

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
Maryland State Lottery and Gaming Control Agency
(DLS Control No. 15-248)**

Overview and Legal and Fiscal Impact

These regulations make various changes related to the State Lottery and Gaming Control Commission’s gambling assistance message, fees deposited into the Problem Gambling Fund, and certain video lottery facility minimum internal control standards.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulations of COMAR Affected

Maryland State Lottery and Gaming Control Agency:

Gaming Provisions: Enforcement of Voluntary Exclusion Program:

COMAR 36.03.06.03

Collection of Taxes, Fees and Penalties:

COMAR 36.03.08.04

Video Lottery Facility Minimum Internal Control Standards:

COMAR 36.03.10.08, .10, .16, .21, .28, .38, .42, and .43

Legal Analysis

Summary of Regulations

These regulations make the following changes:

- amend COMAR 36.03.06.03 to (1) authorize the commission to alter the “gambling assistance message” to encourage responsible play and (2) clarify that no patron under the age of 21 is allowed on the casino floor;
- amend COMAR 36.03.08.04 to add the \$500 annual fee for each table game to the types of funds paid into the Problem Gambling Fund, in accordance with § 9-1A-33 of the State Government Article;
- amend COMAR 36.03.10.08 to authorize the commission to accept an alternate record retention schedule by facility operators;

- alter COMAR 36.03.10.10, which requires that the cashiers' cage shift manager be licensed as a principal employee on any shift for which the cashiers' cage manager is not present at the facility, to permit another principal employee that is present to substitute for the cashiers' cage manager;
- amend COMAR 36.03.10.16 to authorize the commission to accept an alternate risk assessment and audit plan as part of the internal audit standards imposed on facility operators;
- alter the requirement under COMAR 36.03.10.21 that the cashiers' cage wire transfer log record certain information to eliminate the recordation of account number and financial institution address requirements;
- amend COMAR 36.03.10.28 to make a technical change relating to the renumbering of regulations;
- amend COMAR 36.03.10.38, which generally requires facility operators to submit internal control procedures to the commission addressing the payout of a jackpot or credit meter when the payout is not automatic, to increase from \$5,000 to \$10,000 the amount for which procedures and controls must be followed and submitted by a facility operator to the commission;
- amend COMAR 36.03.10.42, which provides requirements relating to access to bill validators, cash storage, and table game drop boxes, to make a technical change relating to the names of the operator's department responsible for certain security measures; and
- amend COMAR 36.03.10.43 to make technical changes relating to the collection of cash storage and table game drop box notification requirements.

Legal Issue

The regulations present no legal issues of concern.

Statutory Authority and Legislative Intent

The State Lottery and Gaming Control Agency cites §§ 9-1A-02, 9-1A-04, 9-1A-24(e), and 9-1A-33 of the State Government Article as legal authority for the regulation. Section 9-1A-02 broadly provides the commission authority to regulate video lottery terminals and requires the agency to assist the commission in carrying out its duties. Section 9-1A-04 authorizes the commission to issue licenses and conduct hearings and investigations. Section 9-1A-24(e) requires the commission to adopt procedures to reduce or mitigate the effects of problem gambling. Section 9-1A-33 authorizes the commission to establish an annual fee of up to \$500 for each table game to be paid by each video lottery operation licensee for distribution to the Problem Gambling Fund.

This authority is correct and complete. The regulations comply with the legislative intent of the law.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The regulations implement provisions of Chapter 117 of 2015 that authorize a video lottery employee who is an adult to be on the gaming floor if the employee is working. Additionally, the regulations alter the gambling assistance message, specify that the table game fee be deposited into the Problem Gambling Fund, and alter certain video lottery facility minimum internal control standards.

The agency advises that the regulations have no impact on State or local governments. The Department of Legislative Services concurs because the regulations implement the existing practice of charging an annual \$500 fee per table game and depositing it in the Problem Gambling Fund. The State Lottery and Gaming Control Commission began assessing the annual fee in fiscal 2013 as a result of Chapter 1 of the 2012 second special session, which authorized an annual fee of up to \$500 per table game. The commission has collected \$325,143 in table game fees through fiscal 2015.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The agency advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

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