

# MAINE STATE LEGISLATURE

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# 130th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2022

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Legislative Document

No. 1883

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H.P. 1393

House of Representatives, January 5, 2022

### **An Act To Update the Setoffs against Lottery Winnings**

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Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 203.

Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative CAIAZZO of Scarborough.

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

2 **Sec. 1. 14 MRSA §3141-A**, as enacted by PL 2019, c. 304, §2, is amended to read:

3 **§3141-A. Setoff of fines against lottery winnings**

4 The State Court Administrator appointed pursuant to Title 4, section 15 shall  
5 ~~periodically notify~~ provide the Department of Administrative and Financial Services,  
6 Bureau of Alcoholic Beverages and Lottery Operations, referred to in this subsection as  
7 "the bureau," access to an electronic database of all persons who owe a monetary fine,  
8 surcharge or assessment imposed by a court to the State under this Title. Prior to paying  
9 any lottery winnings that must be paid directly by the bureau, the bureau shall determine  
10 whether the lottery winner ~~is on the list of persons who owe~~ owes a monetary fine,  
11 surcharge or assessment imposed by a court to the State under this Title. If the winner is  
12 ~~on the list of persons who~~ determined to owe a monetary fine, surcharge or assessment  
13 imposed by a court, the bureau shall suspend payment of the winnings and provide notice  
14 to the winner of its intention to set off the winnings against the monetary fine, surcharge or  
15 assessment owed. The bureau shall provide the winnings due to the winner to the State  
16 Court Administrator in payment of any monetary fine, surcharge or assessment owed by  
17 the winner under this Title. The bureau shall release any remaining winnings in accordance  
18 with state law.

19 **Sec. 2. 19-A MRSA §2360**, as enacted by PL 1995, c. 694, Pt. B, §2 and affected  
20 by Pt. E, §2, is amended to read:

21 **§2360. Setoff of debts against lottery winnings**

22 **1. Notice to Bureau of Alcoholic Beverages and Lottery Operations.** The  
23 department shall ~~periodically notify~~ provide the Department of Administrative and  
24 Financial Services, Bureau of Alcoholic Beverages and Lottery Operations, referred to in  
25 this section as the "bureau," access to an electronic database of all persons who owe the  
26 department a child support debt that has been liquidated by judicial or administrative action.  
27 Prior to paying any state lottery winnings that must be paid directly by the bureau, the  
28 bureau shall determine whether the lottery winner ~~is on the list of persons who owe~~ owes  
29 a child support debt to the State that has been liquidated by judicial or administrative action.  
30 If the winner is ~~on a list of persons who~~ determined to owe child support debts, the bureau  
31 shall suspend payment of winnings and notify the winner of its intention to offset the  
32 winner's child support debt against the winnings. The bureau shall release any remaining  
33 winnings to the winner. The bureau shall notify the winner of the winner's right to request  
34 a hearing before the department within 15 days of the winner's receipt of that notice. The  
35 hearing is limited to the questions of whether the debt is liquidated and whether post-  
36 liquidation events have affected the winner's liability. The decision of the department as  
37 to the existence of a liquidated debt constitutes final agency action. ~~If, within 90 days of~~  
38 ~~the notice of intended setoff to the winner, the department certifies to the bureau that the~~  
39 ~~winner did not make a timely request for hearing or that a hearing was held and the debt~~  
40 ~~was upheld, the bureau shall offset the liquidated debt against the winnings due to the~~  
41 ~~winner. Any remaining winnings are paid to the winner. If the bureau does not hear from~~  
42 ~~the department within 90 days of the notice of intended setoff to the winner, the bureau~~  
43 ~~shall release all winnings to the winner.~~

1           **2. Notice to Tri-state Lotto Commission.** The department shall periodically notify  
2 the Tri-state Lotto Commission of all persons who owe the department a child support debt  
3 that has been liquidated by judicial or administrative action.

4           **Sec. 3. 26 MRSA §1051, sub-§8, ¶A,** as enacted by PL 1997, c. 434, §2, is  
5 amended to read:

6           A. The commissioner shall ~~periodically notify~~ provide the Department of  
7 Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery  
8 Operations, referred to in this paragraph as the "bureau," access to an electronic  
9 database of all persons who owe the Department of Labor an unemployment  
10 compensation debt that has been liquidated by judicial or administrative action. Before  
11 paying any state lottery winnings that must be paid directly by the bureau, the bureau  
12 shall determine whether the lottery winner ~~is on the list of persons who owe~~ owes  
13 the State an unemployment compensation debt that has been liquidated by judicial or  
14 administrative action. If the winner is ~~on a list of persons who~~ determined to owe  
15 unemployment compensation debts, the bureau shall suspend payment of winnings and  
16 notify the winner of its intention to offset the winner's unemployment compensation  
17 debt against the winnings. The bureau shall release any remaining winnings to the  
18 winner. The bureau shall notify the winner of the winner's right to appeal to the  
19 Commissioner of Labor pursuant to Title 5, chapter 375. The winner must appeal in  
20 writing within 15 days of receipt of that notice. The hearing is limited to the questions  
21 of whether the debt is liquidated and whether postliquidation events have affected the  
22 winner's liability. The decision of the Department of Labor as to the existence of a  
23 liquidated debt constitutes final agency action. ~~If, within 90 days of the notice of~~  
24 ~~intended setoff to the winner, the Department of Labor certifies to the bureau that the~~  
25 ~~winner did not make a timely request for hearing or that a hearing was held and the~~  
26 ~~debt was upheld, the bureau shall offset the liquidated debt against the winnings due to~~  
27 ~~the winner. Any remaining winnings are paid to the winner. If the bureau does not~~  
28 ~~hear from the Department of Labor within 90 days of the notice of intended setoff to~~  
29 ~~the winner, the bureau shall release all winnings to the winner.~~

30           **Sec. 4. 36 MRSA §185, sub-§3,** as enacted by PL 2007, c. 539, Pt. M, §1, is  
31 amended to read:

32           **3. Setoff of lottery winnings against debts.** The State Tax Assessor shall ~~periodically~~  
33 ~~notify~~ provide the Department of Administrative and Financial Services, Bureau of  
34 Alcoholic Beverages and Lottery Operations, referred to in this subsection as "the bureau,"  
35 access to an electronic database of all persons who have a liquidated tax liability to the  
36 State under this Title. Prior to paying any lottery winnings that must be paid directly by the  
37 bureau, the bureau shall determine whether the lottery winner ~~is on the list of persons who~~  
38 ~~have~~ has a liquidated tax liability to the State under this Title. If the winner is ~~on the list of~~  
39 ~~persons who have~~ determined to have a liquidated tax liability to the State under this Title,  
40 the bureau shall suspend payment of the winnings and provide notice to the winner of its  
41 intention to set off the winnings against the tax debt. The bureau may assign the winnings  
42 due to the winner to the State Tax Assessor in payment of any liquidated tax liability of the  
43 winner under this Title. Any remaining winnings must be paid to the winner by the bureau.

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## **SUMMARY**

This bill amends the laws governing the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations' process for determining setoffs against lottery winnings for back child support, outstanding court fees, unemployment compensation debt and unpaid taxes to reflect current procedure.