

# HOUSE BILL 1132

C7

9lr2692

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By: **Delegates Buckel and Hornberger**

Introduced and read first time: February 8, 2019

Assigned to: Ways and Means

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## A BILL ENTITLED

AN ACT concerning

### **State Lottery and Gaming Control Agency – Sports Wagering Operations**

FOR the purpose of requiring the State Lottery and Gaming Control Agency to conduct a sports wagering operation; requiring the State Lottery and Gaming Control Commission to supervise and administer State sports wagering; authorizing the Director of the State Lottery and Gaming Control Agency to contract for the operation of sports wagering; requiring the Commission to adopt certain regulations; authorizing certain license holders to apply to the Commission for a sports wagering license; authorizing the holder of a sports wagering license to accept, as an agent of the Agency, wagers on sporting events; requiring an applicant for a sports wagering license or the renewal of a sports wagering license to pay a certain fee for the license; providing for the distribution of certain licensing fees collected by the Commission; requiring a certain commission for the holder of a sports wagering license and providing for the distribution of the remaining proceeds; requiring the Commission to revoke a license under certain circumstances; prohibiting the acceptance of sports wagers from an individual under a certain age; defining certain terms; and generally relating to the State Lottery and Gaming Control Agency and sports wagering.

BY adding to

Article – State Government

Section 9–121

Annotated Code of Maryland

(2014 Replacement Volume and 2018 Supplement)

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

### **Article – State Government**

**9–121.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "HORSE RACING LICENSEE" MEANS THE HOLDER OF A LICENSE ISSUED BY THE STATE RACING COMMISSION UNDER TITLE 11 OF THE BUSINESS REGULATION ARTICLE.

(3) "SPORTING EVENT" MEANS A CONTEST, AN EVENT, A GAME, OR A MATCH BETWEEN INDIVIDUALS OR TEAMS SPONSORED BY A PROFESSIONAL LEAGUE OR AN ASSOCIATION OR HOSTED BY A COLLEGE, UNIVERSITY, OR COLLEGE- OR UNIVERSITY-SPONSORED ATHLETIC ASSOCIATION.

(4) "VIDEO LOTTERY OPERATOR" HAS THE MEANING STATED IN § 9-1A-01 OF THIS TITLE.

(B) (1) THE AGENCY SHALL CONDUCT A SPORTS WAGERING OPERATION IN THE STATE.

(2) THE DIRECTOR SHALL SUPERVISE AND ADMINISTER STATE SPORTS WAGERING IN ACCORDANCE WITH THE REGULATIONS OF THE COMMISSION AND THIS SECTION.

(3) THE DIRECTOR MAY, WITH THE APPROVAL OF THE COMMISSION AND SUBJECT TO DIVISION II OF THE STATE FINANCE AND PROCUREMENT ARTICLE, CONTRACT FOR THE OPERATION OF SPORTS WAGERING IN THE STATE.

(4) THE COMMISSION SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.

(C) (1) A VIDEO LOTTERY OPERATOR OR HORSE RACING LICENSEE MAY APPLY TO THE COMMISSION FOR A SPORTS WAGERING LICENSE UNDER THIS SECTION.

(2) THE HOLDER OF A SPORTS WAGERING LICENSE IS AUTHORIZED, AS AN AGENT OF THE AGENCY, TO ACCEPT WAGERS ON SPORTING EVENTS WHILE THE LICENSE IS EFFECTIVE.

(3) AN APPLICATION SUBMITTED FOR A SPORTS WAGERING LICENSE SHALL INCLUDE AN INITIAL LICENSE FEE OF \$300,000.

(4) THE TERM OF A SPORTS WAGERING LICENSE IS 1 YEAR.

**(5) ON APPLICATION SUBMITTED BY THE HOLDER OF A SPORTS WAGERING LICENSE UNDER THIS SECTION, THE COMMISSION MAY RENEW A SPORTS WAGERING LICENSE, SUBJECT TO A LICENSE RENEWAL FEE OF \$50,000.**

**(6) THE COMMISSION SHALL ESTABLISH BY REGULATION THE FORM AND CONTENT OF THE APPLICATION FOR A SPORTS WAGERING LICENSE.**

**(7) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, THE COMPTROLLER SHALL PAY, FROM THE INITIAL LICENSE FEES AND LICENSE RENEWAL FEES COLLECTED BY THE COMMISSION UNDER THIS SUBSECTION, THE FOLLOWING AMOUNTS:**

**(I) 10% TO THE PROBLEM GAMBLING FUND ESTABLISHED UNDER § 9-1A-33 OF THIS TITLE;**

**(II) 10% TO LOCAL IMPACT GRANTS, IN ACCORDANCE WITH § 9-1A-31 OF THIS TITLE; AND**

**(III) 80% TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF THIS TITLE.**

**(D) (1) THE HOLDER OF A SPORTS WAGERING LICENSE, AS AN AGENT OF THE AGENCY, SHALL RECEIVE REGULAR COMMISSIONS OF 20% OF THE AGENT'S GROSS RECEIPTS FROM SPORTS WAGERING OPERATIONS.**

**(2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, THE COMPTROLLER SHALL PAY THE REMAINING PROCEEDS FROM WAGERS ON SPORTING EVENTS TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF THIS TITLE.**

**(E) (1) THE COMMISSION SHALL REVOKE A SPORTS WAGERING LICENSE OF AN AGENT THAT DOES NOT HOLD:**

**(I) A VIDEO LOTTERY OPERATION LICENSE; OR**

**(II) A LICENSE ISSUED BY THE STATE RACING COMMISSION UNDER TITLE 11 OF THE BUSINESS REGULATION ARTICLE.**

**(2) A HOLDER OF A SPORTS WAGERING LICENSE MAY NOT ACCEPT A WAGER ON A SPORTING EVENT FROM AN INDIVIDUAL WHO IS NOT AT LEAST 21 YEARS OLD.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2019.