

By: Delegate Kelly

Requested: September 17, 1996

Introduced and read first time: January 8, 1997

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **State Lottery Prizes - Reimbursement for Public Assistance Benefits**

3 FOR the purpose of requiring the State Lottery Agency to withhold certain amounts from
4 certain lottery prizes from certain individuals who have received public assistance
5 benefits; requiring the Department of Human Resources to certify to the State
6 Lottery Agency the name of any individual who received certain public assistance
7 benefits within a certain period; providing for the procedure to be followed in
8 withholding amounts from lottery prizes; providing for the priority of lottery prize
9 interception requests; authorizing the Secretary of Human Resources and the
10 Director of the State Lottery Agency to adopt certain regulations; defining certain
11 terms; and generally relating to the payment of State lottery prizes.

12 BY adding to

13 Article 88A - Department of Human Resources
14 Section 18
15 Annotated Code of Maryland
16 (1995 Replacement Volume and 1996 Supplement)

17 BY repealing and reenacting, with amendments,

18 Article - State Government
19 Section 9-120
20 Annotated Code of Maryland
21 (1995 Replacement Volume and 1996 Supplement)

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

24 **Article 88A - Department of Human Resources**

25 18.

26 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
27 INDICATED.

28 (2) "DEPARTMENT" MEANS THE DEPARTMENT OF HUMAN RESOURCES.

2

1 (3) "NET PUBLIC ASSISTANCE BENEFITS" MEANS PUBLIC ASSISTANCE
2 BENEFITS LESS ANY REIMBURSEMENTS FROM LOTTERY PRIZES MADE UNDER THIS
3 SECTION.

4 (4) "PUBLIC ASSISTANCE BENEFITS" MEANS BENEFITS RECEIVED FROM
5 THE STATE AS:

6 (I) CASH ASSISTANCE UNDER THE PROGRAM OF AID TO FAMILIES
7 WITH DEPENDENT CHILDREN;

8 (II) CASH ASSISTANCE UNDER THE FAMILY INVESTMENT
9 PROGRAM; OR

10 (III) OTHER CASH PUBLIC ASSISTANCE UNDER THIS ARTICLE.

11 (B) EVERY 6 MONTHS, THE DEPARTMENT SHALL CERTIFY TO THE STATE
12 LOTTERY AGENCY THE NAME OF ANY INDIVIDUAL WHO HAS RECEIVED PUBLIC
13 ASSISTANCE BENEFITS WITHIN 10 YEARS FROM THE DATE OF CERTIFICATION.

14 (C) THE CERTIFICATION SHALL CONTAIN:

15 (1) THE FULL NAME OF THE INDIVIDUAL AND ANY OTHER NAMES
16 KNOWN TO BE USED BY THE INDIVIDUAL;

17 (2) THE SOCIAL SECURITY NUMBER OF THE INDIVIDUAL; AND

18 (3) THE AMOUNT OF:

19 (I) THE PUBLIC ASSISTANCE BENEFITS RECEIVED BY THE
20 INDIVIDUAL DURING THE 10-YEAR PERIOD;

21 (II) REIMBURSEMENTS FROM LOTTERY PRIZES MADE UNDER THIS
22 SECTION; AND

23 (III) THE RESULTING NET PUBLIC ASSISTANCE BENEFITS.

24 (D) IF AN INDIVIDUAL WHO HAS BEEN CERTIFIED AS AN INDIVIDUAL WHO
25 HAS RECEIVED PUBLIC ASSISTANCE BENEFITS WINS A LOTTERY PRIZE TO BE PAID
26 BY CHECK DIRECTLY BY THE STATE LOTTERY AGENCY, THE STATE LOTTERY
27 AGENCY SHALL SEND A NOTICE TO THE INDIVIDUAL THAT:

28 (1) THE INDIVIDUAL HAS WON A PRIZE TO BE PAID BY CHECK
29 DIRECTLY BY THE STATE LOTTERY AGENCY;

30 (2) THE STATE LOTTERY AGENCY HAS RECEIVED CERTIFICATION
31 FROM THE DEPARTMENT OF THE INDIVIDUAL'S RECEIPT OF PUBLIC ASSISTANCE
32 BENEFITS IN THE AMOUNT SPECIFIED AND CERTIFICATION OF THE AMOUNT OF NET
33 PUBLIC ASSISTANCE BENEFITS;

34 (3) SUBSECTION (E) OF THIS SECTION REQUIRES THE STATE LOTTERY
35 AGENCY TO WITHHOLD UP TO 50% OF THE PRIZE TO PAY IT AS REIMBURSEMENT
36 FOR PUBLIC ASSISTANCE BENEFITS RECEIVED;

1 (4) IF NO APPEAL IS FILED WITHIN 15 DAYS, THE STATE LOTTERY
2 AGENCY PROPOSES TO TRANSFER TO THE DEPARTMENT AN AMOUNT THAT IS THE
3 LESSER OF 50% OF THE PRIZE, OR THAT PART OF IT WHICH EQUALS THE AMOUNT
4 CERTIFIED BY THE DEPARTMENT AS NET PUBLIC ASSISTANCE BENEFITS FOR THE
5 INDIVIDUAL;

6 (5) THE INDIVIDUAL MAY APPEAL TO THE DEPARTMENT IF THE
7 INDIVIDUAL DISPUTES THE EXISTENCE OR THE AMOUNT OF THE NET PUBLIC
8 ASSISTANCE BENEFITS CERTIFIED FOR THE INDIVIDUAL;

9 (6) IF THE INDIVIDUAL APPEALS TO THE DEPARTMENT, THE PRIZE
10 WILL BE DISTRIBUTED AS THE DEPARTMENT DIRECTS; AND

11 (7) IF NO APPEAL IS FILED WITHIN 15 DAYS, AN AMOUNT THAT IS THE
12 LESSER OF 50% OF THE PRIZE, OR THAT PART OF IT EQUAL TO THE AMOUNT
13 CERTIFIED BY THE DEPARTMENT AS NET PUBLIC ASSISTANCE BENEFITS FOR THE
14 INDIVIDUAL, WILL BE TRANSFERRED TO THE DEPARTMENT.

