

HOUSE BILL 1346

C7

8lr2836

By: **Delegates Buckel, Hornberger, Long, Reilly, Rose, and Shoemaker**

Introduced and read first time: February 9, 2018

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Wagering on Sporting Events – Authorization and Implementation**

3 FOR the purpose of authorizing certain license holders to apply to the State Lottery and
4 Gaming Control Commission for a sports gaming license; authorizing the holder of a
5 sports gaming license to accept wagers on sporting events from certain individuals;
6 requiring an applicant for a sports gaming license or the renewal of a sports gaming
7 license to pay a certain fee for the license; providing for the distribution of certain
8 licensing fees collected by the Commission; requiring the Commission to revoke a
9 license under certain circumstances; providing for the distribution of the proceeds
10 from wagering on sporting events; requiring the Commission to adopt certain
11 regulations; making conforming changes; defining certain terms; making this Act
12 subject to a certain contingency; submitting, subject to a certain contingency, this
13 Act to a referendum of the qualified voters of the State; and generally relating to
14 wagering on sporting events.

15 BY repealing and reenacting, without amendments,
16 Article – State Government
17 Section 9–1A–01(a) and (k) and 9–1A–30(a)
18 Annotated Code of Maryland
19 (2014 Replacement Volume and 2017 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article – State Government
22 Section 9–1A–03, 9–1A–30(b)(1), and 9–1A–31(a)(1)
23 Annotated Code of Maryland
24 (2014 Replacement Volume and 2017 Supplement)

25 BY adding to
26 Article – State Government
27 Section 9–1D–01 through 9–1D–05 to be under the new subtitle “Subtitle 1D. Sports
28 Gaming”

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2014 Replacement Volume and 2017 Supplement)

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

5 **Article – State Government**

6 9–1A–01.

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

8 (k) “Commission” means the State Lottery and Gaming Control Commission.

9 9–1A–03.

10 (a) Except as provided in subsection (b) of this section, any additional forms or
11 expansion of commercial gaming other than as expressly provided in this subtitle **AND**
12 **SUBTITLE 1D OF THIS TITLE** are prohibited.

13 (b) This subtitle, including the authority provided to the Commission under this
14 subtitle, does not apply to:

15 (1) lotteries conducted under Subtitle 1 of this title;

16 (2) wagering on horse racing conducted under Title 11 of the Business
17 Regulation Article;

18 (3) the operation of slot machines as provided under Titles 12 and 13 of the
19 Criminal Law Article; or

20 (4) other gaming conducted under Titles 12 and 13 of the Criminal Law
21 Article.

22 9–1A–30.

23 (a) There is an Education Trust Fund which is a special, nonlapsing fund that is
24 not subject to § 7–302 of the State Finance and Procurement Article.

25 (b) (1) There shall be credited to the Education Trust Fund all proceeds
26 allocated to the Fund under § 9–1A–27 of this subtitle **AND SUBTITLE 1D OF THIS TITLE**.

27 9–1A–31.

28 (a) (1) Except as provided in paragraph (8) of this subsection, the local impact
29 grants provided under § 9–1A–27 of this subtitle shall be distributed as provided in this
30 subsection **AND SUBTITLE 1D OF THIS TITLE**.

1 **(A) (1) A VIDEO LOTTERY OPERATOR OR HORSE RACING LICENSEE MAY**
2 **APPLY TO THE COMMISSION FOR A SPORTS GAMING LICENSE.**

3 **(2) AN APPLICATION SUBMITTED FOR A SPORTS GAMING LICENSE**
4 **UNDER THIS SECTION SHALL INCLUDE AN INITIAL LICENSE FEE OF \$300,000.**

5 **(3) THE TERM OF A SPORTS GAMING LICENSE UNDER THIS SECTION**
6 **IS 1 YEAR.**

7 **(4) ON APPLICATION SUBMITTED BY THE HOLDER OF A SPORTS**
8 **GAMING LICENSE, THE COMMISSION MAY RENEW A SPORTS GAMING LICENSE**
9 **UNDER THIS SECTION, SUBJECT TO A LICENSE RENEWAL FEE OF \$50,000.**

10 **(B) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE**
11 **COMMISSION, THE COMPTROLLER SHALL PAY, FROM THE INITIAL LICENSE FEES**
12 **AND LICENSE RENEWAL FEES COLLECTED BY THE COMMISSION UNDER THIS**
13 **SECTION, THE FOLLOWING AMOUNTS:**

