

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 1034

H.P. 729

House of Representatives, March 14, 2013

An Act To Increase Child Support Collections by Requiring the Interception of Certain Gambling Winnings

Submitted by the Department of Health and Human Services pursuant to Joint Rule 204.
Reference to the Committee on Judiciary suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative GUERIN of Glenburn.
Cosponsored by Senator HAMPER of Oxford and
Representatives: FARNSWORTH of Portland, SANDERSON of Chelsea, SIROCKI of
Scarborough, STUCKEY of Portland.

1 **Be it enacted by the People of the State of Maine as follows:**

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

3 **§300-B. Interception of pari-mutuel winnings to pay child support debt**

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

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

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

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

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

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

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

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

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

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

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

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

31 B. Upon receipt of information pursuant to paragraph A, the registry operator shall
32 electronically inform the licensee whether the individual who placed the winning
33 wager is listed in the registry. If the individual is listed in the registry, the registry
34 operator shall inform the licensee of the amount of the individual's outstanding child
35 support debt and the account number or identifier assigned to the outstanding child
36 support debt and shall provide the licensee with a notice of withholding that informs
37 the individual of the right to an administrative hearing.

1 C. If the registry operator informs the licensee that the individual who placed a
2 winning wager is not listed in the registry or if the licensee is unable to obtain
3 information from the registry operator after attempting in good faith to do so, the
4 licensee may make payment to the individual.

5 D. If the registry operator informs the licensee that the individual who placed a
6 winning wager is listed in the registry, the licensee may not make payment to the
7 individual unless the amount of the payout exceeds the amount of outstanding child
8 support debt, in which case the licensee may make payment to the individual of the
9 amount of winnings that is in excess of the amount of the individual's outstanding
10 child support debt.

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

15 **6. Withholding of winnings.** The licensee shall withhold from any payout on a
16 winning wager an amount equal to the amount of the lien created under subsection 5 and
17 shall provide a notice of withholding to the individual who placed the winning wager.
18 Within 24 hours after withholding an amount pursuant to this subsection, the licensee
19 shall transmit the amount withheld to the department together with a report of the name,
20 address and social security number of the individual from whom payment was withheld,
21 the account number or identifier assigned to the debt, the amount withheld, the date of
22 withholding and the name and location of the licensee.

23 **7. Licensee costs.** Notwithstanding subsection 6, the licensee may retain \$15 from
24 an amount withheld pursuant to this section to cover the cost of the licensee's compliance
25 with this section.

26 **8. Administrative hearing.** An individual from whom an amount was withheld
27 pursuant to this section has the right, within 15 days of receipt of the notice of
28 withholding, to request from the department an administrative hearing. The hearing is
29 limited to questions of whether the debt is liquidated and whether any postliquidation
30 events have affected the individual's liability. The administrative hearing decision
31 constitutes final agency action.

32 **9. Authorization to provide information.** Notwithstanding any other provision of
33 law to the contrary, the licensee may provide to the department or registry operator any
34 information necessary to effectuate the intent of this section. The department or registry
35 operator may provide to the licensee any information necessary to effectuate the intent of
36 this section.

37 **10. Confidentiality of information.** Information obtained by the department or
38 registry operator from a licensee pursuant to this section and information obtained by the
39 licensee from the department or registry operator pursuant to this section remain
40 confidential and may be used only for the purposes set forth in this section. An employee
41 or prior employee of the department or registry operator or an employee or prior
42 employee of a licensee who unlawfully discloses any such information is subject to the
43 penalties specified by law for unauthorized disclosure of confidential information.

1 **11. Effect of compliance.** A licensee, the department and the registry operator are
2 not liable for any action taken in good faith to comply with this section.

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

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

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

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

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

13 D. The amount of withheld winnings refunded to individuals as the result of
14 administrative hearings requested pursuant to this section in each of the preceding 2
15 calendar years.

16 **Sec. 2. 8 MRSA §1066** is enacted to read:

17 **§1066. Interception of slot machine or table game winnings to pay child support**
18 **debt**

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

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

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

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

26 D. "Winner" means a slot machine customer or a table game customer to whom cash
27 is returned as winnings.

28 **2. Interception.** A licensee shall intercept slot machine and table game winnings to
29 pay child support debt in accordance with this section.

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

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

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

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

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

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

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

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

17 C. If the registry operator informs the licensee that the winner is not listed in the
18 registry or if the licensee is unable to obtain information from the registry operator
19 after attempting in good faith to do so, the licensee may make payment to the winner.

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

25 **5. Lien against winnings.** If the registry operator informs a licensee pursuant to this
26 section that a winner is listed in the registry, the department has a valid lien upon and
27 claim of lien against the winnings in the amount of the winner's outstanding child support
28 debt.

29 **6. Withholding of winnings.** The licensee shall withhold from any winnings an
30 amount equal to the amount of the lien created under subsection 5 and shall provide a
31 notice of withholding to the winner. Within 24 hours after withholding an amount
32 pursuant to this subsection, the licensee shall transmit the amount withheld to the
33 department together with a report of the name, address and social security number of the
34 winner, the account number or identifier assigned to the debt, the amount withheld, the
35 date of withholding and the name and location of the licensee.

36 **7. Licensee costs.** Notwithstanding subsection 6, the licensee may retain \$15 from
37 an amount withheld pursuant to this section to cover the cost of the licensee's compliance
38 with this section.

39 **8. Administrative hearing.** A winner from whom an amount was withheld pursuant
40 to this section has the right, within 15 days of receipt of the notice of withholding, to
41 request from the department an administrative hearing. The hearing is limited to

1 questions of whether the debt is liquidated and whether any postliquidation events have
2 affected the winner's liability. The administrative hearing decision constitutes final
3 agency action.

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

9 **10. Confidentiality of information.** Information obtained by the department or
10 registry operator from a licensee pursuant to this section and information obtained by the
11 licensee from the department or registry operator pursuant to this section remain
12 confidential and may only be used for the purposes set forth in this section. An employee
13 or prior employee of the department or registry operator or an employee or prior
14 employee of a licensee who unlawfully discloses any such information is subject to the
15 penalties specified by law for unauthorized disclosure of confidential information.

16 **11. Effect of compliance.** A licensee, the department and the registry operator are
17 not liable for any action taken in good faith to comply with this section.

18 **12. Biennial review.** The department shall report to the Legislature and the
19 Governor on or before January 31, 2015 and biennially thereafter on:

20 A. The number of names of winners submitted by licensees to the registry operator
21 pursuant to this section in each of the preceding 2 calendar years;

22 B. The number of winners who were found to be listed in the registry in each of the
23 preceding 2 calendar years;

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

26 D. The amount of withheld winnings refunded to winners as the result of
27 administrative hearings requested pursuant to this section in each of the preceding 2
28 calendar years.

29 SUMMARY

30 This bill requires that licensees that conduct pari-mutuel wagering on horse racing in
31 this State and licensees that operate slot machines and table games intercept the gambling
32 winnings of individuals with outstanding child support debt and requires that those
33 amounts be forwarded to the Department of Health and Human Services.