

Department of Legislative Services  
Maryland General Assembly  
2015 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 1115

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

Ways and Means

Budget and Taxation

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Gaming - Video Lottery Employee - Temporary License

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This departmental bill authorizes the State Lottery and Gaming Control Commission (SLGCC) to issue a temporary video lottery employee license to an applicant that meets specified conditions. The temporary license authorizes an applicant to be employed as a video lottery employee and expires 180 days after being issued unless SLGCC extends it for an additional 180 days.

The bill takes effect July 1, 2015.

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Fiscal Summary

**State Effect:** The bill does not affect governmental finances because the State Lottery and Gaming Control Agency (SLGCA) advises that the temporary licenses will simply replace sponsored employee licenses and will have the same application fees as sponsored employee licenses. The bill creates operational efficiencies because SLGCC will no longer have to take steps against noncompliant sponsored licensees.

**Local Effect:** None.

**Small Business Effect:** SLGCA 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

**Bill Summary:** SLGCC may not issue temporary licenses to an applicant who (1) has a known criminal record, activity, reputation, habit, or association that would disqualify the

applicant from holding a video lottery employee license or (2) poses a serious risk to the integrity, security, or profitability of the State's gaming program.

Along with any other reason established in regulations, SLGCC may terminate the temporary license without a hearing if an applicant obstructs the applicant's background investigation, or fails to pay a required fee, submit required information to SLGCC, or comply with SLGCC requests. If SLGCC denies a video lottery employee license, the applicant must immediately surrender the temporary license identification to SLGCC and cease working as a video lottery employee.

**Current Law/Background:** An individual must hold a valid license issued by SLGCC in order to be employed as a video lottery employee. The commission may, by regulation, exempt categories of video lottery employees from holding a license if the commission determines that the requirement is not necessary in order to protect the public interest or accomplish policies relating to video lottery terminals and table games.

The commission must conduct a background investigation on a video lottery employee license applicant, and an applicant must provide sufficient information, documentation, and assurances that SLGCC may require. State law specifies eight conditions that automatically disqualify an applicant from receiving a license. The commission may also establish in regulations any other reason for denying a license.

Regulations establish five types of video lottery employee licenses:

- principal employee license;
- gaming employee license;
- nongaming employee license;
- sponsored principal employee license; and
- sponsored gaming employee license.

A sponsored license enables an individual to work legally as a video lottery employee before the licensing process is completed. A licensed facility operator, manufacturer, or contractor may submit an application for a sponsored license on behalf of an individual who is seeking a principal, gaming, or nongaming employee license. After receiving specified items and performing a criminal background investigation and credit check, SLGCC may grant a sponsored license, which is valid for five years. SLGCA advises that SLGCC has experienced issues with sponsored licensees hindering the completion of full background investigations or otherwise not cooperating with the commission.

Since 2010, SLGCC has received over 15,000 gaming applications. Currently, there are 8,028 active gaming licensees, of which 2,064 are sponsored gaming licenses.

## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 16, 2015  
min/rhh Revised - House Third Reader - March 30, 2015

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Gaming – Video Lottery Employee – Temporary License

BILL NUMBER: HB 1115

PREPARED BY: Maryland Lottery Gaming and Control Agency  
(Dept./Agency)

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

  X   WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESSES

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.