

SENATE BILL 176

C7, E2, D4

(PRE-FILED)

6lr0011
CF HB 289

By: **Chair, Budget and Taxation Committee (By Request – Departmental – Lottery and Gaming Control Agency)**

Requested: September 16, 2025

Introduced and read first time: January 14, 2026

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 3, 2026

CHAPTER _____

1 AN ACT concerning

2 **Video Lottery Facility Payouts – Intercepts for Restitution Payments, Child**
3 **Support Payments, and Debts Owed to the State**

4 FOR the purpose of authorizing the Central Collection Unit and the Child Support
5 Administration to certify certain information about ~~restitution or child support~~
6 certain restitution, child support, and State debt obligors to a video lottery operator
7 for purposes of enforcing a requirement to intercept certain prize payouts at a video
8 lottery facility; ~~authorizing the Central Collection Unit to certify certain information~~
9 ~~regarding certain debts or claims to a video lottery operator~~; requiring a video lottery
10 operator to provide certain notice to a debtor that wins a prize to be paid by the
11 operator and withhold all or part of the prize; authorizing certain debtors to appeal
12 the proposed transfer; and generally relating to the interception of video lottery
13 facility payouts.

14 BY repealing and reenacting, without amendments,
15 Article – Criminal Procedure
16 Section 11–616(a)
17 Annotated Code of Maryland
18 (2025 Replacement Volume)

19 BY repealing and reenacting, with amendments,
20 Article – Criminal Procedure
21 Section 11–616(b) and 11–618(a), (b), (d) through (f), and (h)

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.



Annotated Code of Maryland
(2025 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Family Law
Section 10–113.1(a), (b), (e) through (g), and (i)
Annotated Code of Maryland
(2019 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 3–304(a) and 3–307(c)(2)
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

BY adding to
Article – State Finance and Procurement
Section 3–308
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

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

Article – Criminal Procedure

11–616.

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

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

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

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

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

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

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

(ii) the State Lottery and Gaming Control Agency for State lottery prize [and video lottery facility prize] payout interception in accordance with § 11–618 of this subtitle; **AND**

(III) A VIDEO LOTTERY OPERATOR, AS DEFINED UNDER § 9–1A–01 OF THE STATE GOVERNMENT ARTICLE, FOR VIDEO LOTTERY FACILITY PRIZE PAYOUT INTERCEPTION IN ACCORDANCE WITH § 11–618 OF THIS SUBTITLE.

11–618.

(a) (1) In this section the following words have the meanings indicated.

(2) “Agency” means the State Lottery and Gaming Control Agency.

(3) “Video lottery facility” has the meaning stated in § 9–1A–01 of the State Government Article.

(4) “Video lottery [operation licensee] **OPERATOR**” has the meaning stated in § 9–1A–01 of the State Government Article.

(b) A certification of arrearage on restitution payments that the Central Collection Unit sends to the Agency **OR A VIDEO LOTTERY OPERATOR** under § 11–616 of this subtitle shall contain:

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

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

(3) the amount of the arrearage.

(d) If a restitution obligor who is overdue in restitution payments 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] **OPERATOR**, the video lottery [operation licensee] **OPERATOR** shall ~~send a notice to~~ **NOTIFY** the restitution obligor that:

(1) the restitution obligor has won a prize to be paid by cash or check directly by the video lottery [operation licensee] **OPERATOR**;

(2) the [State Lottery and Gaming Control Agency] **VIDEO LOTTERY OPERATOR** has received notice from the Central Collection Unit of the restitution obligor’s restitution arrearage in the amount specified;

(3) State law requires the video lottery [operation licensee] **OPERATOR** to withhold the prize and pay it towards the restitution obligor's restitution arrearage;

(4) the restitution obligor ~~has 15 days to~~ **MAY** appeal to the Central Collection Unit if the restitution obligor disputes the existence or the amount of the arrearage; and

(5) ~~on interception of the prize~~ **IF AN APPEAL IS NOT FILED WITHIN 15 DAYS AFTER THE DATE OF THE NOTICE**, the video lottery [operation licensee] **OPERATOR** will transfer the prize or the part of the prize that equals the restitution arrearage to the Central Collection Unit.

