A BILL ENTITLED

AN ACT concerning Gaming – Skills–Based Gaming Devices – Authorization

FOR the purpose of authorizing the State Lottery and Gaming Control Commission to issue a skills–based gaming device license to an operator to operate certain skills–based devices; requiring the holder of a skills–based gaming device license to remit to the Commission a certain fee for each skills–based device in operation; providing for the distribution of certain revenues; providing that certain skills–based devices operated by the holder of a skills–based gaming device license are not included in the definition of “gaming devices” or “slot machines” for purposes of certain prohibitions against gambling; and generally relating to skills–based devices.

BY repealing and reenacting, without amendments,

Article – Criminal Law
Section 12–101(a)
Annotated Code of Maryland
(2021 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,

Article – Criminal Law
Section 12–101(d) and 12–301(3)(vii) and (viii)
Annotated Code of Maryland
(2021 Replacement Volume and 2021 Supplement)

BY adding to

Article – Criminal Law
Section 12–301(3)(ix)
Annotated Code of Maryland
(2021 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, without amendments,

Article – Education

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
3 BY repealing and reenacting, with amendments,
4 Article – Education
5 Section 5–206(f)
6 Annotated Code of Maryland
7 (2018 Replacement Volume and 2021 Supplement)

9 BY adding to
10 Article – State Government
11 Section 9–1F–01 through 9–1F–05 to be under the new subtitle “Subtitle 1F. Skills–Based Gaming Device Licenses”
12 Annotated Code of Maryland
13 (2021 Replacement Volume)

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

Article – Criminal Law

12–101.

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

(d) (1) “Gaming device” means:

(i) a gaming table, except a billiard table, at which a game of chance
is played for money or any other thing or consideration of value; or

(ii) a game or device at which money or any other thing or consideration of value is bet, wagered, or gambled.

(2) “Gaming device” includes a paddle wheel, wheel of fortune, chance book, and bingo.

(3) “GAMING DEVICE” DOES NOT INCLUDE A SKILLS–BASED DEVICE
OPERATED BY THE HOLDER OF A SKILLS–BASED GAMING DEVICE LICENSE ISSUED
UNDER TITLE 9, SUBTITLE 1F OF THE STATE GOVERNMENT ARTICLE.

12–301.

In this subtitle:

(3) “slot machine” does not include a machine, apparatus, or device that:
(vii) is a skills–based amusement device that awards prizes of minimal value approved by the State Lottery and Gaming Control Commission through regulation; [or]

(viii) is a skills–based device that awards noncash merchandise and is located at a family entertainment center in Worcester County licensed under § 9–1B–02 of the State Government Article; OR

(IX) is a skills–based device operated by the holder of a skills–based gaming device license issued under Title 9, Subtitle 1F of the State Government Article.

Article – Education

5–206.

(b) There is the Blueprint for Maryland's Future Fund.

(f) The Fund consists of:

(1) Revenue distributed to the Fund under Title 9, Subtitles 1D [and 1E], 1E, AND 1F of the State Government Article and §§ 2–4A–02, 2–605.1, 2–1302.1, and 2–1303 of the Tax – General Article;

(2) Money appropriated in the State budget for the Fund; and

(3) Any other money from any other source accepted for the benefit of the Fund.

Article – State Government

SUBTITLE 1F. SKILLS–BASED GAMING DEVICE LICENSES.

9–1F–01.

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

(B) “COMMISSION” means the State Lottery and Gaming Control Commission.

(C) (1) “SKILLS–BASED DEVICE” means any electronic, computerized, or mechanical contrivance, terminal, machine, or other device that:
(I) REQUIRES THE INSERTION OF A COIN, CURRENCY, TICKET, TOKEN, OR SIMILAR OBJECT TO OPERATE, ACTIVATE, OR PLAY A GAME, THE OUTCOME OF WHICH IS DETERMINED BY ANY ELEMENT OF SKILL OF THE PLAYER; AND

(II) DELIVERS OR ENTITLES THE INDIVIDUAL PLAYING OR OPERATING THE DEVICE TO RECEIVE, WHETHER AUTOMATICALLY FROM THE DEVICE OR MANUALLY:

1. CASH;

2. CASH EQUIVALENTS, GIFT CARDS, VOUCHERS, BILLETS, TICKETS, TOKENS, OR ELECTRONIC CREDITS TO BE EXCHANGED FOR CASH;

3. MERCHANDISE; OR

4. ANYTHING OF VALUE.

(2) "SKILLS–BASED DEVICE” DOES NOT INCLUDE:

