

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • John Martin, Director



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TO: Maryland Lottery and Gaming Control Commission
John Martin, Director

FROM: James Butler, Assistant Deputy Director, Chief of Staff

DEPARTMENTS: Government Relations and Human Resources

DATE: February 24, 2022

SUBJECT: Report for the February 2022 Commission Meeting

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

I. GOVERNMENT RELATIONS

1. Legislative Update

On January 12, 2022, the Maryland General Assembly convened for the 444th Legislative Session. February 25 marks the 45th day of the session and the half-way point of the 90-day session. Below are some bills of interest, from the one hundred two (102) bills, that I am currently tracking during the 2022 session. In addition, the Department of Legislative Services (DLS) has requested that the Agency respond to twenty (20) 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.

A. Lottery Bills of Interest

[SB155](#) - *State Lottery - Instant Ticket Lottery Machines - Fraternal Organizations (ITLMs for Homeless Veterans Act)* (Sen. 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 Homelessness Solutions Program to assist veterans and their families. The Senate Budget and Taxation Committee held a bill hearing on January 19, and no committee vote has been taken. The Agency issued a Letter of Information on this bill.

[SB796/HB1315](#) - *Instant Ticket Lottery Machines - Veterans' Organizations - Repeal of the Pre-Printed Ticket Requirement* (Sen. Guzzone & Del. Ebersole) This bill would alter a requirement that the State Lottery and Gaming Control Agency ensure that instant ticket lottery machines operate in the same manner as electronic instant bingo machines. The Senate Budget and Taxation Committee has a bill hearing scheduled for March 9 at 1:00 p.m., and the House Ways and Means Committee has a bill hearing scheduled for March 2, at 1:00 p.m.

B. Gaming Bills of Interest

[SB297/HB339](#) - *Gaming - Sports Wagering Facilities – Locations* (Sens. Young and Hough, and Dels. Kerr and K. Young) This bill would prohibit the Sports Wagering Application Review Commission (SWARC) from awarding a sports wagering license to a facility located within a 10-mile radius of certain

designated Class B-1 or B-2 sports wagering facilities located in Calvert, Carroll, Charles, Frederick, and Washington counties. The Senate Budget and Taxation Committee held a bill hearing on February 2, and no committee vote has been taken. The House Ways and Means Committee had a bill hearing on February 2, and no committee vote has been taken. According to the testimony, this was supposed to be a local Frederick County bill, so both bills may get amended to remove the other named jurisdictions in the bill.

SB363 - *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, 2023, to develop a program of education on the dangers of gambling and gambling addiction to be provided in public high schools. It would require the program to be coordinated with other State agencies responsible for gambling addiction education. It also would authorize a county board of education, beginning in the 2023-2024 school year, to require each public high school in the county to include instruction on the dangers of gambling one time for students in grades 9 through 12. The Senate Education, Health, and Environmental Affairs Committee held a bill hearing on February 9, and no committee vote has been taken.

HB490 - *Election Law - Campaign Contributions - Alterations and Prohibition on Sports Wagering Licensees* (Del. Cardin) This bill would prohibit certain sports wagering licensees and certain individuals employed by a sports wagering licensee or video lottery operator from directly or indirectly making contributions to campaign finance entities. The House Ways and Means Committee held a bill hearing on February 15, and no committee vote has been taken.

HB584 - *Video Lottery Operator - Reconciliation of Proceeds - Uncollectible Debt* (Dels. Hornberger and Kaiser) This bill would alter the definition of "proceeds" to allow a casino licensee to reduce the amount of proceeds received from video lottery terminals and table games by the amount of uncollectible negotiable instruments from a player for up to 7 days following a determination that a player's counter check is uncollectable. It also would require casinos to report to the House Ways and Means Committee and the Senate Budget and Taxation Committee certain information on at least quarterly basis to these committees. The W&M Committee held a bill hearing on February 9, and no committee vote has been taken. The Agency issued a Letter of Concern on this bill.

HB980 - *Sports Wagering - Prince George's County Stadiums - Sports Wagering Community Impact Fund* (Dels. Harrison, Howell, and J. Lewis) This bill would require that 5% of the proceeds from sports wagering at a stadium located in Prince George's County be distributed to the Sports Wagering Community Impact Fund. It also would establish the Sports Wagering Community Impact Fund as a special, nonlapsing fund, and provide that the Fund may be used only for certain purposes within a 1-mile radius of the stadium. The House Ways and Means Committee has a bill hearing scheduled on March 2, at 1:00 p.m.

SB923 - *Video Lottery Terminals – Distribution of Local Impact Grants – Town of Forest Heights* (Sen. Patterson) This bill would alter the distribution of proceeds from video lottery terminals by increasing, from \$120,000 to \$250,000, the amount of the local impact grant to be paid to the Town of Forest Heights. This bill is pending in the Senate Rules Committee.

SB929 - *Admissions and Amusement Tax - Sports Wagering – Prohibition* (Sen. Guzzone) This bill would prohibit the application of the admissions and amusement tax to proceeds from sports wagering. This bill is pending in the Senate Rules Committee.

