

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: May 26, 2022

SUBJECT: Report for the May 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

May 26 will mark Governor Hogan's last bill signing for this legislative session, and May 30 is the last day for the Governor to take action on all returned or enrolled bills. Below is an update on four (4) bills of interest that I tracked during the session.

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 approved bill prohibits the application of the admissions and amusement tax to proceeds from sports wagering. This bill was approved by the Governor - *Chapter 225* - goes 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 approved 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. Of particular note, HB942 was further amended to place exclusion zones around certain designated Class B Off-Track Betting facilities. These bills were approved by the Governor - *Chapters 256 and 257* - and 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 final action on these proposed regulations appeared in the May 20 of the *Maryland Register*. The proposed regulation will become effective on May 30. 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 final action on this proposed regulation appeared in the May 20 of the *Maryland Register*. The proposed regulation will become effective on May 30.

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. The Agency reviewed the comments received and will soon issue its recommendation for a final action on these proposed regulations. 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 recruiting and posting of vacancy announcements for various positions within the Agency. This has been an ongoing task for HR staff and has been accelerated since the Agency has issued more sports wagering licenses. In addition, HR is creating jobs in the State's Workday system and preparing job descriptions (MS-22s) for these sports wagering positions.