

# HOUSE BILL 907

C7, D4

4lr0497

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By: Delegates Olszewski, Barkley, Bohanan, DeBoy, Elliott, Guzzone, Kach, Kaiser, Krebs, Lafferty, Luedtke, McComas, McMillan, Mitchell, Morhaim, Murphy, Schulz, Simmons, Sophocleus, Stocksedale, ~~and Wilson~~ Wilson, and Cardin

Introduced and read first time: February 5, 2014

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 13, 2014

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Video Lottery Facility Payouts – Intercepts for Child Support Payments**

3 FOR the purpose of requiring ~~a video lottery operation licensee to submit certain~~  
4 ~~information to the Child Support Enforcement Administration about an~~  
5 ~~individual at a video lottery facility who is declared a winner of a certain prize;~~  
6 ~~requiring the Administration to determine whether the individual is in arrears~~  
7 ~~of child support payments by determining whether the individual is listed in a~~  
8 ~~certain registry; specifying certain circumstances under which a video lottery~~  
9 ~~operation licensee may pay winnings to an individual; requiring the~~  
10 ~~Administration to inform the licensee and the licensee to deduct a certain~~  
11 ~~amount from a prize if an individual is found to be in arrears of child support~~  
12 ~~payments; requiring the licensee to forward the deduction to the Administration~~  
13 ~~and to pay to the individual the portion of the prize that remains; specifying the~~  
14 ~~amount of a certain administrative fee and the manner in which proceeds from~~  
15 ~~the administrative fee are to be distributed; requiring the creation and~~  
16 ~~maintenance of a child support registry by the Administration or a certain~~  
17 ~~private entity; requiring the Administration to enter certain information in the~~  
18 ~~registry; requiring the Governor to include in a certain budget bill a certain~~  
19 ~~appropriation to create and administer the registry; authorizing the State~~  
20 ~~Lottery and Gaming Control Commission to impose a certain penalty; specifying~~  
21 ~~that a video lottery operation licensee is not liable under certain circumstances~~  
22 ~~to an individual to whom child support is owed; requiring the Administration to~~

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 ~~report to the General Assembly on or before a certain date; requiring the State~~  
 2 ~~Lottery and Gaming Control Commission and the Department of Human~~  
 3 ~~Resources to adopt certain regulations; defining a certain term the Child~~  
 4 ~~Support Enforcement Administration, the Comptroller, and the Lottery and~~  
 5 ~~Gaming Control Agency jointly to establish a certain program on or before a~~  
 6 ~~certain date; authorizing the Administration, the Comptroller, and the Agency~~  
 7 ~~to adopt certain regulations; requiring the Department of Human Resources,~~  
 8 ~~the Comptroller, and the Agency jointly to report to the General Assembly on or~~  
 9 ~~before a certain date; and generally relating to video lottery facility payouts and~~  
 10 ~~child support payments.~~

11 BY adding to  
 12 Article – State Government  
 13 Section 9–1A–02.1  
 14 Annotated Code of Maryland  
 15 (2009 Replacement Volume and 2013 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article – State Government**

19 **9–1A–02.1.**

20 (A) IN THIS SECTION, “ADMINISTRATION” MEANS THE CHILD SUPPORT  
 21 ENFORCEMENT ADMINISTRATION OF THE DEPARTMENT OF HUMAN  
 22 RESOURCES.

23 ~~(B) AFTER AN INDIVIDUAL IS DECLARED THE WINNER OF A PRIZE AT A~~  
 24 ~~VIDEO LOTTERY FACILITY REQUIRING THE ISSUANCE OF INTERNAL REVENUE~~  
 25 ~~SERVICE FORM W-2G OR A SUBSTANTIALLY EQUIVALENT FORM, A VIDEO~~  
 26 ~~LOTTERY OPERATION LICENSEE SHALL SUBMIT THE NAME, ADDRESS, AND~~  
 27 ~~SOCIAL SECURITY NUMBER OF THE INDIVIDUAL TO THE ADMINISTRATION.~~

