

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**

House Bill 722  
Ways and Means

(Delegate Pendergrass, *et al.*)

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**Video Lottery Terminals - Constitutional Amendment Subject to Voter Approval**

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This constitutional amendment proposes that the General Assembly can only authorize expanded forms of gambling subject to the following restrictions: (1) a maximum of 13,000 video lottery terminals (VLTs) can be authorized; (2) a maximum of six VLT facility licenses can be issued; (3) each VLT facility can have a maximum of 3,000 VLTs; (4) a VLT license may be issued only if the majority of votes in the proposed county were in favor of this proposed amendment; and (5) no more than one license may be issued in each of six geographic regions specified by the bill.

The constitutional amendment does not apply to currently authorized forms of gambling.

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**Fiscal Summary**

**State Effect:** The proposed constitutional amendment does not provide for regulation of VLTs. To the extent that additional legislation authorizes VLTs in the State, the proposed amendment would limit the number, locations, and size of VLT facilities.

**Local Effect:** If approved by the General Assembly, this constitutional amendment will be submitted to the voters at the 2006 general election. It is expected that the amendment's requirements could be handled using existing resources within the local boards of election.

**Small Business Effect:** None.

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## Analysis

**Current Law:** Specified types of gambling are allowed in Maryland. These include the State lottery and wagering on horse racing. Bingo, bazaars, and gaming nights are allowed for some nonprofit organizations on a county-by-county basis. Several counties permit for-profit bingo. In addition, some nonprofit organizations in Eastern Shore counties are allowed to operate up to five slot machines, provided that at least 50% of the proceeds go to charity. VLTs are not authorized for operation in the State.

**Bill Summary:** Subject to the other provisions specified in the bill, no more than one VLT facility license can be issued in each of the following six county regions: (1) Allegany, Frederick, Garrett, and Washington; (2) Baltimore, Carroll, and Harford; (3) Caroline, Cecil, Kent, and Queen Anne's; (4) Dorchester, Somerset, Talbot, Wicomico, and Worcester; (5) Calvert, Charles, Prince George's, and St. Mary's; and (6) Baltimore City, Anne Arundel, Howard, and Montgomery.

**Background:** Over the past several legislative sessions, various proposals have been introduced to authorize VLTs at the State's horse racing tracks or other tourist destinations in the State.

For more information about VLT gambling, gambling and horseracing in Maryland, and recent legislation regarding VLT gambling, consult the *Legislators' Guide to Video Lottery Gambling*.

**State Fiscal Effect:** If the proposed constitutional amendment is approved by the General Assembly and the voters, the State would be limited in the number, locations, and size of VLT facilities that could be authorized. The bill does not provide for VLT regulation and it is assumed that additional legislation would be required.

**Local Fiscal Effect:** The Maryland Constitution requires that proposed amendments to the constitution be publicized either: (1) in at least two newspapers in each county, if available, and in at least three newspapers in Baltimore City once a week for four weeks immediately preceding the general election; or (2) by order of the Governor in a manner provided by law. State law requires local boards of elections to publicize proposed amendments to the constitution either in newspapers or on specimen ballots; local boards of elections are responsible for the costs associated with these requirements. It is anticipated that the fiscal 2007 budgets of local election boards will contain funding for notifying qualified voters about proposed constitutional amendments for the 2006 general election in newspapers or on specimen ballots.

## **Additional Information**

**Prior Introductions:** HB 1497 of 2004, a similar bill, was not reported from the House Ways and Means Committee.

**Cross File:** None.

**Information Source(s):** Lottery Agency, Department of Legislative Services

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