



**STUDY TO DETERMINE THE FEASIBILITY OF IMPLEMENTING  
METHODS FOR THE INTERCEPTION OF GAMING WINNINGS  
OF INDIVIDUALS WHO ARE DELINQUENT CHILD SUPPORT  
OBLIGORS OR TAX DELINQUENT**

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**AUGUST 2007**

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# **PENNSYLVANIA GAMING CONTROL BOARD**

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## **STUDY TO DETERMINE THE FEASIBILITY OF IMPLEMENTING METHODS FOR THE INTERCEPTION OF GAMING WINNINGS OF INDIVIDUALS WHO ARE DELINQUENT CHILD SUPPORT OBLIGORS OR TAX DELINQUENT**

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### **INTRODUCTION**

The Pennsylvania Race Horse Development and Gaming Act (4 Pa. C.S. § 1211(c)) requires the Pennsylvania Gaming Control Board (PGCB) to conduct a study on the feasibility of implementing a gaming intercept to offset delinquent child support and tax obligations. Essentially the proposal would require licensed gaming entities to withhold some or all of an individual's gaming winnings if the winner has an outstanding delinquent child support or tax obligation.

In conducting the study, the PGCB reviewed the Commonwealth's current laws and practices for the collection of delinquent child support, as well as the laws and practices of other states that have implemented a gaming intercept to offset delinquent child support obligations. In addition, the PGCB solicited input from the Pennsylvania Department of Public Welfare (DPW), the Pennsylvania Department of Revenue (DOR), representatives of the gaming industry, and child support enforcement officials and regulators in states that have enacted legislation to intercept gaming winnings.

This report is a direct product of the study conducted by the PGCB and serves as a summation of the PGCB's research and findings.

## **Chapter 1**

### **CHILD SUPPORT ENFORCEMENT**

#### **1.1 Enforcement Overview**

Child support enforcement at the federal level is the responsibility of the Department of Health and Human Services, specifically the Office of Child Support Enforcement within the Administration for Children and Families. Each state is responsible for developing a child support enforcement program within the framework of federal law (Title IV-D of the Social Security Act). States are also eligible to receive incentive payments for establishing paternity and establishing or modifying child support orders.

The Pennsylvania Child Support Enforcement Program is derived from federal and state statutes as well as Pennsylvania Supreme Court rules and procedures. This program is administered by the Pennsylvania Department of Public Welfare, Bureau of Child Support Enforcement, through agreements with the Court of Common Pleas in each of the 67 counties.

Child support orders are issued by a judge of the Court of Common Pleas. The Court's Domestic Relations Sections provide child support services at the local level by establishing paternity and enforcing support obligations for more than 650,000 families. To collect unpaid support from a non-custodial parent, the Domestic Relations Section may attach a parent's income, suspend a driver's license, seize a bank account or other financial assets, intercept a federal or state income tax refund, intercept lottery winnings, or report arrears to consumer credit reporting agencies.

#### **1.2 Enforcement Actions**

The federal government administers two programs – the Federal Tax Refund Offset Program and the Passport Denial Program – to assist in the collection of child support. It also requires that states establish their own child support enforcement programs as a condition of receiving federal funding.

## **Federal Programs**

### Federal Tax Refund Offset Program

The Federal Tax Refund Offset Program requires the interception of Internal Revenue Service income tax refunds for non-custodial parents who owe past due child support. Before a delinquent case is submitted to this program, federal law mandates that: (1) for cases involving cash assistance, the support obligation must be overdue by at least \$150 and delinquent for at least three months; and (2) for all other cases, the support obligation must be overdue by at least \$500 and the child must not have reached 18 years of age.

### Passport Denial Program

This program was created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and is operated under the auspices of the Federal Tax Refund Offset Program. Under this program, obligors with child support arrearages of at least \$5,000 whose names have been forwarded to the federal Office of Child Support Enforcement (OCSE) for Tax Refund Offset are also forwarded to the U.S. Department of State (DOS). The DOS “flags” the obligor’s name, making them temporarily ineligible for a passport. After the obligor satisfies the arrears, the OCSE notifies the DOS and the flag is removed.

## **State Programs**

### Income Withholding

In some cases, child support payments are automatically deducted from the wages of a non-custodial parent. This provision is often incorporated into the child support order and may be voluntary or involuntary. In the event that income withholding is authorized, an employer is obligated to deduct the required amount and transfer the proceeds to the appropriate agency. Employers are permitted to retain a fee for the processing of these withholdings.

### Driver's License Suspension Program

In cases where an obligor owes more than three months of child support and there is no income withholding order in place, the county Domestic Relations Section may issue an order to prohibit the Department of Transportation from issuing or renewing the obligor’s driver’s license. The Domestic Relations section may also request the suspension of the obligor’s driver’s license.

### Credit Bureau Reporting Program

Pennsylvania law requires county Domestic Relations Sections to report overdue child support to consumer credit reporting agencies even if the obligor is making child support payments. The Domestic Relations Section will notify the non-custodial parent 20 days in advance of reporting any delinquency to a credit bureau. This notification provides obligors with an opportunity to contest the accuracy of the information on file.

### Property Lien

The existence of an overdue support obligation creates a lien on any and all Pennsylvania real property owned by the non-custodial parent. Information on liens resulting from overdue child support is available to the public through the county Domestic Relations Section.

### Financial Institution Data Match Program

The Financial Institution Data Match Program is used to identify accounts held by non-custodial parents who owe overdue child support. A financial institution includes any bank, federal or state credit union, insurer, safe deposit company or money market mutual fund authorized to do business in Pennsylvania. Once identified, these accounts may be subject to "freezing" and "seizing" by the county Domestic Relations Section.

Accounts that are subject to freezing and seizing include: demand deposit accounts, checking accounts or negotiable withdrawal order accounts, savings accounts, time deposit accounts and money market mutual fund accounts. The financial institution that holds the non-custodial parent's assets will receive a freeze order from the county Domestic Relations Section. In turn, the financial institution will notify the non-custodial parent that his/her assets have been frozen. The non-custodial parent has 30 days to either pay the full amount of the overdue support or contest the notice.

### Insurance Intercept Program

Title 23 of the Pennsylvania Consolidated Statutes (23 Pa. C.S. §4308.1) provides that lump-sum personal injury insurance or workers' compensation awards or settlements be intercepted for payment of overdue child support. Awards and settlements in excess of \$5,000 may not be distributed until the insurer receives written documentation that the beneficiary is not delinquent in child support payments.

In order to document a delinquency or lack thereof, a beneficiary must either provide written documentation of any arrears as recorded in the Pennsylvania Child Support Enforcement System website or provide a written statement that no arrears are owed. If written documentation is not

provided, an attorney or insurer may use the services of a private judgment search company to obtain a statement regarding the existence of overdue child support. Costs incurred by the attorney or insurer for this process may be deducted from the settlement payment.

Any insurer, attorney, or paying agent who makes distribution of the settlement proceeds based on the statement and written documentation of the insured, beneficiary, or private judgment search company is immune from any civil, criminal, or administrative penalties for making an erroneous distribution.

Beneficiaries/claimants may dispute the amount of overdue child support recorded in the Pennsylvania Child Support Enforcement System website. Disputes must be submitted to DPW's State Collection and Disbursement Unit. All disputed monies are placed in escrow pending resolution of the complaint by the appropriate county Domestic Relations Section.

#### State Tax Refund Offset Program

The State Tax Refund Offset Program collects payments of overdue child support from Pennsylvania State Personal Income Tax Refunds. This program is used when a non-custodial parent owes overdue support in an amount equal to or exceeding \$11. Before a case is submitted to the State Tax Refund Offset Program, a pre-offset notice is sent to the obligor. This notice provides advance warning of the enforcement action as well as a 10-day opportunity to appeal to the county Domestic Relations Section by requesting an administrative review of the case.

If no administrative review is requested or the contest is lost, DPW notifies DOR of the outstanding obligation. The total amount requested for collection will be equal to the total amount of overdue support owed by the obligor in all cases administered by Pennsylvania's Child Support Enforcement Program.

DOR is advised of delinquent child support obligations through an electronic data file that is transmitted monthly from DPW. The file contains the identifying information for delinquent child support obligors, as well as the total amount due. Before issuing any personal income tax refund of \$11 or more, DOR compares the identifying information associated with the refund to the DPW database. Since DOR only receives monthly updates to the DPW database, DOR must also maintain the database during the interim period. This maintenance is required to ensure that DOR does not inadvertently intercept an amount larger than the amount actually owed.<sup>1</sup>

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<sup>1</sup> For example, assume that a refund of \$400 is intercepted to offset a \$450 delinquency. If that same taxpayer files an amended return requesting an additional refund of \$100 before the new DPW database is received, then DOR must have the ability to determine that the remaining balance due is only an additional \$50, not the entire \$450.



Funds intercepted by DOR are then forwarded to DPW for distribution.

### Interception of Lottery Winnings

DOR intercepts Pennsylvania Lottery winnings payable to delinquent child support obligors when the amount of the prize exceeds \$2,500. This is possible because all Lottery prizes in excess of \$2,500 must be claimed in person at Lottery headquarters and valid claims are generally not paid for four to six weeks. Claimant information is forwarded to DPW as part of the validation process and DPW notifies DOR if the claimant's prize should be withheld, in whole or in part, as an offset for delinquent child support.

The actual cost of processing the withholding is also deducted from the winnings after all delinquent child support payments have been deducted.

## **1.3 Interception of Gaming Winnings in Other States**

### New Jersey

In March 2005, the New Jersey Casino Control Act was amended to require any slot system operator offering an annuity jackpot<sup>2</sup> to provide the New Jersey Casino Control Commission with the name, address and Social Security Number of the annuity jackpot winner as well as the amount of the pending annuity payments.<sup>3</sup> The Commission then forwards the information to the Department of Treasury, Office of Information Technology, which cross checks the annuity jackpot winner list against a delinquency database supplied by the Human Services Department.

If an annuity jackpot winner is determined to be in arrears of a child support order, or is a former recipient of Aid to Families with Dependent Children, Work First New Jersey, food stamp benefits or low-income home energy assistance benefits and has incurred an overpayment which has not been repaid, the slot system operator is notified of the amount owed. Upon notification, the slot system operator must withhold the required amount from the pending annuity jackpot payment and transmit those funds to the appropriate state agency. Any funds remaining after the outstanding obligations are settled are paid to the winner.

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<sup>2</sup> Under the Casino Control Act, an annuity jackpot is defined as a "slot machine jackpot offered by a casino licensee or multi-casino progressive slot machine system pursuant to which a patron wins the right to receive fixed cash payments at specified intervals in the future."

<sup>3</sup> Annuity payments are a series of fixed payments made at regular intervals over a specified period of time.

However, according to a spokesman at the Commission, the overwhelming majority of progressive jackpot winners choose the cash payout option. As a result, the last annuity jackpot winner that was reported to the Commission under these provisions was in October 2005.

The law applies to all 11 casinos in Atlantic City.

### New York

New York tax law requires interception of lottery prizes, including video lottery gaming (VLG) payouts, of \$600 or more to offset past-due child support and public assistance overpayments. Video lottery gaming is an extension of the New York Lottery and is available at eight New York horse and harness racetracks.

Control of video lottery terminals (VLTs) is unique in New York as each VLT is connected to a centralized computer system that determines the outcome of each wager. In this way, VLTs mimic scratch-off lottery tickets in that each machine has an equal chance of winning a series of limited prizes.

New York's requirement that its VLG licensees use this centralized computer system as their internal slot monitoring system is also unique among gaming jurisdictions. Most jurisdictions, including Pennsylvania and New Jersey, allow operators to use any approved slot monitoring system, which are also used for casino accounting and marketing.

New York's centralized computer system, which is operated under a contract with Multimedia Games, Inc. (MGAM), functions as a central accounting system for managing, recording, tracking and auditing gaming activity. MGAM integrates the child support and public assistance data into the system at a central point, making the interception of payouts for these limited purposes a simple transaction at the casino.

On a monthly basis, the Department of Social Services transmits to the Lottery and MGAM an electronic data file of individuals who owe past-due child support or public assistance. MGAM then uploads the data into the centralized computer system.

Unlike many gaming jurisdictions, VLTs do not "freeze" or "lock out" when a player wins a jackpot exceeding a particular amount. Instead, all winnings are credited to a voucher that must be redeemed at the cashier's cage.

When a player redeems a voucher at the cage, a cashier scans it into the MGAM validation terminal. If the voucher includes a payout of \$600 or more resulting from a single play, the cashier is prompted to request a valid form of photo identification and to enter the winner's Social Security Number into the MGAM system. The system then cross checks the Social Security

Number against the list of child support obligors and individuals who owe repayments of public assistance.

If a match is found, the MGAM system is programmed to intercept up to 50 percent of the total prize for a public assistance debt and up to 100 percent of the total prize for a child support obligation. It is programmed to withhold taxes first<sup>4</sup>, then child support, and then public assistance. Any withholding is immediately recorded into the system to prevent a subsequent incorrect withholding prior to the next monthly update of the database.<sup>5</sup>

A receipt is then printed, which shows the amount of the withholding and the amount of the payout. Brochures<sup>6</sup> explaining the intercept programs are also given to the patron when child support or public assistance is withheld from their prize.

Any funds withheld from the prize are forwarded to the appropriate state agency. The winner will then receive a letter indicating the amount credited against his/her debt, as well as procedures for appeal.

These intercept programs were in place prior to the first video gaming facility commencing operations in January 2004. To date the state has collected \$2.134 million in public assistance intercepts and \$792,000 in child support intercepts at video lottery gaming operations.

### Colorado

On May 31, 2007, Governor Bill Ritter signed the Gambling Payment Intercept Act, which created a statewide system for intercepting gambling winnings of individuals who owe outstanding child support. The law takes effect July 1, 2008, allowing more than a year for the creation of a registry identifying individuals with outstanding child support obligations.

