MISSISSIPPI LEGISLATURE

By: Representatives Yancey, Ford (73rd), To: Judiciary A Newman, Shanks

HOUSE BILL NO. 614

1 AN ACT TO AMEND SECTION 75-76-3, MISSISSIPPI CODE OF 1972, TO 2 DECLARE AS PUBLIC POLICY THAT CHILDREN ARE ADVERSELY AFFECTED WHEN 3 A PARENT WHO HAS AN OUTSTANDING CHILD SUPPORT ARREARAGE DIVERTS CHILD SUPPORT TO GAMING; TO CODIFY SECTION 75-76-58, MISSISSIPPI 4 5 CODE OF 1972, TO PROVIDE PROCEDURES FOR THE MISSISSIPPI GAMING 6 COMMISSION, THE DEPARTMENT OF HUMAN SERVICES AND LICENSEES UNDER 7 CHAPTER 76 OF TITLE 75, MISSISSIPPI CODE OF 1972, TO CARRY OUT THE INTERCEPT AND SEIZURE OF GAME WINNINGS OF PARENTS WITH A CHILD 8 9 SUPPORT ARREARAGE; AND FOR RELATED PURPOSES.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

11 SECTION 1. Section 75-76-3, Mississippi Code of 1972, is

12 amended as follows:

13 75-76-3. (1) The provisions of this chapter shall not be 14 construed to legalize any form of gaming which is prohibited under 15 the Mississippi Constitution or the laws of this state. All legal gaming which is conducted in this state and which is otherwise 16 17 authorized by law shall be regulated and licensed pursuant to the 18 provisions of this chapter, unless the Legislature specifically 19 provides otherwise. Nothing in this chapter shall be construed as encouraging the legalization of gambling in this state. 20

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21 (2)The Legislature hereby finds and declares that lotteries 22 and gaming both consist of the material element of chance. The Legislature is prohibited from legislating upon lotteries and 23 permitted by virtue of its inherent powers to legislate upon 24 25 gaming as the occasion arises. The Legislature derives its power 26 to legislate upon gaming or gambling devices from its inherent 27 authority over the morals and policy of the people and such power shall not be considered to conflict with the constitutional 28 29 prohibition of lotteries.

30 (3) The Legislature hereby finds, and declares it to be the31 public policy of this state, that:

32 (a) Regulation of licensed gaming is important in order 33 that licensed gaming is conducted honestly and competitively, that 34 the rights of the creditors of licensees are protected and that 35 gaming is free from criminal and corruptive elements.

36 (b) Public confidence and trust can only be maintained
37 by strict regulation of all persons, locations, practices,
38 associations and activities related to the operation of licensed
39 gaming establishments and the manufacture or distribution of
40 gambling devices and equipment.

41 (c) All establishments where gaming is conducted and 42 where gambling devices are operated, and manufacturers, sellers 43 and distributors of certain gambling devices and equipment must 44 therefore be licensed, controlled and assisted to protect the

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47 (d) Because children are adversely affected when
48 parents who have outstanding child support obligations divert
49 their financial support to gaming, a parent's winnings should be
50 applied to the parent's outstanding child support obligations.

(4) It is the intent of the Legislature that gaming licensees, to the extent practicable, employ residents of Mississippi as gaming employees and other employees in the operation of their gaming establishments located in this state.

(5) No applicant for a license or other affirmative commission approval has any right to a license or the granting of the approval sought. Any license issued or other commission approval granted pursuant to the provisions of this chapter is a revocable privilege, and no holder acquires any vested right therein or thereunder.

61 The Legislature recognizes that Section 98 of the (6) Mississippi Constitution of 1890 prohibits the conducting of any 62 63 lottery in this state and that, while not defining the term 64 "lottery," Section 98 clearly contemplates, as indicated by 65 specific language contained therein, that a lottery involves the 66 sale of tickets and a drawing in order to determine the winner. The Legislature also recognizes that Section 98 of the Mississippi 67 68 Constitution of 1890 directs the Legislature to provide by law for the enforcement of its provisions. Therefore, in carrying out its 69

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70 duties under the Constitution and effectuating the intent of 71 Section 98, the Legislature hereby finds that a lottery, as 72 prohibited by the Constitution, does not include all forms of 73 gambling but means any activity in which:

(a) The player or players pay or agree to pay something
of value for chances, represented and differentiated by tickets,
slips of paper or other physical and tangible documentation upon
which appear numbers, symbols, characters or other distinctive
marks used to identify and designate the winner or winners; and

(b) The winning chance or chances are to be determined by a drawing or similar selection method based predominately upon the element of chance or random selection rather than upon the skill or judgment of the player or players; and

83 (c) The holder or holders of the winning chance or
84 chances are to receive a prize or something of valuable
85 consideration; and

(d) The activity is conducted and participated in
without regard to geographical location, with the player or
players not being required to be present upon any particular
premises or at any particular location in order to participate or
to win.