14 **(1) 10% TO THE PROBLEM GAMBLING FUND ESTABLISHED UNDER §**
15 **9-1A-33 OF THIS TITLE;**

16 **(2) 10% TO LOCAL IMPACT GRANTS, IN ACCORDANCE WITH § 9-1A-31**
17 **OF THIS TITLE; AND**

18 **(3) 80% TO THE EDUCATION TRUST FUND ESTABLISHED UNDER §**
19 **9-1A-30 OF THIS TITLE.**

20 **(C) THE HOLDER OF A SPORTS GAMING LICENSE:**

21 **(1) MAY ACCEPT WAGERS ON SPORTING EVENTS FROM AN**
22 **INDIVIDUAL PHYSICALLY PRESENT AT:**

23 **(I) A VIDEO LOTTERY FACILITY; OR**

24 **(II) A RACETRACK THAT OFFERS THOROUGHBRED OR HARNESS**
25 **RACING; AND**

26 **(2) MAY NOT ACCEPT WAGERS ON SPORTING EVENTS MADE BY**
27 **TELEPHONE OR AN ELECTRONIC DEVICE.**

28 **(D) THE COMMISSION SHALL ESTABLISH BY REGULATION THE FORM AND**
29 **CONTENT OF THE APPLICATION FOR A SPORTS GAMING LICENSE.**

1 **(E) THE COMMISSION SHALL REVOKE A SPORTS GAMING LICENSE FROM A**
2 **LICENSE HOLDER THAT DOES NOT HOLD:**

3 **(1) A VIDEO LOTTERY OPERATION LICENSE; OR**

4 **(2) A LICENSE ISSUED BY THE STATE RACING COMMISSION UNDER**
5 **TITLE 11 OF THE BUSINESS REGULATION ARTICLE.**

6 **9-1D-04.**

7 **A HOLDER OF A SPORTS GAMING LICENSE MAY NOT ACCEPT A WAGER ON A**
8 **SPORTING EVENT FROM AN INDIVIDUAL WHO IS NOT AT LEAST 21 YEARS OLD.**

9 **9-1D-05.**

10 **(A) EACH HOLDER OF A SPORTS GAMING LICENSE SHALL RETAIN 80% OF**
11 **THE PROCEEDS FROM WAGERS ON SPORTING EVENTS.**

12 **(B) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE**
13 **COMMISSION, THE COMPTROLLER SHALL PAY THE REMAINING 20% OF THE**
14 **PROCEEDS FROM WAGERS ON SPORTING EVENTS TO THE EDUCATION TRUST FUND**
15 **ESTABLISHED UNDER § 9-1A-30 OF THIS TITLE.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That before Section 1 of this Act,
17 which authorizes additional forms or expansion of commercial gaming, becomes effective,
18 it shall first be submitted to a referendum of the qualified voters of the State at the next
19 November general election following the date the contingency in Section 3 of this Act is
20 satisfied, in accordance with Article XIX, § 1(e) of the Maryland Constitution. The State
21 Board of Elections shall do those things necessary and proper to provide for and hold the
22 referendum required by this section. If a majority of the votes cast on the question are “For
23 the referred law”, the provisions of Section 1 of this Act shall become effective on the 120th
24 day following the official canvass of votes for the referendum, but if a majority of the votes
25 cast on the question are “Against the referred law”, the provisions of this Act are of no effect
26 and null and void.

27 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to the provisions of
28 Section 2 of this Act and for the sole purpose of providing for the referendum required by
29 Section 2 of this Act, Section 2 of this Act shall take effect contingent upon the repeal or
30 amendment of the federal Professional and Amateur Sports Protection Act in a manner
31 that does not prohibit the State from allowing wagering on sporting events or a
32 determination by a federal court or the United States Department of Justice that the Act
33 does not prohibit the State from allowing wagering on sporting events. If the Director of
34 the State Lottery and Gaming Control Agency determines that an event satisfying the
35 contingency has occurred, the Director shall notify the Department of Legislative Services.
36 Section 2 of this Act shall take effect on the date that notice from the Director is received

1 by the Department of Legislative Services.

2 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions of
3 Sections 2 and 3 of this Act, this Act shall take effect July 1, 2018.