The registry, which is to be maintained by the Colorado Department of Revenue (CDOR) or a private entity under the direction of CDOR, must include:

- The name of each person with an outstanding debt
- The Social Security Number of each person with an outstanding debt
- The account or case number assigned to each outstanding debt by the Department of Human Services
- The amount of the outstanding debt

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<sup>4</sup> Federal, state and local income taxes (New York City and Yonkers) on prizes of \$5,000 or more.

<sup>5</sup> Lottery officials recognize that there are drawbacks to a monthly update of the database, namely that incorrect withholdings can be made. However, if an incorrect withholding is made, the county Child Support Enforcement Office will refund the overpayment to the non-custodial parent.

<sup>6</sup> See Appendix C.

Before making a payment to any person who wins enough to require the filing of a W-2G form, casino, racetrack and off-track betting licensees will be required to check with the registry operator to determine if the individual has an outstanding child support obligation. The IRS reporting threshold for the filing of a W-2G is \$600 for a pari-mutuel wager and \$1,200 for a single play on a slot machine.

If the winner is listed in the registry, the licensee is required to intercept the winnings up to the total amount of the outstanding debt recorded in the database. The licensee is required to send the intercepted payment within 24 hours to the registry operator, who then forwards the payment to the Child Support Enforcement Division of the Department of Human Services (CDHS).

The legislation authorizes CDOR to promulgate rules regarding: (1) removal of information from the registry (2) information to be sent to the registry (3) confidentiality of information contained in the registry and 4) allowing the licensee to retain an amount from the winnings to cover their costs.

Finally, the act establishes procedures for CDHS to notify the winner of his/her right to an administrative review and also requires the Department to deposit intercepted winnings with the State Treasurer until the expiration of the review period. In addition, the law includes an automatic repeal provision if the statewide registry system fails to produce at least one intercept within one year of the effective date of the act.

Previous versions of the legislation included intercepts for past due taxes, court fines and restitution. However, the final version of the bill (HB 1349) did not include these provisions.

The law affects 44 commercial casinos, five greyhound racetracks, one horse racetrack and two off-track betting facilities. Two tribal casinos, which conduct casino style gaming on their reservation land, are not subject to the law.

## New Mexico

Under the New Mexico Gaming Control Board Act and Lottery Act of 1997, any patron winning a prize of \$1,200 or more must sign, under penalty of perjury, a “verification of winnings” form<sup>7</sup> prior to receiving any payout. This form specifically asks if the winning patron owes delinquent child support in any state. The jackpot is paid out regardless of the response. However, a copy of the form is provided to the Human Services Department, Child Support Enforcement Division, for further action.

The law applies to five racinos and approximately 40 non-profit fraternal and veterans clubs, which are licensed to operate slot machines. It does not apply to the state’s 13 tribal casinos.

## Other States

The vast majority of gaming jurisdictions, including West Virginia, Delaware, Nevada, Mississippi, South Dakota, Indiana and Iowa, do not have laws dealing with the interception of gaming winnings for outstanding child support obligations. Although, legislation has been introduced in several states, including Missouri and Maine, that would require casinos to intercept the gaming winnings of child support obligors, the legislation has not been enacted.

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<sup>7</sup> See Appendix G.

## **Chapter 2**

# **PENNSYLVANIA GAMING INTERCEPT FOR DELINQUENT CHILD SUPPORT**

## **2.1 Pennsylvania Child Support Enforcement System**

The Pennsylvania Department of Public Welfare, Bureau of Child Support Enforcement maintains the Pennsylvania Child Support Enforcement System (PACSES) which contains information on every child support order in the Commonwealth where at least one parent resides in the state. This information is accessible to the public at [www.childsupport.state.pa.us](http://www.childsupport.state.pa.us) and includes a Lien Search feature, which provides the amount of past due child support.

Lien searches are performed by entering the exact spelling of the individual's last name and at least the first letter of the first name, or by entering the appropriate Social Security Number and date of birth. Data fields returned in the search include: Last Name, First Name, Middle Initial, Date of Birth, County (in which the court order resides), Case ID and Arrears Balance.

Officials from the Bureau of Child Support Enforcement indicated that implementing a Pennsylvania child support intercept would require slot machine licensees to utilize the PACSES Lien Search to determine if an individual owes past due child support. However, the limited license agreement, which must be accepted prior to using the PACSES Lien Search, states that the information may be "incorrect or out of date."

PACSES is also not updated in "real time," as it typically takes at least 48 hours for a child support payment to be reflected on the website. (For example, a search performed on Friday, June 8, 2007, returned the following: "Lien Search as of Monday, June 04, 2007"). In addition, PACSES is updated only on weekdays. Pennsylvania's slot machine licensees operate 24 hours a day, seven days and week and would need access to real time data.

Information on the DPW website does not constitute an official record of the amount of arrears owed. The Lien Search feature contains at least three disclaimers, all indicating that the information may not be accurate and DPW cannot be held liable for incorrect or out-of-date information:

1. A voiceover on the interactive tour of the Child Support website states:

*“The Lien Search service was designed as an online inquiry service to assist groups such as title companies, realtors and financial institutions to obtain potential lien information. This search is intended to provide the public with basic demographic and arrearage information only. A full certification of arrearages can be obtained from the county Domestic Relations office.”*

2. During the interactive tour, the following disclaimer appears:

*“Support Liens Inquiry Results  
The information provided by this Internet site does not constitute an official certification by the Department of Public Welfare of the amount of support arrears. Certifications of arrears amounts must be obtained from the local Domestic Relations Sections under 23 Pa.C.S. § 4352(d.1)(3) and (7). The Department of Public Welfare is not liable if the information provided by this Internet site is incorrect or out of date.”*

3. Below is an excerpt from the Limited License Agreement, which must be accepted at the time of registration.

*“I agree and understand that the Department of Public Welfare has no liability if the information provided by this Internet site is incorrect or out of date.”*

As a result, the use of this website in its current form for the purpose of intercepting gaming winnings would be extremely problematic.

## **2.2 Issues and Concerns**

Slot machine licensees have raised numerous issues concerning the feasibility of implementing a Pennsylvania gaming intercept program for child support arrears.

Hundreds of gaming industry employees – virtually every cage cashier and slot attendant at up to 14 slot machine licensees – would need immediate, real time access to accurate information from DPW 24 hours a day, seven days a week in order to fulfill the legal requirement of the slot machine licensee to pay gaming winnings when they are due. Although Lottery and other private institutions that assist in the collection of overdue child support can take extended periods of time to pay claims (sometimes up to six weeks) patrons of the fast-paced casino industry are accustomed to receiving payouts almost instantaneously. Requiring these patrons to wait for payouts could have the negative effect of driving players to competing jurisdictions

such as New Jersey, Delaware and West Virginia, which have no such requirement.

A mandatory intercept program would not only impact customers who owe child support payments, but would also impact the vast majority of customers who do not. Subjecting patrons in good standing to long waits could create legions of disgruntled customers and seriously damage the emerging Pennsylvania gaming industry.

Pennsylvania's slot machine licensees could potentially pay hundreds of jackpots every day. Since there are serious concerns about the accuracy of information maintained in the PACSES database, slot machine licensees run the risk of:

- Improperly withholding payment from an individual without a child support order, due to mistaken identity;
- Improperly withholding payment from an individual whose child support payment was received after the previous update of the database;
- Not withholding payment from an individual who owes child support, even after a good faith effort to discover the debt;
- Not withholding payment from an individual who missed payments after the latest update of the database.

Pennsylvania's Central Control Computer System could not be used to implement a program like the one in New York. Section 1323(b) of the Pennsylvania Race Horse Development and Gaming Act states: "Except as provided for in subsection (a)(4) [related to ability of facilities to install player tracking systems], the Central Control Computer shall not provide for the monitoring or reading of personal or financial information concerning a patron of a slot machine licensee."



## **Chapter 3**

# **PENNSYLVANIA GAMING INTERCEPT FOR DELINQUENT TAXES**

### **3.1 State Taxes**

The majority of all Pennsylvania state taxes are collected and reported by the Pennsylvania Department of Revenue (DOR). The revenue collected by DOR includes various corporate taxes, the sales and use tax, and the personal income tax. The confidential information obtained by DOR in the collection of these taxes is protected under state and federal laws. As a result, DOR's ability to employ private entities in the collection or interception of monies to offset delinquent taxes is extremely limited. This is particularly relevant in the case of slot machine licensees since DOR would be required to provide these entities with access to a live database with current information about a taxpayer and any outstanding delinquencies. In addition, the cost of maintaining such a database would likely be prohibitive when compared to the amount of delinquent tax revenue that would actually be collected in this manner.

### **3.2 Local Taxes**

There are approximately 3,100 local governmental units (cities, townships, boroughs, counties, and school districts) in Pennsylvania. Although all of these units likely levy some sort of tax, there is no central point of contact for identifying delinquencies. As a result, requiring the licensed gaming entities to intercept winning to offset these delinquencies would be virtually impossible.

## **Chapter 4**

### **FINDINGS**

1. Pennsylvania intercepts Lottery winnings to satisfy delinquent child support obligations. The established procedure for intercepting Lottery winnings includes a validation process of four to six weeks in which the Department of Public Welfare notifies the Department of Revenue if the claimant's prize should be withheld, in whole or in part.
2. New Jersey, New York, Colorado and New Mexico have laws that require the interception of gaming winnings of individuals who are delinquent child support obligors, however the methods of how and when they intercept differ from state to state.
3. New Jersey law only provides for an intercept of annuity jackpot awards. There has been one annuity jackpot award since October 2005.
4. Each of New York's eight racinos utilizes a state-controlled centralized computer system, which unlike Pennsylvania's Central Control Computer System. This system is integrated with the state's database of child support obligors and individuals who owe public assistance, allowing gaming facilities to easily determine and implement the appropriate withholding amount.
5. Colorado's Gambling Payment Intercept Act was enacted in May 2007, but does not take effect for 13 months in order to allow time for the creation of a statewide registry of child support obligors.
6. New Mexico requires patrons winning \$1,200 or more to sign and date, under penalty of perjury, a "verification of winnings" form on which they must declare whether they owe child support in any state. Jackpots are paid out regardless of the response. However, a copy of the form is provided to the Human Services Department for further action.
7. The Pennsylvania Child Support Enforcement System can not be relied upon to provide accurate information for the purpose of implementing a Pennsylvania gaming intercept.

8. In conducting the study, the PGCB's research did not reveal any states that have laws that require the interception of gaming winnings of individuals who are tax delinquent. Due to the confidential nature of the tax information provided to the Pennsylvania Department of Revenue (DOR), it is not feasible for DOR to enlist the assistance of slot machine licensees in the collection of delinquent taxes. Even if confidentiality were not an issue, the cost of maintaining an updateable, live database would likely be prohibitive when compared to the amount of delinquent tax revenue that would actually be collected.

## **Chapter 5**

### **RECOMMENDATIONS**

While the PGCB recognizes that there are clearly social and public benefits to be gained through the collection of delinquent taxes and child support, implementation of an intercept of gaming winnings for these purposes is not possible until a number of challenges are met.

If a delinquent tax or child support intercept is to be implemented in Pennsylvania, then the PGCB offers the following recommendations:

1. Upon examination of intercept measures implemented in other states, it appears that the New York model is the most effective at intercepting the largest amount of revenue at the lowest cost. Therefore, it would be conducive of Pennsylvania to follow the New York model for purposes of implementing an intercept program. However as previously mentioned, implementing the New York model would require the deletion of Section 1323(b) of the Pennsylvania Race Horse Development and Gaming Act in order for the Central Control Computer System (CCCS) to maintain personal and financial information on patrons. In addition, DOR would be required to amend the existing CCCS contract to require that the CCCS accept data regarding delinquent tax and child support obligations.
2. The General Assembly should consider commissioning a group of inter-departmental information technology personnel to study the mechanics of how the informational exchange needed to implement an intercept could occur, and how the information contained in the system would be kept confidential. This group should include representatives from DOR, DPW and the PGCB, as well as the slot machine licensees.
3. The General Assembly should provide dedicated funding for the research, development and implementation of an intercept program.
4. DPW should review the current child support tracking system and upgrade to a more reliable database that is updated in real time. In addition, DPW should provide 24 hour support for this system.
5. DOR should provide a reliable live database of delinquent taxpayers and 24 hour support for this system.
6. Statutory language implementing an intercept should only require that slot machine licensees act in good faith based on the information that

is available at the time of payout. Licensees should be relieved from liability in the event that an incorrect amount, whether more or less than the actual amount due, is withheld. Licensees should also be immune from civil and criminal liability for acting in compliance with the law.

7. In the event that the slot machine licensee intercepts a patron's winnings, DPW and DOR should be required to notify the patron of the administrative procedures necessary to appeal the action. In addition, intercepted funds should be deposited with the State Treasurer until the expiration of the review period.
8. Slot machine licensees should have a mechanism for recovering their administrative costs from the intercepted funds.

In conclusion, the PGCB hopes this study provides the General Assembly and the Governor with the information needed to make the appropriate public policy decision with regard to the interception of winnings Pennsylvania's licensed slot machine facilities.

## APPENDICES

### A.

#### **New Jersey Casino Control Act, N.J.S.A. 5:12-100.2**

Prompt notice of award of annuity jackpot; offset, lien for child support arrearages

- a. Each slot system operator that awards an annuity jackpot shall provide prompt notice to the commission of the name, address and social security number of each annuity jackpot winner and the amount of the pending payments. The commission shall forward such information to the Office of Information Technology in the Department of the Treasury.
- b. The Office of Information Technology shall cross check the annuity jackpot winner list with the data supplied by the Commissioner of Human Services pursuant to section 2 of P.L.1991, c.384 (C.5:9-13.2) for a social security number match. If a match is made, the Office of Information Technology shall notify the Commissioner of Human Services.
- c. If an annuity jackpot winner is in arrears of a child support order, or is a former recipient of Aid to Families with Dependent Children or Work First New Jersey, food stamp benefits or low-income home energy assistance benefits who has incurred an overpayment which has not been repaid, the Probation Division of the Superior Court or the Department of Human Services, as appropriate, shall promptly notify the slot system operator of the name, address, social security number and amount due on an arrears child support order or the amount due on an overpayment. The slot system operator shall withhold this amount from the pending annuity jackpot payment and transmit same to the Probation Division of the Superior Court or the Department of Human Services, as appropriate, in accordance with regulations promulgated by the State Treasurer.
- d. The Probation Division of the Superior Court, acting as agent for the child support payee or the county welfare agency that provided the public assistance benefits, as appropriate, shall have a lien on the proceeds of the annuity jackpot payment in an amount equal to the amount of child support arrearage or the amount of overpayment incurred, as appropriate. The lien imposed by this section shall be enforceable in the Superior Court. Any of the annuity jackpot winner's funds remaining after withholding pursuant to the lien established pursuant to this section shall be paid to the winner in accordance with the rules of the commission.

