

# HOUSE BILL 684

C7

2lr0534

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By: **Delegate McDonough**

Introduced and read first time: February 8, 2012

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Lottery – Payouts – Requirement of Proof of Lawful Presence**

3 FOR the purpose of requiring the State Lottery Agency to verify the lawful presence of  
4 certain persons in the United States before paying a cash game prize greater  
5 than a certain amount to the holder of a winning lottery ticket; and generally  
6 relating to requiring proof of a person's lawful presence before paying certain  
7 lottery cash game prizes.

8 BY repealing and reenacting, without amendments,  
9 Article – State Government  
10 Section 9–122(c)  
11 Annotated Code of Maryland  
12 (2009 Replacement Volume and 2011 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – State Government  
15 Section 9–124  
16 Annotated Code of Maryland  
17 (2009 Replacement Volume and 2011 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – State Government**

21 9–122.

22 (c) A licensed agent may pay in cash game prizes of not more than \$5,000.

23 9–124.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) This section does not prohibit:

2 (1) giving a State lottery ticket or share as a gift;

3 (2) buying a State lottery ticket or share as a gift for a minor; or

4 (3) the Agency from directly selling any State lottery ticket to the  
5 public as provided in § 9–111(d) of this subtitle.

6 (b) Except as otherwise provided in this section, a person or governmental  
7 unit may not:

8 (1) unless a licensed agent or employee of a licensed agent, sell a State  
9 lottery ticket or share;

10 (2) sell or purchase:

11 (i) a State lottery ticket or share at any price other than the  
12 price that the regulations of the Agency set; or

13 (ii) the prize validated for payment by the Agency;

14 (3) sell a State lottery ticket or share to a minor;

15 (4) knowingly present a counterfeit or altered State lottery ticket or  
16 share for payment;

17 (5) knowingly transfer a counterfeit or altered State lottery ticket or  
18 share to another person to present for payment; or

19 (6) knowingly purchase a State lottery ticket or share from another  
20 person with the intent to deceive or circumvent the payment of prize winnings to the  
21 State, in accordance with:

22 (i) § 11–616(b) of the Criminal Procedure Article;

23 (ii) § 10–113.1(a) of the Family Law Article;

24 (iii) § 3–307 of the State Finance and Procurement Article; or

25 (iv) § 10–905(c)(3) of the Tax – General Article.

26 **(C) THE AGENCY SHALL VERIFY THE LAWFUL PRESENCE IN THE**  
27 **UNITED STATES OF A LOTTERY WINNER BEFORE PAYING A CASH GAME PRIZE**  
28 **OF GREATER THAN \$5,000 TO THE HOLDER OF A WINNING LOTTERY TICKET.**

1           **[(c)] (D)**     (1)    A licensed agent may not fail to report, as required by the  
2 Internal Revenue Service or the Agency, income tax information relating to holders of  
3 winning lottery tickets.

4                   (2)    For prizes of over \$600, a licensed agent may not fail to determine,  
5 through the Agency and prior to paying the prize whether a holder of a winning lottery  
6 ticket has been certified under:

7                           (i)    § 11–616(b) of the Criminal Procedure Article;

8                           (ii)   § 10–113.1(a) of the Family Law Article; or

9                           (iii) § 3–307 of the State Finance and Procurement Article.

10                   (3)    A licensed agent may not pay a prize to a holder of a winning  
11 lottery ticket if the Agency has notified the licensed agent that the holder has been  
12 certified under:

13                           (i)    § 11–616(b) of the Criminal Procedure Article;

14                           (ii)   § 10–113.1 of the Family Law Article; or

15                           (iii) § 3–307 of the State Finance and Procurement Article.

16                   (4)    A licensed agent may not:

17                           (i)    pay a prize winner less than the lawfully due prize amount;

18                           (ii)   deceive or conspire with another person to pay less than the  
19 lawfully due prize amount to any prize winner;

20                           (iii) seek payment or claim reimbursement of a cashing fee for  
21 cashing a winning ticket for less than the lawfully due prize amount; or

22                           (iv)   receive a cashing fee for cashing a winning ticket filed in  
23 error.

24                   **[(d)] (E)**     A person who violates any provision of subsection (b) or **[(c)] (D)** of  
25 this section is guilty of a misdemeanor and on conviction is subject to a fine not  
26 exceeding \$2,500 or imprisonment not exceeding 3 years or both.

27                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 October 1, 2012.