

Chapter 293

(Senate Bill 374)

AN ACT concerning

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

FOR the purpose of ~~prohibiting the State Lottery and Gaming Control Agency from allowing a person to purchase a State lottery ticket through an electronic device that connects to the Internet; establishing the Task Force to Study the Online Sale of State Lottery Tickets; 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 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) shall be a member of the general public familiar with games offered by the State lottery;

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

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

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

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

(f) A member of the Task Force:

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

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

(g) The Task Force shall study:

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

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

- (i) Maryland participation in multistate raffles;
- (ii) expansion of lottery ticket tie-ins to sports teams in the State;
- (iii) development of means to capitalize on the consumer shift to digital and multiplatform use;
- (iv) the use of online platforms for lottery sales; and
- (v) implementation of lottery games earmarked for specific purposes or causes;

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

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

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

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

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

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

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

~~(2) four members 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) a representative of the retail industry, appointed by the Governor;~~
and

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

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

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

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

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

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

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

~~(1) study:~~

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

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

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

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

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

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

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

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

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

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

Approved by the Governor, May 5, 2014.