

HOUSE BILL 549

E2

5lr1052
CF SB 561

By: **Delegates Valentino–Smith, Proctor, Smith, Valderrama, and Waldstreicher**

Introduced and read first time: February 11, 2015

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: March 14, 2015

CHAPTER _____

1 AN ACT concerning

2 **Video Lottery Facility Payouts – Intercepts for Restitution Payments**

3 FOR the purpose of requiring certain video lottery operation licensees to provide certain
4 notices to certain obligors who win certain prizes and who owe restitution; requiring
5 certain video lottery operation licensees to make certain payments, withhold certain
6 amounts, honor certain requests in a certain manner, and transfer certain amounts
7 under certain circumstances; authorizing certain obligors to appeal certain proposed
8 transfers; requiring the Central Collection Unit to notify the video lottery operation
9 licensee on the distribution of certain prizes; prohibiting a video lottery operation
10 licensee from being held liable for certain acts or omissions; defining certain terms;
11 providing for the application of this Act; and generally relating to video lottery
12 facility payouts and restitution payments.

13 BY repealing and reenacting, without amendments,
14 Article – Criminal Procedure
15 Section 11–616(a)
16 Annotated Code of Maryland
17 (2008 Replacement Volume and 2014 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Criminal Procedure
20 Section 11–616(b) and 11–618
21 Annotated Code of Maryland
22 (2008 Replacement Volume and 2014 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Criminal Procedure**

4 11–616.

5 (a) The Division or the Department of Juvenile Services:

6 (1) in addition to other actions authorized under Part I of this subtitle, may
7 refer an overdue restitution account for collection to the Central Collection Unit; and

8 (2) if probation or other supervision is terminated and restitution is still
9 owed, shall refer the overdue restitution account for collection to the Central Collection
10 Unit.

11 (b) Subject to subsection (c) of this section, the Central Collection Unit may:

12 (1) collect overdue restitution in accordance with Title 3, Subtitle 3 of the
13 State Finance and Procurement Article; and

14 (2) certify a restitution obligor who is in arrears on restitution payments
15 exceeding \$30 under the judgment of restitution to:

16 (i) the Comptroller for income tax refund interception in accordance
17 with Title 13, Subtitle 9, Part III of the Tax – General Article; and

18 (ii) the State Lottery and Gaming Control Agency for State lottery
19 prize AND VIDEO LOTTERY FACILITY PRIZE PAYOUT interception in accordance with §
20 11–618 of this subtitle.

21 11–618.

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

24 (2) “VIDEO LOTTERY FACILITY” HAS THE MEANING STATED IN §
25 9–1A–01 OF THE STATE GOVERNMENT ARTICLE.

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

28 [(a)] (B) A certification of arrearage on restitution payments that the Central
29 Collection Unit sends to the State Lottery and Gaming Control Agency under § 11–616 of
30 this subtitle shall contain:

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

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

4 (3) the amount of the arrearage.

5 **[(b)] (C)** If a restitution obligor who is overdue in restitution payments wins a
6 lottery prize to be paid by check directly by the State Lottery and Gaming Control Agency,
7 the State Lottery and Gaming Control Agency shall send a notice to the restitution obligor
8 that:

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

11 (2) the State Lottery and Gaming Control Agency has received notice from
12 the Central Collection Unit of the restitution obligor's restitution arrearage in the specified
13 amount;

14 (3) State law requires the State Lottery and Gaming Control Agency to
15 withhold the prize and to pay it towards the restitution obligor's restitution arrearage;

16 (4) the restitution obligor may appeal to the Central Collection Unit if the
17 restitution obligor disputes the existence or the amount of the arrearage; and

18 (5) if an appeal is not filed within 15 days after the date of the notice, the
19 State Lottery and Gaming Control Agency will transfer the prize or the part of the prize
20 that equals the restitution arrearage to the Central Collection Unit.

