

HOUSE BILL 1394

C7

2lr3153

By: **Delegate Hornberger**

Introduced and read first time: February 17, 2022

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Skills–Based Gaming Devices – Authorization**

3 FOR the purpose of authorizing the State Lottery and Gaming Control Commission to issue
4 a skills–based gaming device license to an operator to operate certain skills–based
5 devices; requiring the holder of a skills–based gaming device license to remit to the
6 Commission a certain fee for each skills–based device in operation; providing for the
7 distribution of certain revenues; providing that certain skills–based devices operated
8 by the holder of a skills–based gaming device license are not included in the
9 definition of “gaming devices” or “slot machines” for purposes of certain prohibitions
10 against gambling; and generally relating to skills–based devices.

11 BY repealing and reenacting, without amendments,
12 Article – Criminal Law
13 Section 12–101(a)
14 Annotated Code of Maryland
15 (2021 Replacement Volume and 2021 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Criminal Law
18 Section 12–101(d) and 12–301(3)(vii) and (viii)
19 Annotated Code of Maryland
20 (2021 Replacement Volume and 2021 Supplement)

21 BY adding to
22 Article – Criminal Law
23 Section 12–301(3)(ix)
24 Annotated Code of Maryland
25 (2021 Replacement Volume and 2021 Supplement)

26 BY repealing and reenacting, without amendments,
27 Article – Education

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 5–206(b)
2 Annotated Code of Maryland
3 (2018 Replacement Volume and 2021 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – Education
6 Section 5–206(f)
7 Annotated Code of Maryland
8 (2018 Replacement Volume and 2021 Supplement)

9 BY adding to
10 Article – State Government
11 Section 9–1F–01 through 9–1F–05 to be under the new subtitle “Subtitle 1F.
12 Skills–Based Gaming Device Licenses”
13 Annotated Code of Maryland
14 (2021 Replacement Volume)

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

17 **Article – Criminal Law**

18 12–101.

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

20 (d) (1) “Gaming device” means:

21 (i) a gaming table, except a billiard table, at which a game of chance
22 is played for money or any other thing or consideration of value; or

23 (ii) a game or device at which money or any other thing or
24 consideration of value is bet, wagered, or gambled.

25 (2) “Gaming device” includes a paddle wheel, wheel of fortune, chance book,
26 and bingo.

27 **(3) “GAMING DEVICE” DOES NOT INCLUDE A SKILLS–BASED DEVICE**
28 **OPERATED BY THE HOLDER OF A SKILLS–BASED GAMING DEVICE LICENSE ISSUED**
29 **UNDER TITLE 9, SUBTITLE 1F OF THE STATE GOVERNMENT ARTICLE.**

30 12–301.

31 In this subtitle:

32 (3) “slot machine” does not include a machine, apparatus, or device that:

(vii) is a skills-based amusement device that awards prizes of minimal value approved by the State Lottery and Gaming Control Commission through regulation; [or]

(viii) is a skills-based device that awards noncash merchandise and is located at a family entertainment center in Worcester County licensed under § 9-1B-02 of the State Government Article; OR

(IX) IS A SKILLS-BASED DEVICE OPERATED BY THE HOLDER OF A SKILLS-BASED GAMING DEVICE LICENSE ISSUED UNDER TITLE 9, SUBTITLE 1F OF THE STATE GOVERNMENT ARTICLE.

Article - Education

5-206.

(b) There is the Blueprint for Maryland's Future Fund.

(f) The Fund consists of:

(1) Revenue distributed to the Fund under Title 9, Subtitles 1D [and 1E], **1E, AND 1F** of the State Government Article and §§ 2-4A-02, 2-605.1, 2-1302.1, and 2-1303 of the Tax - General Article;

(2) Money appropriated in the State budget for the Fund; and

(3) Any other money from any other source accepted for the benefit of the Fund.

Article - State Government

SUBTITLE 1F. SKILLS-BASED GAMING DEVICE LICENSES.

9-1F-01.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "COMMISSION" MEANS THE STATE LOTTERY AND GAMING CONTROL COMMISSION.

