

**Department of Legislative Services**  
Maryland General Assembly  
2014 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 460

(Chair, Ways and Means Committee)(By Request -  
Departmental - Lottery and Gaming Control Agency)

Ways and Means

Budget and Taxation

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**Gaming - Background Investigations**

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This departmental bill requires the State Lottery and Gaming Control Commission (SLGCC), rather than the Department of State Police (DSP), to conduct a background investigation of an applicant for a video lottery operation license, a video lottery operator, and any other applicant SLGCC considers necessary. SLGCC may still refer an application for a license to an approved vendor to conduct the background investigation for SLGCC.

The bill takes effect June 1, 2014.

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**Fiscal Summary**

**State Effect:** None. The change is procedural in nature and does not directly affect governmental finances.

**Local Effect:** None. The bill does not affect local government finances.

**Small Business Effect:** The State Lottery and Gaming Control Agency has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

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**Analysis**

**Current Law:** SLGCC must refer gaming applications to DSP or an approved vendor to conduct a background investigation of an applicant for a video lottery operation license, a

video lottery operator, and any other applicant SLGCC considers necessary. DSP or an approved vendor must conduct the background investigation in a timely manner and cooperate with SLGCC in obtaining and providing the necessary background investigation information.

An applicant must provide DSP or an approved vendor with all information DSP requires in order to conduct a background investigation. SLGCC may deny an application for failing to provide timely or accurate information.

DSP or an approved vendor must apply to the Criminal Justice Information System Central Repository (the Central Repository) of the Department of Public Safety and Correctional Services for a State and a national criminal history records check for the applicant, if required by SLGCC. DSP or an approved vendor must provide the Central Repository with two sets of the applicant's fingerprints, along with the processing and accessing fees associated with the criminal history records check. The bill substitutes SLGCC for DSP in each instance. The Central Repository must forward to the applicant and SLGCC a printed statement of the applicant's criminal history record information. Information obtained from the Central Repository must be confidential, may not be disseminated, and may only be used for issuing a gaming license. After completing a background investigation, DSP or an approved vendor must promptly forward the results of the investigation to SLGCC.

An approved vendor is a person that specializes in conducting background investigations, has experience in the gaming industry, and obtains approval from SLGCC to conduct background investigations.

**Background:** Since 2010, SLGCC has referred over 10,000 gaming applications to DSP for background investigations. Currently, there are 7,544 active gaming licensees.

**State Expenditures:** The bill eases the administrative burden of referring gaming license applications to DSP. The State does not pay the cost of background investigations for gaming applicants. Casinos, manufacturers, contractors, and gaming applicants are responsible for paying the costs associated with background investigations. Thus, having SLGCC, rather than DSP, conduct background investigations does not affect State expenditures.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland State Lottery and Gaming Control Agency,  
Department of State Police, Department of Legislative Services

**Fiscal Note History:** First Reader - February 7, 2014  
mc/rhh Revised - House Third Reader - March 19, 2014

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Gaming –Background Investigations

BILL NUMBER: HB 460

PREPARED BY: Maryland Lottery and Gaming Control Agency (MLGCA)

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

### PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation would have minimal or no economic impact on small businesses in Maryland.