

SENATE BILL 78

C7

6lr0104

(PRE-FILED)

By: **Chair, Judicial Proceedings Committee (By Request – Departmental – Lottery and Gaming Control Agency)**

Requested: October 5, 2015

Introduced and read first time: January 13, 2016

Assigned to: Judicial Proceedings

Committee Report: Favorable

Senate action: Adopted

Read second time: February 9, 2016

CHAPTER _____

1 AN ACT concerning

2 **State Lottery and Video Lottery Facility Payouts – Remittance of Intercepted**
3 **Prizes**

4 FOR the purpose of repealing a requirement that the State Lottery and Gaming Control
5 Agency or a video lottery operation licensee wait a certain period of time before
6 transferring the prize of certain obligors to certain collection units of the State;
7 making certain nonsubstantive and stylistic changes; and generally relating to a
8 requirement that the State Lottery and Gaming Control Agency or a video lottery
9 operation licensee withhold the prizes of certain obligors.

10 BY repealing and reenacting, with amendments,
11 Article – Criminal Procedure
12 Section 11–618
13 Annotated Code of Maryland
14 (2008 Replacement Volume and 2015 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Family Law
17 Section 10–113.1
18 Annotated Code of Maryland
19 (2012 Replacement Volume and 2015 Supplement)

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

3 **Article – Criminal Procedure**

4 11–618.

5 (a) (1) In this section the following words have the meanings indicated.

6 (2) **“AGENCY” MEANS THE STATE LOTTERY AND GAMING CONTROL**
7 **AGENCY.**

8 (3) **“Video lottery facility”** has the meaning stated in § 9–1A–01 of the State
9 Government Article.

10 **[(3)](4)** **“Video lottery operation licensee”** has the meaning stated in §
11 9–1A–01 of the State Government Article.

12 (b) A certification of arrearage on restitution payments that the Central
13 Collection Unit sends to the [State Lottery and Gaming Control] Agency under § 11–616 of
14 this subtitle shall contain:

15 (1) the full name of the restitution obligor and any other name known to be
16 used by the restitution obligor;

17 (2) the Social Security number of the restitution obligor; and

18 (3) the amount of the arrearage.

19 (c) If a restitution obligor who is overdue in restitution payments wins a lottery
20 prize to be paid by check directly by the [State Lottery and Gaming Control] Agency, the
21 [State Lottery and Gaming Control] Agency shall send a notice to the restitution obligor
22 that:

23 (1) the restitution obligor has won a prize to be paid by the State Lottery
24 and Gaming Control Agency;

25 (2) the State Lottery and Gaming Control Agency has received notice from
26 the Central Collection Unit of the restitution obligor’s restitution arrearage in the
27 [specified] amount **SPECIFIED**;

28 (3) State law requires the State Lottery and Gaming Control Agency to
29 withhold the prize and to pay it towards the restitution obligor’s restitution arrearage;

1 (4) the restitution obligor [may] **HAS 15 DAYS TO** appeal to the Central
2 Collection Unit if the restitution obligor disputes the existence or the amount of the
3 arrearage; and

4 (5) [if an appeal is not filed within 15 days after the date of the notice] **ON**
5 **INTERCEPTION OF THE PRIZE**, the State Lottery and Gaming Control Agency will
6 transfer the prize or the part of the prize that equals the restitution arrearage to the
7 Central Collection Unit.

8 (d) If a restitution obligor who is overdue in restitution payments wins a prize at
9 a video lottery facility requiring the issuance of Internal Revenue Service form W-2G or a
10 substantially equivalent form by a video lottery operation licensee, the video lottery
11 operation licensee shall send a notice to the restitution obligor that:

12 (1) the restitution obligor has won a prize to be paid **BY CASH OR CHECK**
13 **DIRECTLY** by the video lottery operation licensee;

14 (2) the State Lottery and Gaming Control Agency has received notice from
15 the Central Collection Unit of the restitution obligor's restitution arrearage in the
16 [specified] amount **SPECIFIED**;

17 (3) State law requires the video lottery operation licensee to withhold the
18 prize and pay it towards the restitution obligor's restitution arrearage;

19 (4) the restitution obligor [may] **HAS 15 DAYS TO** appeal to the Central
20 Collection Unit if the restitution obligor disputes the existence or the amount of the
21 arrearage; and

22 (5) [if an appeal is not filed within 15 days after the date of the notice] **ON**
23 **INTERCEPTION OF THE PRIZE**, the video lottery operation licensee will transfer the prize
24 or the part of the prize that equals the restitution arrearage to the Central Collection Unit.

