

# HOUSE BILL 546

C7  
HB 1430/20 – W&M

11r0831

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By: **Delegate Hornberger**

Introduced and read first time: January 20, 2021

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Video Lottery Operator – Reconciliation of Proceeds – Uncollectible Debt**

3 FOR the purpose of altering the definition of “proceeds” to allow a video lottery operator,  
4 under certain circumstances, to reduce the amount of proceeds received from video  
5 lottery terminals and table games by the amount of certain uncollectible negotiable  
6 instruments for up to a certain number of days following a certain determination;  
7 requiring the State Lottery and Gaming Control Commission to adopt certain  
8 regulations; requiring a video lottery operator to report certain information to  
9 certain committees of the General Assembly at a certain frequency; making technical  
10 changes; defining a certain term; providing for the termination of this Act; and  
11 generally relating to proceeds from video lottery terminals and table games.

12 BY repealing and reenacting, without amendments,  
13 Article – State Government  
14 Section 9–1A–01(a) and 9–1A–26(a)  
15 Annotated Code of Maryland  
16 (2014 Replacement Volume and 2020 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – State Government  
19 Section 9–1A–01(u) and 9–1A–26(e)  
20 Annotated Code of Maryland  
21 (2014 Replacement Volume and 2020 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
23 That the Laws of Maryland read as follows:

24 **Article – State Government**

25 9–1A–01.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) In this subtitle the following words have the meanings indicated.

2 (u) (1) “Proceeds” means the part of the amount of money bet through video  
3 lottery terminals and table games that is not returned to successful players but is otherwise  
4 allocated under this subtitle.

5 (2) (i) “Proceeds” may be reduced consistent with regulations adopted  
6 by the Commission in accordance with [subparagraph] SUBPARAGRAPHS (ii) AND (III) of  
7 this paragraph.

8 (ii) If a video lottery operation licensee returns to successful players  
9 more than the amount of money bet through video lottery terminals or table games on a  
10 given day, the video lottery licensee may subtract that amount from the proceeds of up to  
11 7 following days.

12 (III) 1. IN THIS SUBPARAGRAPH, “COUNTER CHECK” MEANS  
13 A NEGOTIABLE INSTRUMENT ACCEPTED, ON OR AFTER JULY 1, 2021, BY A VIDEO  
14 LOTTERY OPERATOR AS A PROMISE BY A PLAYER TO REPAY A LINE OF CREDIT OF AT  
15 LEAST \$250,000 ISSUED TO THE PLAYER BY THE VIDEO LOTTERY OPERATOR.

16 2. A. AFTER REASONABLE COLLECTION EFFORTS  
17 HAVE BEEN MADE AND ONLY IF THE VIDEO LOTTERY OPERATOR WAS IN  
18 COMPLIANCE WITH ALL LAWS AND REGULATIONS APPLICABLE TO THE ISSUANCE OF  
19 CREDIT TO A PLAYER, A VIDEO LOTTERY OPERATOR MAY REDUCE THE AMOUNT OF  
20 PROCEEDS BY ANY AMOUNT OF A COUNTER CHECK ACCEPTED FROM THE PLAYER  
21 THAT IS DETERMINED TO BE UNCOLLECTIBLE BY THE GENERAL MANAGER OR CHIEF  
22 FINANCIAL OFFICER OF THE VIDEO LOTTERY FACILITY.

23 B. THE VIDEO LOTTERY OPERATOR MAY REDUCE THE  
24 AMOUNT OF PROCEEDS AS PROVIDED UNDER SUBSUBSUBPARAGRAPH A OF THIS  
25 SUBSUBPARAGRAPH NOTWITHSTANDING THE FORGIVENESS OF THE  
26 UNCOLLECTIBLE COUNTER CHECK, IN WHOLE OR IN PART, BY THE VIDEO LOTTERY  
27 OPERATOR BASED ON A GOOD FAITH BELIEF THAT THE PLAYER’S BUSINESS COULD  
28 BE RETAINED IN GOOD STANDING.

29 3. A VIDEO LOTTERY OPERATOR MAY REDUCE THE  
30 AMOUNT OF PROCEEDS AS AUTHORIZED UNDER THIS SUBPARAGRAPH FOR UP TO 7  
31 DAYS FOLLOWING THE DETERMINATION THAT A COUNTER CHECK IS  
32 UNCOLLECTIBLE.

33 (3) (i) Subject to subparagraph (ii) of this paragraph, “proceeds” does  
34 not include money given away by a video lottery operation licensee as free promotional play  
35 and used by players to bet in a video lottery terminal or at a table game.

36 (ii) After the first fiscal year of operations, the exclusion specified in

1 subparagraph (i) of this paragraph may not exceed a percentage established by the  
2 Commission by regulation of the proceeds received from video lottery terminals and table  
3 games in the prior fiscal year by the video lottery operation licensee under § 9–1A–27(a)(2),  
4 (c)(1)(ii), and (d)(1) of this subtitle.

5 9–1A–26.

6 (a) (1) Except as provided in paragraphs (2) and (3) of this subsection, all  
7 proceeds from the operation of video lottery terminals and table games shall be  
8 electronically transferred daily into the State Lottery Fund established under Subtitle 1 of  
9 this title and distributed as provided under § 9–1A–27 of this subtitle.

10 (2) The requirement under paragraph (1) of this subsection does not apply  
11 on a day when State government is closed.

12 (3) The amount from the proceeds of video lottery terminals to be paid to  
13 video lottery operation licensees under § 9–1A–27(a)(2), (7), and (8), (b), and (c)(1)(ii) and  
14 (2) of this subtitle shall be retained by the licensee.

15 (e) The Commission shall adopt regulations, **CONSISTENT WITH § 9–1A–01(U)**  
16 **OF THIS SUBTITLE**, that allow a video lottery operation licensee to reduce the amount of  
17 proceeds:

18 (1) when a video lottery operation licensee returns to successful players  
19 more than the amount of money bet through video lottery terminals or table games on a  
20 given day [that are consistent with § 9–1A–01(u) of this subtitle]; **AND**

21 (2) **BY ANY AMOUNT OF A COUNTER CHECK, AS DEFINED IN §**  
22 **9–1A–01(U) OF THIS SUBTITLE, THAT IS DETERMINED TO BE UNCOLLECTIBLE BY**  
23 **THE GENERAL MANAGER OR CHIEF FINANCIAL OFFICER OF THE VIDEO LOTTERY**  
24 **FACILITY.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That:

26 (a) A video lottery operator shall report, at least quarterly, to the Senate Budget  
27 and Taxation Committee and the House Ways and Means Committee, in accordance with  
28 § 2–1257 of the State Government Article, the following information, if applicable:

29 (1) the number of times the operator has reduced the amount of proceeds  
30 from video lottery terminals and table games by the amount of an uncollectible counter  
31 check or forgiven debt under § 9–1A–26 of the State Government Article and the total  
32 amount of the reductions; and

33 (2) whether the player from whom the video lottery operator accepted the  
34 uncollectible counter check was a first–time debtor of the operator.

1           (b)    The report required under subsection (a) of this section may not include  
2 personally identifiable information about the player that is the subject of the report.

3           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
4 1, 2021. It shall remain effective for a period of 2 years and, at the end of June 30, 2023,  
5 this Act, with no further action required by the General Assembly, shall be abrogated and  
6 of no further force and effect.