

Chapter 622

(House Bill 907)

AN ACT concerning

Video Lottery Facility Payouts – Intercepts for Child Support Payments

FOR the purpose of requiring ~~a video lottery operation licensee to submit certain information to the Child Support Enforcement Administration about an individual at a video lottery facility who is declared a winner of a certain prize; requiring the Administration to determine whether the individual is in arrears of child support payments by determining whether the individual is listed in a certain registry; specifying certain circumstances under which a video lottery operation licensee may pay winnings to an individual; requiring the Administration to inform the licensee and the licensee to deduct a certain amount from a prize if an individual is found to be in arrears of child support payments; requiring the licensee to forward the deduction to the Administration and to pay to the individual the portion of the prize that remains; specifying the amount of a certain administrative fee and the manner in which proceeds from the administrative fee are to be distributed; requiring the creation and maintenance of a child support registry by the Administration or a certain private entity; requiring the Administration to enter certain information in the registry; requiring the Governor to include in a certain budget bill a certain appropriation to create and administer the registry; authorizing the State Lottery and Gaming Control Commission to impose a certain penalty; specifying that a video lottery operation licensee is not liable under certain circumstances to an individual to whom child support is owed; requiring the Administration to report to the General Assembly on or before a certain date; requiring the State Lottery and Gaming Control Commission and the Department of Human Resources to adopt certain regulations; defining a certain term the Child Support Enforcement Administration, the Comptroller, and the Lottery and Gaming Control Agency jointly to establish a certain program on or before a certain date; authorizing the Administration, the Comptroller, and the Agency to adopt certain regulations; requiring the Department of Human Resources, the Comptroller, and the Agency jointly to report to the General Assembly on or before a certain date; certain video lottery operation licensees to provide certain notices to certain obligors who win certain prizes and who owe child support; requiring certain video lottery operation licensees to make certain payments, withhold certain amounts, and transfer certain amounts under certain circumstances; authorizing certain obligors to appeal certain proposed transfers; requiring the Child Support Enforcement Administration to notify the video lottery operation licensee on the distribution of certain prizes; prohibiting a video lottery operation licensee from being held liable for certain acts or omissions; requiring certain video lottery operation licensees to comply with a certain~~

~~provision of law; defining certain terms; providing for the application of this Act;~~
and generally relating to video lottery facility payouts and child support payments.

BY repealing and reenacting, with amendments,

Article – Family Law

Section 10–113.1

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

~~*BY repealing and reenacting, without amendments,*~~

~~*Article – State Government*~~

~~*Section 9–1A–24(a)*~~

~~*Annotated Code of Maryland*~~

~~*(2009 Replacement Volume and 2013 Supplement)*~~

~~*BY adding to*~~

~~*Article – State Government*~~

~~*Section 9–1A–02.1 9–1A–24(h)*~~

~~*Annotated Code of Maryland*~~

~~*(2009 Replacement Volume and 2013 Supplement)*~~

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

Article – Family Law

10–113.1.

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

(2) “VIDEO LOTTERY FACILITY” HAS THE MEANING STATED IN § 9–1A–01 OF THE STATE GOVERNMENT ARTICLE.

(3) “VIDEO LOTTERY OPERATION LICENSEE” HAS THE MEANING STATED IN § 9–1A–01 OF THE STATE GOVERNMENT ARTICLE.

[(a)] (B) The Administration may certify to the State Lottery and Gaming Control Agency the name of any obligor who is in arrears in the amount of \$150 or more if:

(1) the Administration has accepted an assignment of support under § 5–312(b)(2) of the Human Services Article; or

(2) the recipient of support payments has filed an application for support enforcement services with the Administration.

[(b)] (C) The certification shall contain:

(1) the full name of the obligor, and any other names known to be used by the obligor;

(2) the Social Security number of the obligor; and

(3) the amount of the arrearage.

