

§9018. Bond; letters of credit or other surety

Whenever a bond is required for the protection of the corporation, letters of credit or other surety approved by the corporation may be utilized in lieu of a bond. All bonds or letters of credit shall be reviewed at least annually as to their solvency and sufficiency.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990.

§9019. Legislative oversight of corporation rules and regulations

Legislative oversight of corporation rules and regulations shall be in accordance with the provisions of R.S. 49:968.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990; Acts 1995, No. 1022, §1, eff. June 29, 1995.

§9020. Bulk sale and purchase of on-line lotto lottery tickets; syndicates; investment

The board shall promulgate administrative rules that define and prohibit the bulk sale of on-line lotto lottery tickets by a retailer and the bulk purchase of such tickets by an investment syndicate, investment group, or individual for investment purposes.

Acts 1992, No. 953, §1; Acts 1993, No. 749, §1.

§9021. Toll-free telephone number to assist compulsive gamblers; printing on tickets; signs at retail outlets

NOTE: §9021 effective until July 1, 2010. See Acts 2009, No. 384, §5, effective July 1, 2010 upon approval of the implementation plan submitted by the secretary of the Dept. of Health and Hospitals to the House and Senate committees on health and welfare.

The corporation shall require as a part of any contract for the production or printing of lottery tickets that each ticket include the toll-free telephone number made available by the office for addictive disorders of the Department of Health and Hospitals to provide information and referral services regarding compulsive or problem gambling. However, the requirements of this Section shall not affect any lottery tickets that are part of the inventory that has been delivered to retail licensees for sale or that have been printed but not yet delivered to retail licensees for sale prior to August 15, 1993.

NOTE: §9021 eff. July 1, 2010, upon approval of the implementation plan submitted by the secretary of the Dept. of Health and Hospitals to the House and Senate committees on health and welfare. See Acts 2009, No. 384, §5.

The corporation shall require as a part of any contract for the production or printing of lottery tickets that each ticket include the toll-free telephone number made available by the office of behavioral health of the Department of Health and Hospitals to provide information and referral services regarding compulsive or problem gambling. However, the requirements of this Section shall not affect any lottery tickets that are part of the inventory that has been delivered to retail licensees for sale or that have been printed but not yet delivered to retail licensees for sale prior to August 15, 1993.

Acts 1993, No. 200, §4; Acts 1997, No. 172, §3, eff. June 13, 1997; Acts 1999, No. 339, §3; Acts 2009, No. 384, §5, eff. July 1, 2010, upon approval of the implementation plan submitted by the secretary of the Dept. of Health and Hospitals to the House and Senate committees on health and welfare.

§9022. Publication of financial statements

The corporation shall publish quarterly financial statements in the official journal of the state. Copies of the financial statements shall be forwarded to members of the House of Representatives and Senate within seven days after publication. In addition, the corporation shall quarterly publish expenditure statements including disposition of all funds expended by the corporation for any purpose.

Acts 1993, No. 746, §1.

CHAPTER 4. PRIZES

§9025. Prizes taxable; withholdings from prize; verification and payment; exceptions; unclaimed prize money; corporation liability; eligibility to purchase ticket and receive prize

A. Proceeds of any lottery prize of five hundred dollars or more shall be subject to Louisiana state income tax. Any attachments, garnishments, or executions authorized and issued pursuant to law shall also be withheld if timely served upon the process agent of the corporation. This Section shall not apply to a retailer except for the payment of state or local tax.

B. The board shall adopt rules to establish a system of verifying the validity of tickets claimed to win prizes and to effect payment of such prizes, except that:

(1) Except as provided for in R.S. 47:9027, no prize, nor any portion of a prize, nor any right of any person to a prize awarded shall be assignable. Any prize, or portion thereof, remaining unpaid at the death of a prizewinner shall be paid to the estate of the deceased prizewinner or to the trustee of a trust established by the deceased prizewinner as settlor, if a copy of the trust document or instrument has been filed with the corporation, along with a notarized letter of direction from the settlor, and no written notice of revocation has been received by the corporation prior to the settlor's death. Following a settlor's death and prior to any payment to such a trustee, the corporation shall obtain from the trustee and each trust beneficiary a written agreement to indemnify and hold the corporation harmless with respect to any claims that may be asserted against the corporation arising from payment to or through the trust. Notwithstanding any other provisions of this Subtitle, any person, pursuant to an appropriate judicial order, shall be paid the prize to which a winner is entitled.

(2) No ticket shall knowingly be sold to any person under the age of twenty-one, but this Section does not prohibit the purchase of a ticket by a person twenty-one years of age or older for the purpose of making a gift to any person of any age. If the donee of a winning ticket is under the age of twenty-one years, the corporation shall direct payment to a member of the person's family who is twenty-one years of age or older, or to the legal representative of the person on behalf of such person. The person named as custodian shall have the same powers and duties as prescribed for a custodian pursuant to the uniform Transfers to Minors Act.

(3) No prize shall be paid arising from claimed tickets that are stolen, counterfeit, altered, fraudulent, unissued, produced or issued in error, unreadable, not received, unclaimed or not recorded by the corporation within applicable deadlines, lacking in captions that conform and agree with the play symbols as appropriate to the lottery game involved, or not in compliance with such additional specific rules and public or confidential validation and security tests of the corporation appropriate to the particular lottery game involved.

(4) No particular prize in any lottery game shall be paid more than once, and in the event of a binding determination that more than one claimant is entitled to a particular prize, the sole remedy of such claimants is the award to each of them an equal share in the prize.

(5) A holder of a winning ticket from a Louisiana lottery game or from a multistate or multisovereign lottery game shall claim a prize within one hundred eighty days after the drawing in which the prize was won. In any Louisiana lottery game or in a multistate or multisovereign lottery game in which the player may determine instantly if he has won or lost, he shall claim a prize within ninety days after the end of the lottery game. If a valid claim is not made for a prize within the applicable period, the prize shall constitute an unclaimed prize for purposes of Paragraph (3) of this Subsection.

(6) A person holding a winning lotto ticket in the amount of six hundred dollars or more from a lotto game must provide his or her name and city or area of residence to the corporation to claim a prize. When the prize claimant is a legal entity other than a natural person, the name and city or area of legal residence of each natural person holding an interest of any kind in the legal entity shall be provided to

the corporation. Such information shall be deemed a public record as provided in R.S. 47:9006 and may be used by the corporation for publicity purposes.

C. No prize shall be paid upon a ticket purchased or sold in violation of this Subtitle. Any such prize shall constitute an unclaimed prize for purposes of Paragraph (3) of Subsection B.

D. Any unclaimed prize money shall be added to the pool from which future prizes are to be awarded or used for special prize promotions.

E. The corporation is discharged of all liability upon payment of a prize.

F. No ticket shall be purchased by and no prize shall be paid to any of the following persons: any member of the board of directors, officer, or employee of the corporation or to any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of abode of any such person.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990; Acts 1993, No. 741, §1; Acts 1995, No. 1022, §1, eff. June 29, 1995; Acts 1998, 1st Ex. Sess., No. 146, §2; Acts 2007, No. 139, §1.

*AS APPEARS IN ENROLLED BILL. SEE R.S. 9:1785, 2204, AND 2276.

§9026. Withholding of lottery prizes; child support arrearages; rules and regulations

No later than January 1, 1992, the board shall promulgate rules and regulations providing for the withholding of lottery prizes of persons who have outstanding child support arrearages as reported to the corporation, beginning at prize levels to be determined by the board. The corporation may require any agency reporting current child support arrearages to the corporation to provide information relating to such arrearages in a manner, format, or record approved by the corporation. The corporation shall not be liable for withholding a lottery prize based upon child support arrearage information provided to it.

Acts 1991, No. 690, §1.

§9027. Assignment of deferred lottery annuity prizes

A. Under an appropriate judicial order, any prize, or any portion of a prize, or any right of any person to a prize awarded, payable by the corporation in deferred annuity payments, may be paid to any person other than the winner.

B. The right of a person to a prize payable by the corporation in deferred annuity payments may be voluntarily assigned as a whole or in part, if the assignment is made to a person designated in accordance with an order of the Nineteenth Judicial District Court of East Baton Rouge Parish. Any such order shall be deemed an appropriate judicial order.

C. On the filing by the assignor or the assignee in the Nineteenth Judicial District Court of East Baton Rouge Parish of a petition seeking approval of a voluntary assignment, the court shall issue an order approving a voluntary assignment and directing the corporation to make prize payments as a whole or in part to the assignee if the court finds all of the following:

(1) The assignment is in writing, is executed by the assignor, and is by its terms subject to the laws of this state.

(2) The assignor provides a sworn affidavit attesting that the assignor is of sound mind, is in full command of the assignor's faculties, and is not acting under duress.

(3) The assignor has been advised about the assignment by an independent attorney who is not related to and not compensated by the assignee or an affiliate of the assignee.

(4) The assignor understands that the assignor will not receive the prize payments or parts of payments during the years assigned.

(5) The assignor understands and agrees, with regard to the assigned payments, that the corporation, board of directors, and officials and employees of the corporation shall have no further liability or responsibility for making the assigned payments.

(6) The assignee provides the assignor with a one-page disclosure statement that sets forth in bold type not less than fourteen points in size the payments being assigned by amount and payment date, the purchase price, the rate of discount to present value, assuming daily compounding and funding on the contract date, and any origination or closing fee that will be charged to the assignor.

(7) The contract of assignment expressly states that the assignor has three business days after signing the contract to cancel the assignment.

(8) The assignor and assignee do not seek assignment for purposes of evading creditors, judgments, or obligations of child support.

(9) The assignor and assignee have certified that neither of them has a child support obligation or, if either does have a child support obligation, that no arrearage is due, and that neither the assignor nor the assignee is obligated to repay any public assistance benefits or overpayment of child support.

(10) The petition required by this Subsection, shall be accompanied by a certification from a representative of the Department of Children and Family Services, office of children and family services, stating any of the following:

(a) That the assignor or assignee does not currently have a child support arrearage, or the assignor or assignee does not owe an obligation to repay any public assistance benefits or an overpayment of child support benefits to the Department of Children and Family Services.

(b) That the assignor or assignee does currently have a child support obligation and that no arrearage is due to the Department of Children and Family Services.

(c) That the assignor or assignee does currently have a child support arrearage, or the assignor or assignee does owe an obligation to repay any public assistance benefits or an overpayment of child support benefits to the Department of Children and Family Services. The certification from the Department of Children and Family Services, office of children and family services, shall be provided to the assignor and the assignee promptly upon the request of the assignor or the assignee, and in no

event more than ten business days after said request is received by the Department of Children and Family Services, office of children and family services.

D. Written notice of the petition and proposed assignment and any court hearing concerning the petition and proposed assignment shall be served on the corporation, which shall be made a party thereto.

E.(1) The corporation, not later than ten days after receiving a certified copy of a court order approving a voluntary assignment, shall send the assignor and the assignee written confirmation of both of the following:

(a) The court-approved assignment.

(b) The intent of the corporation to rely on the assignment in making payments to the assignee named in the order free from any attachments, garnishments, or executions.

(2) The corporation shall thereafter make payments in accordance with the assignment.

F.(1) Neither the state nor the corporation, its board of directors, nor any of its officials or employees shall be liable in any manner for any assigned payments made by the corporation pursuant to this Section.

(2) The assignor and assignee shall hold harmless and indemnify the state, the corporation, its board of directors, and its employees and agents from all claims, suits, actions, complaints, or liabilities related to the assignment.

G. The corporation may establish a reasonable fee to defray administrative expenses associated with assignments made under this Section, including a processing fee imposed by a private annuity provider. The amount of the fee shall reflect the direct and indirect costs of processing assignments.

H. The assignee shall notify the corporation of its business location and mailing address for payment purposes and of any change in location or address during the entire course of the assignment.

I. A court order or a combination of court orders issued pursuant to this Section may not require the corporation to divide a single prize payment among more than three different persons.

J. If the Internal Revenue Service or a court of competent jurisdiction issues a determination letter, revenue ruling, or other public document declaring that the voluntary assignment of prizes will affect the federal income taxation treatment of lottery prizewinners who do not assign their prizes, the following shall occur:

(1) Within fifteen days after the corporation receives the letter, ruling, or other document, the president of the corporation shall file a copy of it with the attorney general; and

(2) A court shall not issue an order authorizing a voluntary assignment under this Section.

K. This Section shall prevail over any inconsistent provision in R.S. 10:9-101 through 406 of the Louisiana Commercial Laws.

Acts 2007, No. 139, §1.