

# Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



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TO: Gordon Medenica, Director

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

DATE: April 25, 2019

SUBJECT: 2019 End of Session Legislative Report – April Commission Meeting

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On April 8, the Maryland General Assembly completed its work for the 2019 Legislative Session. Legislators considered 2,481 bills and joint resolutions and from this, 864 bills passed this session. As of today, the Governor has conducted two (2) bill signings, and the next two bill signings will be on April 30 and May 13. This report contains the final action on three lottery and gaming related bills that passed this session:

**HB48 - eSports Act** (Del. Grammer). This bill defines an eSports competition as one involving video games, including first-person shooters, real-time strategy games, and certain multiplayer online battle arenas. The bill also allows an organization conducting an eSports competition to offer prize money or merchandise to winning participants in the competition. This bill was returned passed by both chambers unanimously, with an effective date of October 1, 2019. Agency Action: None; however, the Comptroller may adopt regulations to implement this new statute.

**HB1407 - Budget Reconciliation and Financing Act of 2019 (“BRFA”)** (Chair, House Appropriations Committee). This year’s BRFA contains a provision that prohibits the increase in the casino’s share of gaming proceeds approved by the State Lottery Commission in December 2018, and instead authorizes the Governor to process a fiscal 2020 budget amendment to appropriate \$16 million to fund special education expenses. As a result, the Commission’s recommendations to increase the casino operators’ shares on July 1 -- from 39% to 44% for the Cecil County licensee, from 49% to 51% for the Anne Arundel County licensee, and from 46% to 49% for the Baltimore City licensee -- will not be implemented. This enrolled bill passed both chambers, with an effective date of June 1, 2019. On April 5, this bill was enacted into law under Article II, Section 17(b) of the Maryland Constitution - Chapter 16. Agency Action: None.

**HB685/SB421 - Video Lottery Terminals - Minority Business Participation Goals - Enforcement and Reporting** (Del. Wilson/Sen. Benson). This bill alters the date by which certain provisions of law relating to Minority Business Enterprise (“MBE”) participation goals for casino applicants or licensees are of no effect and may not be enforced after July 1, 2020. This bill was returned passed by both chambers unanimously, with an effective date of June 1, 2019. Agency Action: The Commission shall require video lottery operation applicants and licensees to provide any information necessary for the Maryland Department of Transportation (MDOT) to perform a MBE disparity study. MDOT must initiate a MBE disparity study to evaluate the program’s continued compliance with the requirements of the decision of *Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989) and any subsequent federal or constitutional requirements. MDOT’s final report on the MBE disparity study must be submitted to the Legislative Policy Committee on or before December 13, 2019, so that the General Assembly may review the report before the 2020 Session.