

MAINE STATE LEGISLATURE

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Date: 6/11/07

Minority

L.D. 1541
(Filing No. H-539)

JUDICIARY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 1066, L.D. 1541, Bill, "An Act To Improve Child Support Services"

Amend the bill by inserting after section 1 the following:

'Sec. 2. 19-A MRSA §2360-B is enacted to read:

§2360-B. Setoff of debts against gambling winnings

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

A. "Child support debt" means a child support debt owed to the State that has been liquidated by judicial or administrative action.

B. "Slot machine" has the same meaning as set forth in Title 8, section 1001, subsection 39.

C. "Slot machine operator" has the same meaning as set forth in Title 8, section 1001, subsection 42.

D. "Slot machine winnings" or "winnings" means the cash, tokens or credits to be exchanged for cash, merchandise or anything of value that a person playing a slot machine receives.

2. Reportable winnings; determination whether child support obligor. A slot machine operator may not pay to an individual any slot machine winnings meeting the criteria for reporting to the federal Internal Revenue Service pursuant to the Internal Revenue Code, 26 United States Code, Section 6041 until the slot machine operator has complied with this section.

A. The slot machine operator shall determine according to the method provided by the department pursuant to subsection 4 whether the winner is a person who owes a child support debt.

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1 B. If the winner is a person who owes a child support debt, the slot machine operator
2 shall pay the department the child support debt due from the winnings and notify the
3 winner of the offset. The slot machine operator shall pay the winner any remaining
4 amount of the winnings not offset by the child support debt.

5 C. The slot machine operator shall inform a winner determined to be a person who
6 owes a child support debt of the winner's right to request a hearing before the
7 department. The winner has 30 days from the date the winner receives notice of the
8 offset to request a hearing.

9 D. The department shall hold winnings paid to the department under paragraph B
10 until the time to request a hearing has lapsed or until a hearing is held. The
11 department shall refund the money to the winner if it is determined that the child
12 support debt is not owed.

13 **3. Hearing.** If the winner requests a hearing pursuant to subsection 2, paragraph C
14 within 30 days of the receipt of the notice of the offset of the child support debt against
15 the winnings, the department shall hold a hearing. The hearing is limited to the questions
16 of whether the debt is liquidated and whether post-liquidation events have affected the
17 winner's liability. The decision of the department as to the existence of a liquidated debt
18 constitutes final agency action.

19 **4. Method for determination of child support obligors, child support debt.** The
20 department shall provide a method by which a slot machine operator can determine
21 within a reasonable time whether a winner is a person who owes a child support debt and
22 the amount of the debt to be set off.

23 **5. Written materials.** The department shall provide to a slot machine operator
24 written information for the slot machine operator to provide to winners who are
25 determined to be persons who owe a child support debt. The written information must
26 explain the set-off process and the winner's right to request a hearing and the procedure
27 for doing so.

28 **6. Confidentiality.** Any information about a person who owes a child support debt
29 provided by the department to a slot machine operator under this section is confidential.
30 The information may be used by the slot machine operator only for the purpose of
31 carrying out the requirements of this section. Use or disclosure of the information for any
32 other purpose is a Class E crime.

33 **7. Immunity from liability.** A slot machine operator is immune from criminal and
34 civil liability for its good faith actions to comply with this section.

35 **8. Penalties.** A slot machine operator who knowingly fails to comply with the offset
36 procedures as outlined by this section is subject to a fine of \$1,000 per violation.'

37 **SUMMARY**

38 This amendment is the minority report of the Joint Standing Committee on Judiciary.

39 This amendment requires gambling facilities operating slot machines to offset
40 gambling winnings in a similar fashion as the Department of Administrative and
41 Financial Services, Bureau of Alcoholic Beverages and Lottery Operations must when an

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1 individual wins the lottery for the purpose of collecting child support debts prior to
2 dispersing winnings to a child support obligor.

3 **FISCAL NOTE REQUIRED**

4 **(See attached)**

COMMITTEE AMENDMENT



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LD 1541

LR 828(03)

An Act To Improve Child Support Services

Fiscal Note for Bill as Amended by Committee Amendment "B"

Committee: Judiciary

Fiscal Note Required: Yes

Fiscal Note

Potential future biennium revenue increase - Other Special Revenue Funds
Minor cost increase - General Fund
Minor revenue increase - General Fund

Correctional and Judicial Impact Statements

Establishes a new civil violation and a Class E crime.

The collection of additional fines may also increase General Fund revenue by minor amounts.

Fiscal Detail and Notes

The bill allows the Department of Health and Human Services to meet the requirements of the federal Deficit Reduction Act of 2005, to impose an annual fee in each case in which the state has collected at least \$500 in child support on behalf of an individual who has never received assistance under a state program. The fiscal note assumes the department will not assess the fee until it is cost effective to do so but will still need to reimburse the federal government for its share of the fee which the department will do from the state share of exiting child support collections. It is further assumed there will be some 2,000 such cases paying a fee of \$25, totaling \$50,000, with a federal share of approximately \$33,000. The fiscal note also assumes any additional costs to the Department of Health and Human Services in implementing a slot machine gambling winnings child support offset can be absorbed by the department utilizing existing resources and the revenue generated by the offset.