SENATE BILL 108

P4 4lr0069

(PRE–FILED)

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

A BILL ENTITLED

AN ACT concerning

State Lottery – Unlawful Representation

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

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

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

Article – State Government

9–124.

(a) This section does not prohibit:

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

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

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(C) UNLESS A PERSON RECEIVES WRITTEN AUTHORIZATION FROM THE AGENCY, THE PERSON MAY NOT USE THE TERM "MARYLAND STATE LOTTERY", "MARYLAND LOTTERY", "STATE LOTTERY", "MARYLAND STATE LOTTERY AGENCY", "MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY", "MARYLAND STATE LOTTERY COMMISSION", "MARYLAND STATE LOTTERY AND GAMING CONTROL COMMISSION", OR ANY VARIATION OF THESE TERMS IN

THE TITLE OR NAME OF A CHARITABLE OR COMMERCIAL ENTERPRISE, PRODUCT, OR SERVICE.

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

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

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

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

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

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

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

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

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

(4) A licensed agent may not:

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

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

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

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

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

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