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## By: Senator Della Introduced and read first time: January 20, 2003 Assigned to: Finance

## A BILL ENTITLED

State Lottery - Licensed Agents - Banks - Commingling of Proceeds

1 AN ACT concerning

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3 4 5 6 7 8	FOR the purpose of authorizing a licensed agent of the State lottery to deposit certain receipts from the sale of State lottery tickets or shares with a bank that the licensed agent selects; authorizing a licensed agent to commingle proceeds collected or deposited from the sale of State lottery tickets or shares with business receipts of the licensed agent; and generally relating to the State lottery.
	BY repealing and reenacting, with amendments,
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11	Section 9-119(b)(1)
12	······································
13	(1999 Replacement Volume and 2002 Supplement)
14 15	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
16	Article - State Government
17	9-119.
20	(b) (1) (i) The Director shall require all licensed agents to deposit, with a bank that the [Treasurer designates] LICENSED AGENT SELECTS and to the credit of the State Lottery Fund, all of the receipts from the sale of State lottery tickets or shares less any commission and validation prize payout.
24	(ii) 1. [All proceeds collected or deposited from the sale of State lottery tickets or shares constitute a trust for the benefit of the Agency until remitted and paid either directly or through the Agency's authorized collection representative.

25 Proceeds shall include cash proceeds of the sale of any lottery products less any

26 commission and validation prize payout.] A LICENSED AGENT MAY COMMINGLE

27 PROCEEDS FROM THE SALE OF STATE LOTTERY TICKETS OR SHARES WITH BUSINESS

28 RECEIPTS OF THE LICENSED AGENT.

## **SENATE BILL 62**

## 2. PROCEEDS, INCLUDING CASH PROCEEDS OF THE SALE OF ANY LOTTERY PRODUCTS LESS ANY COMMISSION AND VALIDATION PRIZE PAYOUT, SHALL BE REMITTED AND PAID DIRECTLY OR THROUGH THE AGENCY'S AUTHORIZED 4 COLLECTION REPRESENTATIVE.

5 (iii) Licensed agents and each person who is a guarantor or 6 indemnitor of a licensed agent's financial obligations to the Agency shall be liable for 7 all proceeds from the sale of lottery tickets or shares.

8 (iv) The Director may adjust the time, interval, or method of 9 collection for collections of proceeds of any licensed agent.

10 (v) 1. Nothing in this subsection may be construed to impose 11 obligations or liability on any bank in which proceeds from the sale of State lottery

12 tickets or shares are deposited.

13 2. This subparagraph does not affect the rights and
14 obligations of any financial institution that has issued an irrevocable letter of credit
15 or holds any cash security deposit as provided in § 9-114 of this subtitle.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take 17 effect October 1, 2003.

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