C79lr2919

By: Delegate Hornberger

AN ACT concerning

Introduced and read first time: February 25, 2019 Assigned to: Rules and Executive Nominations

## A BILL ENTITLED

2	State Lottery - Instant Ticket Lottery Machines - Eastern Shore Veterans'
3	Organizations

4 FOR the purpose of expanding the authority of the Director of the State Lottery and 5 Gaming Control Agency to issue a license to operate certain instant ticket lottery 6 machines to veterans' organizations in certain counties; making technical 7 corrections; and generally relating to instant ticket lottery machines.

- 8 BY repealing and reenacting, with amendments,
- 9 Article – State Government
- 10 Section 9–112
- Annotated Code of Maryland 11
- (2014 Replacement Volume and 2018 Supplement) 12
- SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, 13
- That the Laws of Maryland read as follows: 14

## Article - State Government 15

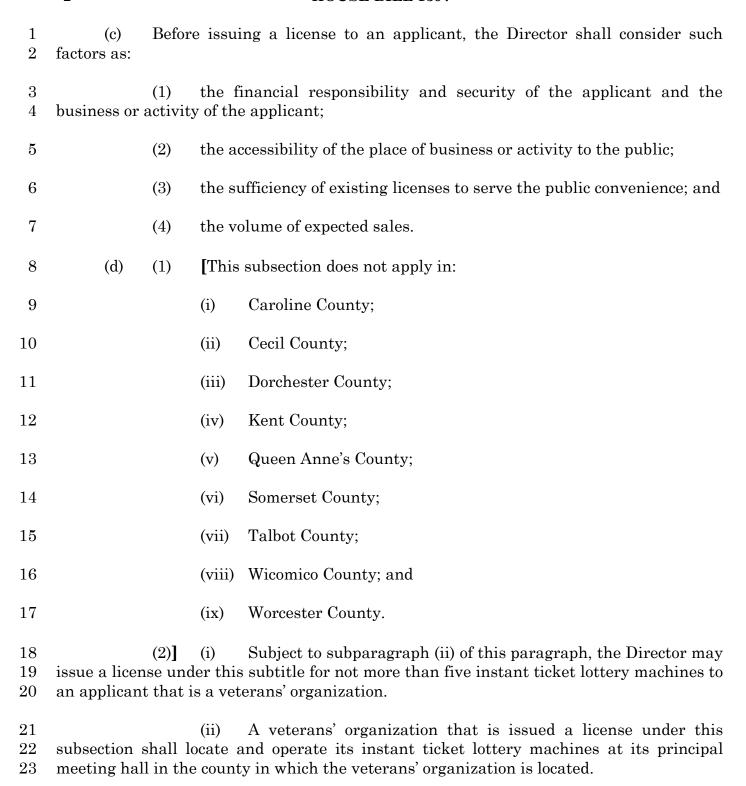
9-112.16

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- 17 In this section, "veterans' organization" means an organization that is tax exempt and organized as a veterans' organization under § 501(c)(19) or § 501(c)(4) of the 18 19 Internal Revenue Code.
- 20 Except as provided in subsection (d) of this section, in accordance with the 21regulations of the Agency and this subtitle, the Director shall issue licenses to the persons 22and governmental units that will best serve the public convenience and promote the sale of

23 State lottery tickets or shares.





[(3)] (2) After deduction of any commission and validation prize payout as provided under § 9–117 of this subtitle, a veterans' organization issued a license under this subsection shall credit the remaining receipts from the sale of tickets from instant ticket lottery machines to the State Lottery Fund established under § 9–118 of this subtitle.

- [(4)] (3) (i) Subject to subparagraph (ii) of this paragraph, a veterans' organization issued a license under this subsection shall purchase or lease the instant ticket lottery machines to be used by the veterans' organization.
- 4 (ii) An organization may not use receipts from the sale of tickets 5 from instant ticket lottery machines that would otherwise be credited to the State Lottery 6 Fund for the costs of purchasing or leasing instant ticket lottery machines.
- 7 **[(5)] (4)** The Director may adopt regulations to implement the provisions of this subsection that [included] **INCLUDE** restricting the location of instant ticket lottery machines in areas of a veterans' organization's public meeting hall that is accessible to the public.
- 11 **[(6)] (5)** The [State Lottery and Gaming Control] Agency shall ensure that the element of chance in the conduct of the gaming through the instant ticket lottery machines established under this subsection is consistent with the holding in the case of Chesapeake Amusements Inc. v. Riddle, 363 Md. 16 (2001), in that the element of chance must be wholly within the pre-printed instant lottery ticket, and that player enhancements in an instant ticket lottery machine may not affect the element of chance being wholly within the pre-printed instant lottery ticket.
- 18 (e) The Director may not issue a license to:
- 19 (1) a person or governmental unit to engage in business primarily as a 20 licensed agent; or
- 21 (2) an individual who is under the age of 21 years.
- 22 (f) The Commission may hear and decide an appeal of a denial of a license.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2019.