

SENATE BILL 796

C7

2lr1415

By: **Senator Guzzone**

Introduced and read first time: February 7, 2022

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Instant Ticket Lottery Machines – Veterans’ Organizations – Repeal of the**
3 **Pre-Printed Ticket Requirement**

4 FOR the purpose of altering a requirement that the State Lottery and Gaming Control
5 Agency ensure that certain instant ticket lottery machines operate in a certain
6 manner; and generally relating to instant ticket lottery machines.

7 BY repealing and reenacting, with amendments,

8 Article – State Government

9 Section 9–112

10 Annotated Code of Maryland

11 (2021 Replacement Volume)

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 (a) In this section, “veterans’ organization” means an organization that is tax
17 exempt and organized as a veterans’ organization under § 501(c)(19) or § 501(c)(4) of the
18 Internal Revenue Code.

19 (b) Except as provided in subsection (d) of this section, in accordance with the
20 regulations of the Agency and this subtitle, the Director shall issue licenses to the persons
21 and governmental units that will best serve the public convenience and promote the sale of
22 State lottery tickets or shares.

23 (c) Before issuing a license to an applicant, the Director shall consider such
24 factors as:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) the financial responsibility and security of the applicant and the
2 business or activity of the applicant;

3 (2) the accessibility of the place of business or activity to the public;

4 (3) the sufficiency of existing licenses to serve the public convenience; and

5 (4) the volume of expected sales.

6 (d) (1) This subsection does not apply in:

7 (i) Caroline County;

8 (ii) Cecil County;

9 (iii) Dorchester County;

10 (iv) Kent County;

11 (v) Queen Anne's County;

12 (vi) Somerset County;

13 (vii) Talbot County;

14 (viii) Wicomico County; and

15 (ix) Worcester County.

16 (2) (i) Subject to subparagraph (ii) of this paragraph, the Director may
17 issue a license under this subtitle for not more than five instant ticket lottery machines to
18 an applicant that is a veterans' organization.

19 (ii) A veterans' organization that is issued a license under this
20 subsection shall locate and operate its instant ticket lottery machines at its principal
21 meeting hall in the county in which the veterans' organization is located.

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

26 (4) (i) Subject to subparagraph (ii) of this paragraph, a veterans'
27 organization issued a license under this subsection shall purchase or lease the instant
28 ticket lottery machines to be used by the veterans' organization.

1 (ii) An organization may not use receipts from the sale of tickets
2 from instant ticket lottery machines that would otherwise be credited to the State Lottery
3 Fund for the costs of purchasing or leasing instant ticket lottery machines.

4 (5) The Director may adopt regulations to implement the provisions of this
5 subsection that include restricting the location of instant ticket lottery machines in areas
6 of a veterans' organization's public meeting hall that is accessible to the public.

7 [(6) The Agency shall ensure that the element of chance in the conduct of
8 the gaming through the instant ticket lottery machines established under this subsection
9 is consistent with the holding in the case of Chesapeake Amusements Inc. v. Riddle, 363
10 Md. 16 (2001), in that the element of chance must be wholly within the pre-printed instant
11 lottery ticket, and that player enhancements in an instant ticket lottery machine may not
12 affect the element of chance being wholly within the pre-printed instant lottery ticket.]

13 **(6) THE AGENCY SHALL ENSURE THAT THE INSTANT TICKET**
14 **LOTTERY MACHINES AUTHORIZED UNDER THIS SUBSECTION OPERATE IN THE SAME**
15 **MANNER AS THE ELECTRONIC INSTANT BINGO MACHINES ALLOWED UNDER § 12-308**
16 **OF THE CRIMINAL LAW ARTICLE.**

17 (e) The Director may not issue a license to:

18 (1) a person or governmental unit to engage in business primarily as a
19 licensed agent; or

20 (2) an individual who is under the age of 21 years.

21 (f) The Commission may hear and decide an appeal of a denial of a license.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
23 1, 2022.