

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



Montgomery Park Business Center
1800 Washington Blvd., Suite 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

DATE: January 9, 2020

COMMITTEE: Senate Budget and Taxation Committee

BILL NO.: Senate Bill 79

BILL TITLE: Gaming - Video Lottery Facilities and Licenses - Definitions

POSITION: Support

Chairman Guzzone and Members of the Committee:

The Maryland Lottery and Gaming Control Agency (“MLGCA” or “Agency”) supports Senate Bill 79, which would amend the current statute (State Government Article §9-1A-01(aa)) by altering the definition of a video lottery facility to include the word “casino”. It would allow our six (6) video lottery facilities (“facilities”) to be considered “casinos” for the purposes of the federal Bank Secrecy Act and its related regulations. This legislation also would add the words “table games” to this definition. MLGCA contends that this amendment is principally an administrative change.

Federal regulators notified the Agency that the state’s definition of a “video lottery facility” does not meet the federal statutory and regulatory definition of a “casino”. The Agency needs this legislation so that the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of Treasury, which is tasked with the enforcement of the Bank Secrecy Act, can share certain financial transaction data generated by our facilities with regulators. FinCEN categorizes our facilities as financial institutions and requires them to report certain financial transaction data, including Suspicious Activity Reports (SARs), as part of their mission to combat money laundering. As the regulator of these gaming facilities, it is the responsibility of the MLGCA to ensure compliance with FinCEN’s requirements. FinCEN is permitted to share this information with regulators of “casinos”; however, since the current statute defines our facilities as “video lottery facilities”, FinCEN currently is not permitted to share financial transaction data with the MLGCA. Should the statute be amended to include the term “casinos”, FinCEN would then be permitted to share the requested information with MLGCA and permit the Agency to enforce this regulatory requirement.

For these reasons, the Agency supports Senate Bill 79 and recommends that the Committee give this Bill a favorable report. For further information, contact James Butler, 410-230-8781 or jbutler@maryland.gov.