

SB667- Gaming - Slot Machines - Skills-Based Amuse

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Position: INFO

Maryland Lottery and Gaming Control Agency

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BILL NO: Senate Bill 667
BILL TITLE: Gaming - Slot Machines - Skills-Based Amusement Devices
COMMITTEE: Budget and Taxation
POSITION: Information

The Maryland Lottery and Gaming Control Agency (“MLGCA” or “Agency”) provides the following information regarding Senate Bill 667, Gaming - Slot Machines - Skills-Based Amusement Devices.

Bill Summary:

Senate Bill (“SB”) 667 would amend Criminal Law Article §12-301 to further define what a slot machine is NOT. It also permits multiple prizes to be accumulated and exchanged for a larger prize.

Background:

The Maryland Lottery and Gaming Control Agency has regulatory authority over skills-based amusement devices.

The current definition of slot machine exempts a skills-based amusement device that awards prizes of minimal value, approved by the State Lottery and Gaming Control Commission, through regulation. In regulation, the Commission set a minimum value of \$30 and proposed regulations to increase the minimum value to \$40 and to clarify, consistent with the statute, that even with the cumulation of prizes or tickets, the prize may not exceed the minimum value.

Rationale:

SB 667 seeks to change the statute to clarify that the value of the merchandise, tickets, tokens, or other objects is based on prizes awarded per play. It further clarifies that those merchandise, tickets, tokens, or other objects may be accumulated and exchanged for noncash merchandise or prizes of value that is similar to the cumulated value of the objects exchanged.

SB 667, however, does not set a maximum value for the merchandise or prizes of value that can be exchanged as the result of accumulating tickets, tokens, or other objects. Failing to set a maximum value that does not exceed a wholesale amount of \$599 could result in the accumulation and exchange for a prize that is reportable for tax purposes.

In a similar statute, State Government Article § 9-1B-02 pertaining to family entertainment centers and their skills-based devices, it requires that the prize’s wholesale value does not exceed \$599.

The intent of amusement games is amusement and not to be gambling for children. The value of these games is that they provide players of all ages an opportunity to receive merchandise, tickets, tokens, or other objects as a result of playing a game. These tickets, tokens, or other objects are typically exchanged for a nominal piece of merchandise such as candy, a stuffed animal, or toys.

If a limit is not set, the merchandise, tickets, tokens, or other objects could be exchanged for a new car or some other item of high value which would detract from the intent of amusement games and make them synonymous with gambling.

The Agency offers this information to you as you debate SB 667.