

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 48
Ways and Means

(Delegate Grammer, *et al.*)

Budget and Taxation

eSports Act

This bill authorizes an organization conducting an “eSports competition” to offer prize money or merchandise to winning participants in the eSports competition. An eSports competition is a competition involving video games, including first-person shooters, real-time strategy games, and multiplayer online battle arenas in which players compete against each other and the players’ skills generally determine the results. The Comptroller may adopt regulations to implement the bill.

Fiscal Summary

State Effect: None. The Comptroller’s Office can likely implement regulations with existing resources.

Local Effect: County and municipal admissions and amusement tax revenues may increase minimally beginning in FY 2020 to the extent that eSports competitions generate events in which organizers charge entry fees and the admissions and amusement taxes apply. Expenditures are not affected.

Small Business Effect: Minimal.

Analysis

Current Law: A person may not:

- bet, wager, or gamble;
- make or sell a book or pool on the result of a race, contest, or contingency;

- establish, keep, rent, use, or occupy or knowingly allow to be established, kept, rented, used, or occupied, a building, vessel, or place for the purpose of betting, wagering, or gambling or making, selling, or buying books or pools on the result of a race, contest, or contingency; or
- receive, become the depository of, record, register, or forward, or propose, agree, or pretend to forward, money or any other thing or consideration of value to be bet, wagered, or gambled on the result of a race, contest, or contingency.

A person who violates betting, wagering, and gambling laws is guilty of a misdemeanor and on conviction is subject to imprisonment for six months to one year and/or a fine ranging from \$200 to \$1,000.

A person who commits a violation in Baltimore City may be charged by a citation, which may be issued to a person by a police officer authorized to make arrests in Baltimore City if there is probable cause to believe that the person is committing or has committed a violation. The citation must contain specified information, and the police officer who issued the citation must forward a copy of the citation to the appropriate court. The court must promptly schedule the case for trial and schedule the defendant to appear. Willful failure of the defendant to respond to the summons is contempt of court.

A person may not play the following games for money or any other thing or consideration of value: thimbles; little joker; dice or craps; or any other gaming device or fraudulent trick. Violators are guilty of a misdemeanor, punishable by imprisonment between six months and two years and/or a fine of up to \$100.

Background: The State Lottery and Gaming Control Agency reports that video game manufacturers often cite in their official game rules that Maryland residents are precluded from entering into and playing in video game competitions due to the State’s gaming law restrictions. Participants in these competitions or tournaments, who are often referred to as gamers, tend to range in age from 15 to 35 years old.

Local Revenues: County and municipal admissions and amusement tax revenues may increase minimally beginning in fiscal 2020 to the extent that eSports competitions generate events in which organizers charge entry fees and the admissions and amusement taxes apply.

Additional Information

Prior Introductions: A similar bill, HB 283 of 2018, received a hearing in the House Ways and Means Committee, but no further action was taken.

Cross File: None.

Information Source(s): Comptroller's Office; Maryland State Lottery and Gaming Control Agency; Department of Legislative Services

Fiscal Note History: First Reader - January 25, 2019
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