

# HOUSE BILL 1397

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By: **Delegate Hornberger**

Introduced and read first time: February 25, 2019

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Lottery – Instant Ticket Lottery Machines – Eastern Shore Veterans’**  
3 **Organizations**

4 FOR the purpose of expanding the authority of the Director of the State Lottery and  
5 Gaming Control Agency to issue a license to operate certain instant ticket lottery  
6 machines to veterans’ organizations in certain counties; making technical  
7 corrections; and generally relating to instant ticket lottery machines.

8 BY repealing and reenacting, with amendments,  
9 Article – State Government  
10 Section 9–112  
11 Annotated Code of Maryland  
12 (2014 Replacement Volume and 2018 Supplement)

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

15 **Article – State Government**

16 9–112.

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

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

7 (4) the volume of expected sales.

8 (d) (1) [This subsection does not apply in:

9 (i) Caroline County;

10 (ii) Cecil County;

11 (iii) Dorchester County;

12 (iv) Kent County;

13 (v) Queen Anne's County;

14 (vi) Somerset County;

15 (vii) Talbot County;

16 (viii) Wicomico County; and

17 (ix) Worcester County.

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

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

24 [(3)] (2) After deduction of any commission and validation prize payout  
25 as provided under § 9–117 of this subtitle, a veterans' organization issued a license under  
26 this subsection shall credit the remaining receipts from the sale of tickets from instant  
27 ticket lottery machines to the State Lottery Fund established under § 9–118 of this subtitle.

1            **[(4)] (3)**        (i)     Subject to subparagraph (ii) of this paragraph, a veterans'  
2 organization issued a license under this subsection shall purchase or lease the instant  
3 ticket lottery machines to be used by the veterans' organization.

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

7            **[(5)] (4)**        The Director may adopt regulations to implement the provisions  
8 of this subsection that **[included] INCLUDE** restricting the location of instant ticket lottery  
9 machines in areas of a veterans' organization's public meeting hall that is accessible to the  
10 public.

11           **[(6)] (5)**        The **[State Lottery and Gaming Control]** Agency shall ensure  
12 that the element of chance in the conduct of the gaming through the instant ticket lottery  
13 machines established under this subsection is consistent with the holding in the case of  
14 Chesapeake Amusements Inc. v. Riddle, 363 Md. 16 (2001), in that the element of chance  
15 must be wholly within the pre-printed instant lottery ticket, and that player enhancements  
16 in an instant ticket lottery machine may not affect the element of chance being wholly  
17 within the pre-printed instant lottery ticket.

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

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

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

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

23           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, 2019.