

## **BILL ANALYSIS**

Senate Research Center

S.B. 1117  
By: Armbrister  
Finance  
4/9/1999  
As Filed

### **DIGEST**

Currently, under Texas law, large state lottery prizes are paid out over a period of 20 years, and are not assignable. This bill would allow and regulate the assignability of lottery prize payment streams.

### **PURPOSE**

As proposed, S.B. 1117 allows and regulates the assignability of lottery prize payment streams.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 466.402(d), Government Code, to make a conforming change.

SECTION 2. Amends Section 466.406, Government Code, as follows:

Sec. 466.406. New heading: RIGHT TO PRIZE. Requires the payment of a prize to be made to the estate of a deceased prizewinner. Deletes text prohibiting the assignment of a lottery prize payment. Makes conforming changes.

SECTION 3. Amends Chapter 466I, Government Code, by adding Section 466.410, as follows:

Sec. 466.410. ASSIGNMENT OF PRIZES. Authorizes a person to assign, in whole or in part, the right to receive prize payments that are paid by the Texas Lottery Commission (commission) in installments over time if the assignment is made to a person designated by an order of a district court of the county where the assignor resides or Travis County. Requires a district court to issue an order approving a voluntary assignment and directing the commission to direct prize payments in whole or in part to the assignee under certain conditions. Prohibits a voluntary assignment from including or covering payments or portions of payments that are subject to any offset provided by this chapter. Requires the commission to establish and collect a reasonable fee to defray any administrative expenses associated with an assignment made under this section. Requires the commission to establish the amount of the fee to reflect the direct and indirect costs associated with processing the assignment. Sets forth the conditions under which a prizewinner does not have a right to assign prize payments. Requires the director of the lottery division (director) to immediately file a copy of the letter, ruling, or published decision with the secretary of state, after receiving a letter or ruling from the Internal Revenue Service or a published decision of a court as provided by Subsection (e). Provides that when the director files a copy of the letter, ruling, or published decision with the secretary of state, a prizewinner is ineligible to assign a prize under this section.

SECTION 4. Amends Section 466.403, Government Code, to prohibit the commission from altering the timing or amount of scheduled payments or otherwise accelerate, defer, commute, or discount such scheduled payments, with regard to any prize money to be paid in installments in accordance with a schedule established by the commission at the time of the award, except as otherwise provided by this chapter.

SECTION 5. Effective date: September 1, 1999.

SECTION 6. Emergency clause.