

SENATE BILL 918

C7

3lr3178
CF HB 646

By: **Senators Garagiola, Forehand, King, Madaleno, Manno, Montgomery, and Raskin**

Introduced and read first time: February 13, 2013

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Instant Ticket Lottery Machines – Veterans’ Organizations**

3 FOR the purpose of removing Montgomery County from a certain list of exempted
4 counties so as to allow certain veterans’ organizations in the county to be
5 licensed to sell certain lottery machine tickets under certain circumstances;
6 authorizing veterans’ organizations in Montgomery County to be licensed to
7 operate not more than a certain number of instant ticket lottery machines;
8 specifying the manner in which the State Lottery and Gaming Control Agency
9 shall ensure that the element of chance in the conduct of gaming through
10 instant ticket lottery machines is consistent with a certain court decision; and
11 generally relating to instant ticket lottery machines.

12 BY repealing and reenacting, with amendments,
13 Article – State Government
14 Section 9–112
15 Annotated Code of Maryland
16 (2009 Replacement Volume and 2012 Supplement)

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

19 **Article – State Government**

20 9–112.

21 (a) In this section, “veterans’ organization” means an organization that is tax
22 exempt and organized as a veterans’ organization under § 501(c)(19) or § 501(c)(4) of
23 the Internal Revenue Code.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) Except as provided in subsection (d) of this section, in accordance with
2 the regulations of the Agency and this subtitle, the Director shall issue licenses to the
3 persons and governmental units that will best serve the public convenience and
4 promote the sale of State lottery tickets or shares.

5 (c) Before issuing a license to an applicant, the Director shall consider such
6 factors as:

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

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

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

11 and

12 (4) the volume of expected sales.

13 (d) (1) This subsection does not apply in:

14 (i) Caroline County;

15 (ii) Cecil County;

16 (iii) Dorchester County;

17 (iv) Kent County;

18 (v) [Montgomery County;

19 (vi)] Queen Anne's County;

20 [(vii)] **(VI)** Somerset County;

21 [(viii)] **(VII)** Talbot County;

22 [(ix)] **(VIII)** Wicomico County; and

23 [(x)] **(IX)** Worcester County.

24 (2) (i) Subject to subparagraph (ii) of this paragraph, the Director
25 may issue a license under this subtitle for not more than five instant ticket lottery
26 machines to an applicant that is a veterans' organization.

1 (ii) A veterans' organization that is issued a license under this
2 subsection shall locate and operate its instant ticket lottery machines at its principal
3 meeting hall in the county in which the veterans' organization is located.

4 (3) After deduction of any commission and validation prize payout as
5 provided under § 9–117 of this subtitle, a veterans' organization issued a license under
6 this subsection shall credit the remaining receipts from the sale of tickets from instant
7 ticket lottery machines to the State Lottery Fund established under § 9–118 of this
8 subtitle.

9 (4) (i) Subject to subparagraph (ii) of this paragraph, a veterans'
10 organization issued a license under this subsection shall purchase or lease from the
11 Agency the instant ticket lottery machines to be used by the veterans' organization.

12 (ii) An organization may not use receipts from the sale of tickets
13 from instant ticket lottery machines that would otherwise be credited to the State
14 Lottery Fund for the costs of purchasing or leasing instant ticket lottery machines.

15 (5) The Director may adopt regulations to implement the provisions of
16 this subsection that included restricting the location of instant ticket lottery machines
17 in areas of a veterans' organization's public meeting hall that is accessible to the
18 public.

19 (6) The State Lottery and Gaming Control Agency shall ensure that
20 the **ELEMENT OF CHANCE IN THE** conduct of the gaming [and the operation of]
21 **THROUGH** the instant ticket lottery machines [as] established under this subsection
22 [are] **IS** consistent with the holding in the case of Chesapeake Amusements Inc. v.
23 Riddle, 363 Md. 16 (2001), **IN THAT THE ELEMENT OF CHANCE MUST BE WHOLLY**
24 **WITHIN THE PRE-PRINTED INSTANT LOTTERY TICKET, AND THAT PLAYER**
25 **ENHANCEMENTS IN AN INSTANT TICKET LOTTERY MACHINE MAY NOT AFFECT**
26 **THE ELEMENT OF CHANCE BEING WHOLLY WITHIN THE PRE-PRINTED INSTANT**
27 **LOTTERY TICKET.**

28 (e) The Director may not issue a license to:

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

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

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

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 October 1, 2013.