

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



Montgomery Park Business Center
1800 Washington Blvd., Suite 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

TO: Maryland Lottery and Gaming Control Commission
Gordon Medenica, Director

FROM: James Butler, Managing Director
Organizational Compliance

DEPARTMENTS: Government Relations and Human Resources

DATE: March 16, 2021

SUBJECT: Report for the March 2021 Commission Meeting

Following is the status update of ongoing topics in Government Relations and Human Resources for March.

I. GOVERNMENT RELATIONS

1. Legislative Update

We are currently at day 63 of the 90-day legislative session! Below are ten (10) bills of interest, from the one hundred (100) bills that I am currently tracking during the 2021 session. In addition, the Department of Legislative Services (DLS) has requested that the Agency respond to nineteen (19) 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

HB371 - *State Lottery - Instant Ticket Lottery Machines - Fraternal Organizations (ITLMs for Homeless Veterans Act)*. (Del. Young). This bill would authorize the Lottery Director to issue fraternal organizations a license for not more than five instant ticket lottery machines (ITLM). This bill also would require that 10% of the proceeds from the sale of these game tickets through ITLMs go into a special fund to be used by the Maryland Department of Housing and Community Development's Division of Neighborhood Revitalization to assist veterans and their families. In addition, the first \$100,000 from these proceeds would be distributed to the Maryland Department of Veterans Affairs' Outreach and Advocacy Program for the development and maintenance of a website and social media pages to publicize veterans' programs. The House Ways and Means Committee had a bill hearing on HB371 on January 14, and no committee vote has been taken.

GAMING BILLS OF INTEREST

HB388/SB45 - *State Lottery and Gaming Control Agency - Gaming Study - Use of Gaming Proceeds*. (Sen. Patterson & Del. Turner). This bill would require the Agency to coordinate with other agencies on conducting a study on the distribution and use of local impact grants, the use of the Problem Gambling Fund, and the use of video lottery proceeds distributed to the Small, Minority, and Women-Owned Business Account. These other agencies must report their findings to the Governor and the General Assembly by December 1, 2021. The Agency worked with the bill sponsor on an amendment to the bill to address our concerns. The Senate Budget and Taxation Committee issued a favorable with amendments report on SB45.

The full Senate unanimously approved the bill (45-0). , and now SB45 has now been referred to the Ways and Means Committee for a bill hearing. The House Ways and Means Committee had a bill hearing on HB388 on January 21, and no committee vote has been taken.

HB136 - Election Law - Campaign Contributions - Alterations and Prohibition on Sports and Event Wagering Business Entities. (Del. Cardin). This bill would prohibit sports and event wagering business entities and certain individuals employed by the entity or a video lottery operator from directly or indirectly making contributions to campaign finance entities. This bill is contingent on the enactment of legislation implementing sports and event wagering. The House Ways and Means Committee had a bill hearing on HB136 on January 19, and no committee vote has been taken.

HB403 - Video Lottery Operation License - Renewal. (Del. Ebersole). This bill would alter the number of years before the end of the term of a video lottery operation license that a licensee is required to provide the Agency with its notice of intent to renew the license and apply for renewal. This bill also would require Commission to renew the license unless the Commission makes a finding that the licensee is no longer qualified to hold a license. Additionally, this bill would require the licensee to pay an annual fee for a 15-year renewal license term and require the Commission, on a certain date each year, to adjust this fee to reflect an increase in the Consumer Price Index. The renewal license fee would be deposited into Education Trust Fund. The House Ways and Means Committee had a bill hearing on HB403 on January 21, and no committee vote has been taken.

SB243 - Public High Schools - Health Education - Gambling Dangers and Addiction. (Sen. Simonaire). This bill would require the State Department of Education, on or before July 1, 2022, to develop a program for educating children on the dangers of gambling and for gambling addiction to be provided in public schools. The bill also would require the program to be coordinated with other State agencies responsible for gambling addiction education and also authorize county boards of education to require each public high school to include instruction in grades 9 through 12, beginning in the 2022-2023 school year and annually thereafter. The Senate Education, Health, and Environmental Affairs Committee had a bill hearing on SB243 on January 20, and no committee vote has been taken

HB532/SB452 - Allegany County - Video Lottery Terminals - Distribution of Proceeds. (Allegany County Delegation/ Sen. Edwards). This bill would alter the distribution of proceeds from video lottery terminals (VLT) at a facility in Allegany County after 10 years of operations, thereby keeping the casino at basically its same tax rate. The Senate Budget and Taxation Committee had a bill hearing on SB452 on February 2, and no committee vote has been taken. The House Ways and Means Committee had a bill hearing on HB532 on January 28, and no committee vote has been taken.

HB546 - Video Lottery Operator - Reconciliation of Proceeds - Uncollectible Debt (Del. Hornberger). This bill would amend the term “proceeds” as it is presently defined in State Government Article §9-1A-01(u) to address the issue of an uncollectible debt, which occurs when the video lottery facility extends credit to a player but the player defaults on the debt. The House Ways and Means Committee had a bill hearing on HB546 on February 4, and no committee vote has been taken.

HB859/SB797 - Cecil County - Video Lottery Terminals - Distribution of Proceeds (Sens. Gallion and Hershey/Cecil County Delegation). This bill would increase the percentage of VLT proceeds from 33% to 40% for the Hollywood Casino Perryville, and require that 7% of the VLT proceeds be spent on marketing, advertising, and promotional costs and capital improvements at the facility as a condition of receiving the additional proceeds. The House Ways and Means Committee had a bill hearing on HB859 on February 24, and no vote has been taken. The Senate Budget and Taxation Committee had a bill hearing on SB797 on February 24, and no vote has been taken.

HB940 - Gaming - Regulation of Fantasy Gaming Competitions and Implementation of Sports Wagering (The Speaker). This bill would authorize sports wagering license holders to accept wagers on sporting

events by certain methods and in certain locations, and require the State Lottery and Gaming Control Commission to regulate sports wagering in the State. This bill also would require fantasy competition operators to register with the Commission under certain circumstances. The House Ways and Means Committee issued a favorable with amendments report on HB940. The full House approved the bill (129-10). The Senate Budget and Taxation Committee has scheduled a hearing for March 25, 2021, at 1:00 p.m.

HB1298 - *Gaming - Distribution of Video Lottery Terminal Proceeds - Local Impact Grants (Delegate Walker)*. This bill would require the Comptroller to pay the difference to Anne Arundel County or Baltimore City from VLT proceeds if the amount of the local impact grants distributed to Anne Arundel County or Baltimore City is less than the amount of local impact grants received in fiscal year 2016. The House Ways and Means Committee had a bill hearing on HB1298 on March 11, and no vote has been taken.

II. HUMAN RESOURCE MATTERS

The Human Resources (HR) Department continues to notify Agency employees and third-parties of individuals testing positive for COVID-19 and sent a reminder email to staff emphasizing individual precautionary measures and stressing the importance of social distancing and the mandatory wearing of masks and other PPE while at work. HR continues to monitor and educate Agency managers and supervisors on COVID-19 related medical absences and teleworking procedures to ensure that our employees stay safe and protected.

HR has submitted eighteen (18) hiring freeze exception requests to the Department of Budget and Management (DBM) for approval. DBM has approved sixteen (16) of our exception requests, and HR continues the recruitment process for these approved positions.