

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 21, 2014

AGENDA ITEM: **Regulations – Electronic Gaming Devices**

Withdraw Regulations

- 36.06.01 – General
- 36.06.02 – Lawful and Unlawful Electronic Gaming Devices
- 36.06.03 – Application and Licensing
- 36.06.04 – Electronic Gaming Device General Standards
- 36.06.05 – Electronic Gaming Device Technical Standards
- 36.06.06 – Electronic Gaming Device Enforcement

Approve Regulations

- 36.06.01 – General
- 36.06.02 – Lawful and Unlawful Electronic Gaming Devices
- 36.06.03 – Application, Licensing and Registration
- 36.06.04 – Electronic Gaming Device General Standards
- 36.06.05 – Electronic Gaming Device Technical Standards
- 36.06.06 – Electronic Gaming Device Enforcement

PRESENTER: Charles LaBoy, Assistant Director for Gaming

ISSUE SUMMARY:

Staff is requesting that the electronic gaming device regulations approved at the January 23, 2014 Commission meeting be withdrawn and replaced with the submitted revision that incorporates input from the legislature and amusement device industry. The revisions include the following substantive changes:

- Skills-based amusement devices that are registered with the MLGCA and award only free play, are redemption or merchandiser devices that pay out merchandise or prizes having a wholesale value of not more than \$30 are excluded from the definition of an electronic gaming device.
- To register an individual or entity needs to provide their contact information, location where the devices are operated and description of the devices. A MLGCA registration tag is required to be affixed to the devices and quarterly shipping notifications are required. There are no fees to register.

Maryland Lottery and Gaming Control Agency

Martin O'Malley, Governor • Stephen Martino, Director



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- Skills-based amusement devices that are qualified as an electronic gaming device are subject to licensure and may payout noncash merchandise or prizes whose wholesale value may not exceed \$30 unless approved by the Commission.
- License fees for an Electronic Gaming Device Facility License and Electronic Gaming Device Manufacturer/Distributor License do not go into effect until July 1, 2016.
- Notice of transportation is required quarterly.
- The Commission may accept prior testing by an independent certified testing laboratory or other testing facility recognized by the Commission. Commission staff may also conduct the testing.

Comments from the Maryland Amusement and Music Operators Association are included.

COMMISSION ACTION REQUIRED/REQUESTED: Withdrawal of the above listed regulations and approval of the revised regulations.

STAFF RECOMMENDATIONS: Staff recommends Commission approval.