

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

A BILL ENTITLED

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
21 Article – State Government
22 Section 9–1A–26(d)
23 Annotated Code of Maryland
24 (2014 Replacement Volume and 2016 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – State Government**

4 9–1A–01.

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

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

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

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

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

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

25 9–1A–26.

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

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

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

1 **(D) THE COMMISSION SHALL ADOPT REGULATIONS THAT:**

2 **(1) ALLOW A VIDEO LOTTERY OPERATION LICENSEE TO REDUCE THE**
3 **AMOUNT OF PROCEEDS WHEN A VIDEO LOTTERY OPERATION LICENSEE RETURNS TO**
4 **SUCCESSFUL PLAYERS MORE THAN THE AMOUNT OF MONEY BET THROUGH VIDEO**
5 **LOTTERY TERMINALS OR TABLE GAMES ON A GIVEN DAY; AND**

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

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
9 1, 2017.