21 **(D) IF A RESTITUTION OBLIGOR WHO IS OVERDUE IN RESTITUTION**
22 **PAYMENTS WINS A PRIZE AT A VIDEO LOTTERY FACILITY REQUIRING THE ISSUANCE**
23 **OF INTERNAL REVENUE SERVICE FORM W-2G OR A SUBSTANTIALLY EQUIVALENT**
24 **FORM BY A VIDEO LOTTERY OPERATION LICENSEE, THE VIDEO LOTTERY OPERATION**
25 **LICENSEE SHALL SEND A NOTICE TO THE RESTITUTION OBLIGOR THAT:**

26 **(1) THE RESTITUTION OBLIGOR HAS WON A PRIZE TO BE PAID BY THE**
27 **VIDEO LOTTERY OPERATION LICENSEE;**

28 **(2) THE STATE LOTTERY AND GAMING CONTROL AGENCY HAS**
29 **RECEIVED NOTICE FROM THE CENTRAL COLLECTION UNIT OF THE RESTITUTION**
30 **OBLIGOR'S RESTITUTION ARREARAGE IN THE SPECIFIED AMOUNT;**

31 **(3) STATE LAW REQUIRES THE VIDEO LOTTERY OPERATION**
32 **LICENSEE TO WITHHOLD THE PRIZE AND PAY IT TOWARDS THE RESTITUTION**
33 **OBLIGOR'S RESTITUTION ARREARAGE;**

1 **(4) THE RESTITUTION OBLIGOR MAY APPEAL TO THE CENTRAL**
2 **COLLECTION UNIT IF THE RESTITUTION OBLIGOR DISPUTES THE EXISTENCE OR**
3 **THE AMOUNT OF THE ARREARAGE; AND**

4 **(5) IF AN APPEAL IS NOT FILED WITHIN 15 DAYS AFTER THE DATE OF**
5 **THE NOTICE, THE VIDEO LOTTERY OPERATION LICENSEE WILL TRANSFER THE**
6 **PRIZE OR THE PART OF THE PRIZE THAT EQUALS THE RESTITUTION ARREARAGE TO**
7 **THE CENTRAL COLLECTION UNIT.**

8 **[(c)] (E) (1) The State Lottery and Gaming Control Agency OR THE VIDEO**
9 **LOTTERY OPERATION LICENSEE shall withhold all or part of the prize up to the amount**
10 **of the arrearage until the Central Collection Unit notifies the State Lottery and Gaming**
11 **Control Agency OR THE VIDEO LOTTERY OPERATION LICENSEE as to whom the**
12 **withheld prize money is to be paid.**

13 **(2) The State Lottery and Gaming Control Agency AND A VIDEO LOTTERY**
14 **OPERATION LICENSEE shall honor [lottery prize] interception requests in the following**
15 **order:**

16 (i) an interception request under § 10–113.1 of the Family Law
17 Article;

18 (ii) an interception request under this section; and

19 (iii) an interception request under § 3–307 of the State Finance and
20 Procurement Article.

21 **[(d)] (F) (1) On receipt of a notice from the State Lottery and Gaming Control**
22 **Agency OR A VIDEO LOTTERY OPERATION LICENSEE, a restitution obligor who disputes**
23 **the existence or amount of the arrearage may appeal the proposed transfer.**

24 **(2) If an appeal is not filed within 15 days after the date of the notice, the**
25 **State Lottery and Gaming Control Agency OR VIDEO LOTTERY OPERATION LICENSEE**
26 **shall transfer the amount of the prize withheld to the Central Collection Unit.**

27 **(3) If the restitution obligor appeals the proposed transfer, after a hearing**
28 **the Central Collection Unit shall notify the State Lottery and Gaming Control Agency OR**
29 **VIDEO LOTTERY OPERATION LICENSEE that the withheld prize shall be:**

30 (i) paid to the restitution obligor;

31 (ii) transferred to the Central Collection Unit; or

1 (iii) in specified amounts, partly paid to the restitution obligor and
2 partly transferred to the Central Collection Unit.

3 **[(e)] (G)** The Secretary of Budget and Management and the Director of the State
4 Lottery and Gaming Control Agency may jointly adopt regulations to carry out this section.

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

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act does not apply to a
9 prize won at a video lottery facility on or before June 1, 2016.

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2015.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.