

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

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 11-0399.01 Ed DeCecco

**SENATE BILL 11-051**

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**SENATE SPONSORSHIP**

**Giron,**

**HOUSE SPONSORSHIP**

**Swerdfeger,**

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**Senate Committees**

Finance  
Appropriations

**House Committees**

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**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.**

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**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.

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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) (1) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (5)  
21 TO THE CONTRARY, IF, IN ADDITION TO OWING AN OUTSTANDING DEBT, A  
22 LOTTERY WINNER OWES EITHER RESTITUTION AS DESCRIBED IN SECTION  
23 24-35-212.5 OR A CHILD SUPPORT DEBT OR ARREARAGES OR CHILD  
24 SUPPORT COSTS AS DESCRIBED IN THIS SUBSECTION (5), ANY LOTTERY  
25 WINNINGS OFFSET AGAINST SUCH RESTITUTION OR CHILD SUPPORT DEBT OR  
26 ARREARAGES OR CHILD SUPPORT COSTS SHALL TAKE PRIORITY AND BE  
27 APPLIED FIRST. IF, IN SUCH INSTANCE, THE LOTTERY WINNER OWES BOTH

1 TYPES OF DEBTS, BOTH OFFSETS SHALL TAKE PRIORITY AND THE  
2 PROVISIONS OF SECTION 24-35-212.5 (3) SHALL APPLY.

3 (II) THE REMAINING LOTTERY WINNING MONEYS, IF ANY, AFTER  
4 THE OFFSETS DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (e)  
5 SHALL BE APPLIED TOWARD THE PAYMENT OF OUTSTANDING DEBT AND  
6 PROCESSED IN ACCORDANCE WITH THIS SECTION.

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

9 **24-35-602. Legislative declaration.** (1) The general assembly  
10 hereby finds and declares that:

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

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

15 **24-35-603. Definitions.** As used in this part 6, unless the context  
16 otherwise requires:

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

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

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

26 (III) ANY UNPAID DEBT DUE TO THE STATE THAT IS REFERRED  
27 PURSUANT TO SECTION 24-30-202.4 (2) TO THE STATE CONTROLLER OR

1 THE CENTRAL COLLECTION SERVICES SECTION OF THE DIVISION OF FINANCE  
2 AND PROCUREMENT, OR ANY SUCCESSOR SECTION, IN THE DEPARTMENT OF  
3 PERSONNEL, AND INCLUDING THE COLLECTION FEE AND ANY ALLOWABLE  
4 FEES AND COSTS PURSUANT TO SECTION 24-30-202.4 (8).

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

8 **24-35-604. Registry - creation - information.** (2.5) ON AND  
9 AFTER SEPTEMBER 1, 2011, THE DEPARTMENT OF PERSONNEL SHALL  
10 CERTIFY TO THE REGISTRY OPERATOR THE INFORMATION INDICATED IN  
11 SUBSECTION (4) OF THIS SECTION REGARDING EACH PERSON WITH AN  
12 OUTSTANDING DEBT AS SPECIFIED IN SECTION 24-35-603 (2) (a) (III).

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

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

20 **24-35-605. Payments - limited gaming and pari-mutuel**  
21 **wagering licensees - procedures.** (2) (b) If the registry operator replies  
22 that the winner is listed in the registry:

23 (IV) The registry operator shall send to the certifying department  
24 the moneys and information received from a licensee pursuant to  
25 subparagraph (III) of this paragraph (b). If more than one department  
26 certified a winner, the registry operator shall send the information to each  
27 certifying department and distribute the moneys among the departments

1 as follows:

2 (C) OF ANY MONEYS REMAINING AFTER THE DISTRIBUTION, IF ANY,  
3 TO THE JUDICIAL DEPARTMENT PURSUANT TO SUB-SUBPARAGRAPH (B) OF  
4 THIS SUBPARAGRAPH (IV), THE REGISTRY OPERATOR SHALL SEND TO THE  
5 DEPARTMENT OF PERSONNEL ANY AMOUNT CERTIFIED BY THE  
6 DEPARTMENT OF PERSONNEL.

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

9 **24-35-607. Contracting authority - memoranda of**  
10 **understanding - rules.** (2) The department of revenue may enter into  
11 memoranda of understanding with the judicial department, ~~and~~ the  
12 department of human services, AND THE DEPARTMENT OF PERSONNEL to  
13 implement this part 6. If the registry is operated by a private entity  
14 pursuant to this section, the registry operator may enter into memoranda  
15 of understanding with the judicial department, ~~and~~ the department of  
16 human services, AND THE DEPARTMENT OF PERSONNEL to implement this  
17 part 6.

18 **SECTION 8. Act subject to petition - effective date.** This act  
19 shall take effect at 12:01 a.m. on the day following the expiration of the  
20 ninety-day period after final adjournment of the general assembly (August  
21 10, 2011, if adjournment sine die is on May 11, 2011); except that, if a  
22 referendum petition is filed pursuant to section 1 (3) of article V of the  
23 state constitution against this act or an item, section, or part of this act  
24 within such period, then the act, item, section, or part shall not take effect  
25 unless approved by the people at the general election to be held in  
26 November 2012 and shall take effect on the date of the official  
27 declaration of the vote thereon by the governor.