(C) (1) "SKILLS-BASED DEVICE" MEANS ANY ELECTRONIC, COMPUTERIZED, OR MECHANICAL CONTRIVANCE, TERMINAL, MACHINE, OR OTHER DEVICE THAT:

1 **(I) REQUIRES THE INSERTION OF A COIN, CURRENCY, TICKET,**
2 **TOKEN, OR SIMILAR OBJECT TO OPERATE, ACTIVATE, OR PLAY A GAME, THE**
3 **OUTCOME OF WHICH IS DETERMINED BY ANY ELEMENT OF SKILL OF THE PLAYER;**
4 **AND**

5 **(II) DELIVERS OR ENTITLES THE INDIVIDUAL PLAYING OR**
6 **OPERATING THE DEVICE TO RECEIVE, WHETHER AUTOMATICALLY FROM THE**
7 **DEVICE OR MANUALLY:**

8 **1. CASH;**

9 **2. CASH EQUIVALENTS, GIFT CARDS, VOUCHERS,**
10 **BILLETS, TICKETS, TOKENS, OR ELECTRONIC CREDITS TO BE EXCHANGED FOR**
11 **CASH;**

12 **3. MERCHANDISE; OR**

13 **4. ANYTHING OF VALUE.**

14 **(2) “SKILLS–BASED DEVICE” DOES NOT INCLUDE:**

15 **(I) A SLOT MACHINE, AS DEFINED UNDER § 12–301 OF THE**
16 **CRIMINAL LAW ARTICLE;**

17 **(II) A VIDEO LOTTERY TERMINAL, AS DEFINED UNDER §**
18 **9–1A–01 OF THIS TITLE;**

19 **(III) A SKILLS–BASED AMUSEMENT DEVICE THAT AWARDS**
20 **PRIZES OF MINIMAL VALUE APPROVED BY THE COMMISSION THROUGH**
21 **REGULATION;**

22 **(IV) A SKILLS–BASED DEVICE LICENSED UNDER § 9–1B–02 OF**
23 **THIS TITLE; OR**

24 **(V) A SELF–SERVICE KIOSK, DEVICE, OR MACHINE APPROVED**
25 **BY THE COMMISSION AT WHICH AN INDIVIDUAL PLACES WAGERS ON SPORTING**
26 **EVENTS.**

27 **(D) “SKILLS–BASED GAMING DEVICE LICENSE” MEANS A LICENSE ISSUED**
28 **BY THE COMMISSION UNDER § 9–1F–02 OF THIS SUBTITLE.**

29 **9–1F–02.**

1 (A) (1) THE COMMISSION MAY ISSUE A SKILLS-BASED GAMING DEVICE
2 LICENSE TO AN OPERATOR TO OPERATE SKILLS-BASED DEVICES AT THE
3 OPERATOR'S VENUE.

4 (2) SUBJECT TO SUBSECTION (C) OF THIS SECTION, A SKILLS-BASED
5 GAMING DEVICE LICENSE AUTHORIZES THE HOLDER TO OPERATE SKILLS-BASED
6 DEVICES AT MORE THAN ONE VENUE OWNED BY THE HOLDER.

7 (B) THE COMMISSION MAY IMPOSE A FEE FOR A LICENSE ISSUED UNDER
8 THIS SECTION.

9 (C) THE COMMISSION SHALL DETERMINE:

10 (1) THE NUMBER OF SKILLS-BASED DEVICES THAT THE HOLDER OF A
11 SKILLS-BASED GAMING DEVICE LICENSE MAY OPERATE;

12 (2) IF THE HOLDER OF A SKILLS-BASED GAMING DEVICE LICENSE
13 OWNS MORE THAN ONE VENUE, THE NUMBER OF SKILLS-BASED DEVICES THE
14 HOLDER MAY OPERATE AT EACH VENUE; AND

15 (3) ANY LIMITATIONS ON THE VALUE OF PRIZES THAT MAY BE
16 AWARDED BY A SKILLS-BASED DEVICE.

