

**First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 11-0399.01 Ed DeCecco

SENATE BILL 11-051

SENATE SPONSORSHIP

Giron,

HOUSE SPONSORSHIP

Swerdfefer,

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING AN INTERCEPT OF A PERSON'S WINNINGS FOR THE**
102 **PURPOSE OF PAYING AN UNPAID DEBT DUE TO THE STATE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Currently, the department of revenue offsets a person's lottery winnings by an amount equal to unpaid child support certified by the department of human services. The bill establishes a similar program for the department of revenue to offset a person's cash prize winnings by an amount equal to an unpaid debt due to the state that is certified by the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

department of personnel. An offset for state debt only occurs after the existing offset to the department of human services is complete.

The "Gambling Payment Intercept Act" is a current program that allows outstanding debts related to unpaid child support and court-ordered restitution to be deducted from a person's limited gaming and pari-mutuel wagering winnings. The bill expands this program to include an unpaid debt due to the state that is certified by the department of personnel. An intercept for state debt only occurs after the existing intercepts are complete.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Part 2 of article 30 of title 24, Colorado Revised
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
4 read:

5 **24-30-202.7. Lottery winnings offset - definitions.** (1) AS USED
6 IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 (a) "DEBTOR" MEANS A PERSON WHO OWES AN OUTSTANDING
8 DEBT.

9 (b) "OUTSTANDING DEBT" MEANS ANY UNPAID DEBT DUE TO THE
10 STATE THAT IS REFERRED PURSUANT TO SECTION 24-30-202.4 (2) TO THE
11 STATE CONTROLLER OR THE CENTRAL COLLECTION SERVICES SECTION OF
12 THE DIVISION OF FINANCE AND PROCUREMENT, OR ANY SUCCESSOR
13 SECTION, IN THE DEPARTMENT OF PERSONNEL, INCLUDING THE
14 COLLECTION FEE AND ANY ALLOWABLE FEES AND COSTS PURSUANT TO
15 SECTION 24-30-202.4 (8).

16 (2) THE DEPARTMENT OF PERSONNEL SHALL PERIODICALLY
17 CERTIFY TO THE DEPARTMENT OF REVENUE INFORMATION REGARDING
18 DEBTORS WITH AN OUTSTANDING DEBT. SUCH INFORMATION SHALL
19 INCLUDE THE SOCIAL SECURITY NUMBER OF THE DEBTOR, THE AMOUNT OF
20 THE DEBTOR'S OUTSTANDING DEBT, AND ANY OTHER IDENTIFYING

1 INFORMATION REQUIRED BY THE DEPARTMENT OF REVENUE.

2 (3) UPON RECEIVING NOTIFICATION FROM THE DEPARTMENT OF
3 REVENUE THAT A LOTTERY CASH PRIZE WINNER APPEARS AMONG THOSE
4 CERTIFIED BY THE DEPARTMENT OF PERSONNEL, THE DEPARTMENT OF
5 REVENUE SHALL NOTIFY THE DEBTOR, IN WRITING, THAT THE STATE
6 INTENDS TO OFFSET THE DEBTOR'S OUTSTANDING DEBT AGAINST THE
7 DEBTOR'S WINNINGS FROM THE STATE LOTTERY. SUCH NOTIFICATION
8 SHALL INCLUDE INFORMATION ON THE DEBTOR'S RIGHT TO OBJECT TO THE
9 OFFSET AND TO REQUEST AN ADMINISTRATIVE REVIEW PURSUANT TO THE
10 RULES OF THE DEPARTMENT OF PERSONNEL.

11 (4) UPON NOTIFICATION BY THE DEPARTMENT OF REVENUE OF
12 AMOUNTS DEPOSITED WITH THE STATE TREASURER PURSUANT TO SECTION
13 24-35-212, THE PROCEEDS OF THE OUTSTANDING DEBT COLLECTED SHALL
14 BE ACCOUNTED FOR AND DEPOSITED INTO THE FUND OR FUNDS REQUIRED
15 PURSUANT TO SECTION 24-30-202.4 (3) (d).

16 (5) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PERSONNEL
17 SHALL PROMULGATE RULES PURSUANT TO ARTICLE 4 OF THIS TITLE
18 ESTABLISHING PROCEDURES TO IMPLEMENT THIS SECTION.

