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STATE CAPITOL  
Phoenix, Arizona 85007

Robert R. Corbin

April 9, 1982

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ARIZONA ATTORNEY GENERAL

INTERAGENCY

The Honorable Tony Abril  
Arizona State Representative  
State Capitol, House Wing  
Phoenix, Arizona 85007

Re: I82-052 (R81-117)

Dear Representative Abril:

You inquired whether winnings from the state lottery would affect eligibility for benefits paid under state funded or federally assisted programs such as Food Stamps and Aid to Families with Dependent Children.

The Department of Economic Security administers four benefit programs, the eligibility for which would be affected by the receipt of lottery winnings or any other cash windfall payments.

1. Food Stamps. 7 C.F.R. § 273.9.c.8 provides in pertinent part:

Money received in the form of a non-recurring lump-sum payment . . . shall be counted as resources in the month received

. . . .

Therefore, lottery winnings, if in excess of allowable resources, would disqualify an applicant from receiving food stamps.

Any lottery amount remaining unspent in a later month would be treated as a resource during such later month. 7 C.F.R. § 273.8.c. Should the total resources available for any month exceed the allowable amount for the particular household size and composition, the household itself is ineligible to receive food stamps for that month. 7 C.F.R. § 273.8.b.

2. Aid to Families with Dependent Children. The Omnibus Budget Reconciliation Act of 1981, effective October 1, 1981, provides in pertinent part, at 42 U.S.C. § 602.a.17:

. . . if a person . . . receives in any month an amount of income which, together with all other income for that month . . . exceeds the State's standard of need applicable to the family of which he is a member--

(A) Such amount of income shall be considered income to such individual in the month received, and the family of which such person is a member shall be ineligible for aid under the plan for the whole number of months that equals (i) the sum of such amount and all other income received in such month . . . divided by (ii) the standard of need applicable to such family. . . .

For example, the standard of need for a family of four in Arizona is \$282 per month. Should a member of such an AFDC household having no other income win \$1,000 in the month of April, the household would be disqualified from receiving AFDC for the months of April, May and June, regardless of whether any of the winnings remained unspent at the end of April.

3. General Assistance. Eligibility for General Assistance, a wholly state-funded program, is covered in pertinent part by A.R.S. § 46-233.A.5, which limits the resources available for a single recipient to \$1,200 or less, including cash, and of a multiple recipient assistance unit to \$1,600, or less, also including cash. Lottery winnings are counted as a resource in the month received and would either reduce the general assistance grant up to that amount or disqualify the assistance unit from receiving benefits during the particular month. Any sum remaining unspent in a later month would be a resource in that later month, which would disqualify the household from receipt of benefits if the total amount of resources exceeds the limits set by A.R.S. § 46-233.A.

4. Optional and Mandatory Supplemental Payment Program. Benefits under these programs reflect all income, including lottery winnings. See A.R.S. § 46-252.B.7. As under the other benefit programs, lottery winnings would be a resource for each month in which some portion remains available.

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In summary, lottery winnings, so long as any amount remains available and unspent would disqualify a person from benefits or reduce benefits for food stamps, general assistance and supplemental payment programs. Aid to families with dependent children benefits, however, would be reduced for future months based upon the total amount won, without regard to how much of the winnings remained unspent during those future months.

Sincerely,



BOB CORBIN  
Attorney General

BC:DR:lm