25 (e) (1) The [State Lottery and Gaming Control] Agency or the video lottery
26 operation licensee shall:

27 (I) withhold **AND TRANSFER** all or part of the prize up to the
28 amount of the arrearage [until] **TO** the Central Collection Unit; **AND**

29 (II) [notifies the State Lottery and Gaming Control Agency or the
30 video lottery operation licensee as to whom the withheld prize money is to be paid] **PAY**
31 **THE EXCESS TO THE RESTITUTION OBLIGOR**.

32 (2) The [State Lottery and Gaming Control] Agency and a video lottery
33 operation licensee shall honor interception requests in the following order:

- 1 (i) an interception request under § 10–113.1 of the Family Law
 2 Article;
- 3 (ii) an interception request under this section; and
- 4 (iii) an interception request under § 3–307 of the State Finance and
 5 Procurement Article.

6 (f) (1) On receipt of a notice from the [State Lottery and Gaming Control]
 7 Agency or a video lottery operation licensee, a restitution obligor who disputes the existence
 8 or amount of the arrearage may appeal the [proposed] transfer.

9 (2) If an appeal is not filed within 15 days after the date of the notice, [the
 10 State Lottery and Gaming Control Agency or video lottery operation licensee shall transfer
 11 the amount of the prize withheld to] the Central Collection Unit **MAY RETAIN THE**
 12 **WITHHELD PRIZE**.

13 (3) If the restitution obligor appeals the [proposed] transfer, after a
 14 hearing **BY** the Central Collection Unit [shall notify the State Lottery and Gaming Control
 15 Agency or video lottery operation licensee that], the withheld prize shall be:

- 16 (i) paid to the restitution obligor;
- 17 (ii) [transferred to] **RETAINED BY** the Central Collection Unit; or
- 18 (iii) [in specified amounts,] partly paid to the restitution obligor and
 19 partly [transferred to] **RETAINED BY** the Central Collection Unit.

20 (g) The Secretary of Budget and Management and the Director of the [State
 21 Lottery and Gaming Control] Agency may jointly adopt regulations to carry out this section.

22 (h) A video lottery operation licensee may not be held liable for an act or omission
 23 taken in good faith to comply substantially with the requirements of this section.

24 Article – Family Law

25 10–113.1.

26 (a) (1) In this section the following words have the meanings indicated.

27 (2) **“AGENCY” MEANS THE STATE LOTTERY AND GAMING CONTROL**
 28 **AGENCY.**

29 **(3)** “Video lottery facility” has the meaning stated in § 9–1A–01 of the State
 30 Government Article.

1 [(3)](4) “Video lottery operation licensee” has the meaning stated in §
2 9–1A–01 of the State Government Article.

3 (b) The Administration may certify to the [State Lottery and Gaming Control]
4 Agency the name of any obligor who is in arrears in the amount of \$150 or more if:

5 (1) the Administration has accepted an assignment of support under §
6 5–312(b)(2) of the Human Services Article; or

7 (2) the recipient of support payments has filed an application for support
8 enforcement services with the Administration.

9 (c) The certification shall contain:

10 (1) the full name of the obligor, and any other names known to be used by
11 the obligor;

12 (2) the Social Security number of the obligor; and

13 (3) the amount of the arrearage.

14 (d) If an obligor who has been certified as an obligor wins a lottery prize to be paid
15 by check directly by the [State Lottery and Gaming Control] Agency, the [State Lottery
16 and Gaming Control] Agency shall send a notice to the obligor that:

17 (1) the obligor has won a prize to be paid by check directly by the State
18 Lottery and Gaming Control Agency;

19 (2) the State Lottery and Gaming Control Agency has received certification
20 from the Child Support Enforcement Administration of the obligor’s child support
21 arrearage in the amount specified;

22 (3) [subsection (f) of this section] **STATE LAW** requires the State Lottery
23 and Gaming Control Agency to withhold the prize **AND** to pay it towards the obligor’s
24 support arrearage;

25 (4) [the State Lottery and Gaming Control Agency proposes to transfer the
26 prize, or that part of it which is equal to the support arrearage, to the Administration if no
27 appeal is filed within 15 days;

28 (5)] the obligor [may] **HAS 15 DAYS TO** appeal to the Administration if the
29 obligor disputes the existence or the amount of the arrearage;

30 [(6) if the obligor appeals to the Administration, the prize will be distributed
31 as the Administration directs; and

1 (7) if no appeal is filed within 15 days, the prize, or that part of it equal to
2 the support arrearage, will be transferred to the Administration.] AND

3 (5) ON INTERCEPTION OF THE PRIZE, THE STATE LOTTERY AND
4 GAMING CONTROL AGENCY WILL TRANSFER THE PRIZE OR THE PART OF THE PRIZE
5 THAT EQUALS THE OBLIGOR'S CHILD SUPPORT ARREARAGE TO THE
6 ADMINISTRATION.

