

MAINE STATE LEGISLATURE

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Date: 6/11/13

L.D. 982
(Filing No. H-449)

JUDICIARY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
126TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 696, L.D. 982, Bill, "An Act To Create a Gambling Offset To Enhance the Collection of Child Support"

Amend the bill by inserting before section 1 the following:

'Sec. 1. 8 MRSA §300-B is enacted to read:

§300-B. Interception of pari-mutuel winnings to pay child support debt

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Child support debt" means child support debt that has been liquidated by judicial or administrative action.

B. "Department" means the Department of Health and Human Services.

C. "Registry operator" means the department or an entity with whom the department enters into a contract to maintain the registry pursuant to subsection 3.

2. Interception. A licensee shall intercept pari-mutuel winnings to pay child support debt in accordance with this section.

3. Registry. The department shall create and maintain, or shall contract with a private entity to create and maintain, a secure, electronically accessible registry containing information regarding individuals with outstanding child support debt. The department shall regularly enter into the registry information including:

A. The name and social security number of each individual with outstanding child support debt;

B. The account number or identifier assigned by the department to the outstanding child support debt;

C. The amount of the outstanding child support debt; and

D. Any other information necessary to effectuate the purposes of this section.

COMMITTEE AMENDMENT

1 **4. Electronic access to information; procedures.** A licensee shall electronically
2 access the registry in accordance with this subsection.

3 A. Before making a payout on a winning wager of an amount equal to or greater than
4 the amount for which the licensee is required to file a Form W-2G or substantially
5 equivalent form with the United States Internal Revenue Service, the licensee shall
6 obtain the name, address, date of birth and social security number of the individual
7 who placed the winning wager and shall electronically submit this information to the
8 registry operator.

9 B. Upon receipt of information pursuant to paragraph A, the registry operator shall
10 electronically inform the licensee whether the individual who placed the winning
11 wager is listed in the registry. If the individual is listed in the registry, the registry
12 operator shall inform the licensee of the amount of the individual's outstanding child
13 support debt and the account number or identifier assigned to the outstanding child
14 support debt and shall provide the licensee with a notice of withholding that informs
15 the individual of the right to an administrative hearing.

16 C. If the registry operator informs the licensee that the individual who placed a
17 winning wager is not listed in the registry or if the licensee is unable to obtain
18 information from the registry operator on a real-time basis after attempting in good
19 faith to do so, the licensee may make payment to the individual.

20 D. If the registry operator informs the licensee that the individual who placed a
21 winning wager is listed in the registry, the licensee may not make payment to the
22 individual unless the amount of the payout exceeds the amount of outstanding child
23 support debt, in which case the licensee may make payment to the individual of the
24 amount of winnings that is in excess of the amount of the individual's outstanding
25 child support debt.

26 **5. Lien against winnings.** If the registry operator informs a licensee pursuant to this
27 section that an individual who placed a winning wager is listed in the registry, the
28 department has a valid lien upon and claim of lien against the payout on the winning
29 wager in the amount of the individual's outstanding child support debt.

30 **6. Withholding of winnings.** The licensee shall withhold from any payout on a
31 winning wager an amount equal to the amount of the lien created under subsection 5 and
32 shall provide a notice of withholding to the individual who placed the winning wager.
33 Within 7 days after withholding an amount pursuant to this subsection, the licensee shall
34 transmit the amount withheld to the department together with a report of the name,
35 address and social security number of the individual from whom payment was withheld,
36 the account number or identifier assigned to the debt, the amount withheld, the date of
37 withholding and the name and location of the licensee.

38 **7. Licensee costs.** Notwithstanding subsection 6, the licensee may retain \$10 from
39 an amount withheld pursuant to this section to cover the cost of the licensee's compliance
40 with this section.

41 **8. Administrative hearing.** An individual from whom an amount was withheld
42 pursuant to this section has the right, within 15 days of receipt of the notice of
43 withholding, to request from the department an administrative hearing. The hearing is
44 limited to questions of whether the debt is liquidated and whether any postliquidation

1 events have affected the individual's liability. The administrative hearing decision
 2 constitutes final agency action.

3 **9. Authorization to provide information.** Notwithstanding any other provision of
 4 law to the contrary, the licensee may provide to the department or registry operator any
 5 information necessary to effectuate the intent of this section. The department or registry
 6 operator may provide to the licensee any information necessary to effectuate the intent of
 7 this section.

8 **10. Confidentiality of information.** The information obtained by the department or
 9 registry operator from a licensee pursuant to this section and the information obtained by
 10 the licensee from the department or registry operator pursuant to this section are
 11 confidential and may be used only for the purposes set forth in this section. An employee
 12 or prior employee of the department, the registry operator or a licensee who knowingly or
 13 intentionally discloses any such information commits a civil violation for which a fine not
 14 to exceed \$1,000 may be adjudged.

15 **11. Effect of compliance; noncompliance.** A licensee, the department and the
 16 registry operator are not liable for any action taken in good faith to comply with this
 17 section. A licensee who fails to make a good faith effort to obtain information from the
 18 registry operator or who fails to withhold and transmit the amount of the lien created
 19 under subsection 5 is liable to the department for the greater of \$500 and the amount the
 20 licensee is required to withhold and transmit to the department under this section,
 21 together with costs, interest and reasonable attorney's fees.

22 **12. Exemption for agricultural fairs.** This section does not apply to payouts on
 23 winning wagers placed on races conducted at agricultural fairs.