- e. The Commissioner of Human Services shall promulgate such regulations as may be necessary to effectuate the purposes of this section including, but not limited to, regulations providing for prompt notice to any annuity jackpot winner, from whose payments the Probation Division of the Superior Court or the Department of the Human Services seeks to withhold funds, of the amount to be withheld and the reason therefor and providing the annuity jackpot winner with the opportunity for a hearing upon request prior to the disposition of any funds.
- f. The State Treasurer shall also provide, by regulation, safeguards against the disclosure or inappropriate use of any personally identifiable information regarding any person obtained pursuant to this section.
- g. For the purposes of this section, "prompt notice" shall mean notice within 14 days or less.

L.2005, c. 46, § 5, eff. March 21, 2005.

## **B.**

### **New York Tax Law §1613-a.**

#### **Crediting of lottery prizes against past-due support.**

(1) The director of the lottery, on behalf of the division of the lottery, shall enter into a written agreement with the commissioner of social services, on behalf of the state department of social services, which shall set forth the procedures for crediting any lottery prize of six hundred dollars or more awarded to an individual, estate or trust against past-due support owed by such individual, estate or trust of which the director of the lottery has been notified by the commissioner of social services pursuant to the provisions of such agreement.

(2) Such agreement shall apply to past-due support which is owed to persons or entities entitled to enforce an order of support with respect to persons receiving services pursuant to title six-A of article three of the social services law. For purposes of this section, an "order of support" means any final order, decree or judgment in a matrimonial action or family court proceeding, or any foreign support order, decree or judgment which is registered pursuant to section thirty-seven-a of the domestic relations law, which requires the payment of alimony, maintenance, support or child support. For purposes of this section, "past-due support" means the amount of a delinquency determined from an order of support no longer subject to appellate judicial review.

(3) Such agreement shall include: (a) the procedure under which the state department of social services shall notify the division of the lottery of liability for past-due support, such procedure to specify when the division of the lottery shall be notified and the content of such notification; (b) the minimum period of delinquency in payment of past-due support and the minimum amount of past-due support with respect to which the division of the lottery shall, pursuant to this section, credit any lottery prize of six hundred dollars or more against past-due support; (c) the procedure for reimbursement of the division of the lottery by the state department of social services for the full cost of carrying out the procedures authorized by this section; and (d) such other matters as the parties to such agreement shall deem necessary to carry out the provisions of this section.

(4) 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 department of social services. 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 department of social services such amount of the prize to satisfy the past-due support, and any remainder shall be awarded to the prize winner. 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 department of social services 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 department pursuant to this section. The state department of social services 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 department.

(5) The division of the lottery shall certify to the comptroller the total amount of the lottery prize winning to be credited against past-due support and the remainder of such prize winning to be awarded to the prize winner.



(6) The division of the lottery shall notify the prize winner in writing of the total amount of the lottery prize winning to be credited against past-due support and the remainder of such prize winning to be awarded to the prize winner. Such notice shall further advise the prize winner that the department of social services shall provide separate notice, in writing, to the prize winner of the procedure for and time frame by which the prize winner may contest such crediting.

(7) The department of social services shall notify the prize winner in writing, of the amount of such prize winning to be credited against past-due support and the procedure and time frame by which the prize winner may contest such crediting based on defenses that are not subject to family court jurisdiction. Such procedure shall include the address and telephone number of the local department of social services' support collection unit which may be contacted with respect to correction of any error in such crediting concerning such individual's, estate's or trust's liability for past-due support or with respect to payment of such liability.

(8) (a) For purposes of this section, past-due support owed to persons who are receiving services pursuant to title six-A of article three of the social services law may include: (i) amounts representing delinquencies which have accrued under a court order of support; or (ii) with respect to any court order of support made which establishes an arrears amount, the entire amount of such arrears. (b) For the purpose of the state child support enforcement program, any payment made by a respondent which is insufficient to fully satisfy both the current support obligations and a periodic payment toward the balance of any arrears amount established by court order shall be first applied toward the current support obligation or any delinquency thereon and then toward the periodic payment on any arrears amount established by court order unless otherwise required by federal regulation.

(9) From the time the division of the lottery is notified by the state department of social services of an individual's, estate's or trust's liability for past-due support under the agreement provided for in this section, the division of the lottery and the department of taxation and finance shall be relieved from all liability to such individual, estate or trust, their assigns, successors, heirs or representatives for the amount of any lottery prize winning of six hundred dollars or more certified to the comptroller to be credited against past-due support and such individual, estate or trust shall have no right to commence a court action or proceeding or to any other legal recourse against the division of the lottery or the department of taxation and finance to recover such overpayment or such interest certified to the comptroller to be credited against past-due support. Provided, however, nothing herein shall be construed to prohibit such individual, estate or trust from proceeding against the state department of social services or the appropriate local social services district to recover that part of such overpayment or interest thereon so certified to the comptroller to be credited against past-due support which is greater than the amount of past-due support owed by such individual, estate or trust on the date of such certification.

(10) The division of the lottery shall promulgate such rules and regulations as it deems necessary to carry out the provisions of this section.

C.

## New York Lottery Child Support Intercept Brochure

**THIS IS IMPORTANT INFORMATION  
REGARDING YOUR  
LOTTERY PRIZE AND  
CHILD SUPPORT**

The New York State Lottery is required by section 1613-A (4) of New York State tax law to withhold past due child support from lottery winnings of \$600 or more. You have been identified by the New York State Office of Temporary and Disability Assistance as owing past due child support.

The Lottery will forward the funds withheld from your prize to the Office of Temporary and Disability Assistance in the month following that in which you claimed your prize. After the funds have been forwarded, the Office of Temporary and Disability Assistance will send you a letter stating that the amount withheld has been credited against your debt. This notice will explain how you may contest the seizure of the prize if you disagree with either the amount credited or the amount owed.

If you have any questions regarding the above referenced law, you should contact your county Child Support Enforcement representative.



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D.

**Colorado Gambling Payment Intercept Act**

**NOTE: This bill has been prepared for the signature of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.**



HOUSE BILL 07-1349

BY REPRESENTATIVE(S) Kefalas, Borodkin, Buescher, Butcher, Fischer, Frangas, Gibbs, Judd, Labuda, McGihon, Peniston, Stafford, Summers, Todd, Madden, and May M.; also SENATOR(S) Ward, Boyd, Gordon, Groff, Tochtrop, Tupa, and Williams.

CONCERNING CHILD SUPPORT OBLIGATIONS, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** 14-10-107.5 (1), Colorado Revised Statutes, is amended to read:

**14-10-107.5. Entry of appearance to establish support.** (1) The

attorney for the county department of social services may file an entry of appearance on behalf of the department in any proceeding for dissolution of marriage or legal separation under this article for purposes of establishing, modifying, and enforcing child support and medical support ~~of a child on whose behalf the custodian of said child~~ IF ANY PARTY is receiving support enforcement services pursuant to section 26-13-106, C.R.S., and for purposes of establishing and enforcing reimbursement of payments for aid to families with dependent children TEMPORARY

*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

ASSISTANCE TO NEEDY FAMILIES.

**SECTION 2.** The introductory portion to 14-10-115 (1.5) (a), Colorado Revised Statutes, is amended, and the said 14-10-115 (1.5) (a) is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBPARAGRAPHS, to read:

**14-10-115. Child support - guidelines - schedule of basic child support obligations.** (1.5) (a) For child support orders entered prior to July 1, 1997, unless a court finds that a child is otherwise emancipated, emancipation occurs and child support terminates WITHOUT EITHER PARTY FILING A MOTION when the LAST OR ONLY child attains nineteen years of age unless one or more of the following conditions exist:

(IV) IF THE CHILD MARRIES, THE CHILD SHALL BE CONSIDERED EMANCIPATED AS OF THE DATE OF THE MARRIAGE. IF THE MARRIAGE IS ANNULLED, DISSOLVED, OR DECLARED INVALID, CHILD SUPPORT MAY BE REINSTATED.

(V) IF THE CHILD ENTERS INTO ACTIVE MILITARY DUTY, THE CHILD SHALL BE CONSIDERED EMANCIPATED.

**SECTION 3.** The introductory portion to 14-10-115 (15) (b), Colorado Revised Statutes, as amended by Senate Bill 07-015, enacted at the First Regular Session of the Sixty-sixth General Assembly, is amended, and the said 14-10-115 (15) (b) is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBPARAGRAPHS, to read:

**14-10-115. Child support - guidelines - schedule of basic child support obligations.** (15) (b) For child support orders entered prior to July 1, 1997, unless a court finds that a child is otherwise emancipated, emancipation occurs and child support terminates WITHOUT EITHER PARTY FILING A MOTION

when the LAST OR ONLY child attains nineteen years of age unless one or more of the following conditions exist:

(IV) IF THE CHILD MARRIES, THE CHILD SHALL BE CONSIDERED EMANCIPATED AS OF THE DATE OF THE MARRIAGE. IF THE MARRIAGE IS ANNULLED, DISSOLVED, OR DECLARED INVALID, CHILD SUPPORT MAY BE REINSTATED.

(V) IF THE CHILD ENTERS INTO ACTIVE MILITARY DUTY, THE CHILD SHALL BE CONSIDERED EMANCIPATED.

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**SECTION 4.** 14-10-115 (1.6), Colorado Revised Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW PARAGRAPHS to read:

**14-10-115. Child support - guidelines - schedule of basic child support obligations.** (1.6) For child support orders entered on or after July 1, 1997, unless a court finds that a child is otherwise emancipated, emancipation occurs and child support terminates without either party filing a motion when the last or only child attains nineteen years of age unless one or more of the following conditions exist:

(d) IF THE CHILD MARRIES, THE CHILD SHALL BE CONSIDERED EMANCIPATED AS OF THE DATE OF THE MARRIAGE. IF THE MARRIAGE IS ANNULLED, DISSOLVED, OR DECLARED INVALID, CHILD SUPPORT MAY BE REINSTATED.

(e) IF THE CHILD ENTERS INTO ACTIVE MILITARY DUTY, THE CHILD SHALL BE CONSIDERED EMANCIPATED.

**SECTION 5.** 14-10-115 (13) (a), Colorado Revised Statutes, as amended by Senate Bill 07-015, enacted at the First Regular Session of the Sixty-sixth General Assembly, is amended BY THE ADDITION OF THE FOLLOWING NEW SUBPARAGRAPHS to read:

**14-10-115. Child support - guidelines - schedule of basic child support obligations.** (13) **Emancipation.** (a) For child support orders entered on or after July 1, 1997, unless a court finds that a child is otherwise emancipated, emancipation occurs and child support terminates without either party filing a motion when the last or only child attains nineteen years of age unless one or more of the following conditions exist:

(IV) IF THE CHILD MARRIES, THE CHILD SHALL BE CONSIDERED EMANCIPATED AS OF THE DATE OF THE MARRIAGE. IF THE MARRIAGE IS

ANNULLED, DISSOLVED, OR DECLARED INVALID, CHILD SUPPORT MAY BE REINSTATED.

(V) IF THE CHILD ENTERS INTO ACTIVE MILITARY DUTY, THE CHILD SHALL BE CONSIDERED EMANCIPATED.

**SECTION 6.** 14-10-115 (7) (d.5) (I) and (13.5) (a), Colorado Revised Statutes, are amended to read:

**14-10-115. Child support - guidelines - schedule of basic child support obligations.** (7) **Determination of income.** (d.5) (I) At the time of the initial establishment of a child support order, or in any proceeding to modify a support order, if a parent is also legally responsible for the support of other children ~~born prior to the children who are the subject of the child support order~~ and for whom the parents do not share joint legal responsibility, an adjustment shall be made revising such parent's income prior to calculating the basic child support obligation for the children who are the subject of the support order if the children are living in the home of the parent seeking the adjustment or if the children are living out of the home, and the parent seeking the adjustment provides documented proof of money payments of support of those children. The amount shall not exceed the guidelines listed in this section. ~~An amount equal to the amount listed under the schedule of basic child support obligations in paragraph (b) of subsection (10) of this section which would represent a support obligation based only upon the responsible parent's gross income, without any other adjustments, for the number of such other children for whom such parent is also responsible shall be subtracted from the amount of such parent's gross income prior to calculating the basic child support obligation based on both parents' gross income as provided in subsection (10) of this section.~~ FOR A PARENT WITH A GROSS INCOME OF ONE THOUSAND EIGHT HUNDRED FIFTY DOLLARS OR LESS PER MONTH, THE ADJUSTMENT SHALL BE SEVENTY-FIVE PERCENT OF THE AMOUNT CALCULATED USING THE LOW-INCOME ADJUSTMENT DESCRIBED IN SUB-SUBPARAGRAPHS (B) AND (C) OF SUBPARAGRAPH (II) OF PARAGRAPH (a) OF SUBSECTION (10) OF THIS SECTION BASED ONLY UPON THE RESPONSIBLE PARENT'S INCOME, WITHOUT ANY OTHER ADJUSTMENTS FOR THE NUMBER OF OTHER CHILDREN FOR WHOM THE PARENT IS RESPONSIBLE. FOR A PARENT WITH A GROSS INCOME OF MORE THAN ONE THOUSAND EIGHT HUNDRED FIFTY DOLLARS PER MONTH, THE ADJUSTMENT SHALL BE SEVENTY-FIVE PERCENT OF THE AMOUNT LISTED UNDER THE SCHEDULE OF BASIC SUPPORT OBLIGATIONS IN PARAGRAPH (b) OF SUBSECTION (10) OF THIS SECTION THAT WOULD REPRESENT A SUPPORT OBLIGATION BASED ONLY UPON THE RESPONSIBLE PARENT'S INCOME, WITHOUT ANY OTHER ADJUSTMENTS FOR THE NUMBER OF OTHER CHILDREN FOR WHOM THE PARENT IS RESPONSIBLE. THE

AMOUNT CALCULATED AS SET FORTH IN THIS SUBPARAGRAPH (I) SHALL BE SUBTRACTED FROM THE AMOUNT OF THE PARENT'S GROSS INCOME PRIOR TO CALCULATING THE BASIC SUPPORT OBLIGATION BASED UPON BOTH PARENTS' GROSS INCOME, AS PROVIDED IN SUBSECTION (10) OF THIS SECTION.

