

# Maryland Lottery and Gaming Control Agency

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TO: Gordon Medenica, Director

FROM: James B. Butler, Managing Director, Organizational Compliance

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SUBJECT: Legislative Update – February Commission Meeting

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On January 9, 2018, the Maryland General Assembly (MGA) convened for the 439<sup>th</sup> Legislative Session. Below are twelve (12) bills of interest, from the 101 bills that I am tracking during the 2019 Session. In addition, the Department of Legislative Services (DLS) has requested that the Agency respond to twenty-eight (28) bills in an effort to determine the fiscal and operational impact on the Agency or Commission, and to assist DLS in preparing its fiscal and policy note on the proposed legislation.

## **LOTTERY BILLS OF INTEREST**

**HB579/SB351** - *Workgroup to Study Prize-Linked Savings Accounts* - (Sen. Rosapepe/Del. Stewart). This bill would establish a workgroup to study prize-linked savings accounts and require the workgroup to make recommendations regarding prize-linked savings accounts, reporting its findings and recommendations to the Governor and the General Assembly on or before December 31, 2019. The Senate Budget and Taxation Committee held a bill hearing on February 13, and the House Ways and Means Committee held a bill hearing on February 20, assigning this bill to the Finance Resources Subcommittee for its consideration.

**HB1015/SB326** - *State Lottery - Instant Ticket Lottery Machines - Fraternal Organizations ("Slots" for Homeless Veterans Act)* (Sen. Young/Del. Wilson). This bill would authorize the Lottery Director to issue fraternal organizations a license for not more than five instant ticket lottery machines (ITLM) and authorize the fraternal organizations to purchase or lease the ITLMs from any vendor approved by the Agency. The Senate Budget and Taxation Committee held a bill hearing on February 13, and the House Ways and Means Committee will hold its bill hearing on March 6.

**HB1326** - *State Lottery - Unclaimed Prizes - Distribution to Local Boards of Education* - (Del. Walker). This bill would require the Lottery Director, at the end of each fiscal year, to remit money in the unclaimed prize fund to the Comptroller for distribution to each county board of education in the State on a pro rata basis determined by the total lottery sales made in each county. This bill has been referred to the House Ways and Means Committee for a bill hearing.

**HB1397** - *State Lottery - Instant Ticket Lottery Machines - Eastern Shore Veterans' Organizations* – (Del. Hornberger). This bill would allow veterans' organizations in Caroline County, Cecil County, Dorchester County, Kent County, Queen Anne's County, Somerset County, Talbot County, Wicomico County, and Worcester County to operate ITLMs. This bill is currently in the House Rules Committee and will be referred to the Ways and Means Committee, if so approved.

## **GAMING BILLS OF INTEREST**

**HB48** - *eSports Act* - (Del. Grammer). This bill would define an eSports competition as one involving video games, including first-person shooters, real-time strategy games, and certain multiplayer online battle arenas and allow an organization conducting an eSports competition to offer prize money or merchandise to winning participants in the competition. However, this bill would prohibit a person, including a participant in or observer of an eSports competition, from betting, wagering, or gambling on the result of the competition. The House Ways and Means Committee held a bill hearing on January 31, assigning this bill to the Finance Resources Subcommittee for its consideration.

**HB538/SB437 - *Allegany County - Video Lottery Terminals - Distribution of Proceeds*** - (Sen. Edwards/Del. Buckel). This bill would repeal the current distribution of proceeds from VLTs at Rocky Gap, thus allowing the casino to receive 60% of the VLT proceeds in perpetuity rather than the 10-year period in current statute. The Senate Budget and Taxation Committee held a bill hearing on February 27, and the House Ways and Means Committee held a bill hearing on February 27, assigning this bill to the Finance Resources Subcommittee for its consideration.

**HB802 - *State Lottery and Gaming Control Commission - Adjustment to the Distribution of Video Lottery Terminal (VLT) Proceeds – Repeal*** - (Del. Wilkins). This bill would repeal the authority of the Commission to adjust the distribution of proceeds from VLTs in Baltimore City, Anne Arundel County, and Cecil County. The House Ways and Means Committee held a bill hearing on March 8.

**HB987 - *Gaming - Video Lottery Operator Compliance - Disclosure of Winning Odds on VLTs*** - (Del. Kaiser). This bill would require the Commission to adopt regulations that require a video lottery operation licensee, as a condition of holding the license, to disclose winning odds information on the screen of each VLT prior to a person playing the VLT. The House Ways and Means Committee will hold a bill hearing on March 1.

**HB1036 - *Criminal Law - Crimes Related to Licensed Gaming – Penalties*** - (Del. Lewis). This bill would prohibit a person from cheating at casino game, such as altering or misrepresenting the outcome of a game or placing, increasing, or decreasing a bet or determining the course of play after acquiring certain knowledge. A person also would be prohibited from claiming, collecting, or taking or attempting to claim, collect, or take money or anything of value in or from a game, with the intent to defraud. The House Ways and Means Committee will hold a bill hearing on March 1.

**HB739/SB470 - *Expansion of Commercial Gaming - Referendum - Sports Wagering*** - (Sen. West/Del. Mangione). This bill would provide that the General Assembly may authorize the Commission to issue sports wagering licenses to only the holder of a video lottery operation license or a license for thoroughbred racing or harness racing. Revenues generated by sports wagering would be used for dedicated purposes including public education. The Act would be subject to a referendum of the qualified voters of the State. The Senate Budget and Taxation Committee and the House Ways and Means Committee will hold bill hearings on March 6.

**HB963 - *Expansion of Commercial Gaming - Referendum - Sports Wagering*** - (Del. Ebersole). This bill would provide that the General Assembly may authorize the Commission to issue sports wagering licenses to only the holder of a video lottery operation license or a license *for mile* thoroughbred racing or harness racing. Revenues generated by sports wagering would be used for dedicated purposes including public education. The Act would be subject to a referendum of the qualified voters of the State. The House Ways and Means Committee will hold bill hearings on March 6.

**HB1132 - *State Lottery and Gaming Control Agency - Sports Wagering Operations*** - (Del. Buckel). This bill would allow the Agency to conduct a sports wagering operation but only authorize video lottery operators and horse racing licensees to apply to the Commission for a sports wagering license. The licensee would accept, as an agent of the Agency, wagers on sporting events and distribute the proceeds pursuant to the statute. The House Ways and Means Committee will hold bill hearings on March 6.

**SB988 - *Video Lottery Operation License – Renewal*** - (Sen. King). This bill would allow a video lottery operation license to apply for renewal of a license and provide for a 10-year term for a renewed license. The bill would require the Commission to renew a license unless it finds the licensee is no longer qualified. Before denying a renewal application, the Commission would allow the licensee an opportunity for a hearing. This bill is currently in the Senate Rules Committee and will be referred to the Budget and Taxation Committee, if so approved.