

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
91st General Assembly  
Regular Session, 2017

As Engrossed: H3/3/17 H3/10/17  
**A Bill**

HOUSE BILL 1825

By: Representatives Payton, *Ballinger, Beck, Boyd, Cozart, C. Douglas, Farrer, Gates, Gonzales, Hammer, G. Hodges, Holcomb, Jean, Lemons, Lundstrum, Lynch, McCollum, McNair, D. Meeks, S. Meeks, Petty, Richmond, B. Smith, Speaks, Sullivan, Tosh, Womack, Miller*  
By: Senator *Collins-Smith*

### For An Act To Be Entitled

AN ACT TO ENCOURAGE THE WISE USE OF RESOURCES BY RECIPIENTS OF PUBLIC ASSISTANCE; TO PROVIDE THAT A PERSON WHO IS RECEIVING PUBLIC ASSISTANCE AND WHO WINS A LOTTERY PRIZE OF FIVE HUNDRED DOLLARS (\$500) OR MORE SHALL REIMBURSE THE DEPARTMENT OF HUMAN SERVICES; AND FOR OTHER PURPOSES.

### Subtitle

TO PROVIDE THAT A PERSON WHO IS RECEIVING PUBLIC ASSISTANCE AND WHO WINS A LOTTERY PRIZE SHALL REIMBURSE THE DEPARTMENT OF HUMAN SERVICES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 20, Chapter 76, Subchapter 2, is amended to add an additional section to read as follows:

20-76-216. Notice that lottery prizes are subject to reimbursement.

(a) The Department of Human Services shall provide notice to a person receiving public assistance under this chapter that if the person is receiving public assistance from the State of Arkansas at the time of purchasing a ticket or lottery game that results in winning a lottery prize, the amount in excess of five hundred dollars (\$500) of the lottery prize is subject to reimbursement to the program from which the person received public



assistance up to the amount *the person has received in public assistance from the State of Arkansas during the ten (10) years preceding the date the person purchased the ticket or lottery game.*

(b) A person receiving the notice under subsection (a) of this section shall sign a form developed by the department acknowledging receipt of the notice.

SECTION 2. Arkansas Code § 23-115-103(22), concerning the definition of "operating expenses" in the Arkansas Scholarship Lottery Act, is amended to add an additional subdivision to read as follows:

(M) Amounts from lottery prizes that are reimbursed under § 23-115-403(h).

SECTION 3. Arkansas Code § 23-115-403, concerning restrictions on lottery prizes, is amended to add an additional subsection to read as follows:

(h)(1) A person who is receiving public assistance from the State of Arkansas at the time of purchasing a ticket or lottery game that results in winning a lottery prize of more than five hundred dollars (\$500) shall reimburse the program from which the person received public assistance from the person's winnings in excess of five hundred dollars (\$500) up to the amount the person has *received in public assistance from the State of Arkansas during the ten (10) years preceding the date the person purchased the ticket or lottery game.*

(2)(A) Before distributing a lottery prize, the office shall consult with the Department of Human Services to ascertain:

(i) Whether the person was receiving public assistance from the State of Arkansas at the time of purchasing a ticket or lottery game that results in winning a lottery prize; and

(ii) How much public assistance under § 20-76-101 et seq. the person received from the State of Arkansas during the preceding ten (10) years.

(B) The office shall enter into an agreement with the department that sets forth the procedures for:

(i) Sharing the information necessary under subdivision (h)(2)(A) of this section;

(ii) Reimbursing the department under subdivision (h)(1) of this section; and

(iii) Crediting the reimbursement to the amount the person has received in public assistance from the State of Arkansas during the preceding ten (10) years.

(3)(A)(i) If the office determines under subdivision (h)(2) of this section that the person redeeming a lottery prize was receiving public assistance from the State of Arkansas at the time of purchasing a ticket or lottery game that results in winning a lottery prize, then the office shall transfer from the person's lottery prize to the department for deposit into the appropriate fund for the program from which the person received public assistance up to the amount the person has received in public assistance from the State of Arkansas during the preceding ten (10) years.

(ii) A previous reimbursement to the department made under this subsection within the preceding ten (10) years for a person shall be credited to the amount the person has received in public assistance from the State of Arkansas within the preceding ten (10) years.

(B) The office shall only reimburse the department from a person's lottery prize under subdivision (b)(1) of this section if the lottery prize is more than five hundred dollars (\$500).

(C) If the person owes any taxes as the result of winning the lottery prize, the person shall be allowed to keep an amount from the person's winnings in excess of five hundred dollars (\$500) equal to the amount of taxes owed.

(4)(A) The office shall send notice to the person whose lottery prize was reimbursed to the program administered by the department by certified mail, return receipt requested, of the action and the reason the lottery prize was reimbursed to the department.

(B) If the person appears to claim a lottery prize in person, the office shall notify the person at that time by hand delivery of the action.

(5) The office is not required to reimburse the department from lottery prizes paid out by retailers or entities other than the office.

(6) The department shall provide the office with the information necessary to implement this section.

(7) The following shall be satisfied before the office makes a

reimbursement under this subsection:

(A) Attachments, garnishments, or executions under subsection (b) of this section; and

(B) A valid lien against a lottery prize under § 23-115-1004.

(8) The reimbursement under this subsection shall be only for the portion of the public assistance the person received that was paid by the State of Arkansas.

/s/Payton