(13.5) (a) **Health care expenditures for children.** In orders issued pursuant to this section, the court shall also provide for the child's or children's current and future medical needs by ordering either parent or both parents to initiate medical or medical and dental insurance coverage for the child or children through currently effective medical or medical and dental insurance policies held by the parent or parents, purchase medical or medical and dental insurance for the child or children, or provide the child or children with current and future medical needs through some other manner. If A PARENT HAS BEEN DIRECTED TO PROVIDE INSURANCE PURSUANT TO THIS SECTION AND THAT PARENT'S SPOUSE PROVIDES THE INSURANCE FOR THE BENEFIT OF THE CHILD OR CHILDREN EITHER DIRECTLY OR THROUGH EMPLOYMENT, A CREDIT ON THE CHILD SUPPORT WORKSHEET SHALL BE GIVEN TO THE PARENT IN THE SAME MANNER AS IF THE PREMIUM WERE PAID BY THE PARENT. At the same time, the court shall order payment of medical insurance or medical and dental insurance deductibles and copayments.

**SECTION 7.** 14-10-115 (6) (b) (I) and (10) (a), Colorado Revised Statutes, as amended by Senate Bill 07-015, enacted at the First Regular Session of the Sixty-sixth General Assembly, are amended to read:

**14-10-115. Child support - guidelines - schedule of basic child support obligations.** (6) **Adjustments to gross income.** (b) (I) At the time of the initial establishment of a child support order, or in any proceeding to modify a support order, if a parent is also legally responsible for the support of other children ~~born prior to the children who are the subject of the child support order~~ and for whom the parents do not share joint legal responsibility, an adjustment shall be made revising the parent's income prior to calculating the basic child support obligation for the children who are the subject of the support order if the children are living in the home of the parent seeking the adjustment or if the children are living out of the home, and the parent seeking the adjustment provides documented proof of money payments of support of those children. The amount shall not exceed the schedule of basic support obligations listed in this section. ~~An amount equal to the amount listed under the schedule of basic child support obligations in paragraph (b) of subsection (7) of this section that would represent a support obligation based only upon the responsible parent's gross income, without any other adjustments, for the~~

~~number of other children for whom the parent is also responsible shall be subtracted from the amount of the parent's gross income prior to calculating the basic child support obligation based on both parents' gross income as provided in subsection (7) of this section.~~ FOR A PARENT WITH A GROSS INCOME OF ONE THOUSAND EIGHT HUNDRED FIFTY DOLLARS OR LESS PER MONTH, THE ADJUSTMENT SHALL BE SEVENTY-FIVE PERCENT OF THE AMOUNT CALCULATED USING THE LOW-INCOME ADJUSTMENT DESCRIBED IN SUB-SUBPARAGRAPHS (B) AND (C) OF SUBPARAGRAPH (II) OF PARAGRAPH

(a) OF SUBSECTION (7) OF THIS SECTION BASED ONLY UPON THE RESPONSIBLE PARENT'S INCOME, WITHOUT ANY OTHER ADJUSTMENTS FOR THE NUMBER OF OTHER CHILDREN FOR WHOM THE PARENT IS RESPONSIBLE. FOR A PARENT WITH GROSS INCOME OF MORE THAN ONE THOUSAND EIGHT HUNDRED FIFTY DOLLARS PER MONTH, THE ADJUSTMENT SHALL BE SEVENTY-FIVE PERCENT OF THE AMOUNT LISTED UNDER THE SCHEDULE OF BASIC SUPPORT OBLIGATIONS IN PARAGRAPH (b) OF SUBSECTION (7) OF THIS SECTION THAT WOULD REPRESENT A SUPPORT OBLIGATION BASED ONLY UPON THE RESPONSIBLE PARENT'S INCOME, WITHOUT ANY OTHER ADJUSTMENTS FOR THE NUMBER OF OTHER CHILDREN FOR WHOM THE PARENT IS RESPONSIBLE. THE AMOUNT CALCULATED AS SET FORTH IN THIS SUBPARAGRAPH (I) SHALL BE SUBTRACTED FROM THE AMOUNT OF THE PARENT'S GROSS INCOME PRIOR TO CALCULATING THE BASIC SUPPORT OBLIGATION BASED UPON BOTH PARENTS' GROSS INCOME, AS PROVIDED IN SUBSECTION (7) OF THIS SECTION.

(10) (a) **Adjustments for health care expenditures for children.** In orders issued pursuant to this section, the court shall also provide for the child's or children's current and future medical needs by ordering either parent or both parents to initiate medical or medical and dental insurance coverage for the child or children through currently effective medical or medical and dental insurance policies held by the parent or parents, purchase medical or medical and dental insurance for the child or children, or provide the child or children with current and future medical needs through some other manner. IF A PARENT HAS BEEN DIRECTED TO PROVIDE INSURANCE PURSUANT TO THIS SECTION AND THAT PARENT'S SPOUSE PROVIDES THE INSURANCE FOR THE BENEFIT OF THE CHILD OR CHILDREN EITHER DIRECTLY OR THROUGH EMPLOYMENT, A CREDIT ON THE CHILD SUPPORT WORKSHEET SHALL BE GIVEN TO THE PARENT IN THE SAME MANNER AS IF THE PREMIUM WERE PAID BY THE PARENT. At the same time, the court shall order payment of medical insurance or medical and dental insurance deductibles and copayments.

**SECTION 8.** 14-14-104 (1) (b), Colorado Revised Statutes, is amended to read:

**14-14-104. Recovery for child support debt.** (1) (b) Where there has been no court or administrative order for child support, the county department



of social services through its delegate child support enforcement unit may initiate a court or administrative action to establish the amount of child support debt accrued, and the court or delegate child support enforcement unit, after hearing or upon stipulation or upon a default order, shall enter an order for child support debt. The debt shall be based on the amount of current child support due, or which would ~~be~~ HAVE BEEN due if ~~the obligor were an absent parent~~ THERE WERE AN EXISTING ORDER FOR CHILD SUPPORT, under the current child support enforcement guidelines in effect on the date of the stipulation, default order, or hearing to establish the child support debt, times the number of months the family received public assistance. The total amount of child support debt shall not exceed the total amount paid for public assistance. A child support debt established pursuant to this paragraph (b) shall be in addition to any subsequent child support debt accrued pursuant to paragraph (a) of this subsection (1).

**SECTION 9.** 19-1-108 (3) (a.5), Colorado Revised Statutes, as it will become effective July 1, 2007, is amended to read:

**19-1-108. Magistrates - qualifications - duties - repeal.**

(3) (a.5) Magistrates shall conduct hearings in the manner provided for the hearing of cases by the court. During the initial advisement of the rights of any party, the magistrate shall inform the party that, except as provided in this subsection (3), he or she has the right to a hearing before the judge in the first instance and that he or she may waive that right but that, by waiving that right, he or she is bound by the findings and recommendations of the magistrate, subject to a request for review as provided in subsection

(5) of this section. The right to require a hearing before a judge shall not apply to hearings at which a child is advised of his or her rights pursuant to section 19-2-706, detention hearings held pursuant to sections 19-2-507 and 19-2-508, preliminary hearings held pursuant to section 19-2-705, ~~and~~ temporary custody hearings held pursuant to section 19-3-403, PROCEEDINGS HELD PURSUANT TO ARTICLE 4 OF THIS TITLE, AND SUPPORT

PROCEEDINGS HELD PURSUANT TO ARTICLE 6 OF THIS TITLE. IN PROCEEDINGS HELD PURSUANT TO ARTICLE 4 OR 6 OF THIS TITLE, CONTESTED FINAL ORDERS REGARDING ALLOCATION OF PARENTAL RESPONSIBILITIES MAY BE HEARD BY THE MAGISTRATE ONLY WITH THE CONSENT OF ALL PARTIES.

**SECTION 10.** 26-2-805 (1) (d), Colorado Revised Statutes, is amended to read:

**26-2-805. Services - assistance provided - rules.** (1) (d) On and after January 1, 2005, a county may require a person who receives child care assistance pursuant to this section and who is not otherwise a participant to

apply, pursuant to section 26-13-106 (2), for child support establishment, modification, and enforcement services related to any support owed by ~~absent parents~~ OBLIGORS to their children and to cooperate with the delegate child support enforcement unit to receive these services; except that no person shall be required to submit a written application for child support establishment, modification, and enforcement services if the person shows good cause to the county implementing the Colorado child care assistance program for not receiving these services. On or before October 1, 2004, the state board shall promulgate rules for the implementation of this paragraph (d), including but not limited to rules establishing good cause for not receiving these services, and rules for the imposition of sanctions upon a person who fails, without good cause as determined by the county implementing the Colorado child care assistance program, to apply for child support enforcement services or to cooperate with the delegate child support enforcement unit as required by this paragraph (d).

**SECTION 11.** 26-13-102, Colorado Revised Statutes, is amended to read:

**26-13-102. Legislative declaration.** The purposes of this article are to provide for enforcing the support obligations owed by ~~absent parents~~ OBLIGORS, to locate ~~absent parents~~ OBLIGORS, to establish parentage, to establish and modify child support obligations, and to obtain support in cooperation with the federal government pursuant to Title IV-D of the federal "Social Security Act", as amended, and other applicable federal regulations.

**SECTION 12.** 26-13-106 (1), Colorado Revised Statutes, is amended, and the said 26-13-106 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

**26-13-106. Eligibility for services.** (1) Support enforcement services shall be provided to those recipients of medicaid-only and Title IV-E foster care as required by federal law and to participants in the Colorado works program implemented pursuant to part 7 of article 2 of this title who, as a condition of eligibility pursuant to federal law, must assign their rights to support to, and cooperate with, the state department in the establishment, modification, and enforcement of support obligations owed by ~~absent parents~~ OBLIGORS to their children and the enforcement of maintenance owed by ~~absent parents~~ OBLIGORS to their spouses or former spouses.

(4) AFTER MORE THAN FIVE HUNDRED DOLLARS HAS BEEN COLLECTED FROM AN OBLIGOR DURING A YEAR, THE COUNTY DEPARTMENT SHALL RECOVER A

FEE OF TWENTY-FIVE DOLLARS FROM THE OBLIGEE IF THE OBLIGEE HAS NEVER RECEIVED PUBLIC ASSISTANCE. THE COUNTY DEPARTMENT SHALL WITHHOLD THE FEE FROM THE FIRST AMOUNT COLLECTED THAT EXCEEDS THE FIVE-HUNDRED-DOLLAR THRESHOLD.

(2) Notwithstanding any provision in the Colorado rules of civil procedure to the contrary, any amounts collected by the delegate child support enforcement agency, except for federal income tax refund offsets, shall be allocated and distributed first to satisfy the required support obligation for the month in which the collection was received, EXCEPT WHEN THE PAYMENT IS DISTRIBUTED TO PAY THE FEE REQUIRED BY SECTION 26-13-106 (4). In cases where some portion of an amount collected pursuant to execution on a judgment is diverted to satisfy the required support obligation for the month in which the collection was received, the delegate child support enforcement agency shall file a partial satisfaction of judgment with the court that reflects the portion of the amount collected that is actually allocated and distributed to satisfy the judgment.

**SECTION 13.** 26-13-119 (2), Colorado Revised Statutes, is amended to read:

**26-13-119. Distribution of amounts collected.**

**SECTION 14.** 26-13-121, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

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**26-13-121. Review and modification of child support orders.**

(2.5) IF THERE IS AN ACTIVE ASSIGNMENT OF RIGHTS, THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL REVIEW THE CHILD SUPPORT ORDER ONCE EVERY THIRTY-SIX MONTHS TO DETERMINE IF AN ADJUSTMENT OF THE CHILD SUPPORT ORDER IS APPROPRIATE.

**SECTION 15.** 26-13-121 (1), (2), (3) (a), (3) (b), (4), and (5) (a), Colorado Revised Statutes, are amended, and the said 26-13-121 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

**26-13-121. Review and modification of child support orders.**

(1) (a) The general assembly finds that review of child support orders is required in order for this state to comply with the federal "Family Support Act of 1988", and the federal "Personal Responsibility and Work Opportunity

Reconciliation Act of 1996", AND THE FEDERAL "DEFICIT REDUCTION ACT OF 2005".

(b) The delegate child support enforcement unit shall provide the obligor and obligee not less than once every thirty-six months notice of their right to request a review of a child support order. The notice may be included in the support order. ~~Either party to the action may submit a written request for review of a child support order.~~

(c) EITHER PARTY TO A CASE IN WHICH SERVICES ARE BEING PROVIDED PURSUANT TO SECTION 26-13-106 MAY SUBMIT A WRITTEN REQUEST FOR REVIEW OF THE CURRENT CHILD SUPPORT ORDER. THE REQUEST SHALL INCLUDE THE FINANCIAL INFORMATION FROM THE REQUESTING PARTY NECESSARY TO CONDUCT A CALCULATION PURSUANT TO THE COLORADO CHILD SUPPORT GUIDELINES SET FORTH IN SECTION 14-10-115, C.R.S. THE REQUESTING PARTY SHALL PROVIDE HIS OR HER FINANCIAL INFORMATION ON THE FORM REQUIRED BY THE DIVISION OF CHILD SUPPORT ENFORCEMENT.

