

# HOUSE BILL 864

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HB 260/12 – W&M

4lr2065

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By: **Delegates Boteler, Arentz, Aumann, Barve, Bromwell, Cluster, Frank, Hogan, Jacobs, Kach, McDermott, Minnick, Olszewski, Smigiel, Stukes, Walker, and Weir**

Introduced and read first time: February 5, 2014  
Assigned to: Ways and Means

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## A BILL ENTITLED

AN ACT concerning

### **State Lottery Agency – Veterans Lottery – Established**

FOR the purpose of requiring the State Lottery Agency to conduct a certain annual lottery for the benefit of the Maryland Veterans Trust Fund; requiring the Agency to deposit into the Fund a percentage of the proceeds, after certain expenses of the veterans lottery; requiring the Agency to meet certain advertising criteria in conducting the veterans lottery; specifying that certain proceeds distributed to the Fund may be used only in a certain manner; and generally relating to lotteries conducted by the State Lottery Agency.

BY repealing and reenacting, with amendments,  
Article – State Government  
Section 9–120 and 9–913  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

BY adding to  
Article – State Government  
Section 9–120.1  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)

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

### **Article – State Government**

9–120.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(a) The Comptroller shall distribute, or cause to be distributed, 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) By the end of the month following collection, the Comptroller shall deposit or cause to be deposited:

(i) into the Maryland Stadium Facilities Fund established under § 7–312 of the State Finance and Procurement Article from the money that remains in the State Lottery Fund, after the distribution under subsection (a) of this section, an amount not to exceed \$20,000,000 in any fiscal year;

**(II) INTO THE MARYLAND VETERANS TRUST FUND ESTABLISHED UNDER § 9–913 OF THIS TITLE 20% OF THE MONEY THAT REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF A VETERANS LOTTERY CONDUCTED IN THE PREVIOUS MONTH UNDER § 9–120.1 OF THIS SUBTITLE, AFTER THE DISTRIBUTION UNDER SUBSECTION (A) OF THIS SECTION;**

**[(ii)](III)** 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;

**[(iii)](IV)** after June 30, 2014, into the Baltimore City Public School Construction Financing Fund established under § 10–656 of the Economic Development Article the money that remains in the State Lottery Fund from the proceeds of all lotteries after the distributions under subsection (a) of this section and items (i) and (ii) of this paragraph, an amount equal to \$20,000,000 in each fiscal year that bonds are outstanding and unpaid, to be paid in two installments with at least \$10,000,000 paid no later than December 1 of each fiscal year; and

**[(iv)](V)** into the General Fund of the State the money that remains in the State Lottery Fund from the proceeds of all lotteries after the distributions under subsection (a) of this section and items (i)[, (ii), and (iii)] **THROUGH (IV)** of this paragraph.

(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.

(c) The regulations of the Agency shall apportion the money in the State Lottery Fund in accordance with subsection (b) of this section.

**9-120.1.**

**(A) ON NOVEMBER 11 OF EACH YEAR, THE AGENCY SHALL CONDUCT A VETERANS LOTTERY FOR THE BENEFIT OF THE MARYLAND VETERANS TRUST FUND.**

**(B) IN ALL ADVERTISING AND ON ALL TICKETS, THE AGENCY SHALL IDENTIFY ANY LOTTERY CONDUCTED UNDER THIS SECTION AS BEING CONDUCTED FOR THE BENEFIT OF THE MARYLAND VETERANS TRUST FUND.**

9-913.

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

(b) “Board” means the Board of Trustees of the Maryland Veterans Trust.

(c) “Fund” means the Maryland Veterans Trust Fund.

(d) “Trust” means the Maryland Veterans Trust.

(e) (1) There is a Maryland Veterans Trust established for the purpose of providing monetary and other assistance to:

(i) veterans and their families; and

(ii) public and private programs that support veterans and their families.

(2) There is a Maryland Veterans Trust Fund.

(f) The Trust shall be a body corporate and shall have perpetual existence, subject to modification or termination by the General Assembly if necessary to effectuate its purpose or if its substantial purpose ceases to exist.

(g) The Fund consists of:

(1) gifts and grants that the Trust receives under § 9-914.2(a)(1) 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; **AND**

**(3) THE PROCEEDS DISTRIBUTED TO THE FUND FROM ANY VETERANS LOTTERY CONDUCTED UNDER § 9-120.1 OF THIS TITLE.**

(h) Money in the Fund may only be used to:

(1) **(I)** make grants and loans under § 9-914.2(a)(3) of this subtitle;

**AND**

**(II) FROM THE PROCEEDS DISTRIBUTED TO THE FUND FROM ANY VETERANS LOTTERY CONDUCTED UNDER § 9-120.1 OF THIS TITLE, PROVIDE SERVICES FOR VETERANS WHO RETURN FROM OVERSEAS DEPLOYMENT;**

(2) be invested under § 9-914.3(b) of this subtitle; and

(3) pay the costs of administering the Fund through distribution to an administrative cost account in the Department.

(i) Money expended from the Fund is not intended to take the place of funding that would otherwise be appropriated to the Department.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.