

HOUSE BILL 748

C7

4lr1013

By: **Delegates Afzali, Hough, Kipke, Parrott, and Szeliga**

Introduced and read first time: February 3, 2014

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Video Lottery Operation Licensees – Mandatory Audit**

3 FOR the purpose of requiring the State Lottery and Gaming Control Commission to
4 inspect, examine, and audit books, records, and documents concerning the video
5 lottery and table game operations of a video lottery operation licensee, including
6 the financial records of a parent corporation, subsidiary corporation, or similar
7 business entity; requiring the Commission to conduct the audit on a biennial
8 basis; and generally relating to oversight of video lottery operation licensees by
9 the State Lottery and Gaming Control Commission.

10 BY repealing and reenacting, without amendments,
11 Article – State Government
12 Section 9–1A–01(a) and (k)
13 Annotated Code of Maryland
14 (2009 Replacement Volume and 2013 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – State Government
17 Section 9–1A–04(f)
18 Annotated Code of Maryland
19 (2009 Replacement Volume and 2013 Supplement)

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

22 **Article – State Government**

23 9–1A–01.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (k) "Commission" means the State Lottery and Gaming Control Commission.

2 9-1A-04.

3 (f) (1) The Commission shall promptly and thoroughly investigate all
4 applications and enforce this subtitle and regulations that are adopted under this
5 subtitle.

6 (2) The Commission and its employees and agents shall have the
7 authority, without notice and without warrant, to:

8 (i) inspect and examine all premises in which video lottery and
9 table game operations under this subtitle are conducted or any authorized table
10 games, table game equipment, video lottery terminals, central monitor and control
11 system, or associated equipment and software designed, built, constructed, assembled,
12 manufactured, sold, distributed, or serviced, or in which records of those activities are
13 prepared or maintained;

14 (ii) inspect any table games, table game equipment, video
15 lottery terminals, central monitor and control system, or associated equipment and
16 software in, about, on, or around those premises;

17 (iii) seize summarily and remove from those premises and
18 impound, or assume physical control of, any table games, table game equipment, video
19 lottery terminals, central monitor and control system, or associated equipment and
20 software for the purposes of examination and inspection;

21 (iv) inspect, examine, and audit books, records, and documents
22 concerning a licensee's video lottery and table game operations, including the financial
23 records of a parent corporation, subsidiary corporation, or similar business entity; and

24 (v) seize, impound, or assume physical control of books, records,
25 ledgers, cash boxes and their contents, a counting room or its equipment, or other
26 physical objects relating to video lottery or table game operations.

27 **(3) IN ADDITION TO HAVING THE AUTHORITY GRANTED UNDER**
28 **PARAGRAPH (2)(IV) OF THIS SUBSECTION, THE COMMISSION ONCE EVERY 2**
29 **YEARS SHALL INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND**
30 **DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY AND TABLE GAME**
31 **OPERATIONS, INCLUDING THE FINANCIAL RECORDS OF A PARENT**
32 **CORPORATION, SUBSIDIARY CORPORATION, OR SIMILAR BUSINESS ENTITY.**

33 **[(3)] (4)** A licensee shall authorize any other person having financial
34 records relating to the licensee to provide those records to the Commission.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2014.