

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2009

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Legislative Document

No. 399

S.P. 141

In Senate, February 5, 2009

### An Act To Increase Child Support Collections

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Reference to the Committee on Health and Human Services suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator SIMPSON of Androscoggin.  
Cosponsored by Senator: NUTTING of Androscoggin.

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

2 Sec. 1. 19-A MRSA §2360-B is enacted to read:

3 **§2360-B. Setoff of debts against gambling winnings**

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 a child support debt owed to the State that has been  
7 liquidated by judicial or administrative action.

8 B. "Gambling winnings" means the cash, tokens or credits to be exchanged for cash,  
9 merchandise or anything of value that an individual receives from:

10 (1) Slot machines operated by a slot machine operator, as defined in Title 8,  
11 section 1001, subsection 42;

12 (2) Pari-mutuel wagering at an off-track betting facility licensed under Title 8,  
13 section 275-D; or

14 (3) Pari-mutuel wagering at a commercial track licensed under Title 8, section  
15 271.

16 C. "Gambling winnings reporter" means:

17 (1) A slot machine operator, as defined in Title 8, section 1001, subsection 42;

18 (2) A person licensed to conduct pari-mutuel wagering at an off-track betting  
19 facility under Title 8, section 275-D; and

20 (3) A person licensed to conduct pari-mutuel wagering at a commercial track  
21 under Title 8, section 271.

22 **2. Reportable winnings; determination whether child support obligor.** A  
23 gambling winnings reporter may not pay to an individual any gambling winnings meeting  
24 the criteria for reporting to the Internal Revenue Service pursuant to 26 United States  
25 Code, Section 6041 until the gambling winnings reporter has complied with this section.

26 A. The gambling winnings reporter shall determine whether the winner is a person  
27 who owes a child support debt using the method established under subsection 4.

28 B. If the winner is a person who owes a child support debt, the gambling winnings  
29 reporter shall pay the department the child support debt due from the gambling  
30 winnings and notify the winner of the offset. The gambling winnings reporter shall  
31 pay the winner any remaining amount of the gambling winnings not offset by the  
32 child support debt.

33 C. The gambling winnings reporter shall inform the winner of the winner's right to  
34 request a hearing before the department. The winner has 30 days from the date the  
35 winner receives notice of the offset to request a hearing.

36 D. The department shall hold gambling winnings until the time to request a hearing  
37 has lapsed or until a hearing is held. The department shall refund the gambling  
38 winnings to the winner if it is determined that the child support debt is not owed.

1 3. Hearing. If a winner under subsection 2 requests a hearing within 30 days of the  
2 receipt of the notice of the offset of the child support debt against the gambling winnings,  
3 the department shall hold a hearing. The hearing is limited to the questions of whether  
4 the debt is liquidated and whether postliquidation events have affected the winner's  
5 liability. The decision of the department as to the existence of a liquidated debt  
6 constitutes final agency action.

7 4. Method for determination of child support obligors, child support debt. The  
8 department shall provide a method by which a gambling winnings reporter can determine  
9 within a reasonable time whether a winner under subsection 2 is a person who owes a  
10 child support debt and the amount of the debt to be set off.

11 5. Written materials. The department shall provide to a gambling winnings  
12 reporter written information for the gambling winnings reporter to provide to a winner  
13 who is determined to be a person who owes a child support debt. The written information  
14 must explain the set-off process and the winner's right to request a hearing and the  
15 procedure for doing so.

16 6. Confidentiality. Any information about a person owing a child support debt  
17 provided by the department to a gambling winnings reporter under this section is  
18 confidential. The information may be used by the gambling winnings reporter only for  
19 the purpose of carrying out the requirements of this section. Use or disclosure of the  
20 information for any other purpose is a Class E crime.

21 7. Immunity from liability. A gambling winnings reporter is immune from  
22 criminal and civil liability for the reporter's good faith actions to comply with this section.

23 8. Penalties. A gambling winnings reporter who knowingly fails to comply with the  
24 offset procedures as outlined by this section commits a civil violation for which a fine of  
25 not more than \$1,000 may be adjudged.

26

## SUMMARY

27 This bill requires persons licensed as slot machine operators and persons licensed to  
28 conduct pari-mutuel wagering at off-track betting facilities or commercial tracks to offset  
29 gambling winnings for the purpose of collecting child support debts prior to disbursing  
30 winnings to a child support obligor. A similar process is currently used by the  
31 Department of Administrative and Financial Services, Bureau of Alcoholic Beverages  
32 and Lottery Operations when an individual wins the lottery. The term "gambling  
33 winnings reporter" means a slot machine operator and a person licensed to conduct pari-  
34 mutuel wagering at off-track betting facilities or commercial tracks. The bill does not  
35 apply to pari-mutuel wagering at agricultural fairs.

36 The Department of Health and Human Services shall provide a method for the  
37 gambling winnings reporter to determine whether a person due gambling winnings owes  
38 a child support debt. If the winner owes a child support debt, the gambling winnings  
39 reporter shall subtract from the winnings the amount of the child support debt and remit  
40 the amount of the winnings that were subtracted to the department.

1       The person identified as owing the child support debt has a right to appeal the  
2 determination.

3       The department shall prepare written materials for all the gambling winnings  
4 reporters to provide to patrons who are determined to owe child support debts.

5       Any information about a person owing child support provided by the department to a  
6 gambling winnings reporter is confidential. The information may be used by the  
7 gambling winnings reporter only for the purpose of carrying out the law. Use or  
8 disclosure of the information for any other purpose is a Class E crime.

9       A gambling winnings reporter is immune from criminal and civil liability for good  
10 faith actions to comply with the law. A gambling winnings reporter who knowingly fails  
11 to comply with the offset procedures is subject to a civil penalty of \$1,000 per violation.