

# HOUSE BILL 646

C7

3lr0385  
CF SB 918

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By: **Montgomery County Delegation**

Introduced and read first time: February 1, 2013

Assigned to: Ways and Means

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Committee Report: Favorable

House action: Adopted

Read second time: March 14, 2013

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Gaming – Instant Ticket Lottery Machines – Veterans’ Organizations**

3 **MC 5–13**

4 FOR the purpose of removing Montgomery County from a certain list of exempted  
5 counties so as to allow certain veterans’ organizations in the county to be  
6 licensed to sell certain lottery machine tickets under certain circumstances;  
7 authorizing veterans’ organizations in Montgomery County to be licensed to  
8 operate not more than a certain number of instant ticket lottery machines;  
9 specifying the manner in which the State Lottery and Gaming Control Agency  
10 shall ensure that the element of chance in the conduct of gaming through  
11 instant ticket lottery machines is consistent with a certain court decision; and  
12 generally relating to instant ticket lottery machines.

13 BY repealing and reenacting, with amendments,  
14 Article – State Government  
15 Section 9–112  
16 Annotated Code of Maryland  
17 (2009 Replacement Volume and 2012 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – State Government**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 9–112.

2 (a) In this section, “veterans’ organization” means an organization that is tax  
3 exempt and organized as a veterans’ organization under § 501(c)(19) or § 501(c)(4) of  
4 the Internal Revenue Code.

5 (b) Except as provided in subsection (d) of this section, in accordance with  
6 the regulations of the Agency and this subtitle, the Director shall issue licenses to the  
7 persons and governmental units that will best serve the public convenience and  
8 promote the sale of State lottery tickets or shares.

9 (c) Before issuing a license to an applicant, the Director shall consider such  
10 factors as:

11 (1) the financial responsibility and security of the applicant and the  
12 business or activity of the applicant;

13 (2) the accessibility of the place of business or activity to the public;

14 (3) the sufficiency of existing licenses to serve the public convenience;  
15 and

16 (4) the volume of expected sales.

17 (d) (1) This subsection does not apply in:

18 (i) Caroline County;

19 (ii) Cecil County;

20 (iii) Dorchester County;

21 (iv) Kent County;

22 (v) [Montgomery County;

23 (vi)] Queen Anne’s County;

24 [(vii)] (VI) Somerset County;

25 [(viii)] (VII) Talbot County;

26 [(ix)] (VIII) Wicomico County; and

27 [(x)] (IX) Worcester County.

1           (2)   (i)    Subject to subparagraph (ii) of this paragraph, the Director  
2 may issue a license under this subtitle for not more than five instant ticket lottery  
3 machines to an applicant that is a veterans' organization.

4                   (ii)   A veterans' organization that is issued a license under this  
5 subsection shall locate and operate its instant ticket lottery machines at its principal  
6 meeting hall in the county in which the veterans' organization is located.

7           (3)    After deduction of any commission and validation prize payout as  
8 provided under § 9–117 of this subtitle, a veterans' organization issued a license under  
9 this subsection shall credit the remaining receipts from the sale of tickets from instant  
10 ticket lottery machines to the State Lottery Fund established under § 9–118 of this  
11 subtitle.

12           (4)   (i)    Subject to subparagraph (ii) of this paragraph, a veterans'  
13 organization issued a license under this subsection shall purchase or lease from the  
14 Agency the instant ticket lottery machines to be used by the veterans' organization.

15                   (ii)   An organization may not use receipts from the sale of tickets  
16 from instant ticket lottery machines that would otherwise be credited to the State  
17 Lottery Fund for the costs of purchasing or leasing instant ticket lottery machines.

18           (5)    The Director may adopt regulations to implement the provisions of  
19 this subsection that included restricting the location of instant ticket lottery machines  
20 in areas of a veterans' organization's public meeting hall that is accessible to the  
21 public.

22           (6)    The State Lottery and Gaming Control Agency shall ensure that  
23 the **ELEMENT OF CHANCE IN THE** conduct of the gaming [and the operation of]  
24 **THROUGH** the instant ticket lottery machines [as] established under this subsection  
25 [are] **IS** consistent with the holding in the case of Chesapeake Amusements Inc. v.  
26 Riddle, 363 Md. 16 (2001), **IN THAT THE ELEMENT OF CHANCE MUST BE WHOLLY**  
27 **WITHIN THE PRE-PRINTED INSTANT LOTTERY TICKET, AND THAT PLAYER**  
28 **ENHANCEMENTS IN AN INSTANT TICKET LOTTERY MACHINE MAY NOT AFFECT**  
29 **THE ELEMENT OF CHANCE BEING WHOLLY WITHIN THE PRE-PRINTED INSTANT**  
30 **LOTTERY TICKET.**

31           (e)    The Director may not issue a license to:

32                   (1)    a person or governmental unit to engage in business primarily as a  
33 licensed agent; or

34                   (2)    an individual who is under the age of 21 years.

35           (f)    The Commission may hear and decide an appeal of a denial of a license.

**HOUSE BILL 646**

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2   October 1, 2013.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.