

# Maryland Lottery and Gaming Control Agency

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TO: Gordon Medenica, Director  
FROM: James B. Butler, Managing Director, Organizational Compliance  
DATE: March 22, 2018  
SUBJECT: Legislative Update – March Commission Meeting

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We are at day 72 of the 90-day session of the Maryland General Assembly. Below is an update on eleven bills of interest from the 106 bills that are being tracked for the Agency. The MGA has considered 3,096 bills this legislative session.

**HB10 - State Lottery - Unclaimed Prizes - Public Prekindergarten Programs.** (Sponsor – Del. Walker) This bill would require the Director, at the end of each fiscal year, to remit money in the Agency’s promotion fund (also known as the Lottery’s Unclaimed Prize Fund), to the Comptroller for distribution to each county’s board of education in the State. The House Ways & Means Committee held a bill hearing on January 17, assigning this bill to the Finance Resources Subcommittee for its consideration. The bill has stalled, so passage is unlikely.

**HB283 - Criminal Law - Betting, Wagering, and Gambling - eSports Competition.** (Sponsor - Del. Grammer) - This bill would exempt certain types of video games commonly known as "eSports" from the prohibitions against betting, wagering, and gambling. This bill also would authorize the Comptroller to adopt certain regulations governing these types of video game competitions. The House Ways & Means Committee held a bill hearing on January 31, assigning this bill to the Finance Resources Subcommittee for its consideration. The bill has stalled, so passage is unlikely.

**SB260/HB317 - State Lottery – Instant Ticket Lottery Machines – Fraternal Organizations (“Slots” for Homeless Veterans Act).** (Sponsors – Sen. Young/Del. Clark) - This bill would allow fraternal organizations that operate under a lodge system to operate up to five (5) instant ticket lottery machines. This bill also would require that 10% of the proceeds from the sale of these game tickets go into a special fund to be used by the Maryland Department of Housing and Community Development’s Division of Neighborhood Revitalization to assist veterans and their families. In addition, the first \$100,000 from these proceeds will be distributed to the Maryland Department of Veterans Affairs’ Outreach and Advocacy Program for the development and maintenance of a website and social media pages to publicize veterans’ programs. Numerous co-sponsors have signed on to these bills in both the House and Senate. The Senate Budget & Taxation Committee and the House Ways and Means Committee conducted bill hearings on February 7, assigning the bills to their respective subcommittees for consideration. Sen. Young has offered a few amendments to his bill, one of which will change the distribution percentages and the other to change the manner of distribution. The bill has stalled, so passage is unlikely.

**SB836 - Expansion of Commercial Gaming - Referendum - Sports Wagering.** (Sponsor - Sen. King) - This bill would provide that the General Assembly may authorize, by law, the Commission to issue certain sports wagering licenses. The question of authorizing an expansion of commercial gaming to allow for sports wagering would be sent to a referendum of the qualified voters of the State. The Senate Budget and Taxation Committee held a bill hearing on March 7. Bill hearings continue, so passage is uncertain.

**HB1014 - Expansion of Commercial Gaming - Referendum - Sports Wagering.** (Sponsor - Del. Turner) – This bill would provide that the General Assembly may authorize, by law, the Commission to issue certain sports wagering licenses only to the holder of a video lottery operation license or a license for mile thoroughbred racing or harness racing. The question of authorizing an expansion of commercial gaming to allow for sports wagering for these entities would be sent to a referendum of the qualified voters of the State.

The House Ways & Means Committee amended the bill, specifying that revenues be used for funding public education and making the law subject to a repeal or amendment of the federal Professional and Amateur Sports Protection Act or determination by a federal court. The bill passed the House (124-14). The Senate Budget and Taxation Committee will hold a bill hearing on March 27, at 1:00 p.m. The bill is moving forward, so passage is likely.

**SB900/HB1378 - *Gaming - Fantasy Competitions - Prohibition on Operation of Electronic Device.*** (Sponsors - Sen. King/Del. Turner) – This bill would prohibit a person from operating a kiosk or machine that offers fantasy competition located in a place of business that is open to the public. The Senate Budget and Taxation Committee held a bill hearing on March 7, amended the bill to transfer the authority to adopt certain regulations related to fantasy competitions from the Comptroller to the Commission. The bill passed the Senate (47-0), and now moves to the Ways and Means Committee, which held a bill hearing on the cross-filed bill on March 2. The bill is moving forward, so passage is likely.

**SB1254/HB1806 - *Criminal Law - Crimes Related to Licensed Gaming – Penalties.*** (Sponsors – Sen. Ramirez/Del. Sanchez) – This bill would prohibit a person from cheating at certain games, prohibit a person from altering or misrepresenting the outcome of a certain game under certain circumstances, prohibit a person from placing, increasing, or decreasing a bet or determining the course of certain play after acquiring certain knowledge, and prohibit a person from claiming, collecting, or taking or attempting to claim, collect, or take money or anything of value in or from a certain game, with intent to defraud. The Senate Judicial Proceedings Committee held a bill hearing on March 15, assigning this bill to a subcommittee for its consideration. Bill hearings continue, so passage is uncertain.

**SB1015 - *Gaming - Fantasy Competitions - Operators and Video Lottery Facilities.*** (Sponsor - Sen. Miller) – This bill would authorize the Commission to adopt certain regulations related to fantasy competitions. This bill also would authorize the Commission to issue the holder of a video lottery operation license the ability to offer fantasy competitions to the public. The question of authorizing an expansion of commercial gaming to allow these entities to offer fantasy competitions would be sent to a referendum of the qualified voters of the State. The sponsor withdrew this bill, so the bill’s passage is highly unlikely.

**HB1171 - *Gaming - State Lottery and Gaming Control Commission - Regulation of Reconciliation of Proceeds.*** (Sponsor Del. Kaiser) – This bill would repeal a requirement that the Commission adopt regulations establishing the length of time during which a casino may reduce the amount of proceeds received from video lottery terminals and table games on a given day. The House Ways & Means Committee held a bill hearing on February 28, and amended the bill to allow a casino to carry forward a loss for up to seven days. The bill passed the House (102-34), and now moves to the Senate Budget & Taxation Committee for a bill hearing on March 27, at 1:00 p.m. The bill is moving forward, so passage is likely.

**HB1622/SB383 - *Video Lottery Terminals - Minority Business Participation Goals - Sunset Extension.*** (Sponsors Del. Wilson/Sen. Robinson) – This bill would provide that a casino applicant or licensee be subject to a minority business participation goal (MBE) established for a unit by the Special Secretary for the Office of Small, Minority, and Women Business Affairs. Also, the bill would require that the MBE goal apply to construction and procurement phases and extend the termination date to July 1, 2028. The Senate Budget & Taxation Committee held a bill hearing on February 14, amending the bill to extend the MBE sunset provision for one year and require MDOT to initiate a disparity study of the MBE program and issue a final report to the Legislative Policy Committee. The Senate passed the bill (45-0). The House amended the cross-filed bill and passed the bill (136-0). The bill is moving forward, so passage is highly probable.

**SB420 - *Commission to Study Compliance by State Gaming Facility Licensees with the State Minority Business Enterprise Program.*** (Sen. Robinson) – This bill would establish a Commission to study compliance by casinos with the State’s MBE Program. The Commission would review, assess, and examine matters and make findings and recommendations concerning procurements by casinos. The Senate Budget & Taxation Committee held a bill hearing on February 14, and passed the bill (45-1). The House Ways & Means Committee held a bill hearing on March 21, assigning this bill to the Finance Resources Subcommittee for its consideration. The bill is moving forward, so passage is likely.