17 (D) THE COMMISSION MAY DETERMINE THAT A DEVICE AT A VENUE OWNED
18 BY THE HOLDER OF A SKILLS-BASED GAMING DEVICE LICENSE IS AN ILLEGAL
19 GAMING DEVICE AND ORDER THE DEVICE TO BE REMOVED FROM THE OPERATOR'S
20 VENUE.

21 (E) AN OPERATOR THAT HOLDS A SKILLS-BASED GAMING DEVICE LICENSE
22 MAY NOT TRANSFER THE LICENSE TO ANOTHER GEOGRAPHIC LOCATION.

23 **9-1F-03.**

24 (A) (1) FOR EACH MONTH OR PART OF A MONTH THAT THE HOLDER OF A
25 SKILLS-BASED GAMING DEVICE LICENSE OPERATES A SKILLS-BASED DEVICE, THE
26 HOLDER SHALL PAY THE COMMISSION A \$500 FEE FOR EACH SKILLS-BASED DEVICE
27 IN OPERATION.

28 (2) ON OR BEFORE THE 10TH DAY OF THE MONTH THAT FOLLOWS THE
29 MONTH IN WHICH THE HOLDER OF A SKILLS-BASED GAMING DEVICE LICENSE
30 OPERATES A SKILLS-BASED DEVICE, THE HOLDER SHALL:

31 (I) PAY TO THE COMMISSION THE FEES REQUIRED UNDER

1 PARAGRAPH (1) OF THIS SUBSECTION; AND

2 (II) REPORT TO THE COMMISSION:

3 1. THE TOTAL NUMBER OF SKILLS-BASED DEVICES
4 OPERATED AT EACH OF THE HOLDER'S VENUES;

5 2. THE TOTAL AMOUNT OF MONEY PAID BY INDIVIDUALS
6 DURING THE PREVIOUS MONTH TO PLAY THE SKILLS-BASED DEVICES AT THE
7 HOLDER'S VENUES; AND

8 3. THE TOTAL AMOUNT OF PRIZES OR WINNINGS
9 AWARDED DURING THE PREVIOUS MONTH FROM EACH SKILLS-BASED DEVICE
10 OPERATED AT EACH OF THE HOLDER'S VENUES.

11 (B) FROM THE FEES COLLECTED UNDER SUBSECTION (A) OF THIS SECTION,
12 THE COMMISSION SHALL DISTRIBUTE:

13 (1) 84% TO THE BLUEPRINT FOR MARYLAND'S FUTURE FUND
14 ESTABLISHED UNDER § 5-206 OF THE EDUCATION ARTICLE;

15 (2) 12% TO THE COUNTY IN WHICH THE SKILLS-BASED DEVICE IS
16 LOCATED; AND

17 (3) 4% TO THE STATE LOTTERY FUND ESTABLISHED UNDER § 9-118
18 OF THIS TITLE.

19 9-1F-04.

20 ON OR BEFORE DECEMBER 1, 2023, AND EACH DECEMBER 1 THEREAFTER,
21 THE COMMISSION SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH §
22 2-1257 OF THIS ARTICLE, THE SENATE BUDGET AND TAXATION COMMITTEE AND
23 THE HOUSE WAYS AND MEANS COMMITTEE ON:

24 (1) THE TOTAL NUMBER OF SKILLS-BASED DEVICES IN EACH COUNTY;

25 (2) THE TOTAL AMOUNT OF MONEY PAID BY INDIVIDUALS DURING
26 THE PRECEDING YEAR TO PLAY THE SKILLS-BASED DEVICES IN EACH COUNTY; AND

27 (3) THE TOTAL AMOUNT OF PRIZES OR WINNINGS AWARDED DURING
28 THE PRECEDING YEAR BY SKILLS-BASED DEVICES IN EACH COUNTY.

29 9-1F-05.

1 **(A) THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT THE**
2 **PROVISIONS OF THIS SUBTITLE.**

3 **(B) THE REGULATIONS ADOPTED UNDER THIS SECTION MAY INCLUDE**
4 **REQUIREMENTS FOR THE ESTABLISHMENT OF A VOLUNTARY EXCLUSION LIST.**

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2022.