

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 1178
Ways and Means

(Delegate Madaleno, *et al.*)

Commercial Gaming - Expansion - Voter Approval Required

This constitutional amendment proposes that the General Assembly can only authorize expanded forms of gambling after January 1, 2007 if in a general election, the majority of voters statewide and in the county or counties where the expanded gambling is located approve the expanded gambling.

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

Fiscal Summary

State Effect: The bill would have a State fiscal effect only to the extent that the constitutional amendment is approved and the General Assembly proposes additional forms of gambling after January 1, 2007.

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.

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. Video lottery terminals (VLTs) and casino-type gambling are not authorized for operation in the State.

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: The bill would have a State fiscal effect only to the extent that the constitutional amendment is approved by the General Assembly and the voters and the General Assembly proposes additional forms of gambling after January 1, 2007. If the General Assembly authorizes additional forms of gambling, the bill could have a fiscal effect by delaying implementation of the expanding gambling until after the next general election or if voters reject the expanded gambling.

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 850 of 2005, an identical bill, received an unfavorable report from the House Ways and Means Committee.

Cross File: None.

Information Source(s): Maryland State Board of Elections, Department of Legislative Services

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