

SENATE BILL 496

C7

7lr2178
CF HB 90

By: **Chair, Budget and Taxation Committee (By Request – Departmental – Lottery and Gaming Control Agency)**

Introduced and read first time: January 30, 2017

Assigned to: Rules

Re-referred to: Budget and Taxation, January 30, 2017

Committee Report: Favorable

Senate action: Adopted

Read second time: March 1, 2017

CHAPTER _____

1 AN ACT concerning

2 **Gaming – Reconciliation of Proceeds – Licensee Payments**

3 FOR the purpose of altering a certain definition to allow a video lottery operation licensee,
4 under certain circumstances, to reduce the amount of proceeds received from video
5 lottery terminals and table games on a following day; requiring that the State
6 Lottery and Gaming Control Commission adopt regulations to allow a licensee,
7 under certain circumstances, to reduce the amount of proceeds the licensee receives
8 on a given day; and generally relating to the proceeds from certain video lottery
9 terminals and table games.

10 BY repealing and reenacting, without amendments,
11 Article – State Government
12 Section 9–1A–01(a) and 9–1A–26(a)
13 Annotated Code of Maryland
14 (2014 Replacement Volume and 2016 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – State Government
17 Section 9–1A–01(u)
18 Annotated Code of Maryland
19 (2014 Replacement Volume and 2016 Supplement)

20 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – State Government
2 Section 9–1A–26(d)
3 Annotated Code of Maryland
4 (2014 Replacement Volume and 2016 Supplement)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
6 That the Laws of Maryland read as follows:

7 **Article – State Government**

8 9–1A–01.

9 (a) In this subtitle the following words have the meanings indicated.

10 (u) (1) “Proceeds” means the part of the amount of money bet through video
11 lottery terminals and table games that is not returned to successful players but is otherwise
12 allocated under this subtitle.

13 (2) **(I) “PROCEEDS” MAY BE REDUCED CONSISTENT WITH**
14 **REGULATIONS ADOPTED BY THE COMMISSION IN ACCORDANCE WITH**
15 **SUBPARAGRAPH (II) OF THIS PARAGRAPH.**

16 **(II) IF A VIDEO LOTTERY OPERATION LICENSEE RETURNS TO**
17 **SUCCESSFUL PLAYERS MORE THAN THE AMOUNT OF MONEY BET THROUGH VIDEO**
18 **LOTTERY TERMINALS OR TABLE GAMES ON A GIVEN DAY, THE VIDEO LOTTERY**
19 **LICENSEE MAY SUBTRACT THAT AMOUNT FROM THE PROCEEDS OF A FOLLOWING**
20 **DAY.**

21 **(3) (i)** Subject to subparagraph (ii) of this paragraph, “proceeds” does
22 not include money given away by a video lottery operation licensee as free promotional play
23 and used by players to bet in a video lottery terminal or at a table game.

24 (ii) After the first fiscal year of operations, the exclusion specified in
25 subparagraph (i) of this paragraph may not exceed a percentage established by the
26 Commission by regulation of the proceeds received from video lottery terminals and table
27 games in the prior fiscal year by the video lottery operation licensee under § 9–1A–27(a)(2),
28 (c)(1)(ii), and (d)(1) of this subtitle.

29 9–1A–26.

30 (a) (1) Except as provided in paragraphs (2) and (3) of this subsection, all
31 proceeds from the operation of video lottery terminals and table games shall be
32 electronically transferred daily into the State Lottery Fund established under Subtitle 1 of
33 this title and distributed as provided under § 9–1A–27 of this subtitle.

1 (2) The requirement under paragraph (1) of this subsection does not apply
2 on a day when State government is closed.

3 (3) The amount from the proceeds of video lottery terminals to be paid to
4 video lottery operation licensees under § 9–1A–27(a)(2) and (7), (b), and (c)(1)(ii) and (2) of
5 this subtitle shall be retained by the licensee.

6 (D) THE COMMISSION SHALL ADOPT REGULATIONS THAT:

7 (1) ALLOW A VIDEO LOTTERY OPERATION LICENSEE TO REDUCE THE
8 AMOUNT OF PROCEEDS WHEN A VIDEO LOTTERY OPERATION LICENSEE RETURNS TO
9 SUCCESSFUL PLAYERS MORE THAN THE AMOUNT OF MONEY BET THROUGH VIDEO
10 LOTTERY TERMINALS OR TABLE GAMES ON A GIVEN DAY; AND

11 (2) ESTABLISH THE LENGTH OF TIME FOR WHICH A REDUCTION
12 UNDER ITEM (1) OF THIS SUBSECTION MAY CONTINUE.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
14 1, 2017.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.