

Maryland Lottery and Gaming Control Agency

Martin O'Malley, Governor • Stephen Martino, Director



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STAFF AGENDA MEMORANDUM

DATE OF MEETING: January 23, 2014

AGENDA ITEM: **Maryland Live VLT Reduction Request**

PRESENTER: Charles LaBoy, Assistant Director for Gaming

ISSUE SUMMARY:

This agenda item is a carryover from the last two commission meetings where we discussed the Maryland Live! (Facility) request for a permanent slot reduction of 57 Interblock devices (electronic table games) located at and around their "R Bar." The Facility is seeking to covert these slots to table games in accordance with the regulations adopted by the commission at the September 2013 commission meeting. COMAR 36.04.02.02, Request for Reduction, allows the commission to approve of a reduction request if it is determined to be in the best interest of the State.

The Interblock VLT win per unit continues to decline while still performing at two times the floor average. Converting these machines, now taxed at 67%, to table games and a 20% tax rate will result in a substantial reduction to state revenues, in particular to the Education Trust Fund.

As required by the commission, staff has been working with the facility to convert the Interblock devices at the "R Bar" into live table games. This option would consist of **a VLT reduction of 56 Interblock VLTs (converted into live table games), replacing 17 low performing VLTs with 17 Interblock VLTs and relocating one Interblock VLT from the "R Bar" to form a new bank of 18 Interblock VLTs.** This option coupled with a **contingency that the 56 Interblocks could not be converted into live tables until the second quarter 2014** would mitigate some of the impact to the Education Trust Fund.

COMMISSION ACTION REQUIRED/REQUESTED:

Consideration of the permanent slot reduction of 57 machines as noted in Maryland Live!'s request.

STAFF RECOMMENDATIONS:

No recommendation. This proposal was crafted at the commission's direction during its November 2013 meeting.