

SB0001/453529/1

BY: Senator Glassman

AMENDMENTS TO SENATE BILL 1
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “Games” insert “- Lottery Machines – Veterans’ Organizations”; in line 12, after “Commission;” insert “authorizing the Director of the State Lottery and Gaming Control Agency to issue to certain veterans’ organizations a license for not more than a certain number of instant ticket lottery machines for the sale of certain lottery machine tickets under certain circumstances; exempting certain counties from certain provisions; requiring a veterans’ organization to locate and operate certain instant ticket lottery machines in certain places; authorizing the Director to adopt certain regulations; providing that revenues from certain lottery machine ticket sales by a veterans’ organization are to be credited to the State Lottery Fund after certain deductions are made; requiring the Comptroller to distribute a certain percentage of proceeds deposited in the State Lottery Fund from certain lottery machine ticket sales by veterans’ organizations to the Maryland Veterans Trust Fund; requiring a veterans’ organization issued a license under this Act to purchase or lease instant ticket lottery machines; prohibiting a veterans’ organization from using certain lottery receipts to pay certain costs for instant ticket lottery machines; defining a certain term; directing the State Lottery and Gaming Control Agency to ensure that implementation of the provisions of this Act with respect to the conduct of gaming and the operation of the instant ticket lottery machines is consistent with a certain court decision;”.

On page 2, in line 42, after “State” insert “and certain lottery machine ticket sales by veterans’ organizations”; and in line 45, after “9-101(a)” insert “, 9-120(a)”.

On page 3, in line 4, after “9-109,” insert “9-112, 9-120(b), 9-913”.

AMENDMENT NO. 2

(Over)

On page 9, after line 27, insert:

“9-112.

(a) IN THIS SECTION, “VETERANS’ ORGANIZATION” MEANS AN ORGANIZATION THAT IS TAX EXEMPT AND ORGANIZED AS A VETERANS’ ORGANIZATION UNDER § 501(C)(19) OR § 501(C)(4) OF THE INTERNAL REVENUE CODE.

(B) [In] EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, IN accordance with the regulations of the Agency and this subtitle, the Director shall issue licenses to the persons and governmental units that will best serve the public convenience and promote the sale of State lottery tickets or shares.

[(b)](C) Before issuing a license to an applicant, the Director shall consider such factors as:

(1) the financial responsibility and security of the applicant and the business or activity of the applicant;

(2) the accessibility of the place of business or activity to the public;

(3) the sufficiency of existing licenses to serve the public convenience;

and

(4) the volume of expected sales.

(D) (1) THIS SUBSECTION DOES NOT APPLY IN:

(I) CAROLINE COUNTY;

- (II) CECIL COUNTY;**
- (III) DORCHESTER COUNTY;**
- (IV) KENT COUNTY;**
- (V) QUEEN ANNE'S COUNTY;**
- (VI) SOMERSET COUNTY;**
- (VII) TALBOT COUNTY;**
- (VIII) WICOMICO COUNTY; AND**
- (IX) WORCESTER COUNTY.**

(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE DIRECTOR MAY ISSUE A LICENSE UNDER THIS SUBTITLE FOR NOT MORE THAN FIVE INSTANT TICKET LOTTERY MACHINES TO AN APPLICANT THAT IS A VETERANS' ORGANIZATION.

(II) A VETERANS' ORGANIZATION THAT IS ISSUED A LICENSE UNDER THIS SUBSECTION SHALL LOCATE AND OPERATE ITS INSTANT TICKET LOTTERY MACHINES AT ITS PRINCIPAL MEETING HALL IN THE COUNTY IN WHICH THE VETERANS' ORGANIZATION IS LOCATED.

(3) AFTER DEDUCTION OF ANY COMMISSION AND VALIDATION PRIZE PAYOUT AS PROVIDED UNDER § 9-117 OF THIS SUBTITLE, A VETERANS' ORGANIZATION ISSUED A LICENSE UNDER THIS SUBSECTION SHALL CREDIT THE REMAINING RECEIPTS FROM THE SALE OF TICKETS FROM INSTANT TICKET

(Over)

LOTTERY MACHINES TO THE STATE LOTTERY FUND ESTABLISHED UNDER § 9-120(B) OF THIS SUBTITLE.

(4) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A VETERANS' ORGANIZATION ISSUED A LICENSE UNDER THIS SUBSECTION SHALL PURCHASE OR LEASE FROM THE AGENCY THE INSTANT TICKET LOTTERY MACHINES TO BE USED BY THE VETERANS' ORGANIZATION.