(d) THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT MAY INITIATE A REVIEW OF A CURRENT CHILD SUPPORT ORDER UPON ITS OWN REQUEST.

(2) The delegate child support enforcement unit shall ~~issue a notice of review accompanied by an affidavit with respect to child support when~~

~~one of the following conditions is met~~ REVIEW EACH REQUEST RECEIVED FROM A PARTY AND:

(a) If it has been thirty-six months or more since the last review ~~upon receipt of a written request for review or upon its own request to an obligor and obligee who have an existing order for the support of a child~~ OF THE CURRENT CHILD SUPPORT ORDER, THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL GRANT THE REQUEST FOR REVIEW; or

(b) If it has been fewer than thirty-six months since the last review ~~upon receipt of a written request for review~~ OF THE CURRENT CHILD SUPPORT ORDER, THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL GRANT THE REQUEST FOR REVIEW if the requesting party provides a reason for ~~such~~ review ~~with~~ THAT COULD RESULT IN A CHANGE TO THE MONTHLY SUPPORT OBLIGATION BASED UPON THE APPLICATION OF THE COLORADO CHILD SUPPORT GUIDELINES SET FORTH IN SECTION 14-10-115, C.R.S. IF THE REASON FOR REVIEW ARISES FROM THE CIRCUMSTANCES OF THE REQUESTING PARTY, supporting documentation or ~~otherwise demonstrates~~ A DEMONSTRATION that there has been a substantial AND CONTINUING change in circumstances warranting a review of the child support amount SHALL BE INCLUDED WITH THE REQUEST. The delegate child support enforcement unit shall assess and consider the information provided to determine whether a review is warranted and should be conducted. IF A REQUEST IS DENIED PURSUANT TO THIS PARAGRAPH (b), THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL NOTIFY THE REQUESTING PARTY IN WRITING THAT THE DENIAL DOES NOT LIMIT THE PARTY'S RIGHT TO SEEK

MODIFICATION OF A CHILD SUPPORT ORDER PURSUANT TO SECTION 14-10-122, C.R.S.

~~(3) (a) If the delegate child support enforcement unit determines there has been a substantial change in circumstances, it shall issue a notice of review accompanied by an affidavit with respect to child support. The delegate child support enforcement unit shall send the notice of review and affidavits at least thirty days before the commencement of the review.~~ IF THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT GRANTS THE REQUEST FOR REVIEW, IT SHALL ISSUE A NOTICE OF REVIEW TO THE PARTIES. IN THE CASE OF AN AUTOMATIC REVIEW IN WHICH THERE IS AN ACTIVE ASSIGNMENT OF RIGHTS, BOTH PARTIES SHALL BE CONSIDERED NON-REQUESTERS. THE NOTICE OF REVIEW SHALL ADVISE THE PARTIES THAT A REVIEW IS TO BE CONDUCTED AND ALLOW THE NON-REQUESTERS TWENTY DAYS FROM THE

DATE OF THE NOTICE TO PROVIDE THE FINANCIAL INFORMATION NECESSARY TO CALCULATE THE CHILD SUPPORT OBLIGATION PURSUANT TO SECTION 14-10-115, C.R.S. IF THE CHILD SUPPORT ORDER IS AN ADMINISTRATIVE ORDER ESTABLISHED PURSUANT TO ARTICLE 13.5 OF THIS TITLE, THE REVIEW SHALL BE CONDUCTED PURSUANT TO SECTION 26-13.5-112.

(b) THE REVIEW OF THE CHILD SUPPORT ORDER SHALL BE CONDUCTED ON OR BEFORE THE THIRTIETH DAY AFTER NOTICE OF REVIEW IS SENT TO THE PARTIES. THE REVIEW MAY BE CONDUCTED IN PERSON AT THE DELEGATE CHILD SUPPORT ENFORCEMENT OFFICE OR VIA UNITED STATES MAIL OR VIA AN ELECTRONIC COMMUNICATION METHOD. THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT MAY GRANT A CONTINUANCE OF THE REVIEW FOR GOOD CAUSE. THE CONTINUANCE SHALL BE FOR A REASONABLE PERIOD OF TIME TO BE DETERMINED BY THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT, NOT TO EXCEED THIRTY DAYS. DURING THE REVIEW, the determination of the monthly support obligation shall be based on the child support guidelines set forth in section 14-10-115, C.R.S. TO OBTAIN INFORMATION NECESSARY TO CONDUCT THE REVIEW, the delegate child support enforcement unit is authorized to serve, by first-class mail OR BY ELECTRONIC MEANS IF MUTUALLY AGREED UPON, an administrative subpoena to any person, corporation, partnership, or other entity, public employee retirement benefit plan, financial institution, or labor union for an appearance or for the production of records and financial documents.

(4) (a) AFTER THE REVIEW IS COMPLETED, the child support enforcement unit shall ~~send~~ PROVIDE a post-review notice advising the obligor and obligee of the review results. THE REVIEW RESULTS SHALL INCLUDE A CHILD SUPPORT GUIDELINE WORKSHEET. IF THE REVIEW INDICATES THAT AN ADJUSTMENT TO THE CURRENT MONTHLY SUPPORT OBLIGATION SHOULD BE MADE, A PROPOSED ORDER SHALL ALSO BE INCLUDED. THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL PROVIDE ALL SUPPORTING FINANCIAL DOCUMENTATION USED TO

CALCULATE THE MONTHLY SUPPORT OBLIGATION TO BOTH PARTIES. THE REVIEW RESULTS SHALL ALSO CONTAIN AN ADVISEMENT TO THE PARTIES OF THE RIGHT TO CHALLENGE THE PROPOSED ORDER, THE TIME FRAME IN WHICH TO ASSERT THE CHALLENGE, AND THE METHOD FOR DOING SO.

(b) The obligor and obligee shall be given ~~thirty~~ FIFTEEN days FROM THE DATE OF THE POST-REVIEW NOTICE to challenge the review results. THE GROUNDS FOR THE CHALLENGE SHALL BE LIMITED TO THE ISSUE OF

MATHEMATICAL OR FACTUAL ERROR IN THE CALCULATION OF THE MONTHLY SUPPORT OBLIGATION. THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT MAY GRANT AN EXTENSION OF UP TO FIFTEEN DAYS TO CHALLENGE THE REVIEW RESULTS BASED UPON A SHOWING OF GOOD CAUSE.

(b.5) THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL HAVE FIFTEEN DAYS FROM THE DATE OF RECEIPT OF THE CHALLENGE TO RESPOND TO A CHALLENGE BASED UPON A MATHEMATICAL OR FACTUAL ERROR. IF A CHALLENGE RESULTS IN A CHANGE TO THE MONTHLY SUPPORT OBLIGATION, THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL PROVIDE AN AMENDED NOTICE OF REVIEW TO THE OBLIGOR AND OBLIGEE. THE OBLIGOR AND OBLIGEE SHALL BE GIVEN FIFTEEN DAYS FROM THE DATE OF THE AMENDED NOTICE OF REVIEW TO CHALLENGE THE RESULTS OF ANY SUBSEQUENT REVIEW. THE GROUNDS FOR THE CHALLENGE SHALL BE LIMITED TO THE ISSUE OF MATHEMATICAL OR FACTUAL ERROR IN CALCULATION OF THE MONTHLY SUPPORT OBLIGATION.

~~(c) If the obligor and the obligee agree with the review results, a stipulation or administrative process order shall be filed with the court. If either party disagrees, a motion to modify may be filed with the court.~~

(5) (a) (I) IF THE REVIEW INDICATES THAT A CHANGE TO THE MONTHLY SUPPORT OBLIGATION IS APPROPRIATE AND THE REVIEW IS NOT CHALLENGED OR ALL CHALLENGES HAVE BEEN ADDRESSED, THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL FILE A MOTION TO MODIFY WITH THE COURT. A COPY OF THE MOTION SHALL BE PROVIDED BY THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT TO THE OBLIGOR AND OBLIGEE AND SHALL CONTAIN AN ADVISEMENT THAT THE OBLIGOR AND OBLIGEE MAY FILE A WRITTEN RESPONSE WITH THE COURT SETTING FORTH ANY OBJECTIONS TO THE MOTION TO MODIFY.

(II) If a motion to modify is filed with the court, ~~and a response is not filed within fifteen days thereafter,~~ the court may enter an order granting the motion, ~~If no income information is available, the court may enter an order increasing the child support obligation by an increment not to exceed ten percent per year for each year since the support order was entered or last modified.~~ ISSUE A REVISED ORDER, OR SET A HEARING. REGARDLESS OF WHETHER THE ORDER HAS BEEN APPROVED BY THE OBLIGOR AND OBLIGEE, THE COURT MAY GRANT THE MOTION TO MODIFY.

(5.3) IF INCOME INFORMATION IS NOT AVAILABLE FOR THE OBLIGOR, THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT MAY FILE A MOTION TO MODIFY CHILD SUPPORT WITH THE COURT. THE COURT MAY ENTER AN ORDER INCREASING THE CHILD SUPPORT OBLIGATION BY AN INCREMENT NOT TO EXCEED TEN PERCENT PER YEAR FOR EACH YEAR AFTER THE SUPPORT ORDER WAS ENTERED OR LAST MODIFIED.

(5.7) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO LIMIT A DELEGATE CHILD SUPPORT ENFORCEMENT UNIT'S RIGHT TO FILE A MOTION TO MODIFY WITH THE COURT PURSUANT TO SECTION 14-10-122, C.R.S.

**SECTION 16.** 26-13-121.5 (2) and the introductory portion to 26-13-121.5 (3) (a), Colorado Revised Statutes, are amended to read:

**26-13-121.5. Enforcement of obligation to maintain health insurance.** (2) The national medical support notice shall be sent to the employer by means of first-class mail. ~~A copy of the notice shall also be sent to the obligor by first class mail.~~ The notice shall be continuing and shall remain in effect and be binding upon any current or successor employer upon whom it is served until further notice by the court or by the delegate child support enforcement unit. Receipt of the national medical support notice by the employer shall confer jurisdiction of the court over the employer. A NOTICE DESCRIBING THE RIGHTS AND CONDITIONS IN PARAGRAPHS (a) TO (c) OF SUBSECTION (3) OF THIS SECTION SHALL BE SENT TO THE OBLIGOR BY FIRST-CLASS MAIL.

(3) (a) THE OBLIGOR SHALL BE PROVIDED WITH A COPY OF THE NATIONAL MEDICAL SUPPORT NOTICE UPON SUBMITTING A WRITTEN REQUEST TO THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT. The obligor shall have ten days from the date the ~~national medical support~~ notice DESCRIBING THE RIGHTS AND CONDITIONS IN PARAGRAPHS (a) TO (c) OF THIS SUBSECTION

(3) is mailed to the obligor in which to file a written objection with the delegate child support enforcement unit based only upon one of the following mistakes of fact:

**SECTION 17.** 26-13-122 (3), Colorado Revised Statutes, is amended to read:

**26-13-122. Administrative lien and attachment.** (3) In order to attach and collect workers' compensation income for current child support, child support debt, retroactive child support, medical support, child support

arrearages, or child support when combined with maintenance, the state child support enforcement agency is authorized to serve, by first-class mail OR BY ELECTRONIC MEANS IF MUTUALLY AGREED UPON, a notice of administrative lien and attachment on any person, insurance company, or agencyholding workers' compensation benefits that are owed to an obligor. A copy of the administrative lien and attachment shall be provided to the obligor and shall include information on the obligor's right to object to the administrative lien and attachment and to request an administrative review pursuant to the rules and regulations of the state board.

**SECTION 18.** 26-13.5-112 (1), Colorado Revised Statutes, is amended, and the said 26-13.5-112 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

**26-13.5-112. Modification of an order.** (1) At any time after the entry of an order of financial responsibility or an order of default under this article, in order to add, alter, or delete any provisions to such an order, the delegate child support enforcement unit may issue a notice of financial responsibility to ~~an~~THE obligor ~~requesting~~AND OBLIGEE ADVISING THE OBLIGOR AND OBLIGEE OF the POSSIBLE modification of ~~an~~THE existing administrative order issued pursuant to this article. The delegate child support enforcement unit shall serve the obligor AND THE OBLIGEE with a notice of financial responsibility by first class mail and shall proceed as set forth in this article OR BY ELECTRONIC MEANS IF MUTUALLY AGREED UPON. The obligor or the obligee may file a written request for modification of an administrative order issued under this article with the delegate child support enforcement unit. ~~by serving the delegate child support enforcement unit by first class mail or in person.~~ If ~~such~~THE DELEGATE CHILD SUPPORT ENFORCEMENT unit ~~objects to~~DENIES the request for modification based upon the failure to demonstrate a showing of changed circumstances required pursuant to section 14-10-122, C.R.S., the delegate child support enforcement unit shall advise the requesting party of the party's right to request ~~the court to set the matter for a court hearing.~~ The court shall hold a hearing and decide only the issue of modification within ~~ninety days of such request.~~ If the delegate child support enforcement unit does not object to the obligor's or obligee's request for modification, the unit shall serve the obligor with a notice of financial responsibility by first class mail and shall proceed as set forth in this article. Within thirty days of receipt of the request for modification, the delegate child support enforcement unit shall either advise the requesting party of the party's right to request a court hearing or shall issue a notice of financial responsibility. If the child for whom the order applies is no longer in the custody of a person receiving public assistance or receiving support enforcement services from the delegate



~~child support enforcement unit pursuant to article 13 of this title, the delegate child support enforcement unit shall certify the matter for hearing to the district court in which the order was filed.~~ SEEK A MODIFICATION PURSUANT TO SECTION 14-10-122, C.R.S.

