

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 941

(Senators Mathias and Manno)

Budget and Taxation

Ways and Means

Worcester County - Family Entertainment Centers - Amusement Gaming Licenses

This bill alters the definition of a slot machine to exclude a machine, apparatus, or device that is a skills-based device that awards noncash merchandise and is located at a licensed family entertainment center in Worcester County. The State Lottery and Gaming Control Commission (SLGCC) may issue an amusement gaming license to a family entertainment center that meets specified requirements in Worcester County. A licensed family entertainment center may operate skills-based devices that award noncash prizes of minimal value (as determined by SLGCC) and up to 10 skills-based devices that award noncash prizes with a minimal wholesale value that does not exceed \$599. A family entertainment center may not exchange merchandise for money. SLGCC may determine that a device at a family entertainment center is an illegal gaming device and order the device to be removed from the premises. An amusement gaming license may not be transferred to another geographic location.

The bill takes effect June 1, 2016.

Fiscal Summary

State Effect: None. SLGCC can issue amusement gaming licenses to family entertainment centers in Worcester County with existing resources. The State Lottery and Gaming Control Agency (SLGCA) advises that only four businesses in Worcester County would likely be issued amusement gaming licenses.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: A skills-based amusement device that awards prizes of a minimal value, as approved by SLGCC regulation, is not a slot machine.

SLGCC must certify and regulate the operation, ownership, and manufacture of certain electronic gaming devices and determine whether such devices are legal and lawfully operated. If SLGCC does not make a determination that a county's licensing and regulatory process for electronic gaming devices is equivalent to the State process or that a county license for owning, operating, or manufacturing an electronic gaming device in that county is equivalent to a State license, then the regulations and licensing requirements of SLGCC supersede the application of any county fees or regulations and licensing requirements for electronic gaming or any requirement of a county license for owning, operating, or manufacturing an electronic gaming device.

The Budget Reconciliation and Financing Act of 2014 (Chapter 464) established a Maryland Amusement Game Advisory Committee to advise SLGCA on the conduct and technical aspects of the amusement game industry, including recommendations for the legality of skills-based amusement games. SLGCA must adopt regulations that establish license fees, effective on July 1, 2016, that are sufficient to cover the direct and indirect costs of licensure.

Background: SLGCA has proposed regulations that would establish registration and testing procedures for skills-based amusement devices. The regulations would require a person who operates a skills-based amusement device to register with SLGCC if the device awards noncash prizes with a wholesale value in excess of \$30 and is a redemption, merchandiser, or other skills-based amusement device. Additional proposed regulations would exclude skills-based amusement devices from the definition of an electronic gaming device. The Joint Committee on Administrative, Executive, and Legislative Review is currently reviewing the regulations, so SLGCA has delayed final adoption.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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kb/jrb

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