

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-TWO

—
H.P. 1393 - L.D. 1883

An Act To Update the Setoffs against Lottery Winnings

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

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

§3141-A. Setoff of fines against lottery winnings

The State Court Administrator appointed pursuant to Title 4, section 15 shall ~~periodically notify~~ provide the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations, referred to in this subsection as "the bureau," access to an electronic database of all persons who owe a monetary fine, surcharge or assessment imposed by a court to the State under this Title. ~~Prior to~~ Before paying any lottery winnings ~~that must be paid directly by the bureau of an amount equal to or greater than the amount for which the bureau is required to file a Form W-2G or substantially equivalent form with the United States Internal Revenue Service,~~ the bureau shall determine whether the lottery winner ~~is on the list of persons who owe~~ owes a monetary fine, surcharge or assessment imposed by a court to the State under this Title. ~~If the bureau determines that the winner is on the list of persons who owe~~ owes a monetary fine, surcharge or assessment imposed by a court, the bureau shall suspend payment of the winnings and provide notice to the winner of its intention to set off the winnings against the monetary fine, surcharge or assessment owed. The bureau shall provide the winnings due to the winner to the State Court Administrator in payment of any monetary fine, surcharge or assessment owed by the winner under this Title. The bureau shall release any remaining winnings in accordance with state law.

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

§2360. Setoff of debts against lottery winnings

1. Notice to Bureau of Alcoholic Beverages and Lottery Operations. The department shall ~~periodically notify~~ provide the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations, referred to in this section as the "bureau," access to an electronic database of all persons who owe the department a child support debt that has been liquidated by judicial or administrative action.

~~Prior to~~ Before paying any state lottery winnings ~~that must be paid directly by the bureau of an amount equal to or greater than the amount for which the bureau is required to file a Form W-2G or substantially equivalent form with the United States Internal Revenue Service,~~ the bureau shall determine whether the lottery winner ~~is on the list of persons who owe~~ owes a child support debt to the State that has been liquidated by judicial or administrative action. ~~If the bureau determines that the winner is on a list of persons who owe~~ owes child support debts, the bureau shall suspend payment of winnings and notify the winner of its intention to offset the winner's child support debt against the winnings. The bureau shall release any remaining winnings to the winner. The bureau shall notify the winner of the winner's right to request a hearing before the department within 15 days of the winner's receipt of that notice. The hearing is limited to the questions of whether the debt is liquidated and whether post-liquidation events have affected the winner's liability. The decision of the department as to the existence of a liquidated debt constitutes final agency action. ~~If, within 90 days of the notice of intended setoff to the winner, the department certifies to the bureau that the winner did not make a timely request for hearing or that a hearing was held and the debt was upheld, the bureau shall offset the liquidated debt against the winnings due to the winner. Any remaining winnings are paid to the winner. If the bureau does not hear from the department within 90 days of the notice of intended setoff to the winner, the bureau shall release all winnings to the winner.~~

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

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

A. The commissioner shall ~~periodically notify~~ provide the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations, referred to in this paragraph as the "bureau," access to an electronic database of all persons who owe the Department of Labor an unemployment compensation debt that has been liquidated by judicial or administrative action. ~~Before~~ Before paying any state lottery winnings ~~that must be paid directly by the bureau of an amount equal to or greater than the amount for which the bureau is required to file a Form W-2G or substantially equivalent form with the United States Internal Revenue Service,~~ the bureau shall determine whether the lottery winner ~~is on the list of persons who owe~~ owes to the State an unemployment compensation debt that has been liquidated by judicial or administrative action. ~~If the bureau determines that the winner is on a list of persons who owe~~ owes unemployment compensation debts, the bureau shall suspend payment of winnings and notify the winner of its intention to offset the winner's unemployment compensation debt against the winnings. The bureau shall release any remaining winnings to the winner. The bureau shall notify the winner of the winner's right to appeal to the Commissioner of Labor pursuant to Title 5, chapter 375. The winner must appeal in writing within 15 days of receipt of that notice. 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 of Labor as to the existence of a liquidated debt constitutes final agency action. ~~If, within 90 days of the notice of intended setoff to the winner, the Department of Labor certifies to the bureau that the winner did not make a timely request for~~

~~hearing or that a hearing was held and the debt was upheld, the bureau shall offset the liquidated debt against the winnings due to the winner. Any remaining winnings are paid to the winner. If the bureau does not hear from the Department of Labor within 90 days of the notice of intended setoff to the winner, the bureau shall release all winnings to the winner.~~

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

3. Setoff of lottery winnings against debts. The State Tax Assessor shall ~~periodically notify~~ provide the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations, referred to in this subsection as "the bureau," access to an electronic database of all persons who have a liquidated tax liability to the State under this Title. ~~Prior to~~ Before paying any lottery winnings ~~that must be paid directly by the bureau~~ of an amount equal to or greater than the amount for which the bureau is required to file a Form W-2G or substantially equivalent form with the United States Internal Revenue Service, the bureau shall determine whether the lottery winner ~~is on the list of persons who have~~ has a liquidated tax liability to the State under this Title. If the bureau determines that the winner ~~is on the list of persons who have~~ has a liquidated tax liability to the State under this Title, the bureau shall suspend payment of the winnings and provide notice to the winner of its intention to set off the winnings against the tax debt. The bureau may assign the winnings due to the winner to the State Tax Assessor in payment of any liquidated tax liability of the winner under this Title. Any remaining winnings must be paid to the winner by the bureau.