

# SENATE BILL 878

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CF HB 1029

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By: **Senator Klausmeier**

Introduced and read first time: February 2, 2024

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Problem Gambling – Prevalence Study and Fund Revenue**

3 FOR the purpose of requiring the Maryland Department of Health to conduct certain  
4 prevalence studies concerning problem and pathological mobile gambling; altering  
5 the distribution of certain State lottery, fantasy competition, and sports wagering  
6 proceeds; and generally relating to problem gambling and the Problem Gambling  
7 Fund.

8 BY repealing and reenacting, with amendments,  
9 Article – Health – General  
10 Section 19–804  
11 Annotated Code of Maryland  
12 (2023 Replacement Volume)

13 BY repealing and reenacting, with amendments,  
14 Article – State Government  
15 Section 9–120(b)(1)(xii) and (xiii), 9–1D–04, and 9–1E–12(b)  
16 Annotated Code of Maryland  
17 (2021 Replacement Volume and 2023 Supplement)

18 BY adding to  
19 Article – State Government  
20 Section 9–120(b)(1)(xiii)  
21 Annotated Code of Maryland  
22 (2021 Replacement Volume and 2023 Supplement)

23 BY repealing and reenacting, without amendments,  
24 Article – State Government  
25 Section 9–1E–12(a)  
26 Annotated Code of Maryland  
27 (2021 Replacement Volume and 2023 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Health – General**

4 19–804.

5 (a) (1) The Secretary shall make grants from or agreements for the use of State  
6 funds, including the funds provided under § 9–1A–33 of the State Government Article, and  
7 federal funds to help public agencies or nonprofit organizations operate the network of  
8 clinically appropriate services for problem gamblers who reside in the State to provide the  
9 following:

- 10 (i) Inpatient and residential services;
- 11 (ii) Outpatient services;
- 12 (iii) Intensive outpatient services;
- 13 (iv) Continuing care services;
- 14 (v) Educational services;
- 15 (vi) Services for victims of domestic violence; and
- 16 (vii) Other preventive or rehabilitative services or treatment.

17 (2) Research and training that are designed to improve or extend these  
18 services are proper items of expense.

19 (b) The Secretary shall conduct [a]:

20 **(1) A prevalence study and replication prevalence studies to measure the**  
21 **rate of problem and pathological IN–PERSON gambling in the State; AND**

22 **(2) A PREVALENCE STUDY AND REPLICATION PREVALENCE STUDIES**  
23 **TO MEASURE THE RATE OF PROBLEM AND PATHOLOGICAL MOBILE GAMBLING IN**  
24 **THE STATE.**

25 (c) (1) Subject to paragraph (2) of this subsection, the Secretary shall contract  
26 with an independent researcher to conduct the prevalence studies.

27 (2) The Secretary shall utilize the most current psychiatric or diagnostic  
28 criteria for problem and pathological gambling as the basis for the prevalence studies.

1 (d) (1) The initial prevalence study **ON PROBLEM AND PATHOLOGICAL**  
2 **IN-PERSON GAMBLING IN THE STATE** shall be completed on or before July 1, 2009.

3 (2) **THE INITIAL PREVALENCE STUDY ON PROBLEM AND**  
4 **PATHOLOGICAL MOBILE GAMBLING IN THE STATE SHALL BE COMPLETED ON OR**  
5 **BEFORE JULY 1, 2029.**

6 (e) Replication prevalence studies shall be conducted no less than every 5 years  
7 with measures taken to permit comparisons between the initial prevalence study and  
8 subsequent replication prevalence studies.

9 (f) Services under this subtitle shall be provided by public agencies or, under  
10 contract, by nonprofit organizations.

### 11 Article – State Government

12 9–120.

13 (b) (1) By the end of the month following collection, the Comptroller shall  
14 deposit, cause to be deposited, or pay:

15 (xii) after June 30, 2023, into the Prince George’s County Blue Line  
16 Corridor Facility Fund established under § 10–657.6 of the Economic Development Article  
17 from the money that remains in the State Lottery Fund from the proceeds of all lotteries  
18 after the distributions under subsection (a) of this section and items (i) through (xi) of this  
19 paragraph, an amount not to exceed \$27,000,000 to be paid in two installments not later  
20 than November 1 and June 1 of each fiscal year; [and]

21 **(XIII) AFTER JUNE 30, 2024, INTO THE PROBLEM GAMBLING**  
22 **FUND ESTABLISHED UNDER § 9–1A–33 OF THIS TITLE, 1% OF THE MONEY THAT**  
23 **REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF ALL LOTTERIES**  
24 **EACH FISCAL YEAR, EXCEPT FROM THE INSTANT TICKET LOTTERY MACHINES**  
25 **UNDER § 9–112 OF THIS SUBTITLE, AFTER THE DISTRIBUTIONS UNDER SUBSECTION**  
26 **(A) OF THIS SECTION AND ITEMS (I) THROUGH (XII) OF THIS PARAGRAPH; AND**

27 [(xiii)] **(XIV)** into the General Fund of the State the money that remains  
28 in the State Lottery Fund from the proceeds of all lotteries after the distributions under  
29 subsection (a) of this section and items (i) through [(xii)] **(XIII)** of this paragraph.

30 9–1D–04.

31 (a) A fantasy competition operator shall retain [85%] **84%** of the proceeds and  
32 pay the remainder to the Commission.

1 (b) [The Commission shall distribute the proceeds paid] **FROM THE**  
2 **REMAINDER OF THE PROCEEDS PAID TO THE COMMISSION** under subsection (a) of this  
3 section, **THE COMMISSION SHALL PAY THE FOLLOWING AMOUNTS:**

4 (1) **93.75%** to the Blueprint for Maryland's Future Fund established under  
5 § 5-206 of the Education Article; **AND**

6 (2) **6.25% TO THE PROBLEM GAMBLING FUND ESTABLISHED UNDER**  
7 **§ 9-1A-33 OF THIS TITLE.**

8 9-1E-12.

9 (a) (1) The Commission shall account to the Comptroller for all of the revenue  
10 under this subtitle.

11 (2) The proceeds from sports wagering, less the amount retained by the  
12 licensee under subsection (b)(1) of this section, shall be under the control of the Comptroller  
13 and distributed as provided under subsection (b) of this section.

14 (b) (1) (i) Except as provided in subparagraphs (ii), (iii), and (iv) of this  
15 paragraph, all proceeds from sports wagering shall be electronically transferred monthly  
16 into the State Lottery Fund established under Subtitle 1 of this title.

17 (ii) A Class A-1 and A-2 sports wagering facility licensee shall  
18 retain **[85%] 84%** of the proceeds from sports wagering conducted at the locations described  
19 in § 9-1E-09(a) of this subtitle.

20 (iii) A Class B-1 and B-2 sports wagering facility licensee shall  
21 retain **[85%] 84%** of the proceeds from sports wagering conducted at the location described  
22 in the licensee's application.

23 (iv) A mobile sports wagering licensee shall retain **[85%] 84%** of the  
24 proceeds from online sports wagering received by the licensee.

25 (2) All proceeds from sports wagering in the State Lottery Fund  
26 established under Subtitle 1 of this title shall be distributed on a monthly basis, on a  
27 properly approved transmittal prepared by the Commission **AS FOLLOWS:**

28 (I) **93.75%** to the Blueprint for Maryland's Future Fund established  
29 under § 5-206 of the Education Article; **AND**

30 (II) **6.25% TO THE PROBLEM GAMBLING FUND ESTABLISHED**  
31 **UNDER § 9-1A-33 OF THIS TITLE.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
2 1, 2024.