S T A T E O F N E W Y O R K

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2009-2010 Regular Sessions

I N A S S E M B L Y

February 11, 2009

Introduced by M. of A. MENG, DelMONTE, SPANO -- Multi-Sponsored by -- M. of A. CAHILL, PHEFFER, REILLY -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to directing that the proceeds of lottery prizes shall be used to pay outstanding debts owed by the prize winner

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Paragraph 5 of subdivision d of section 1613 of the tax law, as added by chapter 426 of the laws of 2006, is amended to read as follows:

5. A voluntary assignment may not include portions of payments that are subject to offset on account of a defaulted or delinquent child support obligation, non-wage garnishment, DELINQUENT TAXES or criminal restitution obligation or on account of a debt owed to a state agency. Each court order issued under paragraph one of this subdivision shall provide that any delinquent child support or criminal restitution obligations of the assigning prize winner and any debts owed to a state agency by the assigning prize winner, as of the date of the court order, shall be set off by the division first against remaining payments or portions thereof due the prize winner and then against payments due the assignee.

S 2. Subdivision 4 of section 1613-a of the tax law, as amended by chapter 601 of the laws of 2007, is amended to read as follows:

(4) (A) Prior to awarding any lottery prize of six hundred dollars or more, the division of the lottery shall review the notice of liability of past-due support provided by the state office of temporary and disability assistance. For each lottery prize winner identified on such notice as an individual, estate or trust owing past-due support, the lottery division shall credit to the state office of temporary and disability assistance such amount of the prize to satisfy the past-due

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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support, and any remainder shall be awarded to the prize winner, SUBJECT TO THE PROVISIONS OF PARAGRAPHS (B) AND (C) OF THIS SUBDIVISION. In cases where the prize winner owes past-due support to more than one person or entity, and the total amount of past-due support provided in the notice of liability of past-due support to the division of the lottery by the state office of temporary and disability assistance exceeds the balance remaining, each such person or entity shall receive a pro rata share of the balance remaining, such share to be based on the amount of past-due support owed to such person or entity as provided to the division of the lottery by such office pursuant to this section. The state office of temporary and disability assistance shall be responsible for determining and distributing each person's or entity's pro rata share of past-due support pursuant to regulations of such office.

(B) IN CALCULATING THE AMOUNT OF A LOTTERY PRIZE WHICH SHALL BE CREDITED AGAINST THE AMOUNT OF PAST-DUE SUPPORT OWED, THE DIVISION SHALL FIRST CREDIT THE AMOUNT OF THE LOTTERY PRIZE AGAINST ANY:

(I) LIABILITY OF SUCH INDIVIDUAL, ESTATE OR TRUST IN RESPECT OF ANY TAX IMPOSED BY THIS CHAPTER; AND

(II) LIABILITY OF SUCH INDIVIDUAL, ESTATE OR TRUST FOR ANY TAX IMPOSED PURSUANT TO THE AUTHORITY OF THIS CHAPTER OR ANY OTHER LAW IF SUCH TAX IS ADMINISTERED BY THE TAX COMMISSION.

(C) ONLY THE BALANCE REMAINING, AFTER SUCH LOTTERY PRIZE AMOUNT AND ANY INTEREST THEREON HAS BEEN CREDITED AS DESCRIBED IN PARAGRAPH (B) OF THIS SUBDIVISION, SHALL BE CERTIFIED TO BE CREDITED AGAINST THE AMOUNT OF PAST-DUE SUPPORT, WITH THE REMAINDER TO BE REFUNDED TO THE PRIZE WINNER IF NOT REQUIRED TO SATISFY THE AMOUNT OF PUBLIC ASSISTANCE BENEFITS OWED TO A STATE AGENCY PURSUANT TO SECTION SIXTEEN HUNDRED THIRTEEN-B OF THIS ARTICLE AND/OR A CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT PURSUANT TO SECTION SIXTEEN HUNDRED THIRTEEN-D OF THIS ARTICLE.

S 3. Subdivisions 1 and 3 of section 1613-b of the tax law, as amended by chapter 601 of the laws of 2007, are amended to read as follows:

(1) Notwithstanding any limitations in section one hundred four of the social services law, the director of the lottery, on behalf of the division of the lottery, shall enter into a written agreement with the commissioner of the office of temporary and disability assistance, on behalf of the office of temporary and disability assistance, which shall set forth the procedures for crediting any lottery prize of [six hundred] TEN THOUSAND dollars or more awarded to an individual against any and all public assistance benefits which were given to or on behalf of such individual within a period of up to ten years prior to the issuance of such prize of which the director of the lottery has been notified by the commissioner of the office of temporary and disability assistance pursuant to the provisions of such agreement; provided, however, that in no event shall such credit to the office of temporary and disability assistance exceed fifty percent of any such lottery prize and provided further that, unless otherwise determined cost effective by the commissioner of the office of temporary and disability assistance and the director of the lottery such procedure shall be required only to the extent that and with respect to periods for which it can be effected through automated type match.