(II) AN ORGANIZATION MAY NOT USE RECEIPTS FROM THE SALE OF TICKETS FROM INSTANT TICKET LOTTERY MACHINES THAT WOULD OTHERWISE BE CREDITED TO THE STATE LOTTERY FUND FOR THE COSTS OF PURCHASING OR LEASING INSTANT TICKET LOTTERY MACHINES.

(5) THE DIRECTOR MAY ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS SUBSECTION THAT INCLUDED RESTRICTING THE LOCATION OF INSTANT TICKET LOTTERY MACHINES IN AREAS OF A VETERANS' ORGANIZATION'S PUBLIC MEETING HALL THAT IS ACCESSIBLE TO THE PUBLIC.

(6) THE STATE LOTTERY AND GAMING CONTROL AGENCY SHALL ENSURE THAT THE CONDUCT OF THE GAMING AND THE OPERATION OF THE INSTANT TICKET LOTTERY MACHINES AS ESTABLISHED UNDER THIS SUBSECTION ARE CONSISTENT WITH THE HOLDING IN THE CASE OF CHESAPEAKE AMUSEMENTS INC. V. RIDDLE, 363 MD. 16 (2001).

(c) The Director may not issue a license to:

(1) a person or governmental unit to engage in business primarily as a licensed agent; or

(2) an individual who is under the age of 21 years.

(d) The Commission may hear and decide an appeal of a denial of a license.

9-120.

(a) The Comptroller shall distribute the State Lottery Fund to pay:

(1) on a pro rata basis for the daily and nondaily State lottery games, the expenses of administering and operating the State lottery, as authorized under this subtitle and the State budget; and

(2) then, except as provided in § 10-113.1 of the Family Law Article and § 11-618 of the Criminal Procedure Article, the holder of each winning ticket or share.

(b) (1) Promptly after the 1st day of each month, the Comptroller shall pay:

(i) into the Maryland Stadium Facilities Fund the money that remains in the State Lottery Fund from the proceeds of the lotteries conducted for the benefit of the Maryland Stadium Authority, after the distribution under subsection (a) of this section; [and]

(II) AFTER JUNE 30, 2014, INTO THE MARYLAND VETERANS TRUST FUND 10% OF THE MONEY THAT REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF SALES OF TICKETS FROM INSTANT TICKET LOTTERY MACHINES BY VETERANS' ORGANIZATIONS UNDER § 9-112(D) OF THIS SUBTITLE, AFTER THE DISTRIBUTION UNDER SUBSECTION (A) OF THIS SECTION; AND

(Over)

[(ii)](III) into the General Fund of the State the money that remains in the State Lottery Fund from the proceeds of all other lotteries after the distribution under subsection (a) of this section.

(2) The money paid into the General Fund under this subsection is available in the fiscal year in which the money accumulates in the State Lottery Fund.

9-913.

(a) In this section, "Fund" means the Maryland Veterans Trust Fund.

(b) There is a Maryland Veterans Trust Fund in the Department.

(c) (1) The Fund is a special, nonlapsing fund that is not subject to reversion under § 7-302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(d) (1) The Secretary shall administer the Fund.

(2) The Maryland Veterans Commission, the Maryland Veterans' Home Commission, and program directors shall advise the Secretary on the administration of the Fund.

(e) The Fund consists of:

(1) gifts and grants that the Department receives under § 9-912(b) of this subtitle; AND

(2) CONTRIBUTIONS TO THE FUND FROM THE SALE OF TICKETS FROM INSTANT TICKET LOTTERY MACHINES UNDER § 9-112(D) OF THIS TITLE.

- (f) Money in the Fund may only be used to:
- (1) make grants and loans under § 9-912(b)(2)(i) of this subtitle;
 - (2) be invested under § 9-912(b)(2)(ii) of this subtitle; and
 - (3) pay the costs of administering the Fund through distribution to an administrative cost account in the Department.
- (g) (1) The State Treasurer shall invest the money in the Fund in the same manner as other State money may be invested.
- (2) Any investment earnings of the Fund shall be credited to the Fund.
- (h) Money expended from the Fund is supplemental to and is not intended to take the place of funding that would otherwise be appropriated to the Department.
- (i) (1) On or before August 31 of each year, the Secretary shall submit a report to the General Assembly, in accordance with § 2-1246 of this article, on the status of the Fund.
- (2) The report shall include:
- (i) the gross amount of gifts and grants credited to the Fund;
 - (ii) the costs of administration of the Fund; and
 - (iii) a detailed accounting of the use of the Fund.”.