19 **SECTION 2.** 24-35-212 (5) (a), Colorado Revised Statutes, is
20 amended, and the said 24-35-212 (5) is further amended BY THE
21 ADDITION OF A NEW PARAGRAPH, to read:

22 **24-35-212. Prizes.** (5) (a) Prior to the payment of any lottery
23 cash prize or non-cash prize required by rule and regulation of the
24 commission to be paid only at the lottery offices and subject to state and
25 federal tax reporting, the department of revenue shall require the winner
26 to submit the winner's social security number and federal employer
27 identification number, if applicable, and shall check the social security

1 number of the winner with those certified by the department of human
2 services for the purpose of the state lottery winnings offset as provided
3 in section 26-13-118, C.R.S. FOR A LOTTERY CASH PRIZE, THE
4 DEPARTMENT OF REVENUE SHALL ALSO CHECK THE SOCIAL SECURITY
5 NUMBER OF THE WINNER WITH THOSE CERTIFIED BY THE DEPARTMENT OF
6 PERSONNEL FOR THE PURPOSE OF THE STATE LOTTERY WINNINGS OFFSET
7 AS PROVIDED IN SECTION 24-30-202.7. The social security number and the
8 federal employer identification number shall not become part of the
9 public record of the department of revenue. If the social security number
10 of a lottery winner appears among those certified by the department of
11 human services, the department of revenue shall obtain the current
12 address of the winner, notify the department of human services, and
13 suspend the payment of the cash prize or non-cash prize until the
14 requirements of section 26-13-118, C.R.S., are met. If, after consulting
15 with the department of human services, the department of revenue
16 determines that the lottery winner owes a child support debt or child
17 support costs pursuant to section 14-14-104, C.R.S., or owes child
18 support arrearages as part of an enforcement action pursuant to article 5
19 of title 14, C.R.S., or owes child support arrearages or child support costs
20 which are the subject of enforcement services provided pursuant to
21 section 26-13-106, C.R.S., then the department of revenue shall withhold
22 from the amount of the cash prize paid to the lottery winner an amount
23 equal to the amount of child support debt, child support arrearages, and
24 child support costs which are due or, if the amount of the cash prize is
25 less than or equal to the amount of child support debt, arrearages, and
26 costs due, shall withhold the entire amount of the lottery cash prize. Any
27 cash prize so withheld FOR THE DEPARTMENT OF HUMAN SERVICES shall

1 be transmitted to the state treasurer for disbursement by the department
2 of human services as directed in section 26-13-118, C.R.S. IF THE SOCIAL
3 SECURITY NUMBER OF A LOTTERY CASH PRIZE WINNER APPEARS AMONG
4 THOSE CERTIFIED BY THE DEPARTMENT OF PERSONNEL, THE DEPARTMENT
5 OF REVENUE SHALL OBTAIN THE CURRENT ADDRESS OF THE WINNER,
6 NOTIFY THE DEPARTMENT OF PERSONNEL, AND SUSPEND THE PAYMENT OF
7 THE CASH PRIZE UNTIL THE REQUIREMENTS OF SECTION 24-30-202.7 ARE
8 MET. IF, AFTER CONSULTING WITH THE DEPARTMENT OF PERSONNEL, THE
9 DEPARTMENT OF REVENUE DETERMINES THAT THE LOTTERY WINNER OWES
10 AN OUTSTANDING DEBT THAT HAS BEEN CERTIFIED PURSUANT TO SECTION
11 24-30-202.7, THEN THE DEPARTMENT OF REVENUE SHALL WITHHOLD FROM
12 THE AMOUNT OF THE CASH PRIZE PAID TO THE LOTTERY WINNER AN
13 AMOUNT EQUAL TO THE AMOUNT OF THE OUTSTANDING DEBT OR, IF THE
14 AMOUNT OF THE CASH PRIZE IS LESS THAN OR EQUAL TO THE AMOUNT OF
15 THE OUTSTANDING DEBT, SHALL WITHHOLD THE ENTIRE AMOUNT OF THE
16 LOTTERY CASH PRIZE. ANY CASH PRIZE SO WITHHELD FOR THE
17 DEPARTMENT OF PERSONNEL SHALL BE TRANSMITTED TO THE STATE
18 TREASURER FOR DISBURSEMENT IN ACCORDANCE WITH SECTION
19 24-30-202.7 (4).

20 (e) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (5) TO
21 THE CONTRARY, IF A LOTTERY WINNER IS CERTIFIED BY BOTH THE
22 DEPARTMENT OF HUMAN SERVICES AND THE DEPARTMENT OF PERSONNEL,
23 THE OFFSET FOR THE DEPARTMENT OF PERSONNEL SHALL BE MADE FROM
24 THE MONEYS REMAINING AFTER THE OFFSET FOR THE DEPARTMENT OF
25 HUMAN SERVICES.

26 **SECTION 3.** 24-35-602 (1), Colorado Revised Statutes, is
27 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

1 **24-35-602. Legislative declaration.** (1) The general assembly
2 hereby finds and declares that:

3 (h) AN UNCOLLECTED DEBT TO THE STATE SHOULD BE DEDUCTED
4 FROM A PERSON'S WINNINGS.

