

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 1587
 Ways and Means

(Delegate Patterson)

Budget and Taxation

Gaming - Operation of Electronic Instant Bingo Machines and Report by State Lottery and Gaming Control Agency

This bill alters the definition of a “slot machine” to increase the number of bingo cards from 54 to 100 that a machine, apparatus, or device may permit a user to play at the same time. An electronic instant bingo machine is not required to print a paper ticket for each game of instant bingo played unless the player elects to print the ticket. The State Lottery and Gaming Control Commission (SLGCC) must adopt regulations to implement the bill. Additionally, the State Lottery and Gaming Control Agency (SLGCA) must retain an independent third-party vendor and report to the Governor and the General Assembly by December 1, 2026, on the impacts of a potential expansion of electronic instant bingo machines, historical horse racing machines, and video lottery facilities as specified. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures increase by as much as \$100,000 in FY 2027 only for SLGCA to hire a consultant to conduct the required reports. Revenues are not materially affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	100,000	0	0	0	0
Net Effect	(\$100,000)	\$0	\$0	\$0	\$0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Anne Arundel and Calvert counties finances are not materially affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: An electronic instant bingo machine authorized under the bill is exempt from a provision of statute stating an electronic gaming device that is not licensed or otherwise operated in compliance with the law as of January 1, 2013, is an illegal gaming device that may not legally operate in the State.

SLGCA must report to the Governor and the General Assembly by December 1, 2026 on: (1) the impacts of a potential expansion of electronic instant bingo machines at commercial electronic instant bingo machine facilities and (2) the impacts of a potential expansion of electronic instant bingo machines, historical horse racing machines, or VLTs at satellite simulcast facilities that are not located at video lottery facilities or horse racing facilities. The bill specifies information that the reports must contain. The third-party vendor retained by SLGCA must include SLGCA and specified stakeholders in its deliberations.

Current Law: An entity licensed to offer instant bingo under a commercial bingo license on July 1, 2007, or a qualified nonprofit organization, may continue to operate a game of instant bingo in the same manner using electronic machines, provided that:

- the machines were in operation for a one-year period ending December 31, 2007, or under a commercial bingo license on December 31, 2007;
- the entity does not operate more than the number of machines in operation on February 28, 2008; and
- the conduct of the gaming and operation of the machines are consistent with all other provisions of the Criminal Law Article.

A county may not issue a commercial bingo license under Title 13 of the Criminal Law Article or under any public local law to an entity that was not licensed to conduct commercial bingo on or before June 30, 2008.

A “slot machine” does not include a machine, apparatus, or device that is a handheld device that displays only facsimiles of bingo cards that an individual uses to mark and monitor contemporaneously to a live call of bingo numbers called on the premises by an individual where the user is operating the machine, does not permit a user to play more than 54 bingo cards at the same time, does not randomly generate any numbers and is not part of an integrated system.

Exhibit 1 shows the maximum number of instant bingo machines authorized under current law for the impacted entities.

Exhibit 1
Instant Bingo Machines

<u>County</u>	<u>Location</u>	<u>Current Law</u>
Anne Arundel	Delta Bingo	103
	Delta Wayson's Bingo	100
	Bingo World	200
	Mayo American Legion #226	6
	Laurel Elks #2283	6
	Annapolis Elks #622	4
	Annapolis Moose	4
	Severna Park American Legion #175	4
	American Legion Post #7	4
Calvert	Abner's Crab House & Restaurant	85
	Trader's Steak & Ale	87
	Rod-N-Reel Resort	278
	American Legion Post #206	10

Source: Department of Legislative Services

Admissions and Amusement Tax

A State admissions and amusement (A&A) tax is imposed on the net proceeds derived from any charge for the operation of an electronic bingo machine permitted under a commercial bingo license or an electronic tip jar machine authorized under Title 13 of the Criminal Law Article that is operated for commercial purposes. The combined State and local tax rate may not exceed 35%. The tax is currently only imposed in Anne Arundel and Calvert counties.

Revenues attributable to a State A&A tax rate of 20% imposed on electronic bingo and electronic tip jars are distributed to the general fund after a \$8.5 million annual distribution to the Maryland E-Innovation Initiative Fund (MEIF). Revenues attributable to a 5% tax rate are distributed to the Maryland State Arts Council (\$1.0 million), the Town of Chesapeake Beach (\$300,000), the Michael Erin Busch Sports Fund (\$500,000), and the Special Fund for Preservation of Cultural Arts in Maryland (remaining revenues), of which the Arts Council of Anne Arundel County and the Maryland Historical Society each receive \$250,000.

The tax rate in Anne Arundel County is 25%, distributed as described above because Anne Arundel County has a 10% local A&A tax, and the combined State and local tax rate cannot exceed 35%. In Calvert County, the total State A&A tax rate on specified machines is 33%. Revenues attributable to the additional State A&A tax rate in Calvert County are distributed as follows:

- 1.5% to the Boys and Girls Club of the Town of North Beach in the amount of \$50,000, with the remainder to the Town of North Beach;
- 2.5% to the Town of Chesapeake Beach; and
- 4.0% to the Calvert County Youth Recreational Opportunities Fund (CCYROF).

State Expenditures: The bill requires SLGCA to retain an independent third-party vendor to prepare the reports required by the bill. Thus, based on a prior consultant's costs for a SLGCA study, general fund expenditures for SLGCA increase by as much as \$100,000 in fiscal 2027 for consultant costs.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

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

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