

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 982
Ways and Means

(Delegate Schuler, *et al.*)

Casino Gaming - Agreements Between Licensees and Organized Labor

This bill establishes a new casino gaming section of the State Government Article and, if legislation is enacted that authorizes for-profit casino games, requires that the State entity designated to license and regulate the casino games has to issue a casino license strictly to an applicant that engages in collective bargaining or agreements with organized labor.

For-profit casino games are • card games; • dice games; • roulette; • slot machine gaming; or • video lottery terminals or similar electronic machines and devices.

Fiscal Summary

State Effect: Indeterminate.

Local Effect: None.

Small Business Effect: Indeterminate.

Analysis

Current Law: A gaming device is prohibited in the State if it is • a gaming table, except a billiard table, at which a game of chance is played for money or any other thing or consideration of value; or • a game or device at which money or any other thing or consideration of value is bet, wagered, or gambled. Gaming devices include a paddle wheel, wheel of fortune, chance book, and bingo.

A person may not • bet, wager, or gamble; • make or sell a book or pool on the results of a race, contest, or contingency; • establish, keep, rent, use, occupy, or knowingly allow to be established, kept, rented, used, or occupied all or a part of a building, vessel, or place on land or water within the State for the purpose of:

- betting, wagering, or gambling;
- making, selling, or buying books or pools;
- receiving, becoming the depository of, or forwarding money or any thing of consideration of value, to be bet, wagered, or gambled on the result of a race, contest, or contingency.

Each county is responsible for regulating gaming activities conducted by civic and charitable organizations. There is no statewide reporting of gaming activities by civic and charitable organizations. Gaming licensees may use the proceeds of gaming activities for the benefit of their own organizations, but do not need to share them with other organizations. Limited slot machine operations are authorized in 8 Eastern Shore counties and half of the proceeds from slot machines must benefit a charity. State gaming law requirements currently apply to 15 counties.

Background: Two pieces of legislation were enacted at the 2007 special session pertaining to video lottery terminal (VLT) gambling.

Chapter 5 is a constitutional amendment that will be submitted to the voters at the November 2008 general election proposing that the General Assembly may only authorize expanded forms of gambling subject to the following restrictions: • a maximum of 15,000 VLTs may be authorized; • a maximum of five VLT facility licenses may be issued at locations specified in the bill; and • VLT facilities shall comply with all applicable planning and zoning laws of the local jurisdictions. Under the amendment, the General Assembly may not authorize any additional forms or expansion of commercial gambling except through enactment of legislation passed by a majority of each house of the General Assembly, which would then be subject to voter approval via referendum. The constitutional amendment does not apply to currently authorized forms of gambling.

Chapter 4 establishes the operational and regulatory framework for the proposed VLT program. Enactment is contingent on ratification of Chapter 5 at the 2008 general election.

State Fiscal Effect: The fiscal impact cannot be determined given that the bill does not specify the number of for-profit licenses that the State can award; the licensing authority; the structure of the regulatory regime provided by the licensing authority; licensing fees;

gaming taxes; or the allocation of revenues generated by for-profit casinos to either the general or special fund. To the extent for-profit casino gaming reduces lottery sales, general fund revenues will decrease. However, to the extent for-profit casino gaming complements any realization of VLT gambling proceeds within the State as a result of Chapters 4 and 5 of the 2007 special session, should the VLT program be ratified by voters and implemented, the State may realize substantial revenue increases.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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ncs/rhh

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