

Maryland Lottery and Gaming Control Agency

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TO: Gordon Medenica, Director

FROM: James B. Butler, Managing Director, Organizational Compliance

DATE: April 26, 2018

SUBJECT: 2018 End of Session Legislative Report – April Commission Meeting

On April 9, the Maryland General Assembly (“MGA”) completed its work for the 2018 Legislative Session. Legislators considered 3,127 bills and joint resolutions (a new record) and from this, 890 bills passed this session. As of today, the Governor has conducted four (4) bill signings, and the next two bill signing will be on May 8 and May 15. This report contains the final action on bills that passed this session:

HB1171 - Gaming - State Lottery and Gaming Control Commission - Regulation of Reconciliation of Proceeds. (Sponsor Del. Kaiser) – This bill alters the limitation on the number of days for which a reduction may be taken in the amount of proceeds received from video lottery terminals and table games from 2 days to up to 7 following days. In addition, the bill repeals a requirement that the Commission adopt regulations establishing the length of time during which a video lottery operation licensee may reduce the amount of proceeds received from video lottery terminals and table games on a given day. HB1171 passed the House (102-34) and the Senate (35-10). *The bill was returned passed, with an effective date of July 1, 2018. Action Item: The Commission needs to amend its regulations to allow losses to be carryforward up to 7 following days.*

HB1622/SB383 - Video Lottery Terminals - Minority Business Participation Goals - Sunset Extension. (Sponsors Del. Wilson/Sen. Robinson) – This bill provides 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. In addition, the bill would require that the MBE goal apply to construction and procurement phases and extend the termination date to July 1, 2019. The Maryland Department of Transportation (MDOT), serving as the MBE certification agency, must initiate a disparity study of the MBE program and issue a final report to the Legislative Policy Committee by December 14, 2018. The Senate and House passed these bills unanimously. *The bill was returned passed, with an effective date of June 1, 2018. Action Item: The Commission shall ensure that a casino applicant and licensee provides to MDOT, as the certification agency, any information necessary to perform the study.*

SB187 - Budget Reconciliation and Financing Act of 2018. (Sponsors - Senate President Miller/House Speaker Busch). This bill allows an entity licensed to operate a game of instant bingo to operate any electronic machine approved by Commission for use by any other entity authorized to operate a game of instant bingo using electronic machines. The Senate passed SB187 (45-0), and the House passed the bill with amendments (94-42). The Senate refused to concur with the amendments, and the House refused to recede from its position, so a Conference Committee was appointed to reconcile the differences. The Senate passed the Conference Committee amendments (47-0) and the House (100-38). *The Governor approved the bill on April 5 (Ch. 10; 2018 Laws of Maryland), with an effective date of June 1, 2018. Action Item: The Commission needs to amend its current regulations so that they are consistent with this legislative intent.*

SB900 - Gaming - Fantasy Competitions - Regulation and Prohibition on Operation of Electronic Device. (Sponsor - Sen. King) – This bill transfers the authority to adopt regulations related to fantasy competitions from the Comptroller to the State Lottery and Gaming Control Commission. In addition, the bill prohibits a person from operating a kiosk or machine that offers fantasy competition to the public. The Senate passed SB900 (47-0) and the House (87-45). *The bill was returned passed, with an effective date of October 1, 2018. Action Item: The Commission must decide whether to transfer the Comptroller’s existing fantasy competition regulations or promulgate new fantasy competition regulations.*