

1                   **Title 36 STATE LOTTERY AND GAMING CONTROL AGENCY**

2                               **Subtitle 02 LOTTERY PROVISIONS**

3                                   **Chapter 08 Voluntary Assignment of Monetary Prizes**

4           **Authority: State Government Article, §§9-122(b), 9-110, and 9-110, Annotated Code of**  
5                               **Maryland**

6   **.01 Definitions.**

7       A. In this chapter, the following terms have the meanings indicated.

8       B. Terms Defined.

9           (1) "Assignee" means a person who enters into a contract of assignment with a lottery  
10   prize winner or the estate of a lottery prize winner to obtain by court order voluntary assignment  
11   of the lottery prize winner's lottery prize payment in whole or in part.

12           (2) "Assignment" means the voluntary written transfer under a court order pursuant to the  
13   Assignment Law by:

14               (a) A lottery prize winner of all or part of the lottery prize winner's prize payment to an  
15   assignee or subsequent assignee by court order; or

16               (b) An assignee or subsequent assignee of the same or related lottery prize payment that  
17   was previously assigned by court order.

18           (3) "Assignor" means:

19               (a) A lottery prize winner who makes the assignment of a lottery prize payment in whole  
20   or in part to an assignee or a subsequent assignee; or

21               (b) An assignee or subsequent assignee who seeks a court order to reassign the same or  
22   related lottery prize payment that was previously assigned by court order.

23           (4) "Assignee affidavit" means a sworn statement made under oath before a notary public by  
24   a person representing that the person seeks to obtain an assignment.

25           (5) "Assignment Law" means §9-122(b)(1)-(4) of the State Government Article, Annotated  
26   Code of Maryland and this chapter.

27           (6) "Assignor affidavit" means a sworn statement made under oath before a notary public by:

28               (a) A lottery prize winner who seeks to assign in whole or in part the lottery prize  
29   winner's monetary prize payment; or

1 (b) A person who was previously granted assignment by the court of the same or a related  
2 Lottery prize payment that the person seeks to reassign.

3 (7) "Contract of assignment" means the written instrument, however named, that is used to  
4 execute an assignment of a lottery prize payment.

5 (8) "Court" means the County where the Agency's headquarters are located.

6 (9) "Lottery Prize Payment" means a monetary prize that the Agency pays in installments  
7 over time.

8 (10) "Lottery Prize Winner" means the person who won a lottery prize payment.

9 (11) "Petition" means a written instrument filed in court in accordance with the Assignment  
10 Law which seeks the assignment of a lottery prize payment.

11 (12) "Subsequent assignee" means a person designated by court order to receive the same or  
12 a related lottery prize payment from the Agency.

## 13 **.02 Who May Seek Assignment.**

14 A. A person entitled to receive a lottery prize payment may file a petition with the court for  
15 voluntary assignment of all or part of the lottery prize payment.

16 B. If a lottery prize payment is jointly owned, before an owner of the prize may file a petition  
17 in court for voluntary assignment of all or part of the lottery prize, all joint owners of the same  
18 lottery prize payment shall:

19 (1) Agree to the assignment;

20 (2) Join into the written contract of assignment with the assignee; and

21 (3) Complete an assignor affidavit.

### 22 **C. Married Person Seeking Assignment.**

23 If a lottery prize winner is married at the time the lottery prize winner seeks to assign any  
24 portion of a lottery prize payment, the lottery prize winner's spouse shall agree to the assignment  
25 by:

26 (1) Joining into the written contract of assignment with the assignee; and

27 (2) Completing an assignor affidavit.

## 28 **.03 Affidavits Required.**

1 A. An assignor affidavit and an assignee affidavit prepared and currently in use by the  
2 Agency shall be used to process a voluntary assignment request.

3  
4 B. An assignor affidavit or an assignee affidavit not prepared by the Agency may be used  
5 only if:

6  
7 (1) The affidavit substantially complies with the Agency prepared affidavit; and

8  
9 (2) Approval to use the affidavit is obtained in writing from the Agency prior to the filing  
10 of the petition.

11 **.04 Affidavit Content.**

12 A. An assignor affidavit shall include:

13 (1) The information the Agency includes in its prepared assignor affidavit; and

14 (2) A statement that the assignor:

15 (a) Is of sound mind;

16 (b) Is in full command of his faculties;

17 (c) Is not acting under duress;

18 (d) Has been advised about the assignment by an independent attorney who is not  
19 related to and not compensated by the assignee or any designated subsequent assignee or an  
20 affiliate of the assignee or any designated subsequent assignee;

21 (e) Has received independent financial or tax advice concerning the effects of the  
22 assignment from an attorney or other professional who is unrelated to and is not compensated by  
23 the assignee or any designated subsequent assignee or an affiliate of the assignee or any  
24 designated subsequent assignee;

25 (f) Understands and agrees that the Agency, Commission, and officials and the  
26 employees of the Agency and Commission are not liable or responsible for making any of the  
27 assigned payments to the assignor;

28 (g) Understands and agrees to hold harmless and indemnify the Agency, the  
29 Commission, the State of Maryland and their officials, employees, and agents from all claims,  
30 suits, actions, complaints or liabilities related to the assignment;

31 (h) Understands and agrees that the assignor will not receive the lottery prize  
32 payments or parts of payments during the years assigned;

1 (i) Has been provided by the assignee the 1 page disclosure statement required by the  
2 Assignment Law; and

3 (j) Was given the required 5 business days to cancel the assignment after signing the  
4 contract to voluntarily assign the lottery prize payment.

5 (3) The full name and address of the attorney who provided the assignor independent legal  
6 advice about the voluntary assignment; and

7 (4) The full name and address of the professional who provided the assignor independent  
8 financial or tax advice about the voluntary assignment.