(1.2) AT ANY TIME AFTER ENTRY OF AN ADMINISTRATIVE ORDER ISSUED PURSUANT TO THIS ARTICLE, AN OBLIGOR OR OBLIGEE MAY FILE A WRITTEN REQUEST FOR REVIEW OF THE ORDER WITH THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT. THE WRITTEN REQUEST FOR REVIEW SHALL INCLUDE FINANCIAL INFORMATION OF THE REQUESTING PARTY NECESSARY TO CONDUCT A CALCULATION PURSUANT TO THE COLORADO CHILD SUPPORT GUIDELINES DESCRIBED IN SECTION 14-10-115, C.R.S. THE REQUESTING PARTY SHALL PROVIDE HIS OR HER FINANCIAL INFORMATION ON THE FORM REQUIRED BY THE DIVISION OF CHILD SUPPORT ENFORCEMENT. THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL REVIEW EACH REQUEST RECEIVED AND GRANT OR DENY THE REQUEST USING THE STANDARDS DESCRIBED IN SECTION 26-13-121 (2) (a) OR (2) (b).

(1.3) IF THERE IS AN ACTIVE ASSIGNMENT OF RIGHTS, THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL, ONCE EVERY THIRTY-SIX MONTHS, REVIEW THE ADMINISTRATIVE ORDER TO DETERMINE IF AN ADJUSTMENT OF THE ADMINISTRATIVE ORDER IS APPROPRIATE.

(1.4) IF THE REQUEST FOR REVIEW IS GRANTED OR IN CASE OF AN AUTOMATIC REVIEW WHERE THERE IS AN ACTIVE ASSIGNMENT OF RIGHTS, A NOTICE OF REVIEW SHALL BE ISSUED TO THE REQUESTING AND NON-REQUESTING PARTIES. IN THE CASE OF A REVIEW IN WHICH THERE IS AN ACTIVE ASSIGNMENT OF RIGHTS, THE OBLIGOR AND OBLIGEE SHALL BE CONSIDERED NON-REQUESTERS. THE NOTICE OF REVIEW SHALL ADVISE THE OBLIGOR AND OBLIGEE THAT A REVIEW IS TO BE CONDUCTED AND PROVIDE THE NON-REQUESTERS TWENTY DAYS WITHIN WHICH TO PROVIDE THE FINANCIAL INFORMATION NECESSARY TO CALCULATE THE CHILD SUPPORT OBLIGATION PURSUANT TO THE COLORADO CHILD SUPPORT GUIDELINES DESCRIBED IN SECTION 14-10-115, C.R.S.

(1.5) (a) THE REVIEW OF THE ADMINISTRATIVE ORDER SHALL BE CONDUCTED ON OR BEFORE THE THIRTIETH DAY AFTER NOTICE OF REVIEW IS SENT TO THE PARTIES. DURING THE REVIEW, THE DETERMINATION OF THE MONTHLY SUPPORT OBLIGATION SHALL BE BASED ON THE CHILD SUPPORT GUIDELINES SET FORTH IN SECTION 14-10-115, C.R.S. THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT MAY GRANT A CONTINUANCE OF THE REVIEW FOR GOOD CAUSE. THE CONTINUANCE SHALL BE FOR A REASONABLE PERIOD OF TIME TO BE DETERMINED BY THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT, NOT TO

EXCEED THIRTY DAYS.

(b) IN ORDER TO OBTAIN INFORMATION NECESSARY TO CONDUCT THE REVIEW, THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT IS AUTHORIZED, PURSUANT TO SECTIONS 26-13.5-103 (1) AND 26-13-121 (3) (d), TO SERVE, BY FIRST-CLASS MAIL OR BY ELECTRONIC MEANS IF MUTUALLY AGREED UPON, AN ADMINISTRATIVE SUBPOENA TO ANY PERSON, CORPORATION, PARTNERSHIP, PUBLIC EMPLOYEE RETIREMENT BENEFIT PLAN, FINANCIAL INSTITUTION, LABOR UNION, OR OTHER ENTITY TO APPEAR OR FOR THE PRODUCTION OF RECORDS AND FINANCIAL DOCUMENTS.

(c) AN ADJUSTMENT TO THE ADMINISTRATIVE ORDER SHALL BE APPROPRIATE ONLY IF THE STANDARD SET FORTH IN SECTION 14-10-122 (1) (b), C.R.S., IS MET.

(1.7) (a) AFTER THE REVIEW IS COMPLETED, THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL PROVIDE A POST-REVIEW NOTICE AND CHILD SUPPORT GUIDELINE WORKSHEET ADVISING THE OBLIGOR AND OBLIGEE OF THE REVIEW RESULTS. IF A REVIEW INDICATES THAT AN ADJUSTMENT SHOULD BE MADE, A NOTICE OF FINANCIAL RESPONSIBILITY AND A PROPOSED ORDER OF FINANCIAL RESPONSIBILITY SHALL BE INCLUDED. THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL PROVIDE ALL SUPPORTING FINANCIAL DOCUMENTATION USED TO CALCULATE THE MONTHLY SUPPORT OBLIGATION TO BOTH PARTIES. THE NOTICE OF FINANCIAL RESPONSIBILITY SHALL ADVISE THE PARTIES OF THE RIGHT TO CHALLENGE THE POST-REVIEW NOTICE OF THE REVIEW RESULTS, THE TIME FRAME FOR CHALLENGING THE REVIEW RESULTS, AND THE METHOD FOR ASSERTING THE CHALLENGE.

(b) THE OBLIGOR AND OBLIGEE SHALL BE GIVEN FIFTEEN DAYS FROM THE DATE OF THE POST-REVIEW NOTICE TO CHALLENGE THE REVIEW RESULTS. THE GROUNDS FOR THE CHALLENGE SHALL BE LIMITED TO THE ISSUE OF MATHEMATICAL OR FACTUAL ERROR IN THE CALCULATION OF THE MONTHLY SUPPORT OBLIGATION. THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT MAY GRANT AN EXTENSION OF UP TO FIFTEEN DAYS TO CHALLENGE THE REVIEW RESULTS BASED UPON A SHOWING OF GOOD CAUSE. ANY CHALLENGE MAY BE PRESENTED AT THE NEGOTIATION CONFERENCE SCHEDULED PURSUANT TO SECTION 26-13.5-103 VIA FIRST-CLASS MAIL OR VIA AN ELECTRONIC COMMUNICATION METHOD.

(c) THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL HAVE FIFTEEN DAYS FROM THE DATE OF RECEIPT OF THE CHALLENGE TO RESPOND TO A CHALLENGE BASED UPON A MATHEMATICAL OR FACTUAL ERROR. IF A CHALLENGE RESULTS IN A CHANGE TO THE MONTHLY SUPPORT OBLIGATION, THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL PROVIDE AN AMENDED NOTICE OF REVIEW TO THE OBLIGOR AND OBLIGEE. THE PARTIES SHALL BE GIVEN FIFTEEN DAYS FROM THE DATE OF THE AMENDED NOTICE OF REVIEW TO CHALLENGE THE

RESULTS OF ANY SUBSEQUENT REVIEW. THE GROUNDS FOR THE CHALLENGE SHALL BE LIMITED TO THE ISSUE OF MATHEMATICAL OR FACTUAL ERROR IN THE CALCULATION OF THE MONTHLY SUPPORT OBLIGATION.

(1.9) (a) IF THE REVIEW INDICATES THAT A CHANGE TO THE MONTHLY SUPPORT OBLIGATION IS APPROPRIATE AND THE REVIEW IS NOT CHALLENGED OR ALL CHALLENGES HAVE BEEN ADDRESSED, THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL FILE THE NOTICE OF FINANCIAL RESPONSIBILITY, THE ORDER OF FINANCIAL RESPONSIBILITY ACCOMPANIED BY THE GUIDELINE WORKSHEET, AND THE SUPPORTING FINANCIAL DOCUMENTATION WITH THE COURT. WHEN THE ORDER OF FINANCIAL RESPONSIBILITY IS FILED WITH THE COURT, IT SHALL BE PROVIDED TO THE PARTIES AND SHALL CONTAIN AN ADVISEMENT THAT THE PARTIES HAVE FIFTEEN DAYS FROM THE DATE OF FILING TO FILE A WRITTEN OBJECTION TO THE ORDER OF FINANCIAL RESPONSIBILITY WITH THE COURT.

(b) IF THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT HAS FILED AN ORDER OF FINANCIAL RESPONSIBILITY MODIFYING THE MONTHLY SUPPORT OBLIGATION AND AN OBJECTION HAS NOT BEEN RECEIVED BY THE COURT WITHIN FIFTEEN DAYS AFTER THE ORDER IS FILED WITH THE COURT, THE ORDER OF FINANCIAL RESPONSIBILITY SHALL BECOME FINAL. IF AN OBJECTION IS RECEIVED WITHIN THE FIFTEEN-DAY PERIOD, THE COURT MAY AFFIRM THE ORDER OF FINANCIAL RESPONSIBILITY AS SUBMITTED, ISSUE AN ORDER REVISING THE MONTHLY SUPPORT OBLIGATION, OR SET THE MATTER FOR A HEARING. IF A HEARING IS NECESSARY, THE COURT SHALL HOLD A HEARING WITHIN FORTY-FIVE DAYS AFTER THE FILING OF THE ORDER OF FINANCIAL RESPONSIBILITY, AND THE COURT SHALL DECIDE ONLY THE ISSUES OF CHILD SUPPORT AND MEDICAL SUPPORT. ANY DOCUMENTARY EVIDENCE PROVIDED BY THE OBLIGEE OR THE OBLIGOR OR BY THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT MAY BE ADMITTED INTO EVIDENCE BY THE COURT WITHOUT THE NECESSITY OF LAYING A FOUNDATION FOR ITS ADMISSIBILITY, AND THE COURT MAY DETERMINE THE RELATIVE WEIGHT OR CREDIBILITY TO GIVE ANY SUCH DOCUMENTATION.

**SECTION 19.** Article 35 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

PART 6  
GAMBLING PAYMENT INTERCEPT ACT

**24-35-601. Short title.** THIS PART 6 SHALL BE KNOWN AND MAY BE CITED AS THE "GAMBLING PAYMENT INTERCEPT ACT".

**24-35-602. Legislative declaration.** (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) PARENTS SHOULD PROVIDE FINANCIAL SUPPORT TO THEIR MINOR CHILDREN WHO CANNOT CARE FOR THEMSELVES.

(b) THE STATE SHOULD INTERVENE WHEN PARENTS FAIL TO MEET THEIR SUPPORT OBLIGATIONS.

(c) CHILDREN ARE ADVERSELY AFFECTED WHEN PARENTS DIVERT THEIR FINANCIAL SUPPORT TO LIMITED GAMING AND PARI-MUTUEL WAGERING.

(d) A PARENT'S WINNINGS FROM MONEY DIVERTED FROM A CHILD'S SUPPORT SHOULD BE APPLIED TO THE PARENT'S OUTSTANDING SUPPORT OBLIGATIONS.

(e) SECTION 12-47.1-102 (1) (c), C.R.S., OF THE "LIMITED GAMING ACT OF 1991" RECOGNIZES THAT THE LIMITED GAMING INDUSTRY MUST BE ASSISTED IN PROTECTING THE GENERAL WELFARE OF THE PEOPLE OF THE STATE.

**24-35-603. Definitions.** AS USED IN THIS PART 6, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "LICENSEE" MEANS A LICENSEE AS DEFINED IN SECTION 12-60-102 (17), C.R.S., OR AN OPERATOR OR RETAIL GAMING LICENSEE UNDER SECTION 12-47.1-501 (1) (b) OR (1) (c), C.R.S.

(2) "OUTSTANDING DEBT" MEANS UNPAID CHILD SUPPORT DEBT OR CHILD SUPPORT COSTS TO THE STATE PURSUANT TO SECTION 14-14-104, C.R.S., AND ARREARAGES OF CHILD SUPPORT REQUESTED AS PART OF AN ENFORCEMENT ACTION PURSUANT TO ARTICLE 5 OF TITLE 14, C.R.S., OR ARREARAGES OF CHILD SUPPORT THAT ARE THE SUBJECT OF ENFORCEMENT SERVICES PROVIDED PURSUANT TO SECTION 26-13-106, C.R.S.

(3) "PAYMENT" MEANS CASH WINNINGS FROM LIMITED GAMING OR FROM PARI-MUTUEL WAGERING ON HORSE OR GREYHOUND RACING PAYABLE BY A LICENSEE FOR WHICH THE LICENSEE IS REQUIRED TO FILE FORM W-2G, OR A SUBSTANTIALLY EQUIVALENT FORM, WITH THE UNITED STATES INTERNAL REVENUE SERVICE.

(4) "REGISTRY" MEANS THE REGISTRY CREATED AND MAINTAINED BY OR FOR THE DEPARTMENT OF REVENUE PURSUANT TO SECTION 24-35-604.

(5) "REGISTRY OPERATOR" MEANS THE DEPARTMENT OF REVENUE OR THE PRIVATE ENTITY THAT MAINTAINS THE REGISTRY UNDER THE DIRECTION AND CONTROL OF THE DEPARTMENT.

**24-35-604. Registry - creation - information.** (1) THE DEPARTMENT OF REVENUE SHALL CREATE AND MAINTAIN, OR CONTRACT WITH A PRIVATE ENTITY PURSUANT TO SECTION 24-35-607 TO CREATE AND MAINTAIN, THE REGISTRY IN ACCORDANCE WITH THIS SECTION.

(2) THE DEPARTMENT OF HUMAN SERVICES SHALL CERTIFY TO THE REGISTRY OPERATOR THE INFORMATION INDICATED IN SUBSECTION (4) OF THIS SECTION REGARDING EACH CHILD SUPPORT OBLIGOR WITH AN OUTSTANDING DEBT AS DEFINED IN SECTION 24-35-603 (2).

