

CHAPTER 42**OFFSET OF STATE LOTTERY PRIZES TO SATISFY OVERDUE CHILD SUPPORT PAYMENTS AND OVERPAYMENTS IN CERTAIN PUBLIC ASSISTANCE PROGRAMS****Authority**

N.J.S.A. 5:9-13.1 through 13.16.

Source and Effective Date

R.2007 d.133, effective April 4, 2007.
See: 39 N.J.R. 180(a), 39 N.J.R. 1802(c).

Chapter Expiration Date

Chapter 42, Offset of State Lottery Prizes to Satisfy Overdue Child Support Payments and Overpayments in Certain Public Assistance Programs, expires on April 4, 2012.

Chapter Historical Note

Chapter 42, Offset of State Lottery Prizes to Satisfy Overdue Child Support Payments and Overpayments in Certain Public Assistance Programs, was adopted as R.1992 d.337, effective September 8, 1992. See: 24 N.J.R. 2343(b), 24 N.J.R. 3098(a).

Pursuant to Executive Order No. 66(1978), Chapter 42, Offset of State Lottery Prizes to Satisfy Overdue Child Support Payments and Overpayments in Certain Public Assistance Programs, was readopted as R.1996 d.507, effective October 2, 1996. See: 28 N.J.R. 3896(a), 28 N.J.R. 4794(c).

Chapter 42, Offset of State Lottery Prizes to Satisfy Overdue Child Support Payments and Overpayments in Certain Public Assistance Programs, was readopted as R.2002 d.8, effective December 7, 2001. See: 33 N.J.R. 3423(a), 34 N.J.R. 297(a).

Chapter 42, Offset of State Lottery Prizes to Satisfy Overdue Child Support Payments and Overpayments in Certain Public Assistance Programs, was readopted as R.2007 d.133, effective April 4, 2007. See: Source and Effective Date. See, also, section annotations.

CHAPTER TABLE OF CONTENTS**SUBCHAPTER 1. GENERAL PROVISIONS**

- 17:42-1.1 Other agencies responsibility
- 17:42-1.2 Lottery's responsibility
- 17:42-1.3 OIT's responsibility
- 17:42-1.4 Prize disbursement restriction
- 17:42-1.5 Notice of prize withholding
- 17:42-1.6 Lottery action following notice of prize withholding
- 17:42-1.7 Right to hearing
- 17:42-1.8 Transmission of prize offset to DHS and DCA
- 17:42-1.9 Notice and disbursement of prize after setoff
- 17:42-1.10 Confidentiality

SUBCHAPTER 1. GENERAL PROVISIONS**17:42-1.1 Other agencies responsibility**

(a) The Department of Human Services (DHS) shall maintain a list of individuals covered by P.L. 1991, c. 384, as amended by P.L. 1998, c. 1, (N.J.S.A. 5:9-13.1 to 13.9) except for the low-income home energy assistance program

(LIHEAP). The list shall include the individual's name and social security number, plus the amount of the alleged support arrears or public assistance overpayment. The list shall be updated at least monthly to show new individuals or obligations and to show payment or satisfaction of amounts outstanding.

(b) The Department of Community Affairs as per its designation by Governor Jon S. Corzine in the grant application for the Fiscal Year 2007 Federal block grant from low-income home energy assistance Act as amended (Title 26 of Public Law 97-35, Omnibus Budget Reconciliation Act of 1981 as amended) shall maintain a list of individuals covered by P.L. 1991, c. 384 (N.J.S.A. 5:9-13.1 to 13.9) for overpayments for the low-income home energy assistance program. The list shall be updated at least monthly to show new individuals or obligations and to show payment or satisfaction of amounts outstanding.

Amended by R.1996 d.507, effective November 4, 1996.

See: 28 N.J.R. 3896(a), 28 N.J.R. 4794(c).

Amended by R.1999 d.130, effective April 19, 1999.

See: 30 N.J.R. 3931(a), 31 N.J.R. 266(a), 31 N.J.R. 636(b), 31 N.J.R. 1081(a).

Substituted a reference to the Department of Human Services for a reference to the Division of Family Development in the Department of Human Services and added "as amended by P.L. 1998, c.1" at the end of the first sentence.

Amended by R.2007 d.133, effective May 7, 2007.

See: 39 N.J.R. 180(a), 39 N.J.R. 1802(c).

Section was "Department of Human Service's responsibility". Inserted designation (a); in (a), substituted "c. 384," for "c.384 (N.J.S.A. 5:9-13.1 et seq.);" and "c. 1, (N.J.S.A. 5:9-13.1 to 13.9) except for the low-income home energy assistance program (LIHEAP)" for "c.1.;" and added (b).

17:42-1.2 Lottery's responsibility

The Division of the State Lottery (Lottery) shall maintain a list of winners of prizes in amounts in excess of \$600.00. The list shall include the winners' names, addresses, social security numbers and amounts won. The list shall be updated weekly.

Amended by R.1996 d.507, effective November 4, 1996.

See: 28 N.J.R. 3896(a), 28 N.J.R. 4794(c).

Amended by R.1999 d.130, effective April 19, 1999.

See: 30 N.J.R. 3931(a), 31 N.J.R. 266(a), 31 N.J.R. 636(b), 31 N.J.R. 1081(a).

Substituted a reference to \$600 for a reference to \$1,000 at the end of the first sentence.

17:42-1.3 OIT's responsibility

On a weekly basis, the Office of Information Technology (OIT) shall perform a computer match of the data on the two lists to ascertain the existence of a social security number match and shall notify DHS, DCA or both as appropriate and Lottery of the existence of any such match or of the fact that no matches were found from the given comparison. If matches are found, OIT shall transmit a list to the appropriate agency or agencies including the individual's name, address, social security number, lottery prize and outstanding arrearage or overpayment. No Lottery prize in excess of \$600.00

shall be disbursed by the Department of the Treasury (Treasury) until results of a match involving that prize payment have been determined. In case of annuity prizes where the first installment has not been paid, the match will be conducted on an expedited basis, directly among DHS, DCA and Lottery. If the first installment less the applicable tax withholding exceeds the lien referred to in N.J.S.A. 5:9-13.6, the excess shall be paid to the winner immediately, with the procedures elaborated under these rules to apply to the amount withheld from immediate distribution.

Amended by R.1996 d.507, effective November 4, 1996.

See: 28 N.J.R. 3896(a), 28 N.J.R. 4794(c).

Amended by R.1999 d.130, effective April 19, 1999.

See: 30 N.J.R. 3931(a), 31 N.J.R. 266(a), 31 N.J.R. 636(b), 31 N.J.R. 1081(a).

Substituted references to the Office of Information Technology for references to the Office of Telecommunications and Information Systems throughout, substituted references to DHS for references to DFD throughout, substituted a reference to \$600 for a reference to \$1,000 in the third sentence, and rewrote the last sentence.

Amended by R.2007 d.133, effective May 7, 2007.

See: 39 N.J.R. 180(a), 39 N.J.R. 1802(c).

Substituted "DHS, DCA or both as appropriate" for "both DHS", "the appropriate agency or agencies" for "each agency", and "among DHS, DCA" for "between DHS".

17:42-1.4 Prize disbursement restriction

(a) Upon receipt of notice from OIT that a social security number match has been made, neither Lottery nor Treasury shall disburse the portion of the lottery prize subject to the lien referred to in N.J.S.A. 5:9-13.6 until notified that the hearing procedures set forth in this subchapter have been completed or that no hearing has been timely requested. Lottery prizes of \$5,000 or more shall first be subjected to Federal income tax withholding before any other setoffs, deductions or set-asides under these rules.

(b) Upon learning of an assignment request, DHS or DCA shall make the determination regarding whether the assignor is a debtor.

Amended by R.1999 d.130, effective April 19, 1999.

See: 30 N.J.R. 3931(a), 31 N.J.R. 266(a), 31 N.J.R. 636(b), 31 N.J.R. 1081(a).

Rewrote the section.

Amended by R.2007 d.133, effective May 7, 2007.

See: 39 N.J.R. 180(a), 39 N.J.R. 1802(c).

In (b), inserted "or DCA".

17:42-1.5 Notice of prize withholding

Within 14 days of notification by OIT that a social security number match has been found to exist, DHS or DCA, or both shall cause written notice to be sent to the subject of the match by first class mail. Such notice shall inform the individual that the match has been found to exist, that payment of the lottery prize is being withheld, that he or she has the right to make a request, within 10 business days of the date of the notice, for a hearing on the alleged debt and the proposed setoff and that, if no such request is timely received, Treasury will transmit the withheld money, up to the amount owed, to DHS or DCA, or both.

Amended by R.1996 d.507, effective November 4, 1996.

See: 28 N.J.R. 3896(a), 28 N.J.R. 4794(c).

Amended by R.1999 d.130, effective April 19, 1999.

See: 30 N.J.R. 3931(a), 31 N.J.R. 266(a), 31 N.J.R. 636(b), 31 N.J.R. 1081(a).

Substituted "OIT" for "OTIS" and substituted "DHS" for "DFD" in the first sentence, and substituted "DHS" for "DFD or to the Office of Child Support and Paternity Programs in the Department of Human Services (OCSP) for transmission to the appropriate county probation department" at the end of the last sentence.

Amended by R.2007 d.133, effective May 7, 2007.

See: 39 N.J.R. 180(a), 39 N.J.R. 1802(c).

Inserted "or DCA, or both" twice.

17:42-1.6 Lottery action following notice of prize withholding

(a) No later than 15 business days from the date of the notice to the alleged debtor, DHS or DCA, or both shall notify Lottery of any request by the alleged debtor for a hearing, of the failure of the debtor to make such request or of the satisfaction of the alleged debt. Receipt of such information shall allow Lottery to:

1. Withhold payment pending the outcome of the hearing if a hearing has been requested;
2. In accordance with N.J.A.C. 17:42-1.8, transmit the alleged debt to DHS or DCA, or both where the alleged debtor has not made a timely request for a hearing or where a hearing request is made but subsequently withdrawn; or
3. Release the prize payment to the winner if the debt has been satisfied.

(b) Lottery shall extend the hold status of an affected payment until a final decision by DHS or DCA, or both and exhaustion of judicial review or expiration of any right thereto, in order to accommodate the hearing process, where Lottery has been notified that a hearing has been requested pursuant to N.J.A.C. 17:42-1.7. Following the hearing, N.J.A.C. 17:42-1.8 shall apply. If the request for the hearing is withdrawn, the provisions of (a)2 and 3 above shall apply.

Amended by R.1996 d.507, effective November 4, 1996.

See: 28 N.J.R. 3896(a), 28 N.J.R. 4794(c).

Amended by R.1999 d.130, effective April 19, 1999.

See: 30 N.J.R. 3931(a), 31 N.J.R. 266(a), 31 N.J.R. 636(b), 31 N.J.R. 1081(a).

Rewrote the section.

Amended by R.2007 d.133, effective May 7, 2007.

See: 39 N.J.R. 180(a), 39 N.J.R. 1802(c).

Inserted "or DCA, or both" throughout; and in (a)2, substituted "In accordance with N.J.A.C. 17:42-1.8, transmit" for "Transmit".

17:42-1.7 Right to hearing

(a) Any person whose lottery prize has been withheld pursuant to P.L. 1991, c. 384, N.J.S.A. 5:9-13.1 et seq., may request a hearing by serving a written request to DHS or DCA within 10 business days of the date of the notice of match described in N.J.A.C. 17:42-1.5.

(b) When an alleged debtor makes a timely request for a hearing in a case where DHS is seeking to recoup arrears of child support payments, DHS shall notify the appropriate pro-