

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	06/17/2014	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 7/11/2014

2. COMAR Codification

Title Subtitle Chapter Regulation

36 02 09 01 - .05

3. Name of Promulgating Authority

Maryland State Lottery and Gaming Control Agency

4. Name of Regulations Coordinator Telephone Number
James B Butler 410-230-8781

Mailing Address

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5. Name of Person to Call About this Document Telephone No.
James B. Butler (410) 230-8781

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6. Check applicable items:
X- New Regulations

Amendments to Existing Regulations
Date when existing text was downloaded from COMAR online: .
 Repeal of Existing Regulations
 Recodification
 Incorporation by Reference of Documents Requiring DSD Approval
 Reproposal of Substantively Different Text:
: Md. R
(vol.) (issue) (page nos) (date)
Under Maryland Register docket no.: --P.

7. Is there emergency text which is identical to this proposal:

Yes No

If yes, corresponding proposed text published in:

same issue

future issue

previous issue; it appeared in

: Md. R
(vol.) (issue) (page no's) (date)

Under Maryland Register docket no.: --E.

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Robert T. Fontaine, Assistant Attorney General, (telephone #(410) 230-8780) on May 22, 2014. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Stephen Martino

Title
Director
Date
June 17, 2014

Telephone No.
(410) 230-8790

Title 36
MARYLAND STATE LOTTERY AND GAMING CONTROL
AGENCY

Subtitle 02 LOTTERY PROVISIONS

36.02.09 Special Operation Licenses for Instant Ticket Lottery Machines

Authority: 36.02.09: State Government Article, §9-112, Annotated Code of Maryland.

Notice of Proposed Action

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The Maryland State Lottery Agency proposes to add new Regulations .01-.05 under COMAR 36.02.09 Special Operation Licenses for Instant Ticket Lottery Machines.

This action was considered at the Maryland State Lottery and Gaming Control Commission open meeting held on May 22, 2014, notice of which was given pursuant to State Government Article, § 10-506(c), Annotated Code of Maryland.

Statement of Purpose

The purpose of this action is to update the Regulations of the State Lottery and Gaming Control Agency to incorporate provisions that better define the requirements of the Agency's new Instant Ticket Lottery Machines for Veterans' services organizations.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to James B. Butler, Director, Legislation and Policy Affairs, Maryland State Lottery and Gaming Control Agency, 1800 Washington Blvd., Suite 330, Baltimore, MD 21230, or call 410-230-8781, or email to jbutler@maryland.gov, or fax to 410-230-8727. Comments will be accepted through August 11, 2014. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2015

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

Special (Lottery Revenue)

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly:

To update the Regulations of the State Lottery and Gaming Control Agency to incorporate provisions that better define the requirements of the Agency's new Instant Ticket Lottery Machines for Veterans' services organizations.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

To update the Regulations of the State Lottery and Gaming Control Agency to incorporate provisions that better define the requirements of the Agency's new Instant Ticket Lottery Machines for Veterans' services organizations.

G. Small Business Worksheet:

Attached Document:

36.02.09

.01 Scope.

A. This chapter applies to a retailer that is a veterans' services organization and applies for and sells tickets under a special operation license for instant ticket lottery machines.

B. In addition to the requirements of this chapter, a veterans' services organization licensed to sell tickets from an instant ticket lottery machine shall meet the requirements of this subtitle for a retailer licensed by the Agency.

.02 Terms Defined.

A. In this chapter, the following terms have the meanings indicated.

B. Terms defined.

(1) "Cashout voucher" means a printed slip of paper with a code indicating the amount of money payable to the individual who presents the ticket to an operation licensee.

(2) "Contractor" or "Agency's contractor" means a company selected by the Agency for the design, development, installation, implementation, operation, and maintenance of the Agency's Instant Ticket Lottery Machine system.

(3) "Facility" means the building where an operation licensee places instant ticket lottery machines.

(4) "Instant ticket" means a pre-printed ticket purchased from an instant ticket lottery machine.

(5) "Instant ticket lottery machine" means a machine or other device provided to a retailer through the Agency's Contractor.

(6) "Operation Licensee" means the holder of a special operation license.

(7) "Special Operation License" or "Operation License" means permission granted by the Agency under this chapter to sell instant tickets.

(8) "Veterans' services organization" means an organization that is:

a. Tax exempt and organized as a veterans' organization under §501(c)(19) or §501(c)(4) of the United States Internal Revenue Code, and

b. Located in:

i. Allegany County,

ii. Anne Arundel County,

iii. Baltimore City,

iv. Baltimore County,

v. Calvert County,

vi. Carroll County,

vii. Charles County,

viii. Frederick County,

ix. Garrett County,

x. Harford County,

xi. Howard County,

xii. Montgomery County,

xiii. Prince George's County,

xiv. Saint Mary's County, or

xv. Washington County.

.03 Operation Licensee Requirements.

A. A veterans' services organization may not operate instant ticket lottery machines without a special operation license.

B. A veterans' services organization may apply for a special operation license to operate up to 5 instant ticket lottery machines.

C. An operation licensee may be required by the Agency to qualify for and become authorized to operate under the Expanded Cashing Authority Program as set forth in COMAR 36.02.03.06.

D. An operation licensee shall locate the licensed instant ticket lottery machines in its primary meeting hall.

E. The Agency may restrict the permissible location within a facility of instant ticket lottery machines.

F. An operation licensee shall enter into an agreement with the Agency regarding the instant ticket lottery machine program that provides for the:

(1) Payment of rent for the instant ticket lottery machines;

(2) Power, utility, security, and HVAC needs of the instant ticket lottery machines; and

(3) Operation, maintenance, ticket retention, record keeping, and reporting requirements of the instant ticket lottery machines.

.04 Sales of Instant Tickets.

A. An operation licensee may sell an instant ticket only to an individual who is 18 years old or older.

B. An operation licensee shall be:

(1) Knowledgeable about the games available in the instant ticket lottery machine; and

(2) Able to show players how to access help screens in the instant ticket lottery machine.

C. The purchase of an instant ticket may not be cancelled.

.05 Payment of Prizes.

A. A cashout voucher may be presented for payment only to:

(1) The operation licensee where the voucher was printed; or

(2) An Agency claim center as defined in COMAR 36.02.06.01B(1).

B. Only a player who is an individual may present a cashout voucher for payment.

C. The provisions of COMAR 36.02.06.15 and COMAR 36.02.06.16 do not apply to claims for payment of a prize from an instant ticket lottery machine.

D. Except as provided in sections A., B., and C. of this regulation, an operation licensee shall pay the individual holder of a cashout voucher in accordance with the claims procedures described in COMAR 36.02.06.