[(c)] (D) If an obligor who has been certified as an obligor wins a lottery prize to be paid by check directly by the State Lottery and Gaming Control Agency, the State Lottery and Gaming Control Agency shall send a notice to the obligor that:

(1) the obligor has won a prize to be paid by check directly by the State Lottery and Gaming Control Agency;

(2) the State Lottery and Gaming Control Agency has received certification from the Child Support Enforcement Administration of the obligor's child support arrearage in the amount specified;

(3) subsection [(d)] (F) of this section requires the State Lottery and Gaming Control Agency to withhold the prize to pay it towards the obligor's support arrearage;

(4) the State Lottery and Gaming Control Agency proposes to transfer the prize, or that part of it which is equal to the support arrearage, to the Administration if no appeal is filed within 15 days;

(5) the obligor may appeal to the Administration if the obligor disputes the existence or the amount of the arrearage;

(6) if the obligor appeals to the Administration, the prize will be distributed as the Administration directs; and

(7) if no appeal is filed within 15 days, the prize, or that part of it equal to the support arrearage, will be transferred to the Administration.

(E) IF AN OBLIGOR WHO OWES CHILD SUPPORT AND HAS BEEN CERTIFIED AS AN OBLIGOR WINS A PRIZE AT A VIDEO LOTTERY FACILITY REQUIRING THE ISSUANCE OF INTERNAL REVENUE SERVICE FORM W-2G OR A SUBSTANTIALLY EQUIVALENT FORM BY A VIDEO LOTTERY OPERATION LICENSEE, THE VIDEO LOTTERY OPERATION LICENSEE SHALL PROVIDE A NOTICE TO THE OBLIGOR THAT:

(1) THE OBLIGOR HAS WON A PRIZE TO BE PAID BY CASH OR CHECK DIRECTLY BY THE VIDEO LOTTERY OPERATION LICENSEE;

(2) THE STATE LOTTERY AND GAMING CONTROL AGENCY HAS RECEIVED CERTIFICATION FROM THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION OF THE OBLIGOR'S CHILD SUPPORT ARREARAGE IN THE AMOUNT SPECIFIED;

(3) SUBSECTION (F) OF THIS SECTION REQUIRES THE VIDEO LOTTERY OPERATION LICENSEE TO WITHHOLD THE PRIZE TO PAY IT TOWARDS THE OBLIGOR'S CHILD SUPPORT ARREARAGE;

(4) THE VIDEO LOTTERY OPERATION LICENSEE PROPOSES TO TRANSFER THE PRIZE, OR THAT PART OF IT WHICH IS EQUAL TO THE CHILD SUPPORT ARREARAGE, TO THE ADMINISTRATION IF NO APPEAL IS FILED WITHIN 15 DAYS;

(5) THE OBLIGOR MAY APPEAL TO THE ADMINISTRATION IF THE OBLIGOR DISPUTES THE EXISTENCE OR THE AMOUNT OF THE CHILD SUPPORT ARREARAGE;

(6) IF THE OBLIGOR APPEALS TO THE ADMINISTRATION, THE PRIZE WILL BE DISTRIBUTED AS THE ADMINISTRATION DIRECTS; AND

(7) IF NO APPEAL IS FILED WITHIN 15 DAYS, THE PRIZE, OR THAT PART OF IT EQUAL TO THE CHILD SUPPORT ARREARAGE, WILL BE TRANSFERRED TO THE ADMINISTRATION.

[(d)] (F) If the prize exceeds the arrearage, the State Lottery and Gaming Control Agency OR VIDEO LOTTERY OPERATION LICENSEE shall immediately pay the excess to the obligor. The State Lottery and Gaming Control Agency OR VIDEO LOTTERY OPERATION LICENSEE shall withhold any part of the prize that does not exceed the arrearage until notified by the Administration to whom the withheld prize money shall be paid.

[(e)] (G) Upon receipt of a notice from the State Lottery and Gaming Control Agency OR VIDEO LOTTERY OPERATION LICENSEE any obligor who disputes the existence or amount of the arrearage may appeal the proposed transfer within 15 days of the date of the notice to the Administration.

[(f)] (H) If no appeal is filed within 15 days, the State Lottery and Gaming Control Agency OR VIDEO LOTTERY OPERATION LICENSEE shall transfer the amount of the prize withheld to the Administration.

[(g)] (I) The Administration shall notify the State Lottery and Gaming Control Agency OR VIDEO LOTTERY OPERATION LICENSEE that upon appeal, the withheld prize shall be:

(1) paid to the obligor;

(2) transferred to the Administration; or

(3) partly paid to the obligor and partly transferred to the Administration, in the amounts specified.

[(h)] (J) The State Lottery and Gaming Control Agency shall honor lottery prize interception requests in the following order:

(1) an interception request under this section;

(2) an interception request under § 11-618 of the Criminal Procedure Article; and

(3) an interception request under § 3-307 of the State Finance and Procurement Article.