(e) (1) The Agency or the video lottery [operation licensee] **OPERATOR** shall:

~~(i) withhold and transfer all or part of the prize up to the amount of the arrearage to the Central Collection Unit; and~~

~~(ii) pay the excess to the restitution obligor.~~

(2) The Agency and a video lottery [operation licensee] **OPERATOR** shall honor interception requests in the following order:

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

(ii) an interception request under this section; [and]

(iii) an interception request under § 3–307 of the State Finance and Procurement Article; **AND**

(IV) AN INTERCEPTION REQUEST UNDER § 3–308 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(f) (1) On receipt of a notice from the Agency or a video lottery [operation licensee] **OPERATOR**, a restitution obligor who disputes the existence or amount of the arrearage may appeal the transfer **IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.**

(2) If an appeal is not filed within 15 days after the date of the notice, ~~the Central Collection Unit may retain the withheld prize~~ **THE AGENCY OR VIDEO LOTTERY OPERATOR SHALL TRANSFER THE AMOUNT OF THE PRIZE WITHHELD IN ACCORDANCE WITH SUBSECTION (E)(2) OF THIS SECTION.**

(3) If the restitution obligor appeals the transfer, after a hearing ~~by the Central Collection Unit~~ **IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE**, the withheld prize shall be:

(i) paid to the restitution obligor;

(ii) ~~retained by the Central Collection Unit~~ **PAID IN ACCORDANCE WITH SUBSECTION (E)(2) OF THIS SECTION**; or

(iii) partly paid to the restitution obligor and partly ~~retained by the Central Collection Unit~~ **PAID IN ACCORDANCE WITH SUBSECTION (E)(2) OF THIS SECTION**.

(h) A video lottery [operation licensee] **OPERATOR** may not be held liable for an act or omission taken in good faith to comply substantially with the requirements of this section.

Article – Family Law

10–113.1.

(a) (1) In this section the following words have the meanings indicated.

(2) “Agency” means the State Lottery and Gaming Control Agency.

(3) “Video lottery facility” has the meaning stated in § 9–1A–01 of the State Government Article.

(4) “Video lottery [operation licensee] **OPERATOR**” has the meaning stated in § 9–1A–01 of the State Government Article.

(b) The Administration may certify to the Agency **OR A VIDEO LOTTERY OPERATOR** 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.

(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] **OPERATOR**, the video lottery [operation licensee] **OPERATOR** shall ~~provide a notice to~~ **NOTIFY** the obligor that:

(1) the obligor has won a prize to be paid by cash or check directly by the video lottery [operation licensee] **OPERATOR**;

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

(3) State law requires the video lottery [operation licensee] **OPERATOR** to withhold the prize and to pay it towards the obligor's child support arrearage;

(4) the obligor ~~has 15 days to~~ MAY appeal to the Administration if the obligor disputes the existence or the amount of the child support arrearage; and

(5) ~~on interception of the prize~~ IF AN APPEAL IS NOT FILED WITHIN 15 DAYS AFTER THE DATE OF THE NOTICE, the video lottery [operation licensee] **OPERATOR** will transfer the prize or the part of the prize that equals the obligor's child support arrearage to the Administration.

(f) (1) The Agency or the video lottery [operation licensee] **OPERATOR** shall: ~~(i)~~ withhold and transfer all or part of the prize up to the amount of the arrearage to the Administration; ~~and~~

~~(ii) pay the excess to the obligor.~~

(2) The Agency and a video lottery [operation licensee] **OPERATOR** shall honor interception requests in the following order:

(i) an interception request under this section;

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

(iii) an interception request under § 3-307 of the State Finance and Procurement Article; **AND**

(IV) AN INTERCEPTION REQUEST UNDER § 3-308 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(g) (1) On receipt of a notice from the Agency or video lottery [operation licensee] **OPERATOR**, an obligor who disputes the existence or amount of the arrearage may appeal the transfer.

