

BILL ANALYSIS

Senate Research Center

S.B. 1031
By: Patterson
State Affairs
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As Filed

DIGEST

Currently, a lottery winner may receive either a lump sum payment from the Texas Lottery Commission or yearly payouts. This legislation would allow the lottery winner to assign the prize to a third party, who would pay the lottery winner for assigning the prize payments.

PURPOSE

As proposed, S.B. 1031 establishes the assignment of a lottery prize.

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 provide that the state is discharged of all further liability on the payment of a prize under Section 466.410.

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

Sec. 466.406. New heading: RIGHT TO PRIZE. Deletes the provision stipulating that the right of any person to a prize is not assignable. Makes conforming changes.

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

Sec. 466.410. ASSIGNMENT OF PRIZES. Sets forth the terms by which a person is authorized to assign the right to receive prize payments that are paid in installments over time by the Texas Lottery Commission (commission) if the assignment is made to a person designated by an order of a certain district court. Establishes the conditions under which a district court is required to issue an order approving a voluntary assignment and directing the commission to direct prize payments in whole or in part to the assignee if the assignment is in writing, executed by the assignor, and subject to the laws of the state; and the assignor provides a sworn affidavit stating certain facts about the assignor's soundness of mind, understanding of the procedure regarding the assignment of prizes, and receipt of a written disclosure statement. Prohibits a voluntary assignment from including or covering payments subject to any offset provided by this chapter. Sets forth the terms by which the commission is required to establish and collect a reasonable fee to defray administrative expenses. Establishes the conditions under which a prizewinner does not have a right to assign prize payments. Requires the director of the lottery division established by the commission, after receiving a letter or ruling from the Internal Revenue Service or a published decision of the court, to file a copy of the document with the secretary of state, after which time the prizewinner is ineligible to assign a prize.

SECTION 4. Effective date: September 1, 1997.

SECTION 5. Emergency clause.