

SENATE BILL 374

C7

(4lr1048)

ENROLLED BILL

— *Budget and Taxation and Education, Health, and Environmental Affairs/Ways
and Means* —

Introduced by **Senators Currie, Kasemeyer, King, Peters, ~~and Robey~~ Robey,
and DeGrange**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **State Lottery – ~~Online Ticket Sales – Moratorium~~ Task Force to Study Lottery**
3 **Revenue and Study**

4 FOR the purpose of ~~prohibiting the State Lottery and Gaming Control Agency from~~
5 ~~allowing a person to purchase a State lottery ticket through an electronic device~~
6 ~~that connects to the Internet; establishing the Task Force to Study the Online~~
7 ~~Sale of State Lottery Tickets; providing for the composition, chair, and staffing~~
8 ~~of the Task Force; prohibiting a member of the Task Force from receiving~~
9 ~~certain compensation, but authorizing the reimbursement of certain expenses;~~
10 ~~requiring the Task Force to study and make determinations regarding certain~~
11 ~~matters; requiring the Task Force to report its findings, determinations, and~~
12 ~~any recommendations to the Governor and the General Assembly on or before a~~
13 ~~certain date; providing for the termination of this Act; and generally relating to~~

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.

Italics indicate opposite chamber/conference committee amendments.



~~a moratorium on and study of the sale of State lottery tickets over the Internet establishing the Task Force to Study Lottery Revenue; providing for the composition, chair, and staffing of the Task Force; prohibiting a member of the Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Task Force to study and make determinations regarding certain matters; requiring the Task Force to report its findings, determinations, and any recommendations to the Governor and the General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to a study of State lottery revenue.~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

~~(a) The State Lottery and Gaming Control Agency may not allow a person to purchase a State lottery ticket through an electronic device that connects to the Internet, such as a personal computer or mobile device.~~

(a) There is a Task Force to Study Lottery Revenue.

(b) The Task Force consists of the following members:

(1) one member of the Senate of Maryland, appointed by the President of the Senate;

(2) one member of the House of Delegates, appointed by the Speaker of the House;

(3) the Director of the State Lottery and Gaming Control Agency, or the Director's designee;

(4) the Secretary of Budget and Management, or the Secretary's designee;

(5) a representative of the Center of Excellence on Problem Gambling;
and

(6) the following members, appointed by the Governor:

(i) one representative of the retail industry that is a licensed agent;

(ii) one representative of the e-commerce industry; and

(iii) two consumer members.

(c) Each consumer member:

1 (1) shall be a member of the general public familiar with games offered
2 by the State lottery;

3 (2) may not be a licensee of or otherwise subject to regulation by the
4 State Lottery and Gaming Control Agency; and

5 (3) for a period of at least 1 year before appointment to the Task Force,
6 may not have had a financial interest in or have received compensation from a person
7 regulated by the State Lottery and Gaming Control Agency.

8 (d) The Governor shall designate the chair of the Task Force.

9 (e) The State Lottery and Gaming Control Agency shall provide staff for the
10 Task Force.

11 (f) A member of the Task Force:

12 (1) may not receive compensation as a member of the Task Force; but

13 (2) is entitled to reimbursement for expenses under the Standard State
14 Travel Regulations, as provided in the State budget.

15 (g) The Task Force shall study:

16 (1) data on the causes of the decline in lottery revenue;

17 (2) potential innovations that may improve the lottery experience and
18 restore revenues, including:

19 (i) Maryland participation in multistate raffles;

20 (ii) expansion of lottery ticket tie-ins to sports teams in the State;

21 (iii) development of means to capitalize on the consumer shift to
22 digital and multiplatform use;

23 (iv) the use of online platforms for lottery sales; and

24 (v) implementation of lottery games earmarked for specific
25 purposes or causes;

26 (3) lottery agent commissions and bonus incentive programs; and

27 (4) e-commerce, banking, privacy, and security issues related to lottery
28 sales through multiple sales channels and platforms.

1 (h) On or before January 1, 2015, the Task Force shall report its findings and
 2 recommendations to the Governor and, in accordance with § 2-1246 of the State
 3 Government Article, the General Assembly.

4 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
 5 General Assembly that the State Lottery and Gaming Control Agency not implement
 6 any new e-commerce related to lottery sales before April 6, 2015.

7 ~~(b) There is a Task Force to Study the Online Sale of State Lottery Tickets.~~

8 ~~(e) The Task Force consists of the following members:~~

9 ~~(1) four members of the Senate of Maryland, appointed by the~~
 10 ~~President of the Senate;~~

11 ~~(2) four members of the House of Delegates, appointed by the Speaker~~
 12 ~~of the House;~~

13 ~~(3) the Director of the State Lottery and Gaming Control Agency, or~~
 14 ~~the Director's designee;~~

15 ~~(4) a representative of the retail industry, appointed by the Governor;~~
 16 ~~and~~

17 ~~(5) a representative from the Maryland Center of Excellence on~~
 18 ~~Problem Gambling, appointed by the Director of the State Lottery and Gaming Control~~
 19 ~~Agency.~~

20 ~~(d) The Governor shall designate the chair of the Task Force.~~

21 ~~(e) The State Lottery and Gaming Control Agency shall provide staff for the~~
 22 ~~Task Force.~~

23 ~~(f) A member of the Task Force:~~

24 ~~(1) may not receive compensation as a member of the Task Force; but~~

25 ~~(2) is entitled to reimbursement for expenses under the Standard~~
 26 ~~State Travel Regulations, as provided in the State budget.~~

27 ~~(g) The Task Force shall:~~

28 ~~(1) study:~~

29 ~~(i) the social impact of selling State lottery tickets over the~~
 30 ~~Internet, including the consideration of safeguards for the public and underage~~
 31 ~~residents;~~

1 (ii) ~~the financial impact on brick and mortar retailers from the~~
2 ~~sale of State lottery tickets over the Internet; and~~

3 (iii) ~~how other states that have authorized the sale of lottery~~
4 ~~tickets over the Internet have implemented their programs; and~~

5 (2) ~~determine if it is in the best interest of the State to authorize the~~
6 ~~sale of State lottery tickets over the Internet.~~

7 (h) ~~If the Task Force determines that it is in the best interest of the State to~~
8 ~~authorize the sale of State lottery tickets over the Internet, the Task Force shall make~~
9 ~~recommendations regarding:~~

10 (1) ~~best practices for establishing a program to sell State lottery~~
11 ~~tickets over the Internet;~~

12 (2) ~~necessary safeguards and protections for the public and underage~~
13 ~~residents; and~~

14 (3) ~~equitable treatment for brick and mortar retailers that sell State~~
15 ~~lottery tickets.~~

16 (i) ~~On or before January 1, 2015, the Task Force shall report its findings,~~
17 ~~determinations, and any recommendations to the Governor and, in accordance with §~~
18 ~~2-1246 of the State Government Article, the General Assembly.~~

19 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
20 effect July 1, 2014. It shall remain effective for a period of 1 year and, at the end of
21 June 30, 2015, with no further action required by the General Assembly, this Act shall
22 be abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.