9 B. An assignee affidavit shall include:

10 (1) The information the Agency includes in its prepared assignee affidavit and

11 (2) The following information:

12 (a) A summary of the assignee's contacts with the lottery prize winner;

13 (b) A summary of any complaints, lawsuits, claims, or other legal actions against the  
14 assignee and any designated subsequent assignee and their agents from any other lottery prize  
15 winner regarding the conduct of the assignee, the subsequent assignee or its agents concerning  
16 voluntary assignments during the last 5 years;

17 (c) A statement that the assignee and any designated subsequent assignee is:

18 (i) Registered to do business in Maryland;

19 (ii) In good standing with the Maryland Department of Assessments and Taxation;  
20 and

21 (iii) In good standing with other licensing or regulatory units whose approval is  
22 required in the conduct of the assignee's or the designated subsequent assignee's business.

23 (d) A brief narrative describing the business history of the assignee and the designated  
24 subsequent assignee;

25 (e) A statement of the assignee's privacy and non-harassment policies with assignee's  
26 express affirmation that the assignee has followed those policies in Maryland; and

27 (f) A statement that the assignee and any designated subsequent assignee and their agents  
28 understand and agree to hold harmless and indemnify the Agency, the Commission, the State of  
29 Maryland and their officials, employees, and agents from all claims, suits, actions, complaints or  
30 liabilities related to the assignment.

1 **.05 Submission to Agency.**

2 A. Petition and Affidavits.

3 The assignee and assignor shall submit to the Agency a copy of the petition and all  
4 completed assignor and assignee affidavits upon filing the petition, and at least 30 days before  
5 any court hearing is held.

6 B. Death of Spouse or Joint Owner.

7 In the event of the death of a spouse or other person who jointly owned a lottery prize  
8 payment, the assignor or assignee shall submit a certified copy of the death certificate with the  
9 written notice of the petition provided to the Agency under Regulation 05A.

10 C. Divorce of Spouse.

11 In the event of the divorce of a spouse who jointly owned a lottery prize payment, the  
12 assignor or assignee shall submit a true test copy of the divorce decree with the written notice of  
13 the petition provided to the Agency under Regulation 05A.

14 **.06 Fees.**

15 A. An administrative fee in the amount of \$1,000 shall be paid to the Agency to process a  
16 request for a voluntary assignment.

17 B. The \$1,000 administrative fee required in Regulation .06A is payable each time a lottery  
18 prize payment or any portion of a lottery prize payment is requested to be voluntarily assigned or  
19 reassigned.

20 C. Payment of all fees due to the Agency shall be paid by a certified check or money order  
21 made payable to the Agency when the petition is submitted to the Agency under Regulation .05.

22 D. The fees may be paid to the Agency by the assignee, the assignor, or both.

23 E. The fees established by this regulation may not be waived.

24 G. The fees paid under this regulation are nonrefundable.

25 **.07 Special Requirements.**

26 A. An assignee that enters into the contract of assignment shall be:

27 (1) Registered to do business in Maryland; and  
28

1 (2) In good standing with the Maryland Department of Assessments and Taxation and  
2 any other licensing or regulatory unit whose approval is required in the conduct of the assignee's  
3 and subsequent assignee's business.

4 B. All subsequent assignees and their agents are bound by any voluntary assignment as the  
5 original assignee and its agents are bound by any voluntary assignment made under the  
6 Assignment Law.

7 C. An assignor and an assignee shall provide written documentation to the Agency and the  
8 court that, as of the date of the court order approving the voluntary assignment, the voluntary  
9 assignment does not include or cover payments or parts of payments subject to:

10 (1) Child support payment;

11 (2) Criminal restitution;

12 (3) Bankruptcy; or

13 (4) Any other debt, claim, or liability that may be owed to the State of Maryland.

14 **08 Requirements for Court Order.**

15 A. Preparation of the Court Order.

16 (1) The assignee seeking assignment shall prepare the court order that will approve the  
17 assignment.

18 (2) The assignee seeking the assignment shall submit a draft of the court order to the  
19 Agency for its approval before submitting the court order to the court for its consideration.

20 B. Content of Court Order.

21 A Court Order shall:

22 (1) Include all the information the Agency requires that is consistent with the  
23 Assignment Law; and

24 (2) State that the court has found the assignment to be in full compliance with the  
25 Assignment Law.

26 C. Timeliness of Court Order.

27 (1) Based upon the lottery prize payment installment due dates, the assignor and assignee  
28 shall ensure that a court order assigning the lottery prize payment shall be submitted to the  
29 Agency in accordance with the following time frames:

- 1 (a) For lottery prize payments due in August, the court order shall be received by the  
2 Agency by June 1 of that year;
- 3 (b) For lottery prize payments due in November, the court order shall be received by  
4 the Agency by September 1 of that year;
- 5 (c) For lottery prize payments due in February, the court order shall be received by  
6 the Agency by December 1 of the preceding year; and
- 7 (d) For lottery prize payments due in May, the court order shall be received by the  
8 Agency by March 1 of that year.

9 (2) Consistent with the time frames established in the regulation, the assignee shall submit  
10 to Agency's counsel a certified copy of the court order approving the voluntary assignment at  
11 least 60 days before the date on which the lottery prize payment is due.

12 **.09 Agency Responsibilities.**

13 Within 30 days after receipt of a certified copy of a court order approving a voluntary  
14 assignment, the Agency shall send the assignor and assignee written confirmation of:

- 15 (a) The court-approved assignment; and
- 16 (b) The intent of the Agency to rely on the assignment in making subsequent lottery  
17 prize payments consistent with the court order.