 debts owed to the State by the prize winner. Currently, the department only deducts amounts owed for defaulted student loan payments and unpaid child support obligations.

The bill implements a recommendation of the State Auditor from the audit conducted of the Division of the State Lottery, July 1, 2005 to August 31, 2006.

As reported, this bill is identical to Assembly Bill No. 3833, as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates this bill will increase combined collections to the State General Fund and the State Property Tax Relief Fund by \$800,000 to \$1 million per fiscal year.

A 2006 audit of the Division of the State Lottery by the State Auditor suggested that the division could recover more debt for all State agencies if it matched winners of lottery prizes exceeding \$600 with the Division of Taxation's Set-off of Individual Liability (SOIL) database, which contains detailed records of debt owed to the State. Performing that match, the State Auditor found that the State Lottery had disbursed \$900,000 in prize money in 2005 that could have offset debt owed to the State. Since this amount may fluctuate year-to-year, the OLS anticipates the annual revenue gain under this bill to range from \$800,000 to \$1 million.

SENATE WAGERING, TOURISM AND HISTORIC
PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 2400

STATE OF NEW JERSEY

DATED: FEBRUARY 5, 2007

The Senate Wagering, Tourism & Historic Preservation Committee reports favorably Senate Bill No. 2400.

This bill provides that if the winner of a lottery prize greater than \$600 is indebted to any agency or institution of State Government, the Victims of Crime Compensation Board, or owes child support, the Department of the Treasury would deduct from the prize winnings the amount owed to satisfy the indebtedness. Under current law, the Department of the Treasury may deduct from lottery prize winnings:

- 1) Money that is owed from default of a student loan,
- 2) Overpayments which have not been repaid by individuals who are former recipients of Aid to Families with Dependent Children, Work First New Jersey, food stamp benefits or low-income home energy assistance benefits, and
- 3) Unpaid court-ordered child support obligations.

The bill implements a recommendation of the State Auditor from the audit conducted of the Division of the State Lottery, July 1, 2005 to August 31, 2006.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2400

STATE OF NEW JERSEY

DATED: MARCH 5, 2007

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2400.

This bill requires the Division of the State Lottery within the Department of the Treasury to deduct from lottery prizes greater than \$600 debts owed to the State by the prize winner. Currently, the department only deducts amounts owed for defaulted student loan payments and unpaid child support obligations.

The bill implements a recommendation of the State Auditor from the audit conducted of the Division of the State Lottery, July 1, 2005 to August 31, 2006.

FISCAL IMPACT:

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LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2400
STATE OF NEW JERSEY
212th LEGISLATURE

DATED: MARCH 6, 2007

SUMMARY

Synopsis: Requires lottery prizes over \$600 be offset to satisfy debt owed to State government.

Type of Impact: A permanent revenue gain to the State General Fund and the State Property Tax Relief Fund.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>
State Revenue	\$800,000 to \$1,000,000 per fiscal year		

- The Office of Legislative Services (OLS) notes that at present the Division of the State Lottery is only deducting amounts owed on defaulted student loans or unpaid child support obligations from lottery prizes before processing prize payments.
- In its 2006 audit of the Division of the State Lottery, the New Jersey State Auditor stated that the State could have recovered \$900,000 in debt owed in 2005 if the State Lottery had had the legal authority to deduct amounts owed to the State from lottery prizes over \$600.

BILL DESCRIPTION

Senate Bill No. 2400 of 2006 requires the Division of the State Lottery within the Department of the Treasury to deduct from a winner's lottery prize exceeding \$600 the amount of any debt the winner may owe to State government.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS projects this bill to increase combined collections to the State General Fund and the State Property Tax Relief Fund by \$800,000 to \$1 million per fiscal year.

In its 2006 audit of the Division of the State Lottery, the New Jersey Office of the State Auditor suggested that the division could recover more debt for all state agencies if it matched winners of lottery prizes exceeding \$600 with the Division of Taxation's Set-off of Individual Liability (SOIL) database, which contains detailed records of debt owed to the state. Performing that match, the State Auditor revealed that the State Lottery had disbursed \$900,000 in prize money in 2005 that could have offset debt owed to the state. Since this amount may fluctuate year-on-year, the OLS anticipates the annual revenue gain under this bill to range from \$800,000 to \$1 million.