[(i)] (K) The Secretary of Human Resources and the Director of the State Lottery and Gaming Control Agency may jointly adopt regulations to implement this section.

(L) A VIDEO LOTTERY OPERATION LICENSEE MAY NOT BE HELD LIABLE FOR AN ACT OR OMISSION TAKEN IN GOOD FAITH TO COMPLY SUBSTANTIALLY WITH THE REQUIREMENTS OF THIS SECTION.

~~Article - State Government~~

~~9-1A-02.1.~~

~~(A) IN THIS SECTION, "ADMINISTRATION" MEANS THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION OF THE DEPARTMENT OF HUMAN RESOURCES.~~

~~(B) AFTER AN INDIVIDUAL IS DECLARED THE WINNER OF A PRIZE AT A VIDEO LOTTERY FACILITY REQUIRING THE ISSUANCE OF INTERNAL REVENUE SERVICE FORM W-2G OR A SUBSTANTIALLY EQUIVALENT FORM, A VIDEO LOTTERY OPERATION LICENSEE SHALL SUBMIT THE NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF THE INDIVIDUAL TO THE ADMINISTRATION.~~

~~(C) THE ADMINISTRATION SHALL DETERMINE WHETHER THE INDIVIDUAL IS IN ARREARS OF CHILD SUPPORT PAYMENTS BY DETERMINING WHETHER THE INDIVIDUAL IS LISTED IN THE REGISTRY ESTABLISHED UNDER SUBSECTION (C) OF THIS SECTION.~~

~~(D) A VIDEO LOTTERY OPERATION LICENSEE MAY PAY WINNINGS TO AN INDIVIDUAL ONLY IF:~~

~~(1) THE ADMINISTRATION INFORMS THE LICENSEE THAT THE INDIVIDUAL IS NOT IN ARREARS OF CHILD SUPPORT PAYMENTS; OR~~

~~(2) THE LICENSEE IS UNABLE TO RECEIVE INFORMATION FROM THE ADMINISTRATION AFTER ATTEMPTING IN GOOD FAITH TO DO SO.~~

~~(E) (1) IF THE ADMINISTRATION DETERMINES THAT AN INDIVIDUAL IS IN ARREARS OF CHILD SUPPORT PAYMENTS:~~

~~(I) THE ADMINISTRATION SHALL INFORM THE LICENSEE OF THE AMOUNT OF ARREARAGE; AND~~

~~(II) THE LICENSEE SHALL DEDUCT FROM THE PRIZE AN AMOUNT SUFFICIENT TO:~~

~~1. SATISFY THE CHILD SUPPORT ARREARAGE; AND~~

~~2. SUBJECT TO SUBSECTION (F) OF THIS SECTION, PAY AN ADMINISTRATIVE FEE TO COVER THE COST OF SATISFYING THE ARREARAGE.~~

~~(2) THE LICENSEE SHALL FORWARD TO THE ADMINISTRATION THE AMOUNT DEDUCTED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION AND PAY TO THE INDIVIDUAL THE PORTION OF THE PRIZE THAT REMAINS.~~

~~(F) (1) THE ADMINISTRATIVE FEE:~~

~~(I) SHALL BE DETERMINED BY THE ADMINISTRATION; BUT~~

~~(II) MAY NOT EXCEED 5% OF THE ARREARAGE TO BE DEDUCTED.~~

~~(2) PROCEEDS FROM THE ADMINISTRATIVE FEE SHALL BE DISTRIBUTED EQUALLY BETWEEN THE ADMINISTRATION AND THE VIDEO LOTTERY FACILITY WHERE THE INDIVIDUAL WAS DECLARED A WINNER.~~

~~(C) (1) A CHILD SUPPORT REGISTRY SHALL BE CREATED AND MAINTAINED BY THE ADMINISTRATION OR A PRIVATE ENTITY WITH WHICH THE ADMINISTRATION CONTRACTS.~~

~~(2) THE ADMINISTRATION SHALL ENTER IN THE REGISTRY:~~

~~(I) THE NAME AND SOCIAL SECURITY NUMBER OF EACH INDIVIDUAL WHO IS IN ARREARS OF CHILD SUPPORT PAYMENTS;~~

~~(II) THE ACCOUNT OR CASE IDENTIFIER ASSIGNED TO THE ARREARAGE BY THE GOVERNMENTAL UNIT THAT CERTIFIED THE INFORMATION TO THE ADMINISTRATION;~~