91 SECTION 2. The following shall be codified as Section 92 75-76-58, Mississippi Code of 1972:

93 <u>75-76-58.</u> (1) The commission shall promulgate all rules and
 94 regulations necessary to carry out the provisions of this section,

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95 including, but not limited to, a procedure requiring the 96 withholding of payments of progressive slot machine annuities and 97 cash gaming winnings of persons who have outstanding child support 98 arrearages or owing child support overpayments, prior to the 99 payment of a progressive slot machine annuity, beginning with the 100 second annuity payment, or cash gaming winnings. Progressive slot 101 machine annuities or cash gaming winnings shall only include 102 payments for which the entity licensed or permitted under Chapter 103 76 of Title 75, Mississippi Code of 1972, is required to file Form W2-G, or a substantially equivalent form, with the United States 104 105 Internal Revenue Service.

106 (2)The commission may require the Department of Human 107 Services to provide information relating to child support 108 arrearages in a manner, format, or record approved by the 109 commission that gives the entity licensed or permitted under 110 Chapter 76 of Title 75, Mississippi Code of 1972, real-time or 111 immediate electronic database access to the information. If the information relating to such arrearages or overpayments by the 112 113 Department of Human Services is not available through real-time or 114 immediate electronic database access, the licensee shall not be 115 responsible for withholding cash gaming winnings in accordance 116 with the provisions of this subsection.

(3) The commission or any entity licensed or permitted under Chapter 76 of Title 75, Mississippi Code of 1972, including any of its officers, employees, attorneys, accountants, or other agents,

H. B. No. 614 **~ OFFICIAL ~** 22/HR43/R1427 PAGE 5 (CAA\EW) 120 shall not be civilly or criminally liable to any person, including 121 any customer, for any disclosure of information made in accordance 122 with this section, for encumbering or surrendering assets in 123 response to information provided by the Department of Human 124 Services, or for any claims for damages arising from withholding 125 or failing to withhold any progressive slot machine annuities or 126 cash gaming winnings, based upon information provided to it.

127 If any entity licensed or permitted under Chapter 76 of (4) 128 Title 75, Mississippi Code of 1972, determines that the winner of a progressive slot machine annuity or cash gaming winnings is a 129 130 person who has outstanding child support arrearages, the entity 131 licensed or permitted under Chapter 76 of Title 75, Mississippi 132 Code of 1972, shall deduct the child support arrearage from the 133 payment of the progressive slot machine annuity or cash gaming 134 The entity licensed or permitted under Chapter 76 of winnings. 135 Title 75, Mississippi Code of 1972, shall forward the deducted 136 amount to the Department of Human Services, Division of Child Support Enforcement within seven (7) days. The entity licensed or 137 138 permitted under Chapter 76 of Title 75, Mississippi Code of 1972, 139 shall pay the remainder to the person who has outstanding child 140 support arrearages. If the remainder is equal to or less than 141 zero, the person who has an outstanding child support arrearage 142 shall not receive a payment.

143 (5) The Department of Human Services shall release the 144 encumbering game winnings to the obligee after either:

H. B. No. 614 ~ OFFICIAL ~ 22/HR43/R1427 PAGE 6 (CAA\EW) 145 (a) A twenty-day period beginning the day the funds are146 encumbered; or

(b) Until such time as the issue of overdue child support is resolved, provided the obligor has filed a petition for hearing with a court of appropriate jurisdiction and served the Department of Human Services through the Attorney General of the State of Mississippi before the end of the twenty-day period.

152 (6) Grounds for the petition challenging the encumbrance of153 game winnings shall be limited to the following:

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(a) Mistakes of identity; or

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(b) Mistakes in amount of overdue child support.

(7) Any entity licensed or permitted under Chapter 76 of
Title 75, Mississippi Code of 1972, may deduct an administrative
fee from each payment of a progressive slot machine annuity,
beginning with the second annuity payment, or cash gaming
winnings, of persons who have outstanding child support arrearages
or owe child support overpayments per singular or periodic
payment, not to exceed Thirty-five Dollars (\$35.00).

(8) The commission shall also require that the entity licensed or permitted under Chapter 76 of Title 75, Mississippi Code of 1972, adopt procedures designed to prevent employees from willfully failing to withhold payments of progressive slot machine annuities or cash gaming winnings from persons who have outstanding child support arrearages or child support overpayments, based upon the information provided by the

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(9) Not later than August 1, 2022, the commission shall institute rulemaking procedures as necessary to implement the provisions of this section.

175 **SECTION 3.** This act shall take effect and be in force from 176 and after July 1, 2022.

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intercept of child support arrearages.