

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 167
Ways and Means

(Delegate Cardin)

Task Force to Study Charitable and Commercial Gaming Activities in Maryland

This bill establishes a Task Force to Study Charitable and Commercial Gaming Activities in Maryland. The Comptroller's Office and the Office of the Attorney General must provide staff support to the task force. The task force must submit a report of its findings and any recommendations to the Governor and the General Assembly by May 31, 2010.

The bill takes effect June 1, 2009 and terminates June 30, 2010.

Fiscal Summary

State Effect: The Office of the Attorney General and the Comptroller's Office can handle the staffing requirement with existing budgeted resources. Any expense reimbursements for task force members are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The task force is charged with studying the following issues:

- the current statutory and regulatory provisions governing charitable and commercial gaming activities at the State and local levels;

- the prevalence of unregulated charitable and commercial gaming activities in local jurisdictions;
- the financial impact of charitable and commercial gaming activities on various organizations;
- the impact of charitable and commercial gaming activities on law enforcement agencies;
- the impact of charitable and commercial gaming activities on other types of legalized gambling in the State, including the State lottery and horse racing;
- the feasibility of each county and Baltimore City having local gaming commissions to regulate charitable and commercial gaming activities;
- how the State may exercise additional or improved oversight of charitable and commercial gaming activities; and
- any other issues concerning charitable and commercial gaming activities in the State.

Current Law: 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, except for the slot machines operated on the Eastern Shore. 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. However, slot machine operators must use half of the proceeds from slot machines to benefit a charity.

Background: Chapter 474 of 2008 required the State Lottery Agency to prepare a report that:

- outlines the current statutory and regulatory provisions governing gaming activities in local jurisdictions;
- provides information on the prevalence of gaming activities in local jurisdictions;
- examines the impact of gaming activities in local jurisdictions on other gaming activities regulated by the State, including the State lottery and horse racing; and
- makes recommendations as to how the State may exercise additional or improved oversight of gaming activities.

The report was also required to include an analysis of the financial impact of gaming activities for:

- entities or organizations conducting the activities;
- local jurisdictions; and

- any other entities or organizations that may benefit financially from such activities.

The State Lottery Agency submitted the required report in December 2008, which includes information on various specified gaming activities and provides lists of the types of organizations authorized to operate them in the 24 local jurisdictions. The report also details variation in gaming laws among Maryland local jurisdictions, provides sales data, and provides an overview of gaming nationwide.

Additional Information

Prior Introductions: An identical bill, HB 94 of 2008, received a hearing before the House Ways and Means Committee, but no further action was taken. HB 19 of the 2007 special session received a hearing in the House Ways and Means Committee. The bill was previously introduced as HB 125 of 2007, as amended, which passed the House and was referred to the Senate Budget and Taxation Committee, where it received no further action. This bill is also identical to HB 1426 of 2006 as amended, which was passed by the House; the bill received a favorable report with amendments from the Senate Judicial Proceedings Committee, but no vote was taken on third reading in the Senate.

Cross File: None.

Information Source(s): Office of the Attorney General, Comptroller's Office, State Lottery Agency, Department of Legislative Services

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