

SUBJECT:           Deducting delinquent child support payments from lottery winnings

COMMITTEE:        Juvenile Justice and Family Issues — favorable, with amendment

VOTE:              6 ayes — Goodman, Staples, McReynolds, Naishtat, A. Reyna, Smith

0 nays

3 absent — J. Jones, McClendon, Williams

WITNESSES:        For — None

Against — None

On — Nelda Trevino, Texas Lottery Commission; David Shelton, Texas Fathers Alliance

BACKGROUND :     The Texas Lottery Commission is required to deduct from the winnings of lottery players certain delinquent payments and fees owed to the state. These include delinquent child support payments administered by the Attorney General's Office, defaults on student loans, and delinquent sales taxes and other fees collected by the Comptroller's Office and the Texas Alcoholic Beverage Commission.

DIGEST:            HB 2424, as amended, would require the Texas Lottery Commission to deduct from lottery winnings delinquent child support payments that are not administered by the Attorney General's Office. The commission would be required to deduct amounts for child support from a winner's prize based upon a certified copy of a court order, writ of withholding, or notice of a child support lien filed with the commission. The commission would not have to receive an order, writ or notice until it determined that an individual was entitled to lottery winnings. The bill would apply only to lottery prizes greater than or equal to \$600 paid in periodic installments.

The commission would have promulgate rules for filing copies of a court order with the commission, set procedures to compare the list of lottery prize winners with the list of delinquent child support payers as compiled from the filed court orders, and make the required deductions.

HB 2424 would take immediate effect if finally approved by a two-thirds record vote of the membership in each house.

**SUPPORTERS  
SAY:**

HB 2424 would help child support recipients who do not go through the Attorney General's Office to collect the money they are owed. Since the Legislature authorized the Texas Lottery Commission in 1991 to withhold from lottery winnings certain debts to the state, the commission has collected over \$2.7 million in delinquent child support, defaults on student loans, and back taxes. In addition, this system of deduction from lottery winnings has worked well in the past; adding one more type of deduction would not create administrative problems.

**OPPONENTS  
SAY:**

HB 2424 has a laudable objective but may actually create administrative problems. All winners of amounts in excess of \$599 must claim their prizes from the Texas Lottery Commission. The commission now screens winners for debts owed to five different state agencies. Before adding another component to the list, the commission should be given some direction about how to prioritize or apportion monies among the agencies. Most lottery winners do not hit the multimillion dollar jackpot, and their prize money may not cover all their debts.

**NOTES:**

The committee amendment added that court orders would have to specify that child support payments be paid in periodic installments; require certified copies of court orders; stipulate that it applied to prizes paid in periodic installments; and deleted how the commission would transfer money to the clerk of the court.

The companion bill, SB 1096 by Wentworth, has been referred to the Senate State Affairs Committee. HB 566 by Oliveira, which would require the Lottery Commission to deduct delinquent payments due the Texas Workforce Commission from lottery winnings, passed the House as amended on March 12. Floor amendments to the bill added deductions for delinquent payments to the crime victims compensation fund and restitution payments and delinquent child support payments. HB 566 has been referred to the Senate State Affairs Committee.