(3) (A) Prior to awarding any lottery prize of [six hundred] TEN THOUSAND dollars or more, the division of the lottery shall review the notice of liability of public assistance benefits paid provided by the office of temporary and disability assistance. For each lottery prize winner identified on such notice as an individual, who is receiving or has received, within the last ten years, public assistance benefits, the

lottery division shall credit to the office of temporary and disability assistance such amount of the prize to satisfy the amount of public assistance benefits indicated as received within the previous ten years, and any remainder shall be awarded to the prize winner, SUBJECT TO THE PROVISIONS OF PARAGRAPHS (B) AND (C) OF THIS SUBDIVISION; provided, however, that in no event shall such credit to the office of temporary and disability assistance exceed fifty percent of any such lottery prize.

(B) IN CALCULATING THE AMOUNT OF A LOTTERY PRIZE WHICH SHALL BE CREDITED AGAINST THE AMOUNT OF PUBLIC ASSISTANCE BENEFITS TO BE REPAID, THE DIVISION SHALL FIRST CREDIT THE AMOUNT OF THE LOTTERY PRIZE AGAINST ANY:

(I) LIABILITY OF SUCH INDIVIDUAL, ESTATE OR TRUST IN RESPECT OF ANY TAX IMPOSED BY THIS CHAPTER;

(II) LIABILITY OF SUCH INDIVIDUAL, ESTATE OR TRUST FOR ANY TAX IMPOSED PURSUANT TO THE AUTHORITY OF THIS CHAPTER OR ANY OTHER LAW IF SUCH TAX IS ADMINISTERED BY THE TAX COMMISSION; AND

(III) PAST-DUE SUPPORT OWED BY THE TAXPAYER PURSUANT TO SECTION SIXTEEN HUNDRED THIRTEEN-A OF THIS ARTICLE.

(C) ONLY THE BALANCE REMAINING, AFTER SUCH LOTTERY PRIZE AMOUNT AND ANY INTEREST THEREON HAS BEEN CREDITED AS DESCRIBED IN PARAGRAPH (B) OF THIS SUBDIVISION, SHALL BE CERTIFIED TO BE CREDITED AGAINST THE AMOUNT OF PUBLIC ASSISTANCE BENEFITS TO BE REPAID, WITH THE REMAINDER TO BE REFUNDED TO THE PRIZE WINNER IF NOT REQUIRED TO SATISFY THE AMOUNT OF A CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT PURSUANT TO SECTION SIXTEEN HUNDRED THIRTEEN-D OF THIS ARTICLE.

S 4. The tax law is amended by adding three new sections 1613-c, 1613-d and 1613-e to read as follows:

S 1613-C. CREDITING OF LOTTERY PRIZES AGAINST OUTSTANDING TAX DEBT. (1) FOR PURPOSES OF THIS SECTION:

(A) "JUDGMENT" SHALL MEAN A WARRANT FILED WITH A COUNTY CLERK WHEREBY THE COMMISSIONER IS, IN THE RIGHT OF THE PEOPLE OF THE STATE OF NEW YORK, DEEMED TO HAVE OBTAINED JUDGMENT AGAINST AN INDIVIDUAL, CORPORATION, ASSOCIATION, COMPANY, PARTNERSHIP, ESTATE, TRUST, LIQUIDATOR, FIDUCIARY OR OTHER ENTITY, IDENTIFIED IN A TAX WARRANT AS THE JUDGMENT DEBTOR, FOR A TAX OR OTHER IMPOSITION;

(B) "PAST-DUE TAXES" SHALL MEAN DELINQUENT TAXES SUBJECT TO, AND IN SUCH AMOUNT AS IS SPECIFIED IN, A JUDGMENT, TOGETHER WITH ANY INTEREST THEREON; AND

(C) "TAXPAYER" SHALL MEAN ANY ENTITY WHICH:

(I) IS LIABLE FOR ANY TAX OR IMPOSITION IMPOSED BY OR PURSUANT TO ARTICLE NINE, NINE-A, TWENTY-TWO, THIRTY, THIRTY-A, THIRTY-B, THIRTY-TWO, OR THIRTY-THREE OF THIS CHAPTER, WHICH TAX OR OTHER IMPOSITION IS ADMINISTERED BY THE COMMISSIONER, OR WHO OR WHICH IS UNDER A DUTY TO PERFORM AN ACT UNDER OR PURSUANT TO SUCH TAX OR IMPOSITION, INCLUDING AN INDIVIDUAL, CORPORATION, ASSOCIATION, COMPANY, PARTNERSHIP, ESTATE, TRUST, LIQUIDATOR, OR FIDUCIARY, BUT EXCLUDING A STATE AGENCY, A MUNICIPAL CORPORATION OR A DISTRICT CORPORATION;

(II) IS RECEIVING OR IS ENTITLED TO RECEIVE THE PROCEEDS OF A LOTTERY PRIZE PURSUANT TO AWARD OR ASSIGNMENT; AND

(III) SUBJECT TO A JUDGMENT AS DEFINED IN THIS SUBDIVISION.

(2) NOTWITHSTANDING ANY PROVISIONS TO THE CONTRARY, ALL OR PART OF THE PROCEEDS OF CERTAIN LOTTERY PRIZES MAY BE PAID BY THE DIVISION TO THE DEPARTMENT IN FULL OR PARTIAL SATISFACTION OF A JUDGMENT AGAINST A TAXPAYER FOR PAST-DUE TAXES. THE DIRECTOR, ON BEHALF OF THE DIVISION, AND THE COMMISSIONER, ON BEHALF OF THE DEPARTMENT, SHALL ENTER INTO A WRITTEN AGREEMENT WHICH SHALL SET FORTH THE PROCEDURES FOR CREDITING ANY

LOTTERY PRIZE OF FIVE THOUSAND DOLLARS OR MORE AWARDED TO A TAXPAYER AGAINST PAST-DUE TAXES OWED BY THE TAXPAYER OF WHICH LIABILITY THE DIRECTOR HAS BEEN NOTIFIED BY THE COMMISSIONER PURSUANT TO THE PROVISIONS OF SUCH AGREEMENT.

(3) SUCH AGREEMENT SHALL INCLUDE:

(A) THE PROCEDURE UNDER WHICH THE DEPARTMENT SHALL CERTIFY TO, AND NOTIFY, THE DIVISION ABOUT AN OUTSTANDING JUDGMENT, AMOUNTS REMAINING DUE THEREON AND THE FORMAT OF CERTIFICATION AND NOTIFICATION;

(B) THE FEE FOR REIMBURSEMENT OF THE DIVISION BY THE DEPARTMENT FOR THE COST OF IMPLEMENTING PROCEDURES AUTHORIZED BY THIS SECTION;

(C) THE PROCEDURE FOR TRANSFERRING LOTTERY PRIZE WINNINGS TO THE DEPARTMENT SO THE AMOUNTS CAN BE CREDITED THE PAST-DUE TAXES;

(D) THE PROCEDURE FOR REIMBURSEMENT OF THE DIVISION BY THE DEPARTMENT IN THE EVENT LOTTERY PRIZE FUNDS WERE CREDITED TO THE DEPARTMENT FOR AMOUNTS DUE UNDER A JUDGMENT THAT WAS OTHERWISE SATISFIED OR FOR WHICH A SPOUSE WAS NOT LIABLE PURSUANT TO SECTION SIXTEEN HUNDRED THIRTEEN-E OF THIS ARTICLE; AND

(E) SUCH OTHER MATTERS AS THE PARTIES TO THE AGREEMENT SHALL DEEM NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION.