(2) If no appeal is filed within 15 days, the Administration may retain the withheld prize.

(3) If the obligor appeals the transfer, after a hearing by the Administration, the withheld prize shall be:

(i) paid to the obligor;

(ii) ~~retained by the Administration~~ PAID IN ACCORDANCE WITH SUBSECTION (F)(2) OF THIS SECTION; or

(iii) partly paid to the obligor and partly ~~retained by the Administration, in the amounts specified~~ PAID IN ACCORDANCE WITH SUBSECTION (F)(2) OF THIS SECTION.

(i) A video lottery [operation licensee] **OPERATOR** 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 Finance and Procurement

3–304.

(a) In carrying out its responsibilities, the Central Collection Unit may:

(1) (i) institute, in its name, any action that is available under State law for collection of a debt or claim; or

(ii) without suit, settle the debt or claim;

(2) for all debts or claims collected on or after June 1, 1992:

(i) in addition to the outstanding principal and interest, assess and collect from the debtor a fee, which may not exceed 20% of the outstanding principal and interest, sufficient to cover all collection and administrative costs; and

(ii) prior to crediting any amount to any agency which refers a debt for any purpose, withhold a fee sufficient to cover all collection and administrative costs;

(3) waive or reduce any fee assessed under paragraph (2) of this subsection; and

(4) certify a debt or claim and the debtor responsible for the debt or claim to:

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

(ii) the State Lottery and Gaming Control Agency for State lottery prize interception in accordance with § 3–307 of this subtitle; AND

(III) A VIDEO LOTTERY OPERATOR, AS DEFINED IN § 9–1A–01 OF THE STATE GOVERNMENT ARTICLE, FOR PRIZE INTERCEPTION IN ACCORDANCE WITH § 3–308 OF THIS SUBTITLE.

3–307.

(c) (2) The State Lottery and Gaming Control Agency shall honor lottery prize interception requests in the following order:

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

(ii) an interception request under § 11–618 of the Criminal Procedure Article; [and]

(iii) an interception request under this section; AND

(IV) AN INTERCEPTION REQUEST UNDER § 3–308 OF THIS SUBTITLE.

3–308.

(A) IN THIS SECTION, “VIDEO LOTTERY OPERATOR” HAS THE MEANING STATED IN § 9–1A–01 OF THE STATE GOVERNMENT ARTICLE.

(B) CERTIFICATION OF A DEBT OR CLAIM OWED TO THE STATE THAT THE CENTRAL COLLECTION UNIT SENDS TO THE VIDEO LOTTERY OPERATOR UNDER § 3–304(A)(4) OF THIS SUBTITLE SHALL CONTAIN:

(1) THE FULL NAME OF THE DEBTOR AND ANY OTHER NAME KNOWN TO BE USED BY THE DEBTOR;

(2) THE SOCIAL SECURITY NUMBER OF THE DEBTOR; AND

(3) THE AMOUNT OF THE DEBT.

(C) IF A DEBTOR WINS A PRIZE TO BE PAID DIRECTLY BY A VIDEO LOTTERY OPERATOR REQUIRING THE ISSUANCE OF INTERNAL REVENUE SERVICE FORM W–2G OR A SUBSTANTIALLY EQUIVALENT FORM BY THE VIDEO LOTTERY OPERATOR, THE VIDEO LOTTERY OPERATOR SHALL NOTIFY THE DEBTOR THAT:

1 (1) THE DEBTOR HAS WON A PRIZE TO BE PAID BY THE VIDEO
2 LOTTERY OPERATOR;

