

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 576
Ways and Means

(Delegate Simmons, *et al.*)

**Election Law - Campaign Contributions by Persons Engaged in Gaming Activity
in the State**

This bill prohibits the State from issuing a gaming license or permit to any person who directly or indirectly makes a contribution to a State candidate, political party, or other campaign finance entity organized in support of a State candidate or political party. A gaming permit or license will be suspended for three years for a violation, beginning on the date the contribution was made. In addition, the State may not issue a gaming license or permit for three years to a person who makes a contribution to a campaign finance entity.

Fiscal Summary

State Effect: The State Lottery Agency would be able to determine eligibility for a gaming license or permit under the requirements of the bill within existing budgeted resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill prohibits the following individuals and entities from making contributions to State candidates, political parties, or any other campaign finance entities organized in support of State candidates or political parties:

- an applicant for a license to engage in gaming activity in the State;
- an individual authorized to engage in gaming activity in the State;
- a key employee, holding company, intermediary company, or a subsidiary company of an applicant for a license to engage in gaming activity or an individual authorized to engage in gaming activity in the State; and
- a person entitled by contract to receive any proceeds from the gaming operations of any applicant or a person authorized to engage in gaming activity in the State.

“Gaming activity” is defined as a video lottery terminal or a casino authorized by the State. “Key employee” is defined as an individual who, acting as an agent or employee of a person or licensee, supervises more than two agents or employees of the person or licensee authorized to engage in gaming activity in the State.

The bill exempts gaming activity that an eligible organization is authorized to conduct under the Criminal Law Article.

Current Law: Statute prohibits: (1) anonymous contributions; (2) contributions made during the legislative session; and (3) contributions from State-funded entities. Other than statutory restrictions on acceptance of money received from the sale of a spin or chance on a paddle wheel or wheel of fortune at a campaign fund-raising event, there are no provisions restricting contributions from individuals or entities involved in gaming activity.

Background: The New Jersey Casino Control Act prohibits political contributions by any applicant for or holder of a casino license, or any holding, intermediary, or subsidiary company. The prohibition extends to any officer, director, key casino employee, or principal employee of any of these companies, and any person or agent acting on behalf of any of these entities. Political contributions include contributing any money or thing of value to any candidate for nomination or election to any public office in the state, or to any committee, of any political party in the state, or to any group, committee, or association organized to support any candidate or political party. Pennsylvania and Louisiana have similar laws.

Additional Information

Prior Introductions: HB 817 of 2005, an identical bill, received an unfavorable report from the House Ways and Means Committee. Another identical bill, HB 274 of 2004, had a hearing in the House Ways and Means Committee but no further action was taken.

Cross File: None.

Information Source(s): State Board of Elections, State Ethics Commission, State Lottery Agency, Department of Legislative Services

Fiscal Note History: First Reader - March 13, 2006
ncs/jr

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