5 **SECTION 4.** 24-35-603 (2) (a), Colorado Revised Statutes, is
6 amended to read:

7 **24-35-603. Definitions.** As used in this part 6, unless the context
8 otherwise requires:

9 (2) (a) "Outstanding debt" means:

10 (I) Unpaid child support debt or child support costs to the state
11 pursuant to section 14-14-104, C.R.S., and arrearages of child support
12 requested as part of an enforcement action pursuant to article 5 of title 14,
13 C.R.S., or arrearages of child support that are the subject of enforcement
14 services provided pursuant to section 26-13-106, C.R.S.; and

15 (II) Restitution that a person has been ordered to pay pursuant to
16 section 18-1.3-603 or 19-2-918, C.R.S., regardless of the date that the
17 restitution was ordered; AND

18 (III) ANY UNPAID DEBT DUE TO THE STATE THAT IS REFERRED
19 PURSUANT TO SECTION 24-30-202.4 (2) TO THE STATE CONTROLLER OR
20 THE CENTRAL COLLECTION SERVICES SECTION OF THE DIVISION OF FINANCE
21 AND PROCUREMENT, OR ANY SUCCESSOR SECTION, IN THE DEPARTMENT OF
22 PERSONNEL, AND INCLUDING THE COLLECTION FEE AND ANY ALLOWABLE
23 FEES AND COSTS PURSUANT TO SECTION 24-30-202.4 (8).

24 **SECTION 5.** 24-35-604 (3), Colorado Revised Statutes, is
25 amended, and the said 24-35-604 is further amended BY THE
26 ADDITION OF A NEW SUBSECTION, to read:

27 **24-35-604. Registry - creation - information.** (2.5) ON AND

1 AFTER SEPTEMBER 1, 2011, THE DEPARTMENT OF PERSONNEL SHALL
2 CERTIFY TO THE REGISTRY OPERATOR THE INFORMATION INDICATED IN
3 SUBSECTION (4) OF THIS SECTION REGARDING EACH PERSON WITH AN
4 OUTSTANDING DEBT AS SPECIFIED IN SECTION 24-35-603 (2) (a) (III).

5 (3) The registry operator shall enter in the registry the information
6 certified to the registry operator by the judicial department, ~~and~~ the
7 department of human services, AND THE DEPARTMENT OF PERSONNEL
8 pursuant to subsections (1.5), ~~and~~ (2), AND (2.5) of this section.

9 **SECTION 6.** 24-35-605 (2) (b) (IV), Colorado Revised Statutes,
10 is amended BY THE ADDITION OF A NEW SUB-SUBPARAGRAPH
11 to read:

12 **24-35-605. Payments - limited gaming and pari-mutuel**
13 **wagering licensees - procedures.** (2) (b) If the registry operator replies
14 that the winner is listed in the registry:

15 (IV) The registry operator shall send to the certifying department
16 the moneys and information received from a licensee pursuant to
17 subparagraph (III) of this paragraph (b). If more than one department
18 certified a winner, the registry operator shall send the information to each
19 certifying department and distribute the moneys among the departments
20 as follows:

21 (C) OF ANY MONEYS REMAINING AFTER THE DISTRIBUTION, IF ANY,
22 TO THE JUDICIAL DEPARTMENT PURSUANT TO SUB-SUBPARAGRAPH (B) OF
23 THIS SUBPARAGRAPH (IV), THE REGISTRY OPERATOR SHALL SEND TO THE
24 DEPARTMENT OF PERSONNEL ANY AMOUNT CERTIFIED BY THE
25 DEPARTMENT OF PERSONNEL.

26 **SECTION 7.** 24-35-607 (2), Colorado Revised Statutes, is
27 amended to read:

1 **24-35-607. Contracting authority - memoranda of**
2 **understanding - rules.** (2) The department of revenue may enter into
3 memoranda of understanding with the judicial department, ~~and~~ the
4 department of human services, AND THE DEPARTMENT OF PERSONNEL to
5 implement this part 6. If the registry is operated by a private entity
6 pursuant to this section, the registry operator may enter into memoranda
7 of understanding with the judicial department, ~~and~~ the department of
8 human services, AND THE DEPARTMENT OF PERSONNEL to implement this
9 part 6.

10 **SECTION 8. Act subject to petition - effective date.** This act
11 shall take effect at 12:01 a.m. on the day following the expiration of the
12 ninety-day period after final adjournment of the general assembly (August
13 10, 2011, if adjournment sine die is on May 11, 2011); except that, if a
14 referendum petition is filed pursuant to section 1 (3) of article V of the
15 state constitution against this act or an item, section, or part of this act
16 within such period, then the act, item, section, or part shall not take effect
17 unless approved by the people at the general election to be held in
18 November 2012 and shall take effect on the date of the official
19 declaration of the vote thereon by the governor.