28 ~~(C) THE ADMINISTRATION SHALL DETERMINE WHETHER THE~~  
 29 ~~INDIVIDUAL IS IN ARREARS OF CHILD SUPPORT PAYMENTS BY DETERMINING~~  
 30 ~~WHETHER THE INDIVIDUAL IS LISTED IN THE REGISTRY ESTABLISHED UNDER~~  
 31 ~~SUBSECTION (G) OF THIS SECTION.~~

32 ~~(D) A VIDEO LOTTERY OPERATION LICENSEE MAY PAY WINNINGS TO AN~~  
 33 ~~INDIVIDUAL ONLY IF:~~

34 ~~(1) THE ADMINISTRATION INFORMS THE LICENSEE THAT THE~~  
 35 ~~INDIVIDUAL IS NOT IN ARREARS OF CHILD SUPPORT PAYMENTS; OR~~

1           ~~(2) THE LICENSEE IS UNABLE TO RECEIVE INFORMATION FROM~~  
2 ~~THE ADMINISTRATION AFTER ATTEMPTING IN GOOD FAITH TO DO SO.~~

3           ~~(E) (1) IF THE ADMINISTRATION DETERMINES THAT AN INDIVIDUAL~~  
4 ~~IS IN ARREARS OF CHILD SUPPORT PAYMENTS:~~

5                     ~~(I) THE ADMINISTRATION SHALL INFORM THE LICENSEE~~  
6 ~~OF THE AMOUNT OF ARREARAGE; AND~~

7                     ~~(II) THE LICENSEE SHALL DEDUCT FROM THE PRIZE AN~~  
8 ~~AMOUNT SUFFICIENT TO:~~

9                             ~~1. SATISFY THE CHILD SUPPORT ARREARAGE; AND~~

10                            ~~2. SUBJECT TO SUBSECTION (F) OF THIS SECTION,~~  
11 ~~PAY AN ADMINISTRATIVE FEE TO COVER THE COST OF SATISFYING THE~~  
12 ~~ARREARAGE.~~

13           ~~(2) THE LICENSEE SHALL FORWARD TO THE ADMINISTRATION~~  
14 ~~THE AMOUNT DEDUCTED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION AND~~  
15 ~~PAY TO THE INDIVIDUAL THE PORTION OF THE PRIZE THAT REMAINS.~~

16           ~~(F) (1) THE ADMINISTRATIVE FEE:~~

17                     ~~(I) SHALL BE DETERMINED BY THE ADMINISTRATION; BUT~~

18                     ~~(II) MAY NOT EXCEED 5% OF THE ARREARAGE TO BE~~  
19 ~~DEDUCTED.~~

20           ~~(2) PROCEEDS FROM THE ADMINISTRATIVE FEE SHALL BE~~  
21 ~~DISTRIBUTED EQUALLY BETWEEN THE ADMINISTRATION AND THE VIDEO~~  
22 ~~LOTTERY FACILITY WHERE THE INDIVIDUAL WAS DECLARED A WINNER.~~

23           ~~(G) (1) A CHILD SUPPORT REGISTRY SHALL BE CREATED AND~~  
24 ~~MAINTAINED BY THE ADMINISTRATION OR A PRIVATE ENTITY WITH WHICH THE~~  
25 ~~ADMINISTRATION CONTRACTS.~~

26           ~~(2) THE ADMINISTRATION SHALL ENTER IN THE REGISTRY:~~

27                     ~~(I) THE NAME AND SOCIAL SECURITY NUMBER OF EACH~~  
28 ~~INDIVIDUAL WHO IS IN ARREARS OF CHILD SUPPORT PAYMENTS;~~

~~(H) THE ACCOUNT OR CASE IDENTIFIER ASSIGNED TO THE ARREARAGE BY THE GOVERNMENTAL UNIT THAT CERTIFIED THE INFORMATION TO THE ADMINISTRATION;~~

