

By Senators Meadows, Casas, Gutman, Turner and Klein

30-749-98

See HB

1 A bill to be entitled
2 An act relating to the state lotteries;
3 creating s. 24.1153, F.S.; authorizing the
4 assignment of certain prizes pursuant to a
5 court order and providing requirements
6 therefor; providing for the securing of funds
7 offset for child support payments or debts owed
8 to a state agency; exempting the Department of
9 the Lottery from liability upon payment of an
10 assigned prize; authorizing a fee to defray the
11 administrative expenses associated with such
12 assignments; providing circumstances under
13 which such court orders may no longer be
14 issued; amending ss. 24.115 and 24.118, F.S.,
15 relating to payment of prizes and unlawful
16 assignment or transfer of a right to claim a
17 prize, to conform; providing an effective date.

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19 Be It Enacted by the Legislature of the State of Florida:

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21 Section 1. Section 24.1153, Florida Statutes, is
22 created to read:

23 24.1153 Assignment of prizes payable in installments
24 over time.--

25 (1) The right of any person to receive payments under
26 a prize that is paid in installments over time by the
27 department may be voluntarily assigned, in whole or in part,
28 if the assignment is made to a person or entity designated
29 pursuant to an order of a court of competent jurisdiction
30 located in the judicial district where the assigning prize
31 winner resides or where the headquarters of the department is

1 located. A court shall issue an order approving a voluntary
2 assignment and directing the department to make prize payments
3 in whole or in part to the designated assignee, if and only if
4 all of the following conditions have been met:

5 (a) The assignment is in writing, is executed by the
6 assignor, and is by its terms subject to the laws of this
7 state; and

8 (b) The assignor provides a sworn affidavit attesting
9 that he or she:

10 1. Is of sound mind, is in full command of his or her
11 faculties, and is not acting under duress;

12 2. Has been advised regarding the assignment by his or
13 her own independent legal counsel and has had the opportunity
14 to receive independent financial and tax advice concerning the
15 effects of the assignment;

16 3. Understands that he or she will not receive the
17 prize payments or portions thereof for the years assigned;

18 4. Understands and agrees that with regard to the
19 assigned payments the department, and its respective officials
20 and employees, will have no further liability or
21 responsibility to make the assigned payments to him or her;

22 5. Has been provided with a one-page written
23 disclosure statement setting forth, in bold type of not less
24 than 14 points, the payments being assigned, by amounts and
25 payment dates; the purchase price being paid; the rate of
26 discount to present value, assuming daily compounding and
27 funding on the contract date; and the amount, if any, of any
28 origination or closing fees that will be charged to him or
29 her; and

30 6. Was advised in writing, at the time he or she
31 signed the assignment contract, that he or she had the right

1 to cancel the contract, without any further obligation, within
2 3 business days following the date on which the contract was
3 signed.

4 (2) In accordance with the provisions of s. 24.115(4),
5 a voluntary assignment may not include or cover payments or
6 portions of payments that are subject to offset on account of
7 a defaulted or delinquent child support obligation or on
8 account of a debt owed to a state agency, unless appropriate
9 provision is made in the court order to satisfy the
10 obligations giving rise to the offset.

11 (3) The department, and its respective officials and
12 employees, shall be discharged of all liability upon payment
13 of an assigned prize under this section.

14 (4) The department may establish a reasonable fee to
15 defray any administrative expenses associated with assignments
16 made under this section, including the cost to the department
17 of any processing fee that may be imposed by a private annuity
18 provider. The fee amount shall reflect the direct and indirect
19 costs associated with processing such assignments.

20 (5) If at any time the federal Internal Revenue
21 Service or a court of competent jurisdiction issues a
22 determination letter, revenue ruling, other public ruling of
23 the Internal Revenue Service, or published decision to any
24 state lottery or prize winner of any state lottery declaring
25 that the voluntary assignment of prizes will affect the
26 federal income tax treatment of prize winners who do not
27 assign their prizes, the secretary of the department shall
28 immediately file a copy of that letter, ruling, or published
29 decision with the Secretary of State and the Office of the
30 State Courts Administrator. A court may not issue an order
31 authorizing a voluntary assignment under this section after

1 the date any such ruling, letter, or published decision is
2 filed.

3 Section 2. Paragraph (a) of subsection (1) of section
4 24.115, Florida Statutes, is amended to read:

5 24.115 Payment of prizes.--

6 (1) The department shall promulgate rules to establish
7 a system of verifying the validity of tickets claimed to win
8 prizes and to effect payment of such prizes; however:

9 (a) The right of any person to a prize, other than a
10 prize that is payable in installments over time, is ~~shall~~ not
11 be assignable. However, any a prize, to the extent it has not
12 already been assigned or encumbered, may be paid to the estate
13 of a deceased prize winner or to a person designated pursuant
14 to an appropriate court ~~judicial~~ order. A prize that is
15 payable in installments over time is assignable, but only
16 pursuant to an appropriate court order as provided in s.
17 24.1153.

18 Section 3. Subsection (2) of section 24.118, Florida
19 Statutes, is amended to read:

20 24.118 Other prohibited acts; penalties.--

21 (2) UNLAWFUL ASSIGNMENT OR TRANSFER OF RIGHT TO CLAIM
22 PRIZE.--Except as authorized by s. 24.1153, any person who
23 induces another to assign or transfer his or her right to
24 claim a prize, who offers for sale his or her right to claim a
25 prize, or who offers for compensation to claim the prize of
26 another is guilty of a misdemeanor of the first degree,
27 punishable as provided in s. 775.082 or s. 775.083.

28 Section 4. This act shall take effect July 1 of the
29 year in which enacted.

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HOUSE SUMMARY

Authorizes the assignment, in whole or in part, of lottery prizes that are paid in installments over time. Requires a court order for such assignment and provides requirements to secure such a court order. Prohibits the assignment of moneys required to be paid for child support or to cover any debt owed to a state agency. Exempts the Department of the Lottery from liability upon payment of an assigned prize. Authorizes a fee to defray the administrative expenses associated with such assignments. Provides circumstances under which such court orders may no longer be issued. See bill for details.