15 (E) (1) EXCEPT AS PROVIDED BY § 10-113.1 OF THE FAMILY LAW ARTICLE,
16 OR ARTICLE 27, § 811 OF THE CODE, THE STATE LOTTERY AGENCY SHALL
17 IMMEDIATELY PAY 50% OF THE PRIZE TO THE INDIVIDUAL.

18 (2) IF THE PORTION OF THE PRIZE THAT REMAINS AFTER PAYMENTS
19 UNDER PARAGRAPH (1) OF THIS SUBSECTION EXCEEDS THE AMOUNT OF THE
20 CERTIFIED NET PUBLIC ASSISTANCE BENEFITS, THE STATE LOTTERY AGENCY SHALL
21 IMMEDIATELY PAY THE EXCESS TO THE INDIVIDUAL.

22 (3) THE STATE LOTTERY AGENCY SHALL WITHHOLD ANY PART OF THE
23 PRIZE REMAINING AFTER PAYMENTS MADE UNDER PARAGRAPHS (1) AND (2) OF
24 THIS SUBSECTION UNTIL NOTIFIED BY THE DEPARTMENT TO WHOM THE WITHHELD
25 PRIZE MONEY IS TO BE PAID.

26 (F) UPON RECEIPT OF A NOTICE FROM THE STATE LOTTERY AGENCY, ANY
27 INDIVIDUAL WHO DISPUTES THE EXISTENCE OR AMOUNT OF THE NET PUBLIC
28 ASSISTANCE BENEFITS CERTIFIED FOR THE INDIVIDUAL MAY APPEAL TO THE
29 DEPARTMENT THE PROPOSED TRANSFER WITHIN 15 DAYS OF THE DATE OF THE
30 NOTICE.

31 (G) (1) IF NO APPEAL IS FILED WITHIN 15 DAYS, THE DEPARTMENT SHALL
32 SEND WRITTEN NOTICE TO THE STATE LOTTERY AGENCY THAT AN APPEAL HAS
33 NOT BEEN FILED WITHIN THE TIME REQUIRED AND DIRECT THAT THE STATE
34 LOTTERY AGENCY TRANSFER THE WITHHELD PORTION OF THE PRIZE TO THE
35 DEPARTMENT.

36 (2) ON RECEIPT OF A NOTICE SENT UNDER PARAGRAPH (1) OF THIS
37 SUBSECTION, THE STATE LOTTERY AGENCY SHALL TRANSFER THE WITHHELD
38 PORTION OF THE PRIZE TO THE DEPARTMENT.

39 (H) IF A TIMELY APPEAL IS FILED, THE DEPARTMENT SHALL NOTIFY THE
40 STATE LOTTERY AGENCY AFTER A FINAL DECISION THAT THE AMOUNT OF THE
41 PRIZE WITHHELD SHALL BE:

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1 (1) PAID TO THE INDIVIDUAL;

2 (2) TRANSFERRED TO THE DEPARTMENT; OR

3 (3) PARTLY PAID TO THE INDIVIDUAL AND PARTLY TRANSFERRED TO
4 THE DEPARTMENT, IN THE AMOUNTS SPECIFIED.

5 (I) THE STATE LOTTERY AGENCY SHALL HONOR LOTTERY PRIZE
6 INTERCEPTION REQUESTS IN THE FOLLOWING ORDER:

7 (1) AN INTERCEPTION REQUEST UNDER § 10-113.1 OF THE FAMILY LAW
8 ARTICLE;

9 (2) AN INTERCEPTION REQUEST UNDER ARTICLE 27, § 811 OF THE CODE;
10 AND

11 (3) AN INTERCEPTION REQUEST UNDER THIS SECTION.

12 (J) THE SECRETARY OF HUMAN RESOURCES AND THE DIRECTOR OF THE
13 STATE LOTTERY AGENCY MAY JOINTLY ADOPT REGULATIONS TO IMPLEMENT THIS
14 SECTION.

15 **Article - State Government**

16 9-120.

17 (a) The Comptroller shall distribute the State Lottery Fund to pay:

18 (1) on a pro rata basis for the daily and nondaily State lottery games, the
19 expenses of administering and operating the State lottery, as authorized under this
20 subtitle and the State budget; and

21 (2) then, except as provided in § 10-113.1 of the Family Law Article, [and]
22 Article 27, § 811 of the Code, AND ARTICLE 88A, § 18 OF THE CODE, the holder of each
23 winning ticket or share.

24 (b) (1) Promptly after the 1st day of each month, the Comptroller shall pay:

25 (i) into the Maryland Stadium Facilities Fund the money that remains
26 in the State Lottery Fund from the proceeds of the sports lotteries conducted for the
27 benefit of the Maryland Stadium Authority, after the distribution under subsection (a) of
28 this section; and

29 (ii) into the General Fund of the State the money that remains in the
30 State Lottery Fund from the proceeds of all other lotteries after the distribution under
31 subsection (a) of this section.

32 (2) The money paid into the General Fund under this subsection is available
33 in the fiscal year in which the money accumulates in the State Lottery Fund.

34 (c) The regulations of the Agency shall apportion the money in the State Lottery
35 Fund.

36 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
37 October 1, 1997.