(3) THE REGISTRY OPERATOR SHALL ENTER IN THE REGISTRY THE INFORMATION CERTIFIED TO THE REGISTRY OPERATOR BY THE DEPARTMENT OF HUMAN SERVICES PURSUANT TO SUBSECTION (2) OF THIS SECTION.

(4) THE REGISTRY SHALL CONTAIN THE FOLLOWING INFORMATION:

(a) THE NAME OF EACH PERSON WITH AN OUTSTANDING DEBT;

(b) THE SOCIAL SECURITY NUMBER OF EACH PERSON WITH AN OUTSTANDING DEBT;

(c) THE ACCOUNT OR CASE IDENTIFIER ASSIGNED TO THE OUTSTANDING DEBT BY THE DEPARTMENT OF HUMAN SERVICES;

(d) THE NAME, TELEPHONE NUMBER, AND ADDRESS OF THE DEPARTMENT OF HUMAN SERVICES; AND

(e) THE AMOUNT OF THE OUTSTANDING DEBT.

**24-35-605. Payments - limited gaming and pari-mutuel wagering licensees - procedures.** (1) ON AND AFTER JULY 1, 2008:

(a) A LICENSEE SHALL HAVE THE MEANS TO COMMUNICATE WITH THE REGISTRY OPERATOR.

(b) BEFORE MAKING A PAYMENT TO A WINNER, THE LICENSEE SHALL OBTAIN THE NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF THE WINNER FROM FORM W-2G, OR A SUBSTANTIALLY EQUIVALENT FORM, TO BE FILED WITH THE UNITED STATES INTERNAL REVENUE SERVICE AND SUBMIT THE REQUIRED INFORMATION TO THE REGISTRY OPERATOR. THE REGISTRY OPERATOR SHALL INFORM THE LICENSEE WHETHER THE WINNER IS LISTED IN THE REGISTRY. THE LICENSEE SHALL COMPLY WITH SUBSECTION (2) OF THIS SECTION.

(2) (a) IF THE REGISTRY OPERATOR REPLIES THAT THE WINNER IS NOT LISTED IN THE REGISTRY OR IF THE LICENSEE IS UNABLE TO RECEIVE INFORMATION FROM THE REGISTRY OPERATOR AFTER ATTEMPTING IN GOOD FAITH TO DO SO, THE LICENSEE MAY MAKE THE PAYMENT TO THE WINNER.

(b) IF THE REGISTRY OPERATOR REPLIES THAT THE WINNER IS LISTED IN THE REGISTRY:

(I) THE REPLY FROM THE REGISTRY OPERATOR TO THE LICENSEE SHALL INDICATE THE NAME, TELEPHONE NUMBER, AND ADDRESS OF THE DEPARTMENT OF HUMAN SERVICES AND THE AMOUNT OF THE WINNER'S OUTSTANDING DEBT.

(II) THE LICENSEE SHALL WITHHOLD FROM THE AMOUNT OF THE PAYMENT AN AMOUNT EQUAL TO THE AMOUNT CERTIFIED PURSUANT TO SECTION 24-35-604 (2). IF THE AMOUNT OF THE PAYMENT IS LESS THAN OR EQUAL TO THE AMOUNT CERTIFIED, THE LICENSEE SHALL WITHHOLD THE ENTIRE AMOUNT OF THE PAYMENT. THE LICENSEE SHALL REFER THE WINNER TO THE DEPARTMENT OF HUMAN SERVICES.

(III) WITHIN TWENTY-FOUR HOURS AFTER WITHHOLDING A PAYMENT PURSUANT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH (b), THE LICENSEE SHALL SEND THE AMOUNT WITHHELD TO THE REGISTRY OPERATOR AND REPORT TO THE REGISTRY OPERATOR THE FULL NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF THE WINNER, THE ACCOUNT OR CASE IDENTIFIER ASSIGNED BY THE DEPARTMENT OF HUMAN SERVICES, THE DATE AND AMOUNT OF THE PAYMENT, AND THE NAME AND LOCATION OF THE LICENSEE.

(IV) THE REGISTRY OPERATOR SHALL SEND TO THE DEPARTMENT OF HUMAN SERVICES THE MONEYS AND INFORMATION RECEIVED FROM A LICENSEE PURSUANT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH (b).

(V) THE DEPARTMENT OF HUMAN SERVICES SHALL PROCESS MONEYS RECEIVED FROM THE REGISTRY OPERATOR PURSUANT TO SUBPARAGRAPH

(IV) OF THIS PARAGRAPH (b) IN ACCORDANCE WITH SECTION 26-13-118.7,

C.R.S.

**24-35-606. Liability - immunity.** (1) A LICENSEE THAT FAILS TO COMPLY WITH THE PROVISIONS OF SECTION 24-35-605 SHALL BE SUBJECT TO SANCTIONS BY ITS LICENSING AUTHORITY PURSUANT TO SECTIONS 12-47.1-525 (1) AND 12-60-507 (1), C.R.S.

(2) A LICENSEE THAT MAKES A PAYMENT TO A WINNER IN VIOLATION OF SECTION 24-35-605 SHALL NOT BE LIABLE TO THE PERSON TO WHOM THE WINNER OWES AN OUTSTANDING DEBT.

(3) EXCEPT AS PROVIDED IN SECTION 24-35-606, A LICENSEE SHALL BE IMMUNE FROM CIVIL AND CRIMINAL LIABILITY FOR ACTING IN COMPLIANCE WITH THE PROVISIONS OF THIS PART 6.

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**24-35-607. Contracting authority - memoranda of understanding - rules.** (1) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE MAY ENTER INTO A CONTRACT WITH A PRIVATE ENTITY, IN ACCORDANCE WITH THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF THIS TITLE, TO CREATE AND MAINTAIN THE REGISTRY.

(2) THE DEPARTMENT OF REVENUE MAY ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT OF HUMAN SERVICES TO IMPLEMENT THIS PART 6. IF THE REGISTRY IS OPERATED BY A PRIVATE ENTITY PURSUANT TO THIS SECTION, THE REGISTRY OPERATOR MAY ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT OF HUMAN SERVICES TO IMPLEMENT THIS PART 6.

(3) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE SHALL

PROMULGATE RULES IN ACCORDANCE WITH ARTICLE 4 OF THIS TITLE TO IMPLEMENT THIS PART 6. THE RULES SHALL INCLUDE, BUT NEED NOT BE LIMITED TO, RULES REGARDING:

(a) THE REMOVAL FROM THE REGISTRY OF INFORMATION REGARDING PERSONS WHO SATISFY THEIR OUTSTANDING DEBTS;

(b) THE MANNER IN WHICH A LICENSEE SHALL COMMUNICATE WITH THE REGISTRY, INCLUDING THE INFORMATION A LICENSEE SHALL SUBMIT TO THE REGISTRY AND THE PROCEDURES TO BE FOLLOWED IF THE REGISTRY IS INACCESSIBLE DUE TO TECHNICAL OR OTHER PROBLEMS; AND

(c) THE PROTECTION OF THE CONFIDENTIALITY OF INFORMATION IN THE REGISTRY.

(4) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE SHALL PROMULGATE A RULE IN ACCORDANCE WITH ARTICLE 4 OF THIS TITLE ALLOWING A LICENSEE TO RETAIN A PORTION OF A PAYMENT WITHHELD PURSUANT TO THIS PART 6 TO COVER THE LICENSEE'S COSTS OF COMPLIANCE WITH THIS PART 6, WHICH AMOUNT SHALL BE ADDED TO THE DEBTOR'S OUTSTANDING DEBT.

**24-35-608. Conditional repeal of part.** (1) THIS PART 6 SHALL BE REPEALED IF, WITHIN TWELVE MONTHS BEGINNING JULY 1, 2008, THERE IS NO WINNER IDENTIFIED AS LISTED IN THE REGISTRY TO WHOM PAYMENT WOULD OTHERWISE BE PAYABLE BY A LICENSEE. IF THERE IS NO SUCH WINNER IDENTIFIED AS LISTED IN THE REGISTRY WITHIN THE TWELVE-MONTH PERIOD, THE REGISTRY OPERATOR SHALL, AT THE EXPIRATION OF THE TWELVE-MONTH PERIOD, IMMEDIATELY NOTIFY THE REVISOR OF STATUTES, IN WRITING.

(2) THIS PART 6 SHALL BE REPEALED UPON RECEIPT BY THE REVISOR OF STATUTES OF THE NOTIFICATION DESCRIBED IN SUBSECTION (1) OF THIS SECTION.

**SECTION 20.** 12-14-103 (2) (b), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

**12-14-103. Definitions.** As used in this article, unless the context otherwise requires:

(2) (b) "Collection agency" does not include:

(IX) A LIMITED GAMING OR RACING LICENSEE ACTING PURSUANT TO PART 6 OF ARTICLE 35 OF TITLE 24, C.R.S.

**SECTION 21.** The introductory portion to 12-47.1-525 (1), Colorado Revised Statutes, is amended to read:

**12-47.1-525. Suspension or revocation of license - grounds -**

**penalties.** (1) Any license granted pursuant to this article may be suspended for up to six months or revoked for any cause ~~which~~ THAT would have prevented its issuance, or for any violation by the licensee or any officer, director, agent, member, or employee of a licensee of this article, ~~or~~ any rule ~~or regulation~~ promulgated by the commission, ANY PROVISION OF PART 6 OF ARTICLE 35 OF TITLE 24, C.R.S., OR ANY RULE PROMULGATED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE PURSUANT TO SECTION 24-35-607 (3), C.R.S., or for conviction of a crime involving moral turpitude or a felony, after notice to the licensee and a hearing upon proof by a preponderance of the evidence as determined by the commission. In addition to revocation or suspension, or in lieu of revocation or suspension, the commission may impose a reprimand or a monetary penalty not to exceed the following amounts:

**SECTION 22.** Part 5 of article 47.1 of title 12, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**12-47.1-531. Payments of winnings - intercept -conditional repeal.**

(1) BEFORE MAKING A PAYMENT OF CASH GAMING WINNINGS FOR WHICH THE LICENSEE IS REQUIRED TO FILE FORM W-2G, OR A SUBSTANTIALLY EQUIVALENT FORM, WITH THE UNITED STATES INTERNAL REVENUE SERVICE, A LICENSEE SHALL COMPLY WITH THEREQUIREMENTS OF PART 6 OF ARTICLE 35 OF TITLE 24, C.R.S.

(2) THIS SECTION SHALL BE REPEALED IF PART 6 OF ARTICLE 35 OF TITLE 24, C.R.S., IS REPEALED PURSUANT TO SECTION 24-35-608, C.R.S.

**SECTION 23.** 12-47.1-817 (1), Colorado Revised Statutes, is amended to read:

**12-47.1-817. Failure to pay winners.** (1) It is unlawful for any licensee to willfully refuse to pay the winner of any limited gaming game, EXCEPT AS AUTHORIZED BY SECTION 24-35-605 (2) (b) (II), C.R.S.

**SECTION 24.** 12-60-507 (1), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

**12-60-507. Investigation - denial, suspension, and revocation actions against licensees - unlawful acts - conditional repeal.** (1) The commission upon its own motion may, and upon complaint in writing of any person shall, investigate the activities of any licensee or applicant within the state or any person upon the premises of any facility licensed pursuant to this article. In addition to its authority under any other provision of this article,



the commission may issue a letter of admonition to a licensee, fine a licensee, suspend a license, deny an application for a license, or revoke a license, if such person has committed any of the following violations:

(w) (I) FAILING TO COMPLY WITH THE REQUIREMENTS OF PART 6 OF ARTICLE 35 OF TITLE 24, C.R.S., OR ANY RULE PROMULGATED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE PURSUANT TO SECTION 24-35-607 (3), C.R.S.

(II) THIS PARAGRAPH (w) SHALL BE REPEALED IF PART 6 OF ARTICLE 35 OF TITLE 24, C.R.S., IS REPEALED PURSUANT TO SECTION 24-35-608,

C.R.S.

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**SECTION 25.** Part 5 of article 60 of title 12, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**12-60-513. Payments of winnings - intercept - conditional repeal.**

(1) BEFORE MAKING A PAYMENT OF CASH WINNINGS FROM PARI-MUTUEL WAGERING ON HORSE OR GREYHOUND RACING FOR WHICH THE LICENSEE IS REQUIRED TO FILE FORM W-2G, OR A SUBSTANTIALLY EQUIVALENT FORM, WITH THE UNITED STATES INTERNAL REVENUE SERVICE, THE LICENSEE SHALL COMPLY WITH THE REQUIREMENTS OF PART 6 OF ARTICLE 35 OF TITLE 24, C.R.S.

(2) THIS SECTION SHALL BE REPEALED IF PART 6 OF ARTICLE 35 OF TITLE 24, C.R.S., IS REPEALED PURSUANT TO SECTION 24-35-608, C.R.S.

**SECTION 26.** Article 13 of title 26, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**26-13-118.7. Gambling winnings - interception - conditional repeal.**

(1) PURSUANT TO SECTION 24-35-604 (2), C.R.S., THE STATE DEPARTMENT SHALL PERIODICALLY CERTIFY TO THE REGISTRY OPERATOR INFORMATION REGARDING PERSONS WHO OWE A CHILD SUPPORT DEBT OR CHILD SUPPORT COSTS TO THE STATE PURSUANT TO SECTION 14-14-104, C.R.S., OR WHO OWE CHILD SUPPORT ARREARAGES REQUESTED AS PART OF AN ENFORCEMENT ACTION PURSUANT TO ARTICLE 5 OF TITLE 14, C.R.S., OR WHO OWE CHILD SUPPORT ARREARAGES OR CHILD SUPPORT COSTS THAT ARE THE SUBJECT OF ENFORCEMENT SERVICES PROVIDED PURSUANT TO SECTION 26-13-106. THE INFORMATION SHALL INCLUDE THE SOCIAL SECURITY NUMBER OF THE PERSON OWING THE CHILD SUPPORT DEBT, ARREARAGES, OR CHILD SUPPORT COSTS, THE AMOUNT OWED, AND THE OTHER INFORMATION REQUIRED BY THE REGISTRY OPERATOR PURSUANT TO SECTION 24-35-604 (4), C.R.S.