C. Other Gaming Related Bills of Interest

SB858/HB1316 - Gaming – Electronic Instant Bingo Machines – Maximum Number of Machines (Sen. Guzzone & Del. Ebersole) This bill would allow an entity licensed to offer instant bingo under a commercial bingo license on July 1, 2007, to operate not more than 200 electronic machines if the entity operated fewer than 200 electronic machines on February 28, 2008. The Senate Budget and Taxation Committee has a bill hearing scheduled for March 10 at 1:00 p.m., and the House Ways and Means Committee has a bill hearing scheduled for March 2, at 1:00 p.m.

SB792/HB942 - Horse Racing – Satellite Simulcast Betting Facilities and Permit Holders – Alterations (Sen. Guzzone & Del. Luedtke) This bill would provide that zoning approval is not required to use a facility for satellite simulcast betting if the facility is properly zoned for operation of a video lottery facility, a sports wagering facility or electronic bingo or tip jar machines. It also would authorize the State Racing Commission to waive review of an applicant for a satellite simulcast betting permit if the applicant is licensed to conduct certain gaming activities, and repeal certain requirements for the standard of and amenities offered by a satellite simulcast facility. The Senate Budget and Taxation Committee has a bill hearing scheduled for March 9 at 1:00 p.m., and the House Ways and Means Committee held a bill hearing on February 23, and no committee vote has been taken.

SB647/HB759 - Frederick County - Electronic Tip Jar Machines - Authorization and Regulation (Sens. Young and Hough & Frederick County Delegation) This bill would authorize a person to operate an electronic tip jar machine in Frederick County if the person obtains a gaming permit for the machine from the (county or MLGCC). It also would authorize the (County Commissioners of Frederick County or MLGCC) to adopt regulations for the operation of and issuance of permits for electronic tip jar machines. The Senate Budget and Taxation Committee has a bill hearing scheduled for March 2 at 1:00 p.m. The House Ways and Means Committee held a bill hearing on February 23, and no committee vote has been taken.

HB1394 - Gaming - Skills-Based Gaming Devices – Authorization (Del. Hornberger) This bill would authorize the State Lottery and Gaming Control Commission to issue a skills-based gaming device license to an operator to operate certain skills-based devices. It would require the Commission to determine the number of skills-based devices the holder of a license may operate, the number of skills-based devices the holder may operate at different venues the operator owns, and any limitations on the value of prizes. It also would require the holder of a skills-based gaming device license to remit to the Commission a \$500 monthly fee for each device. This bill is pending in the House Rules and Executive Nominations Committee.

2. Budget and Confirmation Hearings

On February 8, the Maryland Senate confirmed Commissioner Fager's reappointment to the Commission for another five-year term, and on February 15, the Maryland Senate confirmed Commissioner Hodges' appointment to the Commission for a five-year term.

The Agency appeared before the Senate Public Safety, Transportation, and Environment Subcommittee, on February 18, and the House Transportation and the Environment Subcommittee, on February 21, to present its FY23 budget submission. DLS recommended that the subcommittees concur with the Governor's allowance, to which we concurred.

3. SWARC Update

The Sports Wagering Application Review Commission held its monthly meeting on February 16. Chairman Brandt opened the meeting by giving the public a recap of where SWARC is in the current processes. AAG

Stamper informed the SWARC Commissioners that some minor details have to be worked out in the agreement for the Disparity Study but he believes that the details should be resolved soon. SWARC also received updates from the consultant, Taft, on the status of the industry survey and the potential outreach opportunities. The Agency provided SWARC with an update on the application status of the designated Class A and Class B applicants and the SWARC website. The Agency also had an OAG legal briefing in closed session to discuss the disparity analysis process in more detail.

4. Regulations Update

Below is an update of proposed regulations that were approved by the Commission:

- ***Voluntary Exclusion and Responsible Gaming and Fantasy Competition Regulations and Related Amendments*** - The AELR Committee approved our request for an emergency action on these regulations. The emergency regulation status began on December 16, 2021, and expires June 3, 2022. The emergency and proposed actions were published in the January 28 edition of the *Maryland Register*. The Agency is currently in the 30-day public comment period, which ends on February 28, and expects to file the notice of final action after March 15.
- ***Electronic Table Game Regulation*** – The Agency expects that this amendment will get published in the February 25 edition of the *Maryland Register*.
- ***Substantive Changes to Proposed Sports Wagering Regulations*** - The AELR Committee approved our request for an emergency action on these amendments. The emergency status began on January 26, 2022 and will expire on July 25, 2022. The Agency expects that the emergency and proposed actions will be published in the February 25 edition of the *Maryland Register*.

II. HUMAN RESOURCES MATTERS

Human Resources (HR) continues to work with the Department of Budget and Management on the posting of vacancy announcements for various positions within the Agency. This is an ongoing tasking for HR staff and will be accelerated once the Agency issues more sports wagering licenses.

On February 22, 2022, Governor Hogan declared that state employees and visitors will no longer be required to wear masks while in state owned and leased buildings. This directive supersedes any local mask mandates while in state-owned or leased space; however, local mandates are applicable in public or common areas of buildings where the state leases office space. On March 1, Agency employees will be returning to the office three days a week, with the option to telework two days a week. The change in the telework schedule is due to the recent decrease of COVID-19 numbers.