(I) A SLOT MACHINE, AS DEFINED UNDER § 12–301 OF THE CRIMINAL LAW ARTICLE;

(II) A VIDEO LOTTERY TERMINAL, AS DEFINED UNDER § 9–1A–01 OF THIS TITLE;

(III) A SKILLS–BASED AMUSEMENT DEVICE THAT AWARDS PRIZES OF MINIMAL VALUE APPROVED BY THE COMMISSION THROUGH REGULATION;

(IV) A SKILLS–BASED DEVICE LICENSED UNDER § 9–1B–02 OF THIS TITLE; OR

(V) A SELF–SERVICE KIOSK, DEVICE, OR MACHINE APPROVED BY THE COMMISSION AT WHICH AN INDIVIDUAL PLACES WAGERS ON SPORTING EVENTS.

(D) “SKILLS–BASED GAMING DEVICE LICENSE” MEANS A LICENSE ISSUED BY THE COMMISSION UNDER § 9–1F–02 OF THIS SUBTITLE.
(A) (1) The Commission may issue a skills–based gaming device license to an operator to operate skills–based devices at the operator’s venue.

(2) Subject to subsection (C) of this section, a skills–based gaming device license authorizes the holder to operate skills–based devices at more than one venue owned by the holder.

(B) The Commission may impose a fee for a license issued under this section.

(C) The Commission shall determine:

(1) The number of skills–based devices that the holder of a skills–based gaming device license may operate;

(2) If the holder of a skills–based gaming device license owns more than one venue, the number of skills–based devices the holder may operate at each venue; and

(3) Any limitations on the value of prizes that may be awarded by a skills–based device.

(D) The Commission may determine that a device at a venue owned by the holder of a skills–based gaming device license is an illegal gaming device and order the device to be removed from the operator’s venue.

(E) An operator that holds a skills–based gaming device license may not transfer the license to another geographic location.

9–1F–03.

(A) (1) For each month or part of a month that the holder of a skills–based gaming device license operates a skills–based device, the holder shall pay the Commission a $500 fee for each skills–based device in operation.

(2) On or before the 10th day of the month that follows the month in which the holder of a skills–based gaming device license operates a skills–based device, the holder shall:

(i) pay to the Commission the fees required under
PARAGRAPH (1) OF THIS SUBSECTION; AND

(II) REPORT TO THE COMMISSION:

1. THE TOTAL NUMBER OF SKILLS–BASED DEVICES OPERATED AT EACH OF THE HOLDER’S VENUES;

2. THE TOTAL AMOUNT OF MONEY PAID BY INDIVIDUALS DURING THE PREVIOUS MONTH TO PLAY THE SKILLS–BASED DEVICES AT THE HOLDER’S VENUES; AND

3. THE TOTAL AMOUNT OF PRIZES OR WINNINGS AWARDED DURING THE PREVIOUS MONTH FROM EACH SKILLS–BASED DEVICE OPERATED AT EACH OF THE HOLDER’S VENUES.

(B) FROM THE FEES COLLECTED UNDER SUBSECTION (A) OF THIS SECTION, THE COMMISSION SHALL DISTRIBUTE:

(1) 84% TO THE BLUEPRINT FOR MARYLAND’S FUTURE FUND ESTABLISHED UNDER § 5–206 OF THE EDUCATION ARTICLE;

(2) 12% TO THE COUNTY IN WHICH THE SKILLS–BASED DEVICE IS LOCATED; AND

(3) 4% TO THE STATE LOTTERY FUND ESTABLISHED UNDER § 9–118 OF THIS TITLE.

9–1F–04.

ON OR BEFORE DECEMBER 1, 2023, AND EACH DECEMBER 1 THEREAFTER, THE COMMISSION SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1257 OF THIS ARTICLE, THE SENATE BUDGET AND TAXATION COMMITTEE AND THE HOUSE WAYS AND MEANS COMMITTEE ON:

(1) THE TOTAL NUMBER OF SKILLS–BASED DEVICES IN EACH COUNTY;

(2) THE TOTAL AMOUNT OF MONEY PAID BY INDIVIDUALS DURING THE PRECEDING YEAR TO PLAY THE SKILLS–BASED DEVICES IN EACH COUNTY; AND

(3) THE TOTAL AMOUNT OF PRIZES OR WINNINGS AWARDED DURING THE PRECEDING YEAR BY SKILLS–BASED DEVICES IN EACH COUNTY.

9–1F–05.
(A) The Commission shall adopt regulations to carry out the provisions of this subtitle.

(B) The regulations adopted under this section may include requirements for the establishment of a voluntary exclusion list.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.