

HOUSE BILL 1430

C7

0lr1618

By: **Delegates Hornberger and Buckel**

Introduced and read first time: February 7, 2020

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Video Lottery Operator – Reconciliation of Proceeds – Uncollectible Debt**

3 FOR the purpose of altering the definition of “proceeds” to allow a video lottery operator,
4 under certain circumstances, to reduce the amount of proceeds received from video
5 lottery terminals and table games by the amount of certain uncollectible negotiable
6 instruments for up to a certain number of days following a certain determination;
7 requiring the State Lottery and Gaming Control Commission to adopt certain
8 regulations; making technical changes; defining a certain term; and generally
9 relating to proceeds from video lottery terminals and table games.

10 BY repealing and reenacting, without amendments,
11 Article – State Government
12 Section 9–1A–01(a) and 9–1A–26(a)
13 Annotated Code of Maryland
14 (2014 Replacement Volume and 2019 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – State Government
17 Section 9–1A–01(u) and 9–1A–26(e)
18 Annotated Code of Maryland
19 (2014 Replacement Volume and 2019 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 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.



(u) (1) “Proceeds” means the part of the amount of money bet through video lottery terminals and table games that is not returned to successful players but is otherwise allocated under this subtitle.

(2) (i) “Proceeds” may be reduced consistent with regulations adopted by the Commission in accordance with [subparagraph] SUBPARAGRAPHS (ii) AND (III) of this paragraph.

(ii) If a video lottery operation licensee returns to successful players more than the amount of money bet through video lottery terminals or table games on a given day, the video lottery licensee may subtract that amount from the proceeds of up to 7 following days.

(III) 1. IN THIS SUBPARAGRAPH, “COUNTER CHECK” MEANS A NEGOTIABLE INSTRUMENT ACCEPTED, ON OR AFTER JULY 1, 2020, BY A VIDEO LOTTERY OPERATOR AS A PROMISE BY A PLAYER TO REPAY A LINE OF CREDIT OF AT LEAST \$250,000 ISSUED TO THE PLAYER BY THE VIDEO LOTTERY OPERATOR.

2. A. AFTER REASONABLE COLLECTION EFFORTS HAVE BEEN MADE AND ONLY IF THE VIDEO LOTTERY OPERATOR WAS IN COMPLIANCE WITH ALL LAWS AND REGULATIONS APPLICABLE TO THE ISSUANCE OF CREDIT TO A PLAYER, A VIDEO LOTTERY OPERATOR MAY REDUCE THE AMOUNT OF PROCEEDS BY ANY AMOUNT OF A COUNTER CHECK ACCEPTED FROM THE PLAYER THAT IS DETERMINED TO BE UNCOLLECTIBLE BY THE GENERAL MANAGER OR CHIEF FINANCIAL OFFICER OF THE VIDEO LOTTERY FACILITY.

B. A VIDEO LOTTERY OPERATOR MAY REDUCE THE AMOUNT OF PROCEEDS AS AUTHORIZED UNDER THIS SUBPARAGRAPH FOR UP TO 3 DAYS FOLLOWING THE DETERMINATION THAT A COUNTER CHECK IS UNCOLLECTIBLE.

(3) (i) Subject to subparagraph (ii) of this paragraph, “proceeds” does not include money given away by a video lottery operation licensee as free promotional play and used by players to bet in a video lottery terminal or at a table game.

(ii) After the first fiscal year of operations, the exclusion specified in subparagraph (i) of this paragraph may not exceed a percentage established by the Commission by regulation of the proceeds received from video lottery terminals and table games in the prior fiscal year by the video lottery operation licensee under § 9–1A–27(a)(2), (c)(1)(ii), and (d)(1) of this subtitle.

9–1A–26.

(a) (1) Except as provided in paragraphs (2) and (3) of this subsection, all proceeds from the operation of video lottery terminals and table games shall be

electronically transferred daily into the State Lottery Fund established under Subtitle 1 of this title and distributed as provided under § 9–1A–27 of this subtitle.

(2) The requirement under paragraph (1) of this subsection does not apply on a day when State government is closed.

(3) The amount from the proceeds of video lottery terminals to be paid to video lottery operation licensees under § 9–1A–27(a)(2), (7), and (8), (b), and (c)(1)(ii) and (2) of this subtitle shall be retained by the licensee.

(e) The Commission shall adopt regulations, **CONSISTENT WITH § 9–1A–01(U) OF THIS SUBTITLE**, that allow a video lottery operation licensee to reduce the amount of proceeds:

(1) when a video lottery operation licensee returns to successful players more than the amount of money bet through video lottery terminals or table games on a given day [that are consistent with § 9–1A–01(u) of this subtitle]; **AND**

(2) **BY ANY AMOUNT OF A COUNTER CHECK, AS DEFINED IN § 9–1A–01(U) OF THIS SUBTITLE, THAT IS DETERMINED TO BE UNCOLLECTIBLE BY THE GENERAL MANAGER OR CHIEF FINANCIAL OFFICER OF THE VIDEO LOTTERY FACILITY.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2020.