7 (e) If an obligor who owes child support and has been certified as an obligor wins
8 a prize at a video lottery facility requiring the issuance of Internal Revenue Service form
9 W-2G or a substantially equivalent form by a video lottery operation licensee, the video
10 lottery operation licensee shall provide a notice to the obligor that:

11 (1) the obligor has won a prize to be paid by cash or check directly by the
12 video lottery operation licensee;

13 (2) the State Lottery and Gaming Control Agency has received certification
14 from the Child Support Enforcement Administration of the obligor's child support
15 arrearage in the amount specified;

16 (3) [subsection (f) of this section] STATE LAW requires the video lottery
17 operation licensee to withhold the prize AND to pay it towards the obligor's child support
18 arrearage;

19 (4) [the video lottery operation licensee proposes to transfer the prize, or
20 that part of it which is equal to the child support arrearage, to the Administration if no
21 appeal is filed within 15 days;

22 (5) the obligor [may] HAS 15 DAYS TO appeal to the Administration if the
23 obligor disputes the existence or the amount of the child support arrearage;

24 [(6) if the obligor appeals to the Administration, the prize will be distributed
25 as the Administration directs; and

26 (7) if no appeal is filed within 15 days, the prize, or that part of it equal to
27 the child support arrearage, will be transferred to the Administration] AND

28 (5) ON INTERCEPTION OF THE PRIZE, THE VIDEO LOTTERY
29 OPERATION LICENSEE WILL TRANSFER THE PRIZE OR THE PART OF THE PRIZE THAT
30 EQUALS THE OBLIGOR'S CHILD SUPPORT ARREARAGE TO THE ADMINISTRATION.

31 (f) [If the prize exceeds the arrearage, the State Lottery and Gaming Control
32 Agency or video lottery operation licensee shall immediately pay the excess to the obligor.
33 The State Lottery and Gaming Control Agency or video lottery operation licensee shall
34 withhold any part of the prize that does not exceed the arrearage until notified by the

1 Administration to whom the withheld prize money shall be paid] **(1) THE AGENCY OR**
2 **THE VIDEO LOTTERY OPERATION LICENSEE SHALL:**

3 **(I) WITHHOLD AND TRANSFER ALL OR PART OF THE PRIZE UP**
4 **TO THE AMOUNT OF THE ARREARAGE TO THE ADMINISTRATION; AND**

5 **(II) PAY THE EXCESS TO THE OBLIGOR.**

6 **(2) THE AGENCY AND A VIDEO LOTTERY OPERATION LICENSEE**
7 **SHALL HONOR INTERCEPTION REQUESTS IN THE FOLLOWING ORDER:**

8 **(I) AN INTERCEPTION REQUEST UNDER THIS SECTION;**

9 **(II) AN INTERCEPTION REQUEST UNDER § 11-618 OF THE**
10 **CRIMINAL PROCEDURE ARTICLE; AND**

11 **(III) AN INTERCEPTION REQUEST UNDER § 3-307 OF THE STATE**
12 **FINANCE AND PROCUREMENT ARTICLE.**

13 (g) **(1) [Upon] ON** receipt of a notice from the [State Lottery and Gaming
14 Control] Agency or video lottery operation licensee [any], AN obligor who disputes the
15 existence or amount of the arrearage may appeal the [proposed] transfer [within 15 days
16 of the date of the notice to the Administration].

17 [(h)] **(2)** If no appeal is filed within 15 days, [the State Lottery and Gaming
18 Control Agency or video lottery operation licensee shall transfer the amount of the prize
19 withheld to] the Administration **MAY RETAIN THE WITHHELD PRIZE.**

20 [(i)] **(3)** [The Administration shall notify the State Lottery and Gaming Control
21 Agency or video lottery operation licensee that upon appeal, the withheld prize shall be] **IF**
22 **THE OBLIGOR APPEALS THE TRANSFER, AFTER A HEARING BY THE**
23 **ADMINISTRATION, THE WITHHELD PRIZE SHALL BE:**

24 [(1)] **(I)** paid to the obligor;

25 [(2)] **(II)** [transferred to] **RETAINED BY** the Administration; or

26 [(3)] **(III)** partly paid to the obligor and partly [transferred to] **RETAINED**
27 **BY** the Administration, in the amounts specified.

28 [(j)] The State Lottery and Gaming Control Agency shall honor lottery prize
29 interception requests in the following order:

30 (1) an interception request under this section;

1 (2) an interception request under § 11–618 of the Criminal Procedure
2 Article; and

3 (3) an interception request under § 3–307 of the State Finance and
4 Procurement Article.]

5 **[(k)] (H)** The Secretary of Human Resources and the Director of the [State
6 Lottery and Gaming Control] Agency may jointly adopt regulations to implement this
7 section.

8 **[(l)] (I)** A video lottery operation licensee may not be held liable for an act or
9 omission taken in good faith to comply substantially with the requirements of this section.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2016.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.