

House Bill 19-1128
Legislation Resulting from the Lottery Performance Audit
Concerning Intercepts, and, in Conjunction Therewith,
Intercepting Lottery Winnings to Pay Outstanding Court Obligations
Recommendation No. 3, Page 41

WHAT WOULD THIS BILL DO?

This Bill would amend Sections 16-11-101.8, 16-18.5-106.5, 44-40-113, and 44-40-114, C.R.S., to:

- Authorize the Judicial Department to transmit data to the Department of Revenue related to individuals who owe a judicial fine, fee, cost, or surcharge that has been imposed pursuant to law or court order.
- Authorize the Department of Revenue to offset lottery prize winnings for these judicial fines, fees, costs, or surcharges imposed pursuant to law or court order.
- Clarify that when lottery prize winnings are intercepted, any child support debt owed by a lottery winner would take priority and intercepted winnings would be applied to these debts first. The remaining lottery winnings, if any, shall be applied second toward the payment of outstanding restitution, then toward any judicial fines, fees, costs, or surcharges owed by the winner, and finally toward any debt certified by the State Controller that is owed by the winner.

WHAT DID THE AUDIT FIND?

The September 2018 *Lottery Performance Audit* found that the Lottery was not able to intercept prize winnings for fines, fees, and costs owed to the Judicial Branch, other than for victim's restitution. These other judicial debts are associated with a crime that has been committed and can be used to cover court costs and provide funding for programs that work on crime-related issues, such as victim's assistance, substance abuse, and persistent drunk driving. Specifically, the audit identified 119 instances where prize winners had been convicted of a crime and the courts had assessed fines, fees, and costs in accordance with statute, but the Lottery was not able to intercept any of the prize winnings for these debts. For these 119 instances, the prize winners won a total of \$2 million and owed about \$220,000 to the State for court-assessed debts, other than victim's restitution. Given the specific amounts of the prizes won by each of the individuals and the specific amounts of debt owed by each of them, if the Lottery had been authorized to intercept prize winnings for these other judicial debts, it could have collected an additional \$123,000 to be applied towards the debts, or 56 percent of the amount owed.

The Lottery was not able to intercept any of the prize winnings to help pay off these debts because, according to Lottery statutes, the Department of Revenue can only intercept prize winnings for the amount of victim's restitution owed. The statutes do not explicitly authorize the Department to intercept prize winnings for these other judicial debts related to fines, fees, and costs.

The audit recommended that the Judicial Branch work with the General Assembly to determine if intercepts of lottery prize winnings should be made for all debts assessed by the courts that are owed to the State, not just victim's restitution, and seek statutory change as needed based on this determination.

Comments: The Judicial Branch supports this Bill.