(4) (A) PRIOR TO AWARDING ANY LOTTERY PRIZE OF FIVE THOUSAND DOLLARS OR MORE, THE DIVISION SHALL REVIEW THE NOTICE OF LIABILITY OF PAST-DUE TAXES PROVIDED BY THE DEPARTMENT. FOR EACH LOTTERY PRIZE WINNER IDENTIFIED ON SUCH NOTICE AS A TAXPAYER OWING PAST-DUE TAXES, THE DIVISION SHALL CREDIT TO THE DEPARTMENT SUCH AMOUNT OF THE LOTTERY PRIZE AS IS NECESSARY TO SATISFY THE PAST-DUE TAXES, AND ANY REMAINDER, IF ANY, SHALL BE AWARDED TO THE PRIZE WINNER. IN CASES WHERE THE PRIZE WINNER OWES PAST-DUE TAXES TO MORE THAN ONE STATE AGENCY OR DEPARTMENT, AND THE TOTAL AMOUNT OF PAST-DUE TAXES PROVIDED IN THE NOTICE OF LIABILITY OF PAST-DUE TAXES TO THE DIVISION BY THE DEPARTMENT EXCEEDS THE BALANCE OF THE LOTTERY PRIZE, EACH SUCH AGENCY AND DEPARTMENT SHALL RECEIVE A PRO RATA SHARE OF THE BALANCE, SUCH SHARE TO BE BASED ON THE AMOUNT OF PAST-DUE TAXES OWED TO SUCH AGENCY OR DEPARTMENT AS PROVIDED TO THE DIVISION BY THE DEPARTMENT PURSUANT TO THIS SECTION. THE DEPARTMENT SHALL BE RESPONSIBLE FOR DETERMINING AND DISTRIBUTING EACH AGENCY'S OR DEPARTMENT'S PRO RATA SHARE OF PAST-DUE TAXES PURSUANT TO REGULATIONS OF THE DEPARTMENT.

(B) THE BALANCE REMAINING, AFTER SUCH LOTTERY PRIZE AMOUNT AND ANY INTEREST THEREON HAS BEEN CREDITED AS DESCRIBED IN PARAGRAPH (A) OF THIS SUBDIVISION, SHALL BE REFUNDED TO THE TAXPAYER IF SUCH REMAINDER IS NOT REQUIRED TO SATISFY THE AMOUNT OF PAST-DUE SUPPORT PURSUANT TO SECTION SIXTEEN HUNDRED THIRTEEN-A OF THIS ARTICLE, AND/OR THE AMOUNT OF PUBLIC ASSISTANCE BENEFITS OWED TO A STATE AGENCY PURSUANT TO SECTION SIXTEEN HUNDRED THIRTEEN-B OF THIS ARTICLE AND/OR A CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT PURSUANT TO SECTION SIXTEEN HUNDRED THIRTEEN-D OF THIS ARTICLE.

(5) THE DIVISION SHALL CERTIFY TO THE COMPTROLLER THE TOTAL AMOUNT OF THE LOTTERY PRIZE WINNINGS TO BE CREDITED AGAINST PAST-DUE TAXES AND THE REMAINDER OF SUCH PRIZE WINNING, IF ANY, TO BE AWARDED TO THE TAXPAYER.

(6) THE DEPARTMENT SHALL NOTIFY THE TAXPAYER AT THE TAXPAYER'S LAST KNOWN ADDRESS:

(A) OF THE NATURE AND AMOUNT OF THE PAST-DUE TAXES OR IMPOSITION, THE TAX-YEAR OR DATE SUCH LIABILITY AROSE, AND THAT ONE OR MORE JUDGMENTS HAVE ISSUED REGARDING THE PAST-DUE TAXES OR IMPOSITION;

(B) THAT STATE LAW PERMITS PAYMENT OF THE AMOUNTS OWED PURSUANT TO THE JUDGMENTS BY APPLICATION OF CERTAIN LOTTERY PRIZE PROCEEDS, WHICH WILL BE CREDITED AGAINST THE JUDGMENT AMOUNTS;

(C) THAT THE TAXPAYER'S LOTTERY PRIZE WINNINGS SHALL BE CREDITED AGAINST THE AMOUNT OF PAST-DUE TAXES OWED PURSUANT TO THE JUDGMENTS;

(D) THAT THE TAXPAYER MAY REQUEST A REVIEW OF THE CREDITING OF THE LOTTERY PROCEEDS AGAINST A JUDGMENT BY CONTACTING THE DEPARTMENT OF TAXATION AND FINANCE AT A TELEPHONE NUMBER OR ADDRESS DISCLOSED IN THE NOTICE; AND

(E) THAT THE TAXPAYER MAY PRESENT TO THE DEPARTMENT OF TAXATION AND FINANCE ANY WRITTEN EVIDENCE AND ARGUMENTS IN SUPPORT OF A DEFENSE TO THE APPLICATION OF THE LOTTERY PRIZE PROCEEDS OR MAY APPEAR AT A SCHEDULED CONFERENCE WITH THE DEPARTMENT OF TAXATION AND FINANCE TO PRESENT ORAL ARGUMENTS AND WRITTEN AND ORAL EVIDENCE IN SUPPORT OF SUCH DEFENSE; PROVIDED HOWEVER, NOTHING IN THIS SECTION SHALL BE DEEMED TO AFFORD A TAXPAYER THE OPPORTUNITY TO REARGUE ANY ISSUE WHICH WAS OR COULD HAVE BEEN ADJUDICATED IN AN ADMINISTRATIVE OR JUDICIAL PROCEEDING PRIOR TO FILING OF A WARRANT SERVING AS A JUDGMENT.

