

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**

House Bill 1012  
Ways and Means

(Delegate Kach)

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**Controlled Gaming Facilities - Restrictions**

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This bill requires that if legislation is passed authorizing controlled gaming facilities in the State: (1) the State regulating entity must own or lease the controlled gaming facilities; (2) the State regulating entity must buy controlled gaming equipment including a central-site computer to which video lottery terminals (VLTs) are linked; and (3) a controlled gaming facility is prohibited from being located in an area where it would be detrimental to either the surrounding community or to land conservation efforts.

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**Fiscal Summary**

**State Effect:** The bill's effect on State finances depends on whether the State authorizes controlled gaming as specified by the bill. Any effect would depend on the type and extent of any controlled gaming authorized and cannot be reliably estimated at the time.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** A controlled game is a game of skill or chance played with cards, dice, or any type of machine and device for money, property, checks, credit, or anything of value, regardless of the method of payout. A controlled game includes, but is not limited to, roulette, blackjack, poker, wheel of fortune, bingo, VLT, or any other game or device approved by the regulatory entity. It does not include specified types of gaming currently authorized in law. A controlled gaming facility means a facility where controlled games are conducted.

**Current Law:** Specified types of gambling are allowed in Maryland. This includes 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. For more information on gambling and horse racing in Maryland, consult the *Legislators' Guide to Video Lottery Terminal Gambling*.

**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. These bills have generally proposed that the State lottery agency own or lease VLTs and associated equipment but not the facilities. The capital costs for a VLT facility vary based on the amenities of the facility but typically cost between \$100 and \$150 million.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland State Lottery Agency, Governor's Office, Department of Budget and Management, Department of Legislative Services

**Fiscal Note History:** First Reader - March 15, 2006  
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