



March 28, 2023

Budget and Taxation Committee
3 West, Senate Office Building
Annapolis, MD 21401

Re: Letter of Concern – Senate Bill 953 - Frederick County - Electronic Tip Jar Machines - Authorization and Regulation

Dear Chair Guzzone, Vice Chair Rosapepe, and Members of the Budget and Taxation Committee:

The Maryland Lottery and Gaming Control Agency (“MLGCA” or “Agency”) submits this letter of information to the Budget and Taxation Committee (“Committee”) as background information regarding Senate Bill 953 – Frederick County - Electronic Tip Jar Machines - Authorization and Regulation.

This proposed bill would authorize an electronic tip jar to be operated in Frederick County by a qualified charitable organization under §13-1305 of the Criminal Law Article. Currently, there is no statutory authority for a qualified organization in Frederick County to operate an electronic tip jar. These organizations can operate “paper” tip jars, but not electronic tip jars under its local charitable gaming laws. Electronic tip jars are synonymous with electronic instant bingo that are operated in the bingo facilities in Calvert County and Anne Arundel County. See Tax General Article §20202 (a)(1) and §4-105(a)(1), as well as §§9-1E03(d)(2)(iii) and 9-1E-09(a)(1)(vi). Bingo facilities with more than 10 electronic instant bingo are not considered as qualified organizations under the state gaming laws.

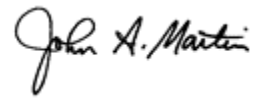
This bill conflicts with other existing statutes, so it is unclear if these qualified organizations would be prohibited from operating this type of machine due to the fact they were not in operation or previously licensed in July 1, 2007, pursuant to Criminal Law Article §§ 12-308 (in operation in 2007) or 13-101 (not licensed on or before June 30, 2008). Also, it is unclear why this exception is placed under Criminal Law Article §12-301.1 (state specific gaming laws), as no other jurisdiction that authorizes electronic bingo machines or an electronic tip jar has a similar exception under this section.

There is uncodified language in Section 2 of SB864 from the 2012 Session that states prior to an electronic bingo machine being authorized for use after January 1, 2013, the State Lottery Commission shall certify that the electronic bingo machine complies with all applicable State laws as of the effective date of this Act. Under the proposed law, the Maryland Lottery and Gaming Control Commission (MLGCC) would adopt regulations for the operation and licensing of these machines.

This bill could have an impact on casino revenue. Eligible nonprofit organizations in Frederick County would compete directly with VLT casinos for players and dollars, as this bill would allow these organizations to have gaming machines that simulate slot machines and offer or award cash prizes to players.

Thank you for your consideration of this information. If you should have any questions or need more information about this subject, please do not hesitate to contact Sean Ford, MLGCA’s Director of Legislation and Policy Development, at 410-230-8988 or sean.ford@maryland.gov.

Sincerely,

A handwritten signature in black ink that reads "John A. Martin". The signature is written in a cursive style with a large initial 'J'.

John A. Martin
Director

cc: All Committee Members
Frederick County Senators