(7) THE DIVISION SHALL NOTIFY THE TAXPAYER, IN WRITING, OF THE AMOUNT OF THE LOTTERY PRIZE THAT IS PAID TO THE DEPARTMENT. THE DIVISION WILL ALSO NOTIFY ANY OTHER PERSON WHO MAY HAVE FILED A JOINT RETURN WITH A TAXPAYER OF THE STEPS SUCH OTHER PERSON MAY TAKE IN ORDER TO SECURE HIS OR HER PROPER SHARE, IF ANY, OF THE LOTTERY PRIZE.

(8) FROM THE TIME THE DIVISION IS NOTIFIED BY THE DEPARTMENT OF A TAXPAYER'S LIABILITY FOR A JUDGMENT UNDER THE AGREEMENT PROVIDED FOR IN THIS SECTION, THE DIVISION SHALL BE RELIEVED OF ALL LIABILITY TO SUCH TAXPAYER, ITS ASSIGNS, SUCCESSORS, HEIRS OR REPRESENTATIVES FOR THE AMOUNT OF THE LOTTERY PRIZE CERTIFIED TO THE COMPTROLLER TO BE CREDITED AGAINST THE AMOUNT OF PAST-DUE TAXES, AND SUCH TAXPAYER, ITS ASSIGNS, SUCCESSORS, HEIRS OR REPRESENTATIVES SHALL HAVE NO RIGHT TO COMMENCE A COURT ACTION OR PROCEEDING OR HAVE ANY OTHER LEGAL RECOURSE AGAINST THE DIVISION TO RECOVER THE AMOUNTS SO CERTIFIED, OR INTEREST THEREON; PROVIDED, HOWEVER, THAT NOTHING IN THIS SUBDIVISION SHALL BE CONSTRUED TO PRECLUDE ANY LEGAL, EQUITABLE, OR ADMINISTRATIVE ACTION BY SUCH TAXPAYER, ITS ASSIGNS, SUCCESSORS, HEIRS OR REPRESENTATIVES ENTITLED TO SUCH LOTTERY PRIZE AGAINST THE DEPARTMENT TO RECOVER SUCH PART OF THE PAYMENT AS CERTIFIED TO THE COMPTROLLER TO BE CREDITED AGAINST THE PAST-DUE TAXES THAT IS GREATER THAN THE AMOUNT OF THE JUDGMENT AND INTEREST THEREON OWED BY SUCH TAXPAYER ON THE DATE PAYMENT IS CREDITED AGAINST A JUDGMENT, TOGETHER WITH INTEREST THEREON.

(9) THE COMMISSIONER AND THE DIRECTOR SHALL PROMULGATE SUCH RULES AND REGULATIONS AS DEEMED NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION.

S 1613-D. CREDITING OF LOTTERY PRIZES AGAINST OUTSTANDING TAX DEBT OWED TO THE CITY OF NEW YORK. (1) FOR PURPOSES OF THIS SECTION:

(A) "CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT" SHALL MEAN TAX DEBT OWED TO THE CITY OF NEW YORK THAT IS THE SUBJECT OF A TAX WARRANT ISSUED BY THE CITY OF NEW YORK DEPARTMENT OF FINANCE AND DOCKETED PURSUANT TO THE PROVISIONS OF TITLE ELEVEN OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK AND THAT REMAINS OUTSTANDING;

(B) "PAST-DUE TAXES" SHALL MEAN DELINQUENT TAXES SUBJECT TO, AND IN SUCH AMOUNT AS IS SPECIFIED IN, A CITY OF NEW YORK TAX WARRANT JUDGMENT, TOGETHER WITH ANY INTEREST THEREON; AND

(C) "TAXPAYER" SHALL MEAN ANY ENTITY WHICH:

(I) IS LIABLE FOR ANY TAX OR IMPOSITION IMPOSED BY OR PURSUANT TO ARTICLE NINE, NINE-A, TWENTY-TWO, THIRTY, THIRTY-A, THIRTY-B, THIRTY-TWO, OR THIRTY-THREE OF THIS CHAPTER, WHICH TAX OR OTHER IMPOSITION IS ADMINISTERED BY THE COMMISSIONER, OR IS LIABLE FOR ANY TAX OR IMPOSITION IMPOSED BY OR PURSUANT TO TITLE ELEVEN OF THE ADMINISTRATIVE

