

Department of Legislative Services
Maryland General Assembly
2007 Special Session

FISCAL AND POLICY NOTE
Revised

House Bill 4
Ways and Means

(The Speaker) (By Request –Administration)

Video Lottery Terminals - Authorization and Limitations

This constitutional amendment proposes that the General Assembly can only authorize expanded forms of gambling subject to the following restrictions: (1) a maximum of 15,000 video lottery terminals (VLTs) can be authorized; and (2) a maximum of five VLT facility licenses can be issued at locations specified in the bill.

After November 15, 2008, the General Assembly may only authorize additional forms or expansion of gaming if approved through a referendum by a majority of the voters in a general election.

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

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 and locations of VLT facilities.

Local Effect: If approved by the General Assembly, this constitutional amendment will be submitted to the voters at the 2008 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

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 locations: • Anne Arundel County within two miles of MD Route 295; • Baltimore City, in a nonresidential area within one-half mile of Interstate 95 and MD Route 295, not adjacent to or within one-quarter mile of residential property, and on Baltimore City-owned property; • Worcester County within one mile of the intersection of Route 50 and Route 589; • Cecil County within two miles of Interstate 95; and • on State property located within Rocky Gap State Park in Allegany County. VLT facilities must comply with all allocable planning and zoning laws of the local jurisdiction.

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.

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 and locations 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 2009 budgets of local election boards will contain funding for

notifying qualified voters about proposed constitutional amendments for the 2008 general election in newspapers or on specimen ballots.

Additional Information

Prior Introductions: Similar legislation has been introduced over the past several legislative sessions (*e.g.*, HB 166 of 2007, HB 193 of 2006).

Cross File: SB 4 (The President) (By Request – Administration) – Budget and Taxation.

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

Fiscal Note History: First Reader - November 1, 2007
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