

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: April 28, 2022

SUBJECT: Report for the April 2022 Commission Meeting

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

I. GOVERNMENT RELATIONS

1. Legislative Update

On April 11, at midnight, the Maryland General Assembly concluded its 2022 legislative session! Below are four bills of interest that passed, from the one hundred five (105) bills that I tracked during the session. In addition, the Department of Legislative Services (DLS) requested that the Agency respond to twenty-six (26) 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

HB1179 - State Lottery - Sales of Lottery Tickets and Tickets From Instant Ticket Lottery Machines – Commissions (Delegate Johnson) This enrolled bill increases the retailer commission from 5.5% to 6% for lottery ticket sales from licensed agents. If signed by the Governor, this bill would go into effect on October 1, 2022.

HB1469 - Maggie McIntosh School Arts Fund – Established (Delegate B. Barnes) This approved bill establishes the Maggie McIntosh School Arts Fund to provide grants to public schools in Baltimore City to purchase art supplies for classrooms and to expand the arts curriculum for students in eligible public schools. It also alters the allocation of revenues from the State Lottery Fund after June 30, 2022. This bill was approved by the Governor - Chapter 15 - and goes into effect on July 1, 2022.

B. Gaming Bills of Interest

SB929 - Admissions and Amusement Tax - Sports Wagering – Prohibition (Sen. Guzzone) This enrolled bill prohibits the application of the admissions and amusement tax to proceeds from sports wagering. If signed by the Governor, this bill would go into effect on July 1, 2022.

C. Other Gaming Related Bills of Interest

SB792/HB942 - *Horse Racing – Satellite Simulcast Betting Facilities and Permit Holders – Alterations* (Sen. Guzzone & Del. Luedtke) These enrolled bills 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 authorizes 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 repeals certain requirements for the standard of and amenities offered by a satellite simulcast facility. HB942 specifically was further amended to place exclusion zones around certain designated Class B Off-Track Betting facilities. If signed by the Governor, these bills would go into effect on July 1, 2022.

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

These emergency and proposed regulations were published in the January 28 edition of the *Maryland Register*. The 30-day public comment period ended on February 28, and the Agency received comments from three (3) different entities: The Maryland Center of Excellence on Problem Gambling, DraftKings, and Bally's Corporation. On March 11, Agency staff met to review and discuss the comments received, and the Agency will now present its recommended non-substantive changes to the Commission for its review and approval. The AELR Committee approved the Commission's request for an emergency action on these regulations, with the emergency status beginning on December 16, 2021, and expiring on June 3, 2022.

Electronic Table Game Regulation

This amendment was published in the February 25 edition of the *Maryland Register*. The 30-day public comment period ended on March 28, and no comments were received.

Substantive Changes to Proposed Sports Wagering Regulations

The emergency and proposed regulations were also published in the February 25 edition of the *Maryland Register*. The 30-day public comment period ended on March 28, and the Agency is reviewing the comments received from four (4) different entities: Penn Interactive, FanDuel, DraftKings, and Kambi. The AELR Committee approved the Commission's emergency action request on these amendments, with the emergency status beginning on January 26, 2022, and expiring on July 25, 2022.

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 task for HR staff and will be accelerated once the Agency issues more sports wagering licenses. In addition, HR is preparing job descriptions (MS-22s) in preparation for the sports wagering positions.