CODE OF THE CITY OF NEW YORK OR WHO OR WHICH IS UNDER A DUTY TO PERFORM AN ACT UNDER OR PURSUANT TO SUCH TAX OR IMPOSITION, INCLUDING AN INDIVIDUAL, CORPORATION, ASSOCIATION, COMPANY, PARTNERSHIP, ESTATE, TRUST, LIQUIDATOR, OR FIDUCIARY, BUT EXCLUDING A STATE AGENCY, A MUNICIPAL CORPORATION OR A DISTRICT CORPORATION;

(II) IS RECEIVING OR IS ENTITLED TO RECEIVE THE PROCEEDS OF A LOTTERY PRIZE PURSUANT TO AWARD OR ASSIGNMENT;

(III) IS SUBJECT TO A CITY OF NEW YORK TAX WARRANT JUDGMENT AS REFERENCED IN SUBDIVISION (A) OF THIS SECTION.

(2) NOTWITHSTANDING ANY PROVISIONS TO THE CONTRARY, ALL OR PART OF THE PROCEEDS OF CERTAIN LOTTERY PRIZES MAY BE PAID BY THE DIVISION TO THE COMMISSIONER OF FINANCE OF THE CITY OF NEW YORK IN FULL OR PARTIAL SATISFACTION OF A CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT. THE DIRECTOR, ON BEHALF OF THE DIVISION, AND THE COMMISSIONER OF FINANCE OF THE CITY OF NEW YORK, ON BEHALF OF THE CITY OF NEW YORK DEPARTMENT OF FINANCE, SHALL ENTER INTO A WRITTEN AGREEMENT WHICH SHALL SET FORTH THE PROCEDURES FOR CREDITING ANY LOTTERY PRIZE OF FIVE THOUSAND DOLLARS OR MORE AWARDED TO A TAXPAYER AGAINST A CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT OWED BY THE TAXPAYER OF WHICH DEBT THE DIRECTOR HAS BEEN NOTIFIED BY THE COMMISSIONER OF FINANCE OF THE CITY OF NEW YORK PURSUANT TO THE PROVISIONS OF SUCH AGREEMENT.

(3) SUCH AGREEMENT SHALL INCLUDE:

(A) THE PROCEDURE UNDER WHICH THE COMMISSIONER OF FINANCE OF THE CITY OF NEW YORK SHALL CERTIFY TO, AND NOTIFY, THE DIVISION OF A CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT AND AMOUNTS REMAINING DUE THEREON, AND THE FORMAT, SPECIFYING WHEN THE DIVISION WILL BE NOTIFIED, THE INFORMATION TO BE CONTAINED IN SUCH NOTIFICATION, AND THE FORM AND FORMAT OF THE CERTIFICATION AND NOTIFICATION;

(B) THE FEE FOR REIMBURSEMENT OF THE DIVISION BY THE CITY OF NEW YORK DEPARTMENT OF FINANCE FOR THE FULL COST OF IMPLEMENTING PROCEDURES AUTHORIZED BY THIS SECTION;

(C) THE MINIMUM PERIOD OF DELINQUENCY OF THE CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT, AND THE MINIMUM AMOUNT OF THE PAST DUE CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT AGAINST WHICH THE DIVISION SHALL, PURSUANT TO THIS SECTION, CREDIT AMOUNTS OF THE LOTTERY PRIZE;

(D) THE PROCEDURE FOR TRANSFERRING LOTTERY PRIZE AMOUNTS TO THE CITY OF NEW YORK DEPARTMENT OF FINANCE SO THE AMOUNTS CAN BE CREDITED AGAINST THE CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT;

(E) THE PROCEDURE FOR REIMBURSING THE DIVISION BY THE CITY OF NEW YORK DEPARTMENT OF FINANCE IN THE EVENT THAT LOTTERY PRIZE FUNDS WERE CREDITED TO THE CITY OF NEW YORK DEPARTMENT OF FINANCE FOR AMOUNTS DUE WITH REGARD TO A CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT THAT WAS OTHERWISE SATISFIED OR FOR WHICH A SPOUSE WAS NOT LIABLE PURSUANT TO SECTION SIXTEEN HUNDRED THIRTEEN-E OF THIS ARTICLE; AND

(F) SUCH OTHER MATTERS AS THE PARTIES TO THE AGREEMENT SHALL DEEM NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION.

