Maryland Lottery and Gaming Control Agency

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TO: Gordon Medenica, Director

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

DATE: April 23, 2020

SUBJECT: 2020 End of Session Legislative Report – April Commission Meeting

On March 18, the Maryland General Assembly ended its 2020 Legislative Session early due to the COVID-19 pandemic. Legislators considered 3,232 bills and joint resolutions and from this, 681 bills passed this session. Gov. Hogan now must decide which bills to approve. The Maryland General Assembly plans to reconvene during the last week of May for a Special Session. This report contains the final action on four lottery and gaming related bills that passed this session:

SB4- *Expansion of Commercial Gaming – Sports and Event Wagering Referendum and Minority Business Enterprise Disparity Study.* (Sen. Zucker). The legislature passed a significantly modified version of the original sports betting bill. The enrolled bill is now just a constitutional amendment that calls for a referendum question and a minority business disparity study. Legislators removed specific language concerning the types of sports betting licensees (casinos, racetracks, and sports franchisees) and other implementing provisions. The referendum question is simply:

> *"Do you favor the expansion of commercial gaming in the State of Maryland to authorize sports and event betting for the primary purpose of raising revenue for education?*

This bill was returned passed by both chambers, with an effective date of July 1, 2020. *Agency Action*: The Maryland Department of Transportation (MDOT) and the Commission, in consultation with the Office of the Attorney General, must contract with an expert to review the 2017 MDOT Disparity Study to determine if the data demonstrates a compelling interest to implement remedial measures to assist minorities and women in the sports and event wagering industry and market. MDOT's final report on this review must be submitted to the Commission and Legislative Policy Committee on or before October 1, 2020.

SB79 - *Gaming - Video Lottery Facilities and Licenses – Definitions.* (MLGCA's Departmental Bill) This bill amends the current statute (SG §9-1A-01(aa)) by altering the definition of a video lottery facility to include the word "casino". This proposal allows our six (6) video lottery facilities to be considered "casinos" for the purposes of the federal Bank Secrecy Act and its related regulations. This bill was returned passed by both chambers unanimously, with an effective date of October 1, 2020. *Agency Action*: the Agency may adopt a regulation to implement these amendments.

HB1659 - *Maryland Stadium Authority – Youth and Amateur Sports Grants Program and Michael Erin Busch Sports Fund.* (Del. McIntosh). This bill establishes the Youth and Amateur Sports Grants Program to provide grants from the Michael Erin Busch Sports Fund to bring new youth and amateur events to the State and attract sports fans, participants, and tourists. MLGCA will distribute $1,000,000 from the State Lottery Fund to the Michael Erin Busch Sports Fund each fiscal year. This bill was returned passed by both chambers unanimously, with an effective date of July 1, 2020. *Agency Action*: None.

SB987 - *Racing and Community Development Act of 2020.* (Sen. Guzzone). This bill provides for the redevelopment of Pimlico Race Course in Baltimore City and Laurel Park in Anne Arundel County. Starting in FY2021, this bill will transfer $17,000,000 in the State Lottery Fund each year to the Racing and Community Development Fund (RCDF) until bonds for the redevelopment of Laurel Park and Pimlico racing facilities are paid in full. This bill also alters the distribution of proceeds from VLTs to the horse racing industry in order to make the State Lottery Fund whole and thus provide for the repayment of the bonds. This bill was returned passed by both chambers, with an effective date of June 1, 2020. *Agency Action*: None.