

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 454

(Chair, Ways and Means Committee)(By Request -
Departmental - Lottery and Gaming Control Agency)

Ways and Means

Budget and Taxation

Gaming - Emergency Suspension of License

This departmental bill authorizes the State Lottery and Gaming Control Commission (SLGCC) to suspend a gaming license on an emergency basis if it is necessary to protect the State's gaming program against a serious and imminent risk of harm to its integrity, security, or profitability. SLGCC must promptly schedule a hearing on the suspension and provide the licensee with written notice of the suspension. SLGCC may delegate to the director of the State Lottery and Gaming Control Agency (SLGCA) its authority to issue subpoenas, administer oaths and require testimony under oath, serve notices in civil actions, propound written interrogatories, and suspend a license on an emergency basis in specified cases.

Fiscal Summary

State Effect: None. It is assumed that emergency suspensions would rarely occur, so video lottery terminal (VLT) and table games revenues are not impacted.

Local Effect: None.

Small Business Effect: SLGCA has determined that this bill has minimal or no effect on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law: SLGCC must issue and renew video lottery license applications to qualified applicants. The following persons must be licensed by SLGCC (1) a video

lottery operator; (2) a manufacturer; (3) a person who manages, operates, supplies, provides security for, or provides service, maintenance, or repairs for VLTs or table games; and (4) a video lottery employee.

SLGCC cannot suspend a license before first having a hearing. SLGCC must conduct hearings concerning civil violations and levy and collect civil penalties for civil violations. After a hearing, SLGCC must determine whether to suspend or revoke as applicable a license. Under specified circumstances, SLGCC may issue subpoenas, administer oaths and require testimony under oath, serve notices in civil actions, and propound written interrogatories.

Background: Currently there are 7,544 active gaming licensees. SLGCC has not encountered many issues with noncompliance of gaming licensees, having rarely suspended or revoked licenses. SLGCC has never had to suspend a gaming license. SLGCC is in the process of revoking 15 sponsored (*i.e.*, provisional) gaming licenses for various reasons.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Lottery and Gaming Control Agency, Department of Legislative Services

Fiscal Note History: First Reader - February 7, 2014
mc/rhh

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Gaming - Emergency Suspension of License

BILL NUMBER: HB 454

PREPARED BY: Maryland Lottery and Gaming Control Agency (MLGCA)

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation would have minimal or no economic impact on small businesses in Maryland.