

CF 7r2473

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**By: Delegates C. Davis and Bonsack**

Introduced and read first time: January 31, 1997

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 14, 1997

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## CHAPTER \_\_\_\_

1 AN ACT concerning

2 **State Lottery - Assignment of Prizes**

3 FOR the purpose of providing that a winner of a certain State Lottery prize may assign  
4 the prize under certain circumstances if the winner follows certain procedures;  
5 requiring a court to issue a certain order under certain circumstances; prohibiting  
6 an assignment to include or cover certain payments; discharging the State, the  
7 Lottery Agency, and the officials and employees of the State Lottery Agency from  
8 liability under certain circumstances; allowing the State Lottery Agency to contest  
9 in court a certain petition only for good cause; providing for the manner in which  
10 certain lottery winnings may be assigned; defining a certain term; and generally  
11 relating to the payment of State Lottery prizes.

12 BY repealing and reenacting, with amendments,  
13 Article - State Government  
14 Section 9-122(b)  
15 Annotated Code of Maryland  
16 (1995 Replacement Volume and 1996 Supplement)

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

19 **Article - State Government**

20 9-122.

21 (b) (1) (I) IN THIS SUBSECTION, "LOTTO" MEANS A PARI-MUTUEL GAME  
22 IN WHICH PAYERS SELECT A SET OF NUMBERS FROM A FIELD OF AT LEAST 40  
23 NUMBERS.

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1 (II) "LOTTO" DOES NOT INCLUDE A PICK-3, PICK-4, PICK-5, KENO,  
2 OR SCRATCH-OFF GAME.

3 (2) Except as otherwise provided in this subsection, § 10-113.1 of the Family  
4 Law Article, and Article 27, § 811 of the Code a prize won under this subtitle is not  
5 assignable.

6 [(2)] (3) If the prize winner dies before the prize is paid, the prize may be  
7 paid to the estate of the prize winner.

8 [(3)] (4) (I) Under appropriate court order, a prize won under this  
9 subtitle may be paid to a person other than the winner.

10 (II) WHEN A LOTTO WINNER SEEKS A COURT ORDER ALLOWING  
11 AN ASSIGNMENT OF THE WINNER'S PRIZE, THE WINNER SHALL FILE ~~WITH THE~~  
12 ~~COURT AN AFFIDAVIT STATING THAT THE WINNER:~~ IN A COURT OF COMPETENT  
13 JURISDICTION IN THE CITY OF BALTIMORE OR IN THE COUNTY WHERE THE  
14 ASSIGNING WINNER RESIDES. AN EXECUTED COPY OF THE ASSIGNMENT AND A  
15 PETITION SEEKING COURT APPROVAL OF THE ASSIGNMENT.

16 (III) A COPY OF THE ASSIGNMENT, THE PETITION, AND ALL  
17 EXHIBITS SHALL BE SERVED ON THE AGENCY.

18 (IV) THE COURT SHALL ISSUE AN ORDER APPROVING A  
19 VOLUNTARY ASSIGNMENT AND DIRECTING THE AGENCY TO DISBURSE PRIZE  
20 PAYMENTS, IN ACCORDANCE WITH THE TERMS OF THE ORDER, TO THE ASSIGNEE, IF  
21 AND ONLY IF, ALL OF THE FOLLOWING CONDITIONS HAVE BEEN MET:

22 1. THE ASSIGNMENT IS IN WRITING, EXECUTED BY THE  
23 ASSIGNOR ON OR AFTER APRIL 8, 1997, AND BY ITS TERMS, SUBJECT TO THE LAWS OF  
24 MARYLAND; AND

25 2. THE ASSIGNOR PROVIDES AN AFFIDAVIT THAT ATTESTS  
26 THAT THE ASSIGNING WINNER:

27 1- A. IS OF SOUND MIND;

28 2- B. IS NOT ACTING UNDER DURESS; ~~AND~~

29 3- C. HAS RECEIVED INDEPENDENT FINANCIAL AND TAX  
30 ADVICE CONCERNING THE CONSEQUENCES OF THE ASSIGNMENT;

31 D. UNDERSTANDS THAT THE WINNER WILL NOT RECEIVE  
32 THE PRIZE PAYMENTS FOR THE YEARS ASSIGNED;

33 E. AGREES THAT WITH REGARD TO THE ASSIGNED  
34 PAYMENTS, THE STATE, THE AGENCY, AND THE OFFICIALS AND EMPLOYEES OF THE  
35 AGENCY WILL HAVE NO FURTHER LIABILITY OR RESPONSIBILITY TO MAKE THE  
36 ASSIGNED PAYMENTS TO THE ASSIGNOR;

37 F. HAS BEEN PROVIDED WITH, AND HAS FILED WITH THE  
38 COURT, A ONE PAGE WRITTEN DISCLOSURE STATEMENT SETTING FORTH (IN BOLD  
39 TYPE, 14 POINTS OR LARGER) THE PAYMENTS BEING ASSIGNED BY AMOUNTS AND

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1 PAYMENT DATES, THE PURCHASE PRICE BEING PAID, THEIR RATE OF DISCOUNT TO  
2 PRESENT VALUE, ASSUMING DAILY COMPOUNDING AND FUNDING ON THE  
3 CONTRACT DATE, AND THE AMOUNT IF ANY OF ANY ORIGINATION OR CLOSING  
4 FEES THAT WILL BE CHARGED TO THE LOTTO WINNER; AND

5 G. WAS ADVISED IN WRITING, AT THE TIME THE WINNER  
6 SIGNED THE ASSIGNMENT CONTRACT, THAT THE WINNER HAD THE RIGHT TO  
7 CANCEL THE CONTRACT WITHOUT ANY FURTHER OBLIGATION WITHIN 3 BUSINESS  
8 DAYS FOLLOWING THE DATE ON WHICH THE CONTRACT WAS SIGNED.

9 (V) A VOLUNTARY ASSIGNMENT MAY NOT INCLUDE OR COVER  
10 PAYMENTS OR PORTIONS OF PAYMENTS THAT ARE SUBJECT TO OFFSET ON  
11 ACCOUNT OF A DEFAULTED OR DELINQUENT CHILD SUPPORT OBLIGATION UNLESS  
12 APPROPRIATE PROVISION IS MADE IN THE ORDER TO SATISFY THE OBLIGATIONS  
13 GIVING RISE TO THE OFFSET.

14 (VI) THE STATE, THE AGENCY, AND THE RESPECTIVE OFFICIALS  
15 AND EMPLOYEES OF THE AGENCY SHALL BE DISCHARGED OF ALL FURTHER  
16 LIABILITY RELATED TO THE ASSIGNMENT UPON PAYMENT OF A PRIZE IN  
17 ACCORDANCE WITH THIS SUBSECTION.

18 ~~(VII)~~ (VII) THE AGENCY MAY OPPOSE, ONLY FOR GOOD CAUSE, A  
19 LOTTO WINNER'S PETITION IN COURT FOR A COURT ORDER UNDER THIS  
20 PARAGRAPH.

21 ~~(VIII)~~ (VIII) IF LOTTO WINNINGS ARE ASSIGNED PURSUANT TO A  
22 COURT ORDER AS PROVIDED IN THIS PARAGRAPH:

23 1. THE ASSIGNMENT CAN ONLY BE MADE BY THE ORIGINAL  
24 LOTTO WINNER; AND

25 2. THE STATE LOTTERY AGENCY MAY LEVY AND IMPOSE A  
26 FEE NOT TO EXCEED \$500 IN CONNECTION WITH THE COURT ORDERED VOLUNTARY  
27 ASSIGNMENT.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be  
29 construed only prospectively and may not be applied or interpreted to have any effect on  
30 or application to any litigation pending before the effective date of this Act.

31 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 October 1, 1997.