3 (2) THE VIDEO LOTTERY OPERATOR HAS RECEIVED NOTICE FROM
4 THE CENTRAL COLLECTION UNIT OF THE DEBTOR'S DEBT OR CLAIM OWED TO THE
5 STATE IN THE SPECIFIED AMOUNT;

6 (3) STATE LAW REQUIRES THE VIDEO LOTTERY OPERATOR TO
7 WITHHOLD THE PRIZE AND TO PAY IT TOWARD THE DEBTOR'S DEBT OR CLAIM;

8 (4) THE DEBTOR MAY APPEAL TO THE CENTRAL COLLECTION UNIT
9 IF THE DEBTOR DISPUTES THE EXISTENCE OR THE AMOUNT OF THE DEBT OR CLAIM;
10 AND

11 (5) IF AN APPEAL IS NOT FILED WITHIN 15 DAYS AFTER THE DATE OF
12 THE NOTICE, THE VIDEO LOTTERY OPERATOR WILL TRANSFER THE PRIZE OR THE
13 PART OF THE PRIZE THAT EQUALS THE AMOUNT OF THE DEBT OR CLAIM TO THE
14 CENTRAL COLLECTION UNIT.

15 (D) (1) THE VIDEO LOTTERY OPERATOR SHALL WITHHOLD ALL OR PART
16 OF THE PRIZE UP TO THE AMOUNT OF THE DEBT OR CLAIM OWED TO THE STATE.

17 (2) THE VIDEO LOTTERY OPERATOR SHALL HONOR PRIZE
18 INTERCEPTION REQUESTS IN THE FOLLOWING ORDER:

19 (I) AN INTERCEPTION REQUEST UNDER § 10-113.1 OF THE
20 FAMILY LAW ARTICLE;

21 (II) AN INTERCEPTION REQUEST UNDER § 11-618 OF THE
22 CRIMINAL PROCEDURE ARTICLE; ~~AND~~

23 (III) AN INTERCEPTION REQUEST UNDER § 3-307 OF THIS
24 SUBTITLE; AND

25 (IV) AN INTERCEPTION REQUEST UNDER THIS SECTION.

26 (E) (1) ON RECEIPT OF A NOTICE FROM THE VIDEO LOTTERY OPERATOR,
27 A DEBTOR WHO DISPUTES THE EXISTENCE OR AMOUNT OF THE DEBT OR CLAIM MAY
28 APPEAL THE PROPOSED TRANSFER IN ACCORDANCE WITH THE PROVISIONS OF THE
29 ADMINISTRATIVE PROCEDURE ACT, TITLE 10, SUBTITLE 2 OF THE STATE
30 GOVERNMENT ARTICLE.

1 **(2) IF AN APPEAL IS NOT FILED WITHIN 15 DAYS AFTER THE DATE OF**
2 **THE NOTICE, THE VIDEO LOTTERY OPERATOR SHALL TRANSFER THE AMOUNT OF**
3 **THE PRIZE WITHHELD TO THE CENTRAL COLLECTION UNIT.**

4 **(3) IF THE DEBTOR APPEALS THE PROPOSED TRANSFER, AFTER A**
5 **HEARING HELD IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE**
6 **GOVERNMENT ARTICLE, THE CENTRAL COLLECTION UNIT SHALL NOTIFY THE**
7 **VIDEO LOTTERY OPERATOR THAT THE WITHHELD PRIZE SHALL BE:**

8 **(I) PAID TO THE DEBTOR;**

9 **(II) TRANSFERRED TO THE CENTRAL COLLECTION UNIT; OR**

10 **(III) IN SPECIFIED AMOUNTS, PARTLY PAID TO THE DEBTOR AND**
11 **PARTLY TRANSFERRED TO THE CENTRAL COLLECTION UNIT.**

12 **(F) THE SECRETARY AND THE DIRECTOR OF THE STATE LOTTERY AND**
13 **GAMING CONTROL AGENCY MAY JOINTLY ADOPT REGULATIONS TO CARRY OUT**
14 **THIS SECTION.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
16 1, 2026.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.