

Department of Legislative Services  
Maryland General Assembly  
2014 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 275

(Delegate Reznik, *et al.*)

Ways and Means

Budget and Taxation

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**Criminal Law - Table Games and Video Lottery Terminals - Individual Under the  
Age of 21 Years**

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This bill prohibits an individual younger than age 21 from (1) playing a table game or video lottery terminal (VLT) in a video lottery facility or (2) entering or remaining in an area within a video lottery facility that is designated for table game or terminal video lottery activities. An infraction is a code violation and a civil offense, which subjects an adult violator (1) to the issuance of a citation and a maximum fine of \$100 for a first violation; (2) a \$500 maximum fine for a second violation; (3) and a \$1,000 maximum fine and mandatory participation in gambling addiction treatment for a third or subsequent violation. A minor who violates the prohibition on underage playing of table games or VLTs is subject to juvenile court procedures and dispositions.

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**Fiscal Summary**

**State Effect:** Minimal increase in general fund revenues from fines imposed in the District Court. Minimal increase in special fund revenues due to additional revenues generated from court costs and distributed to the Criminal Injuries Compensation Fund, the State Victims of Crime Fund, and the Victim and Witness Protection and Relocation Fund. The bill's requirement that specified repeat offenders undergo mandatory problem gambling treatment is not expected to materially affect State finances. The bill is not expected to materially affect District Court caseloads.

**Local Effect:** Enforcement of the bill's prohibition can be handled with existing budgeted local resources. The bill is not expected to materially affect juvenile court caseloads.

**Small Business Effect:** None.

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## Analysis

**Current Law:** A video lottery operation licensee must ensure that individuals younger than age 21 and intoxicated individuals are not allowed to play table games or VLTs and are not allowed in the area of the video lottery facility where table games or VLTs are located. While the State may impose financial penalties on VLT operators, State statute does not impose a penalty on underage gamblers.

**Background:** Video lottery operation licenses are awarded by the Video Lottery Facility Location Commission. The State Lottery and Gaming Control Agency oversees VLT and table game operations and owns/leases a central monitor and control system to which all VLTs must be connected.

State law authorizes a total of 16,500 VLTs and allocates the following maximum number of VLTs, with specified exceptions: 1,500 in Allegany County (Rocky Gap); 4,750 in Anne Arundel County; 3,750 in Baltimore City; 2,500 in Cecil County; 3,000 in Prince George's County; and 2,500 in Worcester County.

Currently, there are 6,857 VLTs and 209 table games in operation in the State (4,341 VLTs and 174 table games in Anne Arundel County, 1,158 VLTs and 22 table games in Cecil County, 800 VLTs in Worcester County, and 559 VLTs and 13 table games in Allegany County). The Video Lottery Facility Location Commission has awarded licenses for the Baltimore City and Prince George's County locations, but those facilities have not opened for business. The Baltimore City facility is expected to open in September 2014 with approximately 2,500 VLTs and 130 table games. The Prince George's County facility is expected to open in fiscal 2017 with 3,600 VLTs and 140 table games.

According to the Maryland State Lottery and Gaming Control Agency, there were 47 violations for underage gambling in State casinos during calendar 2013, resulting in fines totaling \$30,000. However, 4 of the 47 violations have not been fully adjudicated yet, and fines have not been issued for those violations.

VLT licensees pay annual fees to the Problem Gambling Fund in the Department of Health and Mental Hygiene. Fund revenues are used to operate a 24-hour hotline for compulsive and problem gamblers, provide counseling and support services to compulsive and problem gamblers, and develop and implement problem gambling treatment and prevention programs.

**State Revenues:** Though the bill specifies that adjudication of a code violation is not considered a criminal conviction, the bill states that a defendant "is liable for the costs of the proceedings in the District Court and for payment to the Criminal Injuries

Compensation Fund.” The bill also establishes that court costs in a code violation case for underage playing of a VLT or table game are \$5. Thus, it is assumed that a defendant subject to a citation under the bill has to pay the \$35 Criminal Injuries Compensation costs imposed on defendants convicted of a crime in the District Court and the \$5 court cost authorized under the bill. As a result, special fund revenues may increase minimally due to additional revenues generated from court costs and distributed to the Criminal Injuries Compensation Fund, the State Victims of Crime Fund, and the Victim and Witness Protection and Relocation Fund. The distribution of applicable court costs and Criminal Injuries Compensation costs to these special funds is described below.

Court costs are imposed on a defendant convicted of a crime in the amount of \$35 for the District Court. These costs are sometimes referred to as Criminal Injuries Compensation costs. The Comptroller deposits each \$35 fee collected in the District Court into various special funds as follows: (1) \$12.50 into the State Victims of Crime Fund (administered by the Governor’s Office of Crime Control and Prevention); (2) \$2.50 into the Victim and Witness Protection and Relocation Fund (administered by the State’s Attorneys’ coordinator); and (3) the remainder (\$20) into the Criminal Injuries Compensation Fund (administered by the Criminal Injuries Compensation Board in the Department of Public Safety and Correctional Services).

A court may also impose separate court costs on a defendant in a criminal or traffic case. In addition to the monies transferred as described above, the Comptroller is required to distribute funds from court costs imposed in District Court criminal and traffic cases as follows: (1) \$500,000 to the Criminal Injuries Compensation Fund; and (2) \$125,000 to the Victim and Witness Protection and Relocation Fund.

**State Expenditures:** According to DHMH, if an assessment indicates that an individual is in need of problem gambling treatment and the individual is ordered into treatment by a judge, then treatment is available through existing resources and the Problem Gambling Fund. However, given that the bill only applies to a relatively small population and treatment is mandatory for a third or subsequent offense, it is unlikely that the bill’s treatment provisions will have a material effect on State expenditures for court-ordered treatment.

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### **Additional Information**

**Prior Introductions:** Similar bills have been introduced during previous sessions. HB 336 of 2013, was withdrawn after being scheduled for a hearing in the House Ways and Means Committee. SB 9 of 2013 received an unfavorable report from the Senate Budget and Taxation Committee. SB 905 of 2012 received a hearing in the Senate Budget and Taxation Committee. No further action was taken. Its cross file, HB 1274,

received a hearing in the House Ways and Means Committee, but no further action was taken.

**Cross File:** SB 481 (Senator Klausmeier, *et al.*) - Budget and Taxation.

**Information Source(s):** Charles, Frederick, and Montgomery counties; Department of Natural Resources; Judiciary (Administrative Office of the Courts); Maryland State Lottery and Gaming Control Agency; Department of Health and Mental Hygiene; Department of Legislative Services

**Fiscal Note History:** First Reader - February 7, 2014  
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