(4) (A) IN CALCULATING THE AMOUNT OF A LOTTERY PRIZE WHICH SHALL BE CREDITED AGAINST THE CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT OWED BY A TAXPAYER, THE DIVISION SHALL FIRST CREDIT THE AMOUNT OF THE LOTTERY PRIZE AGAINST ANY:

(I) LIABILITY OF SUCH TAXPAYER IN RESPECT OF ANY TAX IMPOSED BY THIS CHAPTER;

(II) LIABILITY OF SUCH TAXPAYER FOR ANY TAX IMPOSED PURSUANT TO THE AUTHORITY OF THIS CHAPTER OR ANY OTHER LAW IF SUCH TAX IS ADMINISTERED BY THE TAX COMMISSION;

(III) PAST-DUE SUPPORT OWED BY THE TAXPAYER PURSUANT TO SECTION SIXTEEN HUNDRED THIRTEEN-A OF THIS ARTICLE; AND

(IV) THE AMOUNT OF PUBLIC ASSISTANCE BENEFITS OWED TO A STATE AGENCY PURSUANT TO SECTION SIXTEEN HUNDRED THIRTEEN-B OF THIS ARTICLE.

(B) ONLY THE BALANCE REMAINING, AFTER SUCH LOTTERY PRIZE AMOUNT AND ANY INTEREST THEREON HAS BEEN CREDITED AS DESCRIBED IN PARAGRAPH (A) OF THIS SUBDIVISION, SHALL BE CERTIFIED TO BE CREDITED AGAINST THE AMOUNT OF CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT, WITH THE REMAINDER TO BE REFUNDED TO THE TAXPAYER.

(5) THE DIVISION SHALL CERTIFY TO THE COMPTROLLER AND TO THE COMMISSIONER THE AMOUNT OF EACH OVERPAYMENT AND THE INTEREST THEREON TO BE CREDITED AGAINST CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT, AND THE BALANCE, IF ANY, OF EACH SUCH OVERPAYMENT AND INTEREST TO BE REFUNDED TO THE TAXPAYER.

(6) THE CITY OF NEW YORK DEPARTMENT OF FINANCE SHALL NOTIFY THE TAXPAYER AT THE TAXPAYER'S LAST KNOWN ADDRESS:

(A) OF THE CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT, THE TAX-YEAR OR DATE SUCH LIABILITY AROSE, AND THAT ONE OR MORE TAX WARRANTS HAVE BEEN ISSUED REGARDING THE DEBT;

(B) THAT STATE LAW PERMITS PAYMENT OF THE AMOUNTS OWED PURSUANT TO THE TAX WARRANTS BY APPLICATION OF CERTAIN LOTTERY PRIZE PROCEEDS, WHICH WILL BE CREDITED AGAINST THE WARRANT AMOUNTS;

(C) THAT THE TAXPAYER'S LOTTERY PRIZE WINNINGS SHALL BE CREDITED AGAINST THE AMOUNT OF THE CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT;

(D) THAT THE TAXPAYER MAY REQUEST A REVIEW OF THE APPLICATION OF THE LOTTERY PROCEEDS TO THE TAX WARRANT DEBT BY CONTACTING THE CITY OF NEW YORK DEPARTMENT OF FINANCE AT A TELEPHONE NUMBER OR ADDRESS DISCLOSED IN THE NOTICE; AND

(E) THAT THE TAXPAYER MAY PRESENT TO THE CITY OF NEW YORK DEPARTMENT OF FINANCE ANY WRITTEN EVIDENCE AND ARGUMENTS IN SUPPORT OF A DEFENSE TO THE APPLICATION OF THE LOTTERY PRIZE PROCEEDS OR MAY APPEAR AT A SCHEDULED CONFERENCE WITH THE DEPARTMENT TO PRESENT ORAL ARGUMENTS AND WRITTEN AND ORAL EVIDENCE IN SUPPORT OF SUCH DEFENSE; PROVIDED HOWEVER, NOTHING HEREIN SHALL BE DEEMED TO AFFORD A TAXPAYER THE OPPORTUNITY TO REARGUE ANY ISSUE WHICH WAS OR COULD HAVE BEEN ADJUDICATED IN AN ADMINISTRATIVE OR JUDICIAL PROCEEDING PRIOR TO ISSUANCE OF THE TAX WARRANT.

(7) THE DIVISION SHALL NOTIFY THE TAXPAYER, IN WRITING, OF THE AMOUNT OF THE LOTTERY PRIZE THAT IS CREDITED AGAINST THE CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT OWED BY A TAXPAYER. SUCH NOTICE SHALL INCLUDE NOTIFICATION TO ANY OTHER PERSON WHO MAY HAVE FILED A JOINT RETURN WITH A TAXPAYER OF THE STEPS SUCH OTHER PERSON MAY TAKE IN ORDER TO SECURE HIS OR HER PROPER SHARE, IF ANY, OF THE LOTTERY PRIZE.