The OLS notes that at present the State Lottery is only matching lottery winners with state records to determine if any prize winner has defaulted on student loans or child support obligations. Upon a successful match, the State Lottery deducts such amounts owed from a winner's lottery prize before processing the prize payment.

Section: Revenue, Finance and Appropriations
Analyst: Thomas Koenig
Associate Fiscal Analyst
Approved: David J. Rosen
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L. 1980, c.67.

ASSEMBLY, No. 3833

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED DECEMBER 14, 2006

Sponsored by:

Assemblyman JEFF VAN DREW

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman JIM WHELAN

District 2 (Atlantic)

Assemblyman NELSON T. ALBANO

District 1 (Cape May, Atlantic and Cumberland)

Co-Sponsored by:

Assemblyman P. Barnes, III

SYNOPSIS

Requires lottery prizes over \$600 be offset to satisfy debt owed to State government.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/22/2007)

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A3833 VAN DREW, WHELAN

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- 10 3) Unpaid court-ordered child support obligations.

11 The bill implements a recommendation of the State Auditor from
12 the audit conducted of the Division of the State Lottery, July 1,
13 2005 to August 31, 2006.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3833

STATE OF NEW JERSEY

DATED: JUNE 18, 2007

The Assembly Budget Committee reports favorably Assembly Bill No. 3833.

The bill requires the Division of the State Lottery within the Department of the Treasury to deduct from lottery prizes greater than \$600 debts owed to the State by the prize winner. Currently, the department only deducts amounts owed for defaulted student loan payments and unpaid child support obligations.

The bill implements a recommendation of the State Auditor from the audit conducted of the Division of the State Lottery, July 1, 2005 to August 31, 2006.

As reported, this bill is identical to Senate Bill No. 2400, as also reported by the committee.

FISCAL IMPACT:

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A 2006 audit of the Division of the State Lottery by the State Auditor suggested that the division could recover more debt for all State agencies if it matched winners of lottery prizes exceeding \$600 with the Division of Taxation's Set-off of Individual Liability (SOIL) database, which contains detailed records of debt owed to the State. Performing that match, the State Auditor found that the State Lottery had disbursed \$900,000 in prize money in 2005 that could have offset debt owed to the State. Since this amount may fluctuate year-to-year, the OLS anticipates the annual revenue gain under this bill to range from \$800,000 to \$1 million.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 3833
STATE OF NEW JERSEY
212th LEGISLATURE

DATED: APRIL 23, 2007

SUMMARY

Synopsis: Requires lottery prizes over \$600 be offset to satisfy debt owed to State government.

Type of Impact: A permanent revenue gain to the State General Fund and the State Property Tax Relief Fund.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>
State Revenue	\$800,000 to \$1,000,000 per fiscal year		

- The Office of Legislative Services (OLS) notes that at present the Division of the State Lottery is only deducting amounts owed on defaulted student loans or unpaid child support obligations from lottery prizes before processing prize payments.
- In its 2006 audit of the Division of the State Lottery, the New Jersey State Auditor stated that the State could have recovered \$900,000 in debt owed in 2005 if the State Lottery had had the legal authority to deduct amounts owed to the State from lottery prizes over \$600.

BILL DESCRIPTION

Assembly Bill No. 3833 of 2006 requires the Division of the State Lottery within the Department of the Treasury to deduct from a winner's lottery prize exceeding \$600 the amount of any debt the winner may owe to State government.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS projects this bill to increase combined collections to the State General Fund and the State Property Tax Relief Fund by \$800,000 to \$1 million per fiscal year.

In its 2006 audit of the Division of the State Lottery, the New Jersey Office of the State Auditor suggested that the division could recover more debt for all state agencies if it matched winners of lottery prizes exceeding \$600 with the Division of Taxation's Set-off of Individual Liability (SOIL) database, which contains detailed records of debt owed to the state. Performing that match, the State Auditor revealed that the State Lottery had disbursed \$900,000 in prize money in 2005 that could have offset debt owed to the state. Since this amount may fluctuate year-on-year, the OLS anticipates the annual revenue gain under this bill to range from \$800,000 to \$1 million.

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