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**By: Delegates Bonsack and Workman, Workman, and Cadden**

Introduced and read first time: February 2, 1996

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 18, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **State Lottery - ~~Receipts and~~ Cash Prizes**

3 FOR the purpose of ~~prohibiting the State Lottery Agency from requiring that State~~  
4 ~~Lottery sales agents send to the Agency receipts from the sale of tickets or shares~~  
5 ~~before a certain date~~; authorizing State Lottery sales agents to pay in cash on-line  
6 game prizes up to a certain limit; and generally relating to prizes ~~and receipts~~ of the  
7 State Lottery Agency.

8 BY repealing and reenacting, with amendments,  
9 Article - State Government  
10 Section ~~9-119(a)~~ and 9-122  
11 Annotated Code of Maryland  
12 (1995 Replacement Volume)

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

15 **Article - State Government**

16 ~~9-119.~~

17 ~~(a) (1) Except for the commission of a licensed agent AND SUBJECT TO~~  
18 ~~PARAGRAPH (2) OF THIS SUBSECTION, all of the receipts from the sale of State lottery~~  
19 ~~tickets or shares are due to the Agency:~~

20 ~~{(1)} (I) on the due date that the Agency sets; or~~

21 ~~{(2)} (II) at the times and within the intervals prescribed by agency~~  
22 ~~regulations.~~

1                   ~~(2) RECEIPTS FROM THE SALE OF STATE LOTTERY TICKETS OR SHARES~~  
2 ~~MAY NOT BE DUE TO THE AGENCY BEFORE 9 DAYS FOLLOWING THE DATE OF SALE.~~

3 9-122.

4                   (a) The regulations of the Agency shall provide for winning tickets to be drawn at  
5 least once a week.

6                   (b) (1) Except as otherwise provided in this subsection, § 10-113.1 of the Family  
7 Law Article, and Article 27, § 640B of the Code a prize won under this subtitle is not  
8 assignable.

9                   (2) If the prize winner dies before the prize is paid, the prize may be paid to  
10 the estate of the prize winner.

11                   (3) Under appropriate court order, a prize won under this subtitle may be  
12 paid to a person other than the winner.

13                   (c) A LICENSED AGENT MAY PAY IN CASH GAME PRIZES OF NOT MORE THAN  
14 \$5,000.

15                   (D) (1) In this subsection, the words "bank" and "guardian" and references to a  
16 "member" of a "minor's family" have the meanings stated in § 13-301 of the Estates and  
17 Trusts Article.

18                   (2) If a minor wins a prize of less than \$5,000, the Director may give a draft,  
19 AS PROVIDED FOR IN RULES AND REGULATIONS OF THE LOTTERY COMMISSION  
20 payable to the order of the minor, to:

21                   (i) an adult member of the minor's family; or

22                   (ii) a guardian of the minor.

23                   (3) If a minor wins \$5,000 or more, the Director may deposit the prize in a  
24 bank to the credit of 1 of the following, as custodian for the minor:

25                   (i) an adult member of the minor's family; or

26                   (ii) a guardian of the minor.

27                   (4) A custodian under paragraph (3) of this subsection has the same powers  
28 and duties as a custodian under the Maryland Uniform Transfers to Minors Act.

29                   [(d)] (E) On payment of a prize in accordance with this section, the Director is  
30 discharged of all liability.

31                   [(e)] (F) (1) A prize winner shall claim a prize within 182 days after the drawing  
32 in which the prize is won.

33                   (2) Except as provided in paragraph (3) of this subsection, the Director shall  
34 keep an unclaimed prize:

35                   (i) for 182 days after the drawing in which the prize is won, for  
36 payment of the winner; and

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1 (ii) then in an unclaimed prize fund for use for other prizes.

2 (3) For a game that the Agency designates as a bonus game or drawing and  
3 that is not a daily or weekly State lottery drawing, the period for claiming a prize may  
4 differ from the period set in paragraph (2) of this subsection.

5 [(f)] (G) Unless otherwise specifically provided by the laws of the State, the State  
6 and every officer, department, agency, board, commission, or other unit of State  
7 government may not raise the defense of sovereign immunity in the courts of the State in  
8 an action in contract brought by an annuitant or prize winner that is based on the liability  
9 of the State to pay an annuitant or prize winner the prize that the annuitant is entitled to  
10 receive in accordance with this subtitle and any regulations adopted under this subtitle.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 October 1, 1996.