~~(HH) THE NAME, TELEPHONE NUMBER, AND ADDRESS OF THE GOVERNMENTAL UNIT THAT CERTIFIED THE INFORMATION TO THE ADMINISTRATION REGARDING EACH INDIVIDUAL WITH AN ARREARAGE; AND~~

~~(IV) THE AMOUNT OF THE ARREARAGE.~~

~~(3) FOR FISCAL YEAR 2016, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL AN APPROPRIATION OF AT LEAST \$350,000 TO CREATE AND ADMINISTER THE CHILD SUPPORT REGISTRY.~~

~~(H) (1) THE COMMISSION MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000 ON A LICENSEE FOUND TO HAVE FAILED TO COMPLY WITH THIS SECTION.~~

~~(2) EACH INSTANCE OF NONCOMPLIANCE SHALL BE CONSIDERED A SEPARATE VIOLATION.~~

~~(3) A VIDEO LOTTERY OPERATION LICENSEE THAT MAKES A PAYMENT IN VIOLATION OF THIS SECTION IS NOT LIABLE TO THE INDIVIDUAL TO WHOM CHILD SUPPORT IS OWED.~~

~~(I) ON OR BEFORE MARCH 31 OF EACH YEAR, THE ADMINISTRATION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THIS ARTICLE, ON THE AMOUNT OF MONEY COLLECTED UNDER THIS SECTION DURING THE PREVIOUS CALENDAR YEAR.~~

~~(J) THE COMMISSION AND THE DEPARTMENT OF HUMAN RESOURCES SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.~~

(B) (1) THE ADMINISTRATION, THE COMPTROLLER, AND THE LOTTERY AND GAMING CONTROL AGENCY JOINTLY SHALL ESTABLISH A PROGRAM ON OR BEFORE JANUARY 1, 2017, TO INTERCEPT CHILD SUPPORT PAYMENTS FROM VIDEO LOTTERY FACILITY PAYOUTS.

(2) THE PROGRAM SHALL INCLUDE:

(I) THE ESTABLISHMENT OF A REGISTRY OF INDIVIDUALS IN ARREARS OF CHILD SUPPORT PAYMENTS CERTIFICATION OF CHILD SUPPORT ARREARS BY THE ADMINISTRATION SIMILAR TO THE CERTIFICATIONS PROVIDED IN §§ 10-113.1 AND 10-113.2 OF THE FAMILY LAW ARTICLE;

1                    (II) ~~A DETERMINATION OF WHETHER AN INDIVIDUAL IS IN~~  
 2 ~~ARREARS OF CHILD SUPPORT PAYMENTS~~ AN APPEAL PROCESS FOR THE  
 3 OBLIGOR SIMILAR TO THE PROCESS PROVIDED THROUGH THE  
 4 ADMINISTRATION IN §§ 10-113.1 AND 10-113.2 OF THE FAMILY LAW ARTICLE;  
 5 AND

6                    (III) A COLLECTION PROCESS FOR THE INTERCEPTED VIDEO  
 7 LOTTERY FACILITY PAYOUTS FOR CERTIFIED CHILD SUPPORT ARREARS; AND

8                    ~~(III)~~ (IV) ANY NECESSARY PROCESSING FEES.

9                    (C) THE ADMINISTRATION, THE COMPTROLLER, AND THE LOTTERY  
 10 AND GAMING CONTROL AGENCY MAY ADOPT ANY REGULATIONS NECESSARY TO  
 11 CARRY OUT THIS SECTION.

12                    SECTION 2. AND BE IT FURTHER ENACTED, That, on or before January 1,  
 13 2015 the Department of Human Resources, the Comptroller, and the Lottery and  
 14 Gaming Control Agency jointly shall report to the General Assembly, in accordance  
 15 with § 2-1246 of the State Government Article, on the statutory changes that are  
 16 necessary to implement a program to intercept child support payments from video  
 17 lottery facility payouts.

18                    SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take  
 19 effect ~~October~~ June 1, 2014.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.