(8) FROM THE TIME THE DIVISION IS NOTIFIED BY THE CITY OF NEW YORK DEPARTMENT OF FINANCE OF A TAXPAYER'S LIABILITY FOR A CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT UNDER THE AGREEMENT PROVIDED FOR IN THIS SECTION, THE DIVISION, THE STATE TAX COMMISSION AND THE DEPARTMENT SHALL BE RELIEVED FROM ALL LIABILITY TO SUCH TAXPAYER, ITS ASSIGNS, SUCCESSORS, HEIRS OR REPRESENTATIVES FOR THE AMOUNT OF THE LOTTERY PRIZE CERTIFIED TO THE COMPTROLLER TO BE CREDITED AGAINST THE AMOUNT OF THE CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT, AND SUCH TAXPAYER SHALL HAVE NO RIGHT TO COMMENCE A COURT ACTION OR PROCEEDING OR TO ANY OTHER LEGAL RECOURSE AGAINST THE DIVISION, THE STATE TAX COMMISSION OR THE DEPARTMENT TO RECOVER SUCH AMOUNTS CERTIFIED TO THE COMPTROLLER TO BE CREDITED AGAINST THE AMOUNT OF THE CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT; PROVIDED, HOWEVER, THAT NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PRECLUDE ANY LEGAL, EQUITABLE, OR ADMINISTRATIVE ACTION BY SUCH TAXPAY-

ER, ITS ASSIGNS, SUCCESSORS, HEIRS OR REPRESENTATIVES ENTITLED TO SUCH LOTTERY PRIZE AGAINST THE CITY OF NEW YORK DEPARTMENT OF FINANCE TO RECOVER SUCH PART OF THE PAYMENT CERTIFIED TO THE COMPTROLLER TO BE CREDITED AGAINST THE CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT THAT IS GREATER THAN THE AMOUNT OF SUCH DEBT AND INTEREST THEREON OWED BY SUCH TAXPAYER ON THE DATE PAYMENT IS CREDITED AGAINST THE JUDGMENT DEBT, TOGETHER WITH INTEREST THEREON.

(9) THE DIRECTOR, THE COMMISSIONER AND THE CITY OF NEW YORK DEPARTMENT OF FINANCE SHALL PROMULGATE SUCH RULES AND REGULATIONS AS DEEMED NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION.

S 1613-E. CO-OWNERS OF LOTTERY PRIZE. (1) A LOTTERY PRIZE SHALL BE CREDITED AGAINST AMOUNTS DUE FOR PAST-DUE SUPPORT, AND/OR PUBLIC ASSISTANCE BENEFITS, AND/OR PAST-DUE TAXES AND/OR A CITY OF NEW YORK TAX WARRANT JUDGMENT DEBT PURSUANT TO SECTIONS SIXTEEN HUNDRED THIRTEEN-A, SIXTEEN HUNDRED THIRTEEN-B, SIXTEEN HUNDRED THIRTEEN-C OR SIXTEEN HUNDRED THIRTEEN-D OF THIS ARTICLE, AS APPLICABLE, ONLY TO THE EXTENT THAT THE PRIZE IS TO BE AWARDED TO THE PRIZE WINNER LIABLE FOR SUCH AMOUNTS. IN THE EVENT THAT THE LOTTERY PRIZE IS AWARDED TO MORE THAN ONE WINNER, THOSE PROCEEDS AWARDED TO A WINNER NOT LIABLE FOR SUCH AMOUNTS SHALL NOT BE CREDITED TOWARD THE AMOUNTS DUE.

(2) NO WINNER OF A LOTTERY PRIZE MAY ASSIGN THE PROCEEDS OF SUCH PRIZE IF SUCH ASSIGNMENT WOULD DEFEAT THE EFFECT OF THE PROVISIONS OF SECTIONS SIXTEEN HUNDRED THIRTEEN-A, SIXTEEN HUNDRED THIRTEEN-B, SIXTEEN HUNDRED THIRTEEN-C OR SIXTEEN HUNDRED THIRTEEN-D OF THIS ARTICLE.

(3) THE DIRECTOR SHALL PROMULGATE SUCH RULES AND REGULATIONS AS DEEMED NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION.

S 5. This act shall take effect immediately.