

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Increase Child Support Collections

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

Sec. 1. 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. "Gambling winnings" means the cash, tokens or credits to be exchanged for cash, merchandise or anything of value that an individual receives from:

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

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

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

C. "Gambling winnings reporter" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUMMARY

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

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

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

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

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

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