

# SENATE BILL 108

P4

4lr0069

(PRE-FILED)

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By: **Chair, Education, Health, and Environmental Affairs Committee (By Request – Departmental – Lottery and Gaming Control Agency)**

Requested: November 15, 2013

Introduced and read first time: January 8, 2014

Assigned to: Education, Health, and Environmental Affairs

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Committee Report: Favorable

Senate action: Adopted

Read second time: January 22, 2014

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Lottery – Unlawful Representation**

3 FOR the purpose of prohibiting a person or governmental unit from holding itself out  
4 as a State lottery sales agent unless the person or governmental unit is licensed  
5 to act as an agent; prohibiting a person from using certain terms related to the  
6 State lottery in the title or name of a charitable or commercial enterprise,  
7 product, or service unless the person receives certain written authorization; and  
8 generally relating to the State lottery and the State Lottery and Gaming  
9 Control Agency and the State Lottery and Gaming Control Commission.

10 BY repealing and reenacting, with amendments,  
11 Article – State Government  
12 Section 9–124  
13 Annotated Code of Maryland  
14 (2009 Replacement Volume and 2013 Supplement)

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

17 **Article – State Government**

18 9–124.

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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 (a) This section does not prohibit:

2 (1) giving a State lottery ticket or share as a gift;

3 (2) buying a State lottery ticket or share as a gift for a minor; or

4 (3) the Agency from directly selling any State lottery ticket to the  
5 public as provided in § 9–111(d) of this subtitle.

6 (b) Except as otherwise provided in this section, a person or governmental  
7 unit may not:

8 (1) **HOLD ITSELF OUT TO THE PUBLIC AS A STATE LOTTERY SALES**  
9 **AGENT WITHOUT BEING LICENSED BY THE AGENCY TO ACT AS A LICENSED**  
10 **AGENT;**

11 (2) unless a licensed agent or employee of a licensed agent, sell a State  
12 lottery ticket or share;

13 [(2)] (3) sell or purchase:

14 (i) a State lottery ticket or share at any price other than the  
15 price that the regulations of the Agency set; or

16 (ii) the prize validated for payment by the Agency;

17 [(3)] (4) sell a State lottery ticket or share to a minor;

18 [(4)] (5) knowingly present a counterfeit or altered State lottery  
19 ticket or share for payment;

20 [(5)] (6) knowingly transfer a counterfeit or altered State lottery  
21 ticket or share to another person to present for payment; or

22 [(6)] (7) knowingly purchase a State lottery ticket or share from  
23 another person with the intent to deceive or circumvent the payment of prize winnings  
24 to the State, in accordance with:

25 (i) § 11–616(b) of the Criminal Procedure Article;

26 (ii) § 10–113.1(a) of the Family Law Article;

27 (iii) § 3–307 of the State Finance and Procurement Article; or

28 (iv) § 10–905(c)(3) of the Tax – General Article.

1           **(C) UNLESS A PERSON RECEIVES WRITTEN AUTHORIZATION FROM THE**  
2 **AGENCY, THE PERSON MAY NOT USE THE TERM “MARYLAND STATE LOTTERY”,**  
3 **“MARYLAND LOTTERY”, “STATE LOTTERY”, “MARYLAND STATE LOTTERY**  
4 **AGENCY”, “MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY”,**  
5 **“MARYLAND STATE LOTTERY COMMISSION”, “MARYLAND STATE LOTTERY**  
6 **AND GAMING CONTROL COMMISSION”, OR ANY VARIATION OF THESE TERMS IN**  
7 **THE TITLE OR NAME OF A CHARITABLE OR COMMERCIAL ENTERPRISE,**  
8 **PRODUCT, OR SERVICE.**

9           **[(c)] (D)**     (1)   A licensed agent may not fail to report, as required by the  
10 Internal Revenue Service or the Agency, income tax information relating to holders of  
11 winning lottery tickets.

12                   (2)   For prizes of over \$600, a licensed agent may not fail to determine,  
13 through the Agency and prior to paying the prize whether a holder of a winning lottery  
14 ticket has been certified under:

15                           (i)   § 11–616(b) of the Criminal Procedure Article;

16                           (ii)  § 10–113.1(a) of the Family Law Article; or

17                           (iii) § 3–307 of the State Finance and Procurement Article.

18                   (3)   A licensed agent may not pay a prize to a holder of a winning  
19 lottery ticket if the Agency has notified the licensed agent that the holder has been  
20 certified under:

21                           (i)   § 11–616(b) of the Criminal Procedure Article;

22                           (ii)  § 10–113.1 of the Family Law Article; or

23                           (iii) § 3–307 of the State Finance and Procurement Article.

24                   (4)   A licensed agent may not:

25                           (i)   pay a prize winner less than the lawfully due prize amount;

26                           (ii)  deceive or conspire with another person to pay less than the  
27 lawfully due prize amount to any prize winner;

28                           (iii) seek payment or claim reimbursement of a cashing fee for  
29 cashing a winning ticket for less than the lawfully due prize amount; or

30                           (iv)  receive a cashing fee for cashing a winning ticket filed in  
31 error.

1            **[(d)] (E)**     A person who violates any provision of subsection (b) **[or], (c), OR**  
 2 **(D)** of this section is guilty of a misdemeanor and on conviction is subject to a fine not  
 3 exceeding \$2,500 or imprisonment not exceeding 3 years or both.

4            SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 5 October 1, 2014.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.