

**Department of Legislative Services**  
Maryland General Assembly  
2012 Session

**FISCAL AND POLICY NOTE**

House Bill 219  
Ways and Means

(Delegate Kipke, *et al.*)

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**State Lottery - Problem Gambling Measures**

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This bill requires that regulations of the State Lottery Agency provide for measures that are intended to reduce or mitigate the effects of problem gambling related to State lottery games. The bill allows the State Lottery Agency to adopt the regulations with the approval of the State Lottery Commission.

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**Fiscal Summary**

**State Effect:** The State Lottery Agency can adopt regulations using existing resources. Particular regulations that are adopted to address problem gambling related to State lottery games may affect State revenues and expenditures, but the effect is difficult to estimate.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** With the approval of the State Lottery Commission, the Director of the State Lottery Agency may adopt regulations of the agency. The regulations must provide for all matters necessary or desirable for the efficient and economical operation and administration of the State lottery; and the convenience of buyers of State lottery tickets and shares, and of the holders of a winning ticket or a share.

## *Video Lottery Terminal Program*

During the 2007 special session, the General Assembly adopted two pieces of legislation pertaining to Video Lottery Terminal (VLT) gambling – Chapter 4 (Senate Bill 3) and Chapter 5 (House Bill 4). Chapter 5 was a constitutional amendment approved by the voters at the November 2008 general election that authorized the expansion of gambling subject to specified restrictions. The constitutional amendment provided that (1) a maximum of five VLT facility licenses may be awarded within specified areas of the State; (2) no more than one facility license may be awarded in any county or Baltimore City; (3) a maximum of 15,000 VLTs may be authorized; and (4) VLT facilities must comply with any applicable planning and zoning laws of a local jurisdiction. Chapter 4, which was contingent on ratification of Chapter 5, established the operational and regulatory framework for the VLT program. Chapter 624 of 2010 and Chapter 240 of 2011 made several changes to the VLT program implemented by Chapter 4.

Under Chapter 4, VLT facility operation licenses are awarded by the Video Lottery Facility Location Commission. The State Lottery Commission oversees VLT operations, and owns/leases VLTs and a central monitor and control system. Except for provisions related to the offering of food and beverages at facilities, the commission is required to ensure VLT licensees comply with the regulatory framework of the VLT program.

Also under Chapter 4, VLT facility licensees must pay an annual fee of \$425 per VLT for a Problem Gambling Fund administered by the Department of Health and Mental Hygiene (DHMH). The fund must be used to establish a 24-hour hotline, provide counseling for problem gamblers, and establish problem gambling prevention programs and other support services. DHMH is required to conduct a problem and pathological gambling prevalence study to measure the rate of problem and pathological gambling in the State.

The State Lottery Commission must adopt regulations pertaining to specified provisions of the VLT law. Among these must be regulations that are intended to reduce or mitigate the effects of problem gambling. These regulations must:

- include establishment of a voluntary exclusion list of individuals with gambling problems who have requested to be excluded from any licensed VLT facility; and
- provide a simple mechanism for an individual who is sober and informed to request placement on the voluntary exclusion list for a specified period of time.

A VLT facility licensee may not permit an individual on the voluntary exclusion list to enter into the VLT facility premises or to play a VLT. The State Lottery Commission

may impose sanctions on a VLT licensee that knowingly fails to exclude from the licensee's premises an individual on the voluntary exclusion list.

**Background:** The Maryland Alliance for Responsible Gambling (MARG) is comprised of the heads of Maryland State agencies involved in problem gambling issues, not-for-profit organizations, State legislators, and management from the State's VLT facilities. MARG promotes responsible gambling awareness and provides resources for problem gamblers, as well as for their friends and families. MARG's website, [mdgamblinghelp.org](http://mdgamblinghelp.org), features resources including a 24-hour, toll-free helpline; educational materials; a counselor search; and information about voluntary exclusion from VLT facilities. The State Lottery Agency includes responsible gaming messages or taglines on its products and literature.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, Maryland State Lottery Agency, Department of Legislative Services

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