

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7641

BILL NUMBER: HB 1688

DATE PREPARED: Jan 15, 1999

BILL AMENDED:

SUBJECT: Voluntary assignment of lottery prizes.

FISCAL ANALYST: Kristin Breen

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: This bill provides that a lottery prize winner who receives prize payments in installments over time may assign the right to receive the payments under a court order. It also provides that a court shall issue an order approving a voluntary assignment if the assignment is in writing and is accompanied by a sworn affidavit provided by the assigning winner. It requires the affidavit to attest to the following: (1) that the assigning winner is of sound mind; (2) that the assigning winner has been advised by independent legal counsel; (3) that the assigning winner understands that the Lottery Commission has no further responsibility to make payments to the assigning winner; (4) that the assigning winner has received a disclosure statement; and (5) that the assigning winner was advised of the right to cancel the contract within three business days. It provides that the assignment may not cover payments offset for delinquent child support. It provides that a person is ineligible to assign prize payments if the federal Internal Revenue Service issues a ruling holding that, based upon the right of assignment, a prize winner who does not assign a prize payment would be subject to an immediate income tax liability for the value of the entire prize rather than the annual income tax liability for each taxable year that an installment is received.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: