
By: Chairman, Finance Committee (Departmental - Lottery)

Introduced and read first time: January 27, 1997

Rule 32(e) suspended

Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

Read second time: February 25, 1997

CHAPTER ____

1 AN ACT concerning

2 **State Lottery - Prizes - Sovereign Immunity Defense Exception for Multistate Lottery**

3 **Actions**

4 FOR the purpose of authorizing the State to raise a sovereign immunity defense to
5 certain contract actions brought by annuitants or prize winners of any multistate
6 lottery game for claims that exceed a certain amount; and generally relating to
7 prizes of the State Lottery Agency.

8 BY repealing and reenacting, with amendments,
9 Article - State Government
10 Section 9-122
11 Annotated Code of Maryland
12 (1995 Replacement Volume and 1996 Supplement)
13 (As enacted by Chapter 505 of the Acts of the General Assembly of 1996)

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

16 **Article - State Government**

17 9-122.

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

20 (b) (1) Except as otherwise provided in this subsection, § 10-113.1 of the Family
21 Law Article, and Article 27, § 811 of the Code a prize won under this subtitle is not
22 assignable.

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

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

5 (c) A licensed agent may pay in cash game prizes of not more than \$5,000.

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

9 (2) If a minor wins a prize of less than \$5,000, the Director may give a draft,
10 as provided for in rules and regulations of the [Lottery Commission] AGENCY payable to
11 the order of the minor, to:

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

13 (ii) a guardian of the minor.

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

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

17 (ii) a guardian of the minor.

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

20 (e) On payment of a prize in accordance with this section, the Director is
21 discharged of all liability.

22 (f) (1) A prize winner shall claim a prize within 182 days after the drawing in
23 which the prize is won.

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

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

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

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

32 (g) (1) Unless otherwise specifically provided by the laws of the State, AND
33 EXCEPT FOR PRIZES PAID FOR ANY MULTISTATE LOTTERY GAME, the State and every
34 officer, department, agency, board, commission, or other unit of State government may
35 not raise the defense of sovereign immunity in the courts of the State in an action in
36 contract brought by an annuitant or prize winner that is based on the liability of the State

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1 to pay an annuitant or prize winner the prize that the annuitant is entitled to receive in
2 accordance with this subtitle and any regulations adopted under this subtitle.

3 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE STATE
4 MAY RAISE THE DEFENSE OF SOVEREIGN IMMUNITY TO A CONTRACT ACTION
5 BROUGHT BY AN ANNUITANT OR PRIZE WINNER OF ANY MULTISTATE LOTTERY
6 GAME, FOR ANY CLAIM THAT EXCEEDS \$200,000.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 July 1, 1997.