

SENATE BILL 33

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1999 Regular Session
9r0087

(PRE-FILED)

By: **Chairman, Finance Committee (Departmental - Lottery)**

Requested: July 27, 1998

Introduced and read first time: January 13, 1999

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 2, 1999

CHAPTER _____

1 AN ACT concerning

2 **State Lottery - Cash Prize Payments - Agent Service Charges, Fines, and**
3 **Penalties**

4 FOR the purpose of requiring that cash payments made by State lottery agents be
5 subject to certain rules and regulations; establishing certain charges, fines, and
6 penalties that the State Lottery Agency may assess upon licensed agents under
7 certain circumstances; providing for a certain appeal; defining a certain term;
8 and generally relating to the operation of the State Lottery Agency.

9 BY repealing and reenacting, with amendments,
10 Article - State Government
11 Section 9-122(c)
12 Annotated Code of Maryland
13 (1995 Replacement Volume and 1998 Supplement)

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 (c) (1) IN THIS SUBSECTION, "CASH" INCLUDES CURRENCY, COINS,
19 NEGOTIABLE INSTRUMENTS, AND BALANCES IN BANK ACCOUNTS.

20 (2) [A] SUBJECT TO THE PROVISIONS OF THIS SECTION, A licensed
21 agent may pay in cash game prizes [of not more than] UP TO \$5,000.

1 (3) PAYMENTS IN CASH SHALL BE MADE IN ACCORDANCE WITH THE
2 RULES AND REGULATIONS OF THE AGENCY.

3 (4) SUBJECT TO THE LIMITATIONS OF PARAGRAPHS (5), (6), (7), AND (8) OF
4 THIS SUBSECTION, THE AGENCY MAY IMPOSE SERVICE CHARGES, FINES, AND
5 PENALTIES UPON AN AGENT IF:

6 (I) A PAYMENT ISSUED TO A WINNER BY THE AGENT IS
7 DISHONORED, NONNEGOTIABLE, OR DRAWN UPON INSUFFICIENT FUNDS;

8 (II) THE AGENT FAILS TO KEEP ACCURATE FINANCIAL RECORDS
9 OR FAILS TO FILE REQUIRED TAX INFORMATION OR FORMS;

10 (III) THE AGENT FAILS TO FOLLOW AGENCY RULES, REGULATIONS,
11 AND PROCEDURES OR FAILS TO PERFORM ITS CONTRACTUAL OBLIGATIONS
12 ESTABLISHED BY THE AGENCY; OR

13 (IV) THE AGENT COMMITS ANY ACT OR OMISSION WHILE MAKING A
14 CASH PAYMENT THAT RESULTS IN THE AGENCY'S BEING SUBJECTED TO CLAIMS OR
15 ASSESSED FINES, FEES, OR PENALTIES.

16 ~~(5) THE AGENCY SHALL ESTABLISH THE AMOUNT OF THE SERVICE~~
17 ~~CHARGES, FINES, AND PENALTIES ASSESSED UNDER THIS SUBSECTION.~~

18 (5) THE AGENCY MAY CHARGE BACK TO A VIOLATING AGENT ANY COSTS
19 OR PENALTIES RESULTING FROM THE VIOLATION AND IMPOSED BY A THIRD PARTY
20 ON THE AGENCY.

21 (6) IN ADDITION TO THE CHARGES IN PARAGRAPH (5) OF THIS
22 SUBSECTION, THE AGENCY MAY IMPOSE A PENALTY OF:

23 (I) \$100 FOR EACH FAILURE TO INTERCEPT A CHILD SUPPORT
24 ARREARAGE OR CRIMINAL RESTITUTION; OR

25 (II) \$50 FOR A VIOLATION OTHER THAN A FAILURE TO INTERCEPT A
26 CHILD SUPPORT ARREARAGE OR CRIMINAL RESTITUTION.

27 (7) (I) IN ADDITION TO THE CHARGES AND PENALTIES IN
28 PARAGRAPHS (5) AND (6) OF THIS SUBSECTION, FOR A VIOLATION INVOLVING
29 INTENTIONAL OR WILLFUL MISCONDUCT OR GROSS NEGLIGENCE BY THE AGENT,
30 THE AGENCY:

31 1. MAY ASSESS OTHER REASONABLE PENALTIES OR FINES,
32 SUBJECT TO THE DISCRETION OF THE DIRECTOR BUT NOT TO EXCEED \$300; AND

33 2. MAY NOT PAY A COMMISSION FOR THE VIOLATING
34 INCIDENT OR TRANSACTION.

35 (II) THE AMOUNT OF A FINE IMPOSED UNDER THIS PARAGRAPH
36 SHALL BE BASED ON:

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- 1 1. THE SERIOUSNESS OF THE VIOLATION;
- 2 2. THE GOOD FAITH OF THE VIOLATING AGENT;
- 3 3. ANY PREVIOUS VIOLATIONS;
- 4 4. THE AGENT'S HISTORY;
- 5 5. THE HARMFUL EFFECT OF THE VIOLATION ON THE
- 6 STATE, STATE LOTTERY PLAYERS, THE PUBLIC, AND ANY OTHER AFFECTED PERSON;
- 7 AND
- 8 6. ANY OTHER RELEVANT FACTORS.

9 (8) AN AGENT MAY APPEAL A PENALTY OR FINE IMPOSED UNDER THIS
 10 SUBSECTION TO THE COMMISSION.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 12 October 1, 1999.