

President of the Senate
State House
Annapolis, Maryland 21401-1991

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed Senate Bill 205.

Senate Bill 205 allows a lottery prize winner to assign their "Lotto" annuity to a third party, typically a finance company, in exchange for a discounted lump sum payment. The discounted lump sum would represent what the finance company determined to be the present value of the annuity. Additionally, the bill prohibits the State Lottery Agency from opposing a prize winner's motion for a court order seeking an assignment of a lottery prize, unless the Agency has "good cause" to assert opposition.

Under current law, a lottery prize may not be assigned to a person other than the winner, except pursuant to a court order. In practice, this occurs most often as a partial assignment, usually the result of a divorce proceeding. The anti-assignment provision of the Maryland lottery law is similar to provisions found in lottery laws in other states. The purpose of the prohibition is "to protect an individual from squandering or losing to creditors valuable future benefits before receiving them." 61 Opinions of the Attorney General 541, 543 (1976).

Under the provisions of Senate Bill 205, there are no guidelines or limitations concerning the number and nature of assignments that could be made by a prize winner, and accordingly, the Lottery Agency would be required to oversee and administer any number of assignment scenarios. Multiple assignments and partial assignments would be allowed, in which case a winner could assign various portions of the prize to numerous finance companies for any number of years.

Perhaps the most glaring flaw in Senate Bill 205 is that it allows a lottery winner's ability to assign the annuity to thwart the State's ability to intercept from lottery prizes arrearages in child support and criminal restitution. By allowing a lottery prize winner to assign the prize there would be no means by which the State could prevent a winner from assigning the prize simply to avoid those legal obligations. In recent years, Maryland has struggled to improve its collection of arrearages in child support. I cannot allow the State to regress in that area.

For these reasons, I have vetoed Senate Bill 205.

Sincerely,
Parris N. Glendening
Governor

Senate Bill No. 205

AN ACT concerning

State Lottery – Assignment of Prizes