

## STAFF AGENDA MEMORANDUM

**DATE OF MEETING:** May 23, 2013

**AGENDA ITEM:** **2012 Free Promotional Play Report**

**PRESENTER:** Charles LaBoy, Assistant Director for Gaming

**ISSUE SUMMARY:** In accordance with COMAR 36.03.10.36(G), each facility operator shall submit a report of its use of free promotional play during the prior fiscal year and recommend any adjustment to the limitation on free promotional play established in regulation. Current regulation states that each facility operator may exclude from taxable proceeds an amount that equates to 20% of proceeds the facility generated in the prior full fiscal year. Per statute, facilities that have not had a full fiscal year of operation are not subject to this limitation. The reports submitted by the facility operators provide the following:

<u>Facility</u>	<u>2012 Free Promo Play</u>	<u>Recommendation</u>
HWC	\$2,832,301 (2.8%)	Lower from 20% to 5%
OD	\$6,983,407 (15.54%)	No change
MLC	\$17,481,229 (7.6%)	No change

**COMMISSION ACTION REQUIRED/REQUESTED:** The Commission may direct staff to adjust in regulation the amount of free promotional play that is excluded from taxable proceeds or take no action to leave the rate at 20%.

**STAFF RECOMMENDATIONS:** Staff does not recommend any change to current 20% rate set in regulation.