

Department of Legislative Services  
 Maryland General Assembly  
 2004 Session

FISCAL AND POLICY NOTE

House Bill 1201 (Delegate Kaiser, *et al.*)  
 Ways and Means

Compulsive Gambling - Prevalence Study and Replication Prevalence Studies

This bill requires the Department of Health and Mental Hygiene (DHMH) to contract with an independent researcher to conduct a pathological and problem gambling prevalence study every five years. The first study is to be completed by September 30, 2005.

Fiscal Summary

**State Effect:** General fund expenditure increase of approximately \$500,000 in FY 2005 due to costs associated with conducting the first prevalence study.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	500,000	0	0	0	0
Net Effect	(\$500,000)	\$0	\$0	\$0	\$0

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

**Local Effect:** None.

**Small Business Effect:** None.

Analysis

**Current Law:** No State pathological and problem gambling prevalence studies are currently required.

**Background:** The two most widely recognized screening tools in prevalence studies are the South Oaks Gambling Screen (SOGS) and the National Opinion Research Council's

(NORC) DSM-IV screen known as the NODS (NORC DSM Screen for Gambling Problems). Conducting a prevalence study is typically a three-part process: (1) develop the survey and sampling frame; (2) collect the data; and (3) analyze the data and interpret the findings.

Pathological and problem gambling prevalence studies have been conducted in numerous states. The University of Delaware, under contract to the State of Delaware (Health and Social Services), conducted a pathological and problem gambling prevalence study in October 2002. This study estimated that the past-year prevalence rate for pathological, problem, and at-risk gamblers was 0.3%, 0.4%, and 5.8% respectively. The National Research Council of the National Academy of Sciences estimated that national past-year prevalence rate for problem and pathological gamblers was 2.0% and 0.9% respectively.

**Exhibit 1** lists three recent prevalence studies and the amount of adults interviewed in each study.

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**Exhibit 1**  
**Three Recent Prevalence Studies**

<u>State</u>	<u>Date Conducted</u>	<u>Sample Size</u>	<u>Sample as % State Adult Population</u>	<u>Past-year Prevalence</u>		
				<u>Pathological</u>	<u>Problem</u>	<u>At-Risk</u>
Delaware	October 2002	2,638	0.4%	0.3%	0.4%	5.8%
Florida	October 2002	1,504	0.01%	0.5%	0.5%	6.9%
North Dakota	January 2001	6,609	1.4%	1.4%	0.7%	N/A

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For further discussion of pathological and problem gambling, see the Department of Legislative Services' (DLS) *Legislators' Guide to Video Lottery Terminal Gambling*.

**State Expenditures:** DLS estimates that general fund expenditures will increase by approximately \$500,000 due to the costs associated with conducting the first prevalence study. This estimate assumes that the next prevalence study will begin no earlier than 2009 and will be completed by September 30, 2010. General fund expenditures would not increase in this case until fiscal 2010. To the extent that prevalence studies are conducted more frequently, special fund expenditures will increase in the fiscal year in which the studies are conducted.

DHMH estimates that a prevalence study will cost approximately \$1.2 million. This estimate is based on conducting a four-month study that samples 38,000 Marylanders or approximately 1% of the State adult population. Administrative costs at DHMH, as a

result of the provisions of this bill, could be absorbed within the agency's existing budget.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 530 (Senator Astle) – Budget and Taxation.

**Information Source(s):** Census Bureau, National Research Council, Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - February 23, 2004  
mll/mdr

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