~~(III) THE NAME, TELEPHONE NUMBER, AND ADDRESS OF THE GOVERNMENTAL UNIT THAT CERTIFIED THE INFORMATION TO THE ADMINISTRATION REGARDING EACH INDIVIDUAL WITH AN ARREARAGE; AND~~

~~(IV) THE AMOUNT OF THE ARREARAGE.~~

~~(3) FOR FISCAL YEAR 2016, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL AN APPROPRIATION OF AT LEAST \$350,000 TO CREATE AND ADMINISTER THE CHILD SUPPORT REGISTRY.~~

~~(H) (1) THE COMMISSION MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000 ON A LICENSEE FOUND TO HAVE FAILED TO COMPLY WITH THIS SECTION.~~

~~(2) EACH INSTANCE OF NONCOMPLIANCE SHALL BE CONSIDERED A SEPARATE VIOLATION.~~

~~(3) A VIDEO LOTTERY OPERATION LICENSEE THAT MAKES A PAYMENT IN VIOLATION OF THIS SECTION IS NOT LIABLE TO THE INDIVIDUAL TO WHOM CHILD SUPPORT IS OWED.~~

~~(I) ON OR BEFORE MARCH 31 OF EACH YEAR, THE ADMINISTRATION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THIS ARTICLE, ON THE AMOUNT OF MONEY COLLECTED UNDER THIS SECTION DURING THE PREVIOUS CALENDAR YEAR.~~

~~(J) THE COMMISSION AND THE DEPARTMENT OF HUMAN RESOURCES SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.~~

~~(B) (1) THE ADMINISTRATION, THE COMPTROLLER, AND THE LOTTERY AND GAMING CONTROL AGENCY JOINTLY SHALL ESTABLISH A~~

~~PROGRAM ON OR BEFORE JANUARY 1, 2017, TO INTERCEPT CHILD SUPPORT PAYMENTS FROM VIDEO LOTTERY FACILITY PAYOUTS.~~

~~(2) THE PROGRAM SHALL INCLUDE:~~

~~(I) THE ESTABLISHMENT OF A REGISTRY OF INDIVIDUALS IN ARREARS OF CHILD SUPPORT PAYMENTS CERTIFICATION OF CHILD SUPPORT ARREARS BY THE ADMINISTRATION SIMILAR TO THE CERTIFICATIONS PROVIDED IN §§ 10-113.1 AND 10-113.2 OF THE FAMILY LAW ARTICLE;~~

~~(II) A DETERMINATION OF WHETHER AN INDIVIDUAL IS IN ARREARS OF CHILD SUPPORT PAYMENTS AN APPEAL PROCESS FOR THE OBLIGOR SIMILAR TO THE PROCESS PROVIDED THROUGH THE ADMINISTRATION IN §§ 10-113.1 AND 10-113.2 OF THE FAMILY LAW ARTICLE; AND~~

~~(III) A COLLECTION PROCESS FOR THE INTERCEPTED VIDEO LOTTERY FACILITY PAYOUTS FOR CERTIFIED CHILD SUPPORT ARREARS; AND~~

~~(III)-(IV) ANY NECESSARY PROCESSING FEES.~~

~~(C) THE ADMINISTRATION, THE COMPTROLLER, AND THE LOTTERY AND GAMING CONTROL AGENCY MAY ADOPT ANY REGULATIONS NECESSARY TO CARRY OUT THIS SECTION.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That, on or before January 1, 2015 the Department of Human Resources, the Comptroller, and the Lottery and Gaming Control Agency jointly shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on the statutory changes that are necessary to implement a program to intercept child support payments from video lottery facility payouts.~~

~~9-1A-24.~~

~~(a) Except as provided in subsection (b) of this section, the Commission shall ensure that a video lottery operation licensee complies with the requirements of this section as a condition of holding the video lottery operation license.~~

~~(II) A VIDEO LOTTERY OPERATION LICENSEE SHALL COMPLY WITH § 10-113.1 OF THE FAMILY LAW ARTICLE.~~

~~SECTION 2. 3. 2. AND BE IT FURTHER ENACTED, That, this Act does not apply to a prize won at a video lottery facility on or before June 1, 2015.~~

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
~~October~~ ~~June~~ October 1, 2014.

Approved by the Governor, May 15, 2014.