

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1113

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

Ways and Means

Budget and Taxation

**Video Lottery Facilities - Operation and Employee Licenses - Crimes or Acts of
Moral Turpitude or Gambling**

This departmental bill alters the requirements for denying a video lottery operation license and a video lottery employee license. An applicant must be disqualified for a video lottery operation license if the applicant has committed a criminal act of moral turpitude or gambling, even if it was not prosecuted under the criminal laws of *any* jurisdiction, within the prior seven years. Additionally, the bill expands the requirement to disqualify a video lottery operation license if the applicant was convicted of a criminal offense involving moral turpitude or gambling in *any* jurisdiction. The bill repeals the requirement that the State Lottery and Gaming Control Commission (SLGCC) must deny a video lottery employee license if the applicant has committed a criminal act involving moral turpitude or gambling, even if the act was not prosecuted.

Fiscal Summary

State Effect: None. Altering the qualifications for video lottery operation and employee licenses does not affect governmental finances because the application fees cover any additional costs incurred by the State Lottery and Gaming Control Commission (SLGCC).

Local Effect: None.

Small Business Effect: The State Lottery and Gaming Control Agency has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law:

Video Lottery Operation Licenses

A person must hold a video lottery operation license to offer video lottery terminals and table games for public use in the State. State law specifies 10 conditions that automatically disqualify an applicant from receiving a video lottery operation license. Among the reasons an applicant for a video lottery employee license must be disqualified are conviction or current prosecution for any crime involving moral turpitude or gambling under the laws of the United States or any jurisdiction within the United States. The commission of a criminal act of moral turpitude or gambling under the criminal laws of the State, even if it was not prosecuted, is also a disqualifying condition.

Video Lottery Employee Licenses

An individual must hold a valid license issued by SLGCC in order to be employed as a video lottery employee. The commission may, by regulation, exempt categories of video lottery employees from holding a license if the commission determines that the requirement is not necessary in order to protect the public interest or accomplish policies relating to video lottery terminals.

State law specifies eight conditions that automatically disqualify an applicant from receiving a video lottery employee license. Among the reasons an applicant for a video lottery employee license must be disqualified are conviction or active parole or probation for any crime involving moral turpitude or gambling within the prior seven years under the laws of the United States or any state. The commission of a criminal act of moral turpitude or gambling, even if it was not prosecuted, is also a disqualifying condition. The commission may also establish in regulations any other reason for denying a license.

Background: Video lottery operation licensees prescreen video lottery employee applicants before submitting them to SLGCC for consideration, so there is no operational impact on the commission.

While there is no specific Maryland code that defines moral turpitude, a 1996 Attorney General's Opinion described a crime of moral turpitude as a crime "for which fraudulent intent is a requisite element of proof." *Black's Law Dictionary* defines "moral turpitude" as "conduct that is contrary to justice, honesty, or morality" and includes fraud and breach of trust as examples.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 16, 2015
mar/rhh Revised - House Third Reader - March 30, 2015
Revised - Enrolled Bill - May 7, 2015

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Video Lottery Facilities – Operation and Employee Licenses – Crimes or Acts of Moral Turpitude or Gambling

BILL NUMBER: HB 1113

PREPARED BY: Maryland Lottery Gaming and Control Agency
(Dept./Agency)

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

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.