24 **13. Biennial review.** The department shall report to the Legislature and the
 25 Governor on or before January 31, 2015 and biennially thereafter on:

26 A. The number of names of individuals submitted by licensees to the registry
 27 operator pursuant to this section in each of the preceding 2 calendar years;

28 B. The number of individuals who were found to be listed in the registry in each of
 29 the preceding 2 calendar years;

30 C. The amount of winnings withheld by licensees pursuant to this section in each of
 31 the preceding 2 calendar years; and

32 D. The amount of withheld winnings refunded to individuals as the result of
 33 administrative hearings requested pursuant to this section in each of the preceding 2
 34 calendar years.'

35 Amend the bill in section 1 in §1066 in subsection 4 in paragraph C in the 2nd line
 36 (page 2, line 4 in L.D.) by inserting after the following: "operator" the following: 'on a
 37 real-time basis'

38 Amend the bill in section 1 in §1066 in subsection 6 in the 3rd line (page 2, line 17 in
 39 L.D.) by striking out the following: "24 hours" and inserting the following: '7 days'

40 Amend the bill in section 1 in §1066 by striking out all of subsection 10 (page 2, lines
 41 36 to 42 in L.D.) and inserting the following:

1 **'10. Confidentiality of information.** The information obtained by the department or
 2 registry operator from a licensee pursuant to this section and the information obtained by
 3 the licensee from the department or registry operator pursuant to this section are
 4 confidential and may be used only for the purposes set forth in this section. An employee
 5 or prior employee of the department, the registry operator or a licensee who knowingly or
 6 intentionally discloses any such information commits a civil violation for which a fine not
 7 to exceed \$1,000 may be adjudged.'

8 Amend the bill in section 1 in §1066 by striking out all of subsection 11 (page 3, lines
 9 1 and 2 in L.D.) and inserting the following:

10 **'11. Effect of compliance; noncompliance.** A licensee, the department and the
 11 registry operator are not liable for any action taken in good faith to comply with this
 12 section. A licensee who fails to make a good faith effort to obtain information from the
 13 registry operator or who fails to withhold and transmit the amount of the lien created
 14 under subsection 5 is liable to the department for the greater of \$500 and the amount the
 15 person was required to withhold and transmit to the department under this section,
 16 together with costs, interest and reasonable attorney's fees.'

17 Amend the bill by adding after section 1 the following:

18 **'Sec. 2. Appropriations and allocations.** The following appropriations and
 19 allocations are made.

20 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**

21 **Child Support 0100**

22 Initiative: Allocates funds for the one-time technology costs of implementing a registry of
 23 individuals with outstanding child support debt.

24	OTHER SPECIAL REVENUE FUNDS	2013-14	2014-15
25	All Other	\$102,146	\$0
26			
27	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$102,146</u>	<u>\$0</u>

28 **Temporary Assistance for Needy Families 0138**

29 Initiative: Allocates funds for additional child support payments to families.

30	OTHER SPECIAL REVENUE FUNDS	2013-14	2014-15
31	All Other	\$121,275	\$121,275
32			
33	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$121,275</u>	<u>\$121,275</u>

1	HEALTH AND HUMAN SERVICES,		
2	DEPARTMENT OF (FORMERLY DHS)		
3	DEPARTMENT TOTALS	2013-14	2014-15
4			
5	OTHER SPECIAL REVENUE FUNDS	\$223,421	\$121,275
6			
7	DEPARTMENT TOTAL - ALL FUNDS	\$223,421	\$121,275
8			

9 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
 10 section number to read consecutively.

11 **SUMMARY**

12 This amendment requires licensees that conduct pari-mutuel wagering on horse
 13 racing in this State, in addition to the licensees that operate slot machines and table games
 14 as included in the bill, to intercept the gambling winnings of individuals with outstanding
 15 child support debt and requires that those amounts be forwarded to the Department of
 16 Health and Human Services.

17 This amendment clarifies that, if the licensee is unable to obtain the child support
 18 obligor information from the registry owner on a real-time basis after attempting in good
 19 faith to do so, the licensee may make payment to the individual.

20 The bill requires the licensee to transmit the amount withheld to the Department of
 21 Health and Human Services within 24 hours. This amendment extends the time to
 22 transmit the withheld amount to within 7 days.

23 This amendment clarifies that the information obtained by the department or the
 24 registry operator from a licensee and the information obtained by the licensee from the
 25 ~~department or the registry operator are confidential. It provides that knowing or~~
 26 intentional disclosure of the information is a civil violation for which a fine not to exceed
 27 \$1,000 may be adjudged.

28 This amendment provides that a licensee who fails to make a good faith effort to
 29 obtain information from the registry operator or who fails to withhold and transmit the
 30 amount of the lien is liable to the department for the greater of \$500 and the amount the
 31 licensee is required to withhold and transmit to the department, together with costs,
 32 interest and reasonable attorney's fees.

33 The amendment also adds an appropriations and allocations section.

34 **FISCAL NOTE REQUIRED**
 35 **(See attached)**



126th MAINE LEGISLATURE

LD 982

LR 1607(02)

An Act To Create a Gambling Offset To Enhance the Collection of Child Support

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-449)
Committee: Judiciary
Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Appropriations/Allocations				
Other Special Revenue Funds	\$223,421	\$121,275	\$121,275	\$121,275
Revenue				
Federal Expenditures Fund	(\$23,909)	(\$23,909)	(\$23,909)	(\$23,909)
Other Special Revenue Funds	\$157,500	\$157,500	\$157,500	\$157,500

Fiscal Detail and Notes

Provides Other Special Revenue Funds allocations to the Department of Health and Human Services for the one-time technology costs of implementation and for additional child support payments to families. Also assumes additional collections of child support payments based on the experience of other states with gambling intercept laws.