C7 SB 267/23 – B&T

## By: Senator Watson

Introduced and read first time: January 26, 2024 Assigned to: Budget and Taxation

# A BILL ENTITLED

1 AN ACT concerning

#### $\mathbf{2}$

# Internet Gaming – Authorization and Implementation

3 FOR the purpose of authorizing the State Lottery and Gaming Control Commission to issue certain licenses to certain video lottery operators in the State and certain gualified 4  $\mathbf{5}$ applicants to conduct or participate in certain Internet gaming operations in the 6 State; requiring the Commission to regulate Internet gaming and the conduct of 7 Internet gaming in the State; authorizing the Governor, on recommendation of the 8 Commission, to enter into certain multijurisdictional Internet gaming agreements 9 with certain other governments, subject to certain limitations; submitting this Act to a referendum of the qualified voters of the State; and generally relating to Internet 10 11 gaming.

- 12 BY repealing and reenacting, without amendments,
- 13 Article Education
- 14 Section 5–206(b)
- 15 Annotated Code of Maryland
- 16 (2022 Replacement Volume and 2023 Supplement)
- 17 BY repealing and reenacting, with amendments,
- 18 Article Education
- 19 Section 5–206(f)
- 20 Annotated Code of Maryland
- 21 (2022 Replacement Volume and 2023 Supplement)
- 22 BY adding to
- 23 Article State Government
- 24 Section 9–1F–01 through 9–1F–11 to be under the new subtitle "Subtitle 1F. Internet 25 Gaming"
- 26 Annotated Code of Maryland
- 27 (2021 Replacement Volume and 2023 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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	2	SENATE BILL 603
$\frac{1}{2}$		TION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, ws of Maryland read as follows:
3		Article – Education
4	5-206.	
5	(b)	There is the Blueprint for Maryland's Future Fund.
6	(f)	The Fund consists of:
7 8 9		(1) Revenue distributed to the Fund under Title 9, Subtitles 1D [and 1E] <b>1F</b> of the State Government Article and §§ 2–4A–02, 2–605.1, and 2–1303 of eneral Article;
10		(2) Money appropriated in the State budget for the Fund; and
$\begin{array}{c} 11 \\ 12 \end{array}$	Fund.	(3) Any other money from any other source accepted for the benefit of the
13		Article – State Government
14		SUBTITLE 1F. INTERNET GAMING.
15	9–1F–01.	
$\frac{16}{17}$	(A) INDICATED	IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
18 19	(B) Commissio	"Commission" means the State Lottery and Gaming Control on.
$\begin{array}{c} 20\\ 21 \end{array}$		"INTERNET GAMING" MEANS CASINO-STYLE GAMING THROUGH AN MING SYSTEM:
$\begin{array}{c} 22\\ 23 \end{array}$	DEVICE; AN	(1) ON A COMPUTER, A MOBILE DEVICE, OR ANY OTHER INTERACTIVE
$\begin{array}{c} 24 \\ 25 \\ 26 \end{array}$	PERSON WI LICENSEE.	(2) THAT IS CONDUCTED BY AN INTERNET GAMING LICENSEE OR A HO OPERATES INTERNET GAMING ON BEHALF OF AN INTERNET GAMING
$27 \\ 28 \\ 29$	• • •	"INTERNET GAMING LICENSE" MEANS A LICENSE ISSUED BY THE ON TO CONDUCT INTERNET GAMING IN THE STATE IN ACCORDANCE WITH ITLE.

1 (E) "INTERNET GAMING LICENSEE" MEANS THE HOLDER OF AN INTERNET 2 GAMING LICENSE UNDER THIS SUBTITLE.

3 (F) "PROCEEDS" MEANS THE AMOUNT OF MONEY BET ON INTERNET 4 GAMING, LESS:

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(1) THE AMOUNT RETURNED TO SUCCESSFUL PLAYERS;

6 (2) THE CASH EQUIVALENTS OF ANY MERCHANDISE OR THING OF 7 VALUE AWARDED AS A PRIZE TO SUCCESSFUL PLAYERS; AND

8 (3) (I) THROUGH THE FIRST YEAR OF OPERATION OF AN INTERNET 9 GAMING LICENSEE, FREE PLAY AND PROMOTIONAL CREDITS REDEEMED BY 10 PLAYERS; AND

11 (II) FOLLOWING THE FIRST YEAR OF OPERATION OF AN 12 INTERNET GAMING LICENSEE, 20% OF FREE PLAY AND PROMOTIONAL CREDITS 13 REDEEMED BY PLAYERS.

14 (G) "VIDEO LOTTERY FACILITY" HAS THE MEANING STATED IN § 9–1A–01 15 OF THIS TITLE.

16 (H) "VIDEO LOTTERY OPERATOR" HAS THE MEANING STATED IN § 9–1A–01 17 OF THIS TITLE.

18 **9–1F–02.** 

19 (A) (1) THIS SUBTITLE AUTHORIZES AN INTERNET GAMING LICENSEE TO 20 CONDUCT AND OPERATE INTERNET GAMING IN THE STATE AS PROVIDED IN THIS 21 SUBTITLE.

(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
PARAGRAPH, AN INTERNET GAMING LICENSEE MAY ENTER INTO AN AGREEMENT
WITH UP TO ONE OPERATOR TO CONDUCT AND OPERATE INTERNET GAMING ON
BEHALF OF THE LICENSEE.

26(II) AN INTERNET GAMING LICENSEE THAT IS A VIDEO LOTTERY27OPERATOR MAY ENTER INTO AGREEMENTS WITH UP TO TWO OPERATORS TO28CONDUCT AND OPERATE INTERNET GAMING ON BEHALF OF THE LICENSEE.

29(B) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE COMMISSION30SHALL REGULATE INTERNET GAMING AND THE CONDUCT OF INTERNET GAMING TO

1 THE SAME EXTENT THAT THE COMMISSION REGULATES THE OPERATION OF VIDEO 2 LOTTERY TERMINALS AND TABLE GAMES UNDER SUBTITLE 1A OF THIS TITLE AND 3 MOBILE SPORTS WAGERING UNDER SUBTITLE 1E OF THIS TITLE.

4 (C) UNLESS THE CONTEXT REQUIRES OTHERWISE, THE REQUIREMENTS 5 UNDER §§ 9–1A–04, 9–1A–06, 9–1A–07, 9–1A–08, 9–1A–12, 9–1A–14, 9–1A–18, 6 9–1A–19, 9–1A–20, AND 9–1A–25 OF THIS TITLE APPLY TO THE AUTHORITY, DUTIES, 7 AND RESPONSIBILITIES OF THE COMMISSION, AN INTERNET GAMING LICENSEE, 8 AND AN EMPLOYEE OR A CONTRACTOR OF AN INTERNET GAMING LICENSEE UNDER 9 THIS SUