

1 arising from payment to or through the trust.
2 Notwithstanding any other provision of this Section, any
3 person pursuant to an appropriate judicial order may be paid
4 the prize to which a winner is entitled, and all or part of
5 any prize otherwise payable by State warrant under this
6 Section shall be withheld upon certification to the State
7 Comptroller from the Illinois Department of Public Aid as
8 provided in Section 10-17.5 of The Illinois Public Aid Code.
9 The Director shall be discharged of all further liability
10 upon payment of a prize pursuant to this Section.
11 (Source: P.A. 85-1224.)

12 (20 ILCS 1605/13.1 new)

13 Sec. 13.1. Assignment of prizes payable in installments.

14 (a) The right of any person to receive payments under a
15 prize that is paid in installments over time by the
16 Department may be voluntarily assigned, in whole or in part,
17 if the assignment is made to a person or entity designated
18 pursuant to an order of a court of competent jurisdiction
19 located in the judicial circuit where the assigning prize
20 winner resides or where the headquarters of the Department is
21 located. A court may issue an order approving a voluntary
22 assignment and directing the Department to make prize
23 payments in whole or in part to the designated assignee, if
24 the court finds that all of the following conditions have
25 been met:

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

29 (2) The purchase price being paid for the payments
30 being assigned represents a present value of the payments
31 being assigned, discounted at an annual rate that does
32 not exceed 10 percentage points over the Wall Street
33 Journal prime rate published on the business day prior to

1 the date of execution of the contract.

2 (3) The contract of assignment expressly states
3 that the assignor has 3 business days after the contract
4 was signed to cancel the assignment.

5 (4) The assignor provides a sworn affidavit
6 attesting that he or she:

7 (i) is of sound mind, is in full command of
8 his or her faculties, and is not acting under
9 duress;

10 (ii) has been advised regarding the assignment
11 by his or her own independent legal counsel, who is
12 unrelated to and is not being compensated by the
13 assignee or any of the assignee's affiliates, and
14 has received independent financial or tax advice
15 concerning the effects of the assignment from a
16 lawyer or other professional who is unrelated to and
17 is not being compensated by the assignee or any of
18 the assignee's affiliates;

19 (iii) understands that he or she will not
20 receive the prize payments or portions thereof for
21 the years assigned;

22 (iv) understands and agrees that, with regard
23 to the assigned payments, the Department and its
24 officials and employees will have no further
25 liability or responsibility to make the assigned
26 payments to him or her;

27 (v) has been provided with a one-page written
28 disclosure statement setting forth, in bold type of
29 not less than 14 points, the payments being
30 assigned, by amounts and payment dates; the purchase
31 price being paid; the rate of discount to present
32 value, assuming daily compounding and funding on the
33 contract date; and the amount, if any, of any
34 origination or closing fees that will be charged to

1 him or her; and

2 (vi) was advised in writing, at the time he or
3 she signed the assignment contract, that he or she
4 had the right to cancel the contract, without any
5 further obligation, within 3 business days following
6 the date on which the contract was signed.

7 (5) Written notice of the proposed assignment and
8 any court hearing concerning the proposed assignment is
9 provided to the Department's counsel at least 30 days
10 prior to any court hearing. The Department is not
11 required to appear in or be named as a party to any such
12 action seeking judicial confirmation of an assignment
13 under this Section, but may intervene as of right in any
14 such proceeding.

15 (b) A certified copy of a court order approving a
16 voluntary assignment must be provided to the Department no
17 later than 30 days before the date on which the payment is to
18 be made.

19 (c) A court order obtained pursuant to this Section,
20 together with all such prior orders, shall not require the
21 Department to divide any single prize payment among more than
22 3 different persons. Nothing in this Section shall prohibit
23 substituting assignees as long as there are no more than 3
24 assignees at any one time for any one prize payment.

25 (d) If a husband and wife are co-owners of a prize, any
26 assignment of the prize must be made jointly.

27 (e) A voluntary assignment may not include portions of
28 payments that are subject to offset on account of a defaulted
29 or delinquent child support obligation, non-wage garnishment,
30 or criminal restitution obligation or on account of a debt
31 owed to a State agency. Each court order issued under
32 subsection (a) shall provide that any delinquent child
33 support or criminal restitution obligations of the assigning
34 prize winner and any debts owed to a State agency by the

1 assigning prize winner, as of the date of the court order,
2 shall be set off by the Department first against remaining
3 payments or portions thereof due the prize winner and then
4 against payments due the assignee.

5 (f) The Department and its respective officials and
6 employees shall be discharged of all liability upon payment
7 of an assigned prize under this Section. The assignor and
8 assignee shall hold harmless and indemnify the Department,
9 the State of Illinois, and its employees and agents from all
10 claims, actions, suits, complaints, and liabilities related
11 to the assignment.

12 (g) The Department may establish a reasonable fee to
13 defray any administrative expenses associated with
14 assignments made under this Section, including the cost to
15 the Department of any processing fee that may be imposed by a
16 private annuity provider. The fee amount shall reflect the
17 direct and indirect costs associated with processing
18 assignments.

19 (h) If at any time the Internal Revenue Service or a
20 court of competent jurisdiction issues a determination
21 letter, revenue ruling, other public ruling of the Internal
22 Revenue Service, or published decision to the Department or
23 to any lottery prize winner declaring that the voluntary
24 assignment of prizes will affect the federal income tax
25 treatment of prize winners who do not assign their prizes,
26 the Department shall immediately file a copy of that letter,
27 ruling, or published decision with the Attorney General, the
28 Secretary of State, and the Administrative Office of the
29 Illinois Courts. A court may not issue an order authorizing a
30 voluntary assignment under this Section after the date any
31 such ruling, letter, or published decision is filed.

32 (i) A contract of assignment in which the assignor is a
33 lottery winner shall include a sworn affidavit from the
34 assignee. The form of the affidavit shall be established by

1 the Department and shall include:

2 (1) a summary of assignee contacts with the winner;

3 (2) a summary of any lawsuits, claims, and other
4 legal actions from lottery winners regarding conduct of
5 the assignee or its agents;

6 (3) a statement that the assignee is in good
7 standing in its state of domicile and with any other
8 licensing or regulatory agency as may be required in the
9 conduct of its business;

10 (4) a brief business history of the assignee;

11 (5) a statement describing the nature of the
12 business of the assignee; and

13 (6) a statement of the assignee's privacy and
14 non-harassment policies and express affirmation that the
15 assignee has followed those policies in Illinois.

16 (j) The assignee shall notify the Department of its
17 business location and mailing address for payment purposes
18 during the entire course of the assignment."