

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 21, 2014

AGENDA ITEM: **2013 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>2013 Free Promo Play</u>	<u>Recommendation</u>
Hollywood Casino at Perryville	2.8% of 2012 proceeds	Change to 10%
The Casino at Ocean Downs	11.02% of 2012 proceeds	No change
Maryland Live!*	7.1% of <u>2013</u> proceeds	No change
Rocky Gap Casino and Resort*	21.3% of <u>2013</u> proceeds	No change

* Facilities did not operate for a full fiscal year in 2012 and therefore were not subject to the free promotional play cap.

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.