(2) UPON RECEIPT FROM THE REGISTRY OPERATOR OF A PAYMENT AND ACCOMPANYING INFORMATION PURSUANT TO SECTION 24-35-605 (2) (b), C.R.S., THE STATE DEPARTMENT SHALL NOTIFY THE OBLIGATED PARENT IN WRITING THAT THE STATE INTENDS TO OFFSET THE PARENT'S CHILD SUPPORT DEBT, CHILD SUPPORT ARREARAGES, OR CHILD SUPPORT COSTS AGAINST THE PARENT'S WINNINGS FROM LIMITED GAMING OR FROM PARI-MUTUEL WAGERING ON HORSE OR GREYHOUND RACING. THE NOTICE SHALL INCLUDE INFORMATION ON THE PARENT'S RIGHT TO OBJECT TO THE

OFFSET AND TO REQUEST AN ADMINISTRATIVE REVIEW PURSUANT TO THE RULES OF THE STATE BOARD.

(3) THE STATE DEPARTMENT SHALL DEPOSIT A PAYMENT RECEIVED FROM THE REGISTRY OPERATOR PURSUANT TO SECTION 24-35-605 (2) (b), C.R.S., WITH THE STATE TREASURER. AFTER THE FINAL DISPOSITION OF ANY ADMINISTRATIVE REVIEW REQUESTED PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE STATE DEPARTMENT SHALL DISBURSE THE PAYMENT TO THE FAMILY SUPPORT REGISTRY CREATED IN SECTION 26-13-114 FOR PROCESSING OR FOR DISTRIBUTION TO THE INDIVIDUAL RECEIVING SUPPORT ENFORCEMENT SERVICES PURSUANT TO SECTION 26-13-106, AS APPROPRIATE.

(4) THE STATE DEPARTMENT SHALL PROMULGATE RULES PURSUANT TO ARTICLE 4 OF TITLE 24, C.R.S., ESTABLISHING PROCEDURES TO IMPLEMENT THIS SECTION.

(5) THE STATE DEPARTMENT SHALL SEND THE NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF ANY PERSON SUBJECT TO THE INTERCEPTION OF GAMBLING WINNINGS PROVIDED BY THE REGISTRY OPERATOR TO THE RESPECTIVE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT AS DEFINED IN SECTION 14-14-102 (2), C.R.S.

(6) THIS SECTION SHALL BE REPEALED IF PART 6 OF ARTICLE 35 OF TITLE 24, C.R.S., IS REPEALED PURSUANT TO SECTION 24-35-608, C.R.S.

**SECTION 27.** 26-13-114 (4) (e), Colorado Revised Statutes, is amended to read:

**26-13-114. Family support registry -collection and disbursement of child support and maintenance - rules - legislative declaration.** (4) In operating the family support registry, the child support enforcement agency is authorized to:

(e) Collect a fee for the processing of insufficient funds checks. ~~and~~ THE CHILD SUPPORT ENFORCEMENT AGENCY SHALL issue a notice to the originator of ~~any~~ THE SECOND insufficient funds check RECEIVED WITHIN ANY SIX-MONTH PERIOD that no further checks will be accepted from ~~such~~ THE person and that future payments FOR A PERIOD OF SIX MONTHS FOLLOWING THE ISSUANCE OF THE NOTICE shall be required to be paid by cash or certified funds. In the event that a disbursement to the obligee becomes unfunded due to insufficient funds, stop payment, or other reason, the unfunded disbursement may be recovered from the next payment. The department of human services shall ensure that provisions are available for obligors to make cash payments through their county child support enforcement units.

**SECTION 28. Appropriation.** (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of human services, office of self sufficiency, child support enforcement, automated child support enforcement system, for the fiscal year beginning July 1, 2007, the sum of forty thousand four hundred forty dollars (\$40,440), or so much thereof as may be necessary, for the implementation of this act. Said amount is exempt from the statutory limit on state general fund appropriations pursuant to section 24-75-201.1 (1) (a) (III) (A), Colorado Revised Statutes. The general assembly anticipates that, for the fiscal year beginning July 1, 2007, the department of human services will receive the sum of seventy-eight thousand five hundred three dollars (\$78,503) in federal funds for the implementation of this act. Although these funds are not appropriated in this act, they are noted for the purpose of indicating the assumptions used relative to these

funds.

(2) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of revenue, for allocation to the taxpayer service division, for the fiscal year beginning July 1, 2007, the sum of two thousand five hundred seventy-five dollars (\$2,575), or so much thereof as may be necessary, for the implementation of this act.

(3) For the implementation of this act, the appropriation made in section 21 of the annual general appropriation act for the fiscal year beginning July 1, 2007, shall be adjusted as follows: The general fund appropriation to the controlled maintenance trust fund is decreased by two thousand five hundred seventy-five dollars (\$2,575).

**SECTION 29. Effective date.** (1) Except as otherwise provided in subsection (5) of this section, sections 1, 2, 4, 8, 9, 10, 11, 16, 17, 27, 28, and 30 of this act and this section shall take effect upon passage.

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(2) Sections 12, 13, and 14 of this act shall take effect October 1, 2007.

(3) Except as otherwise provided in subsection (5) of this section, section 6 of this act shall take effect January 1, 2008.

(4) Sections 15 and 18 of this act shall take effect July 1, 2008.

(5) If Senate Bill 07-015 is enacted at the first regular session of the sixty-sixth general assembly and becomes law, sections 2, 4, and 6 of this act shall not take effect and:

(a) Sections 3 and 5 of this act shall take effect upon passage; and

(b) Section 7 of this act shall take effect January 1, 2008.

(6) Sections 19 through 26 of this act shall take effect January 1, 2008.

**SECTION 30. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Andrew Romanoff Joan Fitz-Gerald SPEAKER OF THE HOUSE PRESIDENT  
OF OF REPRESENTATIVES THE SENATE



## E.

### **New Mexico Gaming Control Board Act and Lottery Act of 1997**

#### **60-2E-61. Lien on winnings for debt collected by human services department; procedure.**

A. The human services department, acting as the state's child support enforcement agency pursuant to Title IV-D of the federal Social Security Act, shall periodically certify to the board the names and social security numbers of persons owing a debt to or collected by the human services department.

B. Prior to the payment of a gaming machine payout in excess of one thousand two hundred dollars (\$1,200), the board shall check the name of the winner against the list of names and social security numbers of persons owing a debt to or collected by the human services department.

C. If the winner is on the list of persons owing a debt to or collected by the agency, the board shall make a good-faith attempt to notify the human services department, and the department then has a lien against the winnings in the amount of the debt owed to or collected by the agency. The board has no liability to the human services department or to the person on whose behalf the department is collecting the debt if the board fails to match a winner's name to a name on the list or is unable to notify the department of a match. The department shall provide the board with written notice of a support lien promptly within five working days after the board notifies the department of a match.

D. If the amount won is to be paid directly by the board, the amount of the debt owed to or collected by the human services department shall be held by the board for a period of thirty days from the board's confirmation of the amount of the debt to allow the department to institute any necessary garnishment or wage withholding proceedings. If a garnishment or withholding proceeding is not initiated within the thirty-day period, the board shall release the amount won to the winner.

E. The human services department, in its discretion, may release or partially release the support lien upon written notice to the board.

F. A support lien under this section is in addition to any other lien created by law.

**History:** Laws 1997, ch. 190, § 63; 2002, ch. 102, § 17.

**The 2002 amendment,** effective March 5, 2002, substituted "Procedure" for "Payment to department" in the section heading, and substituted "payout in excess of one thousand two hundred dollars (\$1,200)" for "amount in excess of six hundred dollars (\$600)" in Subsection B.

**Severability clauses.** — Laws 1997, ch. 190, § 69 provides for the severability of the act if any part or application thereof is held invalid.

**Social Security Act.** — Title IV-D of the federal Social Security Act appears as 42 U.S.C.S. § 651 et seq.

## **F.**

### **New Mexico Gaming Control Board Regulations**

#### **15.1.19.9 VERIFICATION OF WINNINGS; REPORTING PROCEDURES:**

**A.** When the winning patron seeks payment of winnings in the amount of \$1,200.00 or more, the gaming operator licensee shall verify the winnings in accordance with approved minimum internal control standards.

**B.** Upon verification of the validity of the winnings, and before payment of the winnings, the gaming operator licensee must ensure that the winning patron completes a form provided or approved by the board to report the winnings.

**C.** The form must include the following information and must be completed in full:

- (1) the name, address, telephone number, and social security number of the winning patron;
- (2) the exact amount of the winnings;
- (3) the date the winnings were won; and
- (4) the name, address, telephone number, and gaming operator license number of the gaming operator.

**D.** In addition to providing the information required in Subsection C of 15.1.19.9 NMAC above, the winning patron must sign and date the following statements, under penalty of perjury:

- (1) a statement declaring, to the best of the winning patron's knowledge and belief, that the winning patron does not owe and is not delinquent in child support payments in any state; and
- (2) a statement attesting to the accuracy of the information provided.

**E.** After the winning patron completes the form, the gaming operator licensee shall verify the identity of the winning patron and the information provided by the winning patron on the form against at least one of the

following forms of photograph identification:

- (1) valid driver licensee issued by any state in the United States of America;
- (2) valid identification card issued by any state in the United States of America;
- (3) valid employment card issued by any state in the United States of America;
- (4) valid military identification card and/or military dependent identification card;
- (5) valid passport issued by the United States government and/or other country recognized by the United States government; and
- (6) valid alien resident identification card.

**F.** The gaming operator licensee must also verify the social number provided by the winning patron on the form against one of the following documents:

- (1) winning patron's social security card; or
- (2) by having patron complete IRS form W-9.

**G.** Upon verification of the information provided by the winning patron; the gaming operator licensee may pay the winnings.

**H.** If a winning patron refuses to provide any of the information required by this rule, or fails or refuses to complete the reporting form, the gaming operator licensee must withhold the winnings until such time as the information is provided.

[4/30/99; 15.1.19.9 NMAC - Rn, 15 NMAC 1.19.9, 10/15/00; A, 1/31/02; A, 7/31/02; A, 5/14/04]

G.

## New Mexico Verifications of Winnings Form

### VERIFICATION OF WINNINGS IN EXCESS OF \$1,200

THIS FORM MUST BE COMPLETED BEFORE PAYOUT. Distribution: Gaming Operator Licensee retains the original and distributes one copy to winner and one copy to New Mexico Human Services Dept., Child Support Enforcement Division, Attn: General Counsel, P. O. Box 25109, Santa Fe, NM 87504, within seven (7) days.

<b>BOX 1 - TO BE COMPLETED BY WINNER</b>	
Name _____	
Address _____	Zip Code _____
Telephone # _____	Social Security # _____
Under penalty of perjury, I declare that: (1) the information above is true and accurate to the best of my knowledge and belief; (2) the Gaming Operator Licensee has paid me winnings in the amount shown in Box 2 below; and (3) to the best of my knowledge and belief, I do not owe any, or am not delinquent in, child support payments in any state.	
<input type="checkbox"/> I do	<input type="checkbox"/> I do not owe any child support payments in any state, and
<input type="checkbox"/> I am	<input type="checkbox"/> I am not delinquent in any child support payments in any state.
_____ Winner's Signature	_____ Date

<b>BOX 2 - TO BE COMPLETED BY GAMING OPERATOR</b>	
Name _____	
Address _____	Zip Code _____
Telephone # _____	Federal ID # _____
<b>WINNINGS:</b> \$ _____	<b>DATE WON:</b> _____ <b>DATE PAID:</b> _____
I certify that I have verified the information in Box 1 using the following forms of identification obtained from the Winner:	
1 <sup>st</sup> ID _____	
2 <sup>nd</sup> ID _____	
_____ Signature and Title	_____ Date
NMGCB Form No. CS 1.0 (12/26/02)	



**H.**

**PACSES Website Agreement and Limited License**

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I agree and understand that by entering my name and address to gain access to this Internet site I am certifying that I am the individual named above.

I agree and understand that a record of this agreement will be maintained by the Department of Public Welfare and that it is a crime to provide a false name and address.

I agree and understand that I am being given a limited license to access this Internet site for legitimate purposes only.

I agree and understand that the Department of Public Welfare has no liability if the information provided by this Internet site is incorrect or out of date.

I.

## PACSES Website Disclaimer Screenshot

The screenshot shows a Microsoft Internet Explorer browser window displaying the PACSES website. The address bar shows the URL: <https://www.humanservices.state.pa.us/CSWS/Help/index.html>. The website header includes the URL [www.childsupport.state.pa.us](http://www.childsupport.state.pa.us), navigation links (Home, Search, Site Map, Privacy, Contact Us, Help), and the PACSES logo with the tagline "Doing what's best for our children." The main content area displays "Search Results" for "Support Liens Inquiry Results". A prominent disclaimer states: "The information provided by this Internet site does not constitute an official certification by the Department of Public Welfare of the amount of support arrears. Certifications of arrears amounts must be obtained from the local Domestic Relations Sections under 23 Pa.C.S. § 4352(d.1)(3)and(7). The Department of Public Welfare is not liable if the information provided by this Internet site is incorrect or out of date." The left sidebar contains a "Login" section with links for "Receiving Child Support", "Paying Child Support", "Employer", "Docket Search", and "Lien Search". Below this is a "Please read our disclaimer." section with links for "Services Provided", "Useful Links", "Locate Domestic Relations Office", "Frequently Asked Questions", "Child Support Terms", "Laws & Legislation", and "Bureau of Child Support Enforcement". The right sidebar lists "Programs & Information" including "PA's Child Support Program - Overview", "Domestic Violence", "Establishing Paternity is in Your Hands", "Support Guidelines", "Child Support Cash", "Telephone Numbers", "Receiving Child Support", "Paying Child Support", "Health Care Coverage", "CHIP", "adultBasic", and "Financial Institution Data Match".