

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 107

(Chair, Education, Health, and Environmental Affairs
Committee)(By Request - Departmental - Lottery and
Gaming Control Agency)

Education, Health, and Environmental Affairs

Ways and Means

State Lottery - Retailer Licenses - Background Investigations

This departmental bill requires the State Lottery and Gaming Control Agency (SLGCA) to apply to the Criminal Justice Information System Central Repository (the Central Repository) of the Department of Public Safety and Correctional Services (DPSCS) for a State and national criminal history records check for each new applicant for a State lottery sales agent license. The Director of SLGCA may require any applicant seeking a change of ownership or renewal of a license to submit fingerprints to the Central Repository for a State and national criminal history records check. In addition, the bill details standard procedures for SLGCA to obtain State and national criminal history records checks from the Central Repository, including fingerprinting; application processes, fees, and storage; dissemination; and disposal of reports provided by the Central Repository.

Fiscal Summary

State Effect: Special fund expenditures for SLGCA increase by approximately \$10,800 in FY 2015 and by \$14,400 annually thereafter.

Local Effect: None. The bill will not affect local government finances.

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

Analysis

Current Law: The Director of SLGCA must issue licenses to persons and governmental units that will best serve the public and promote the sale of State lottery tickets. Before issuing a license to an applicant, the director must consider factors like:

- the financial responsibility and security of the applicant and the business or activity of the applicant;
- the accessibility of the place of business or activity to the public;
- the sufficiency of existing licenses to serve the public convenience; and
- the volume of expected sales.

The Director of SLGCA may not issue a license to a person or governmental unit to engage in business primarily as a licensed agent or to an individual who is under the age of 21 years.

Background: The Central Repository collects, manages, and disseminates Maryland criminal history record information for criminal justice and noncriminal justice (*e.g.*, employment and licensing) purposes. The Central Repository uses a fingerprint-supported system for positive identification. When a state mandates a national check, the Federal Bureau of Investigation requires that the national check be set in statute. The Central Repository is authorized by law to collect a fee for providing a criminal history records check for purposes other than criminal justice.

SLGCA conducts a State criminal history records check on every applicant of a State lottery sales agent license, but State statute does not give SLGCA explicit authority to perform a State or national criminal history records checks for an applicant of a State lottery sales agent license.

State Fiscal Effect: SLGCA processes approximately 870 State lottery sales agent license applications annually. The cost for a full State and national criminal history records check is \$34.50, plus an additional \$20 for fingerprinting if the fingerprints are taken by the Central Repository. Applicants may have fingerprinting performed by a private provider, in which case fingerprinting fees may vary. Currently, SLGCA pays \$18 to DPSCS for a State criminal history records check for every applicant for a State lottery sales agent license and applicants pay the fingerprinting fee. Under the bill, special fund expenditures for SLGCA increase by \$14,355 annually, assuming applicants continue to pay fingerprinting fees and SLGCA continues to pay DPSCS for the criminal history records check fees. In fiscal 2015, special fund expenditures increase by \$10,766, which reflects the bill's October 1 effective date.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 14, 2014
ncs/rhh Revised - Clarification - June 16, 2014

Analysis by: Heather N. Ruby

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: State Lottery – Retailer Licenses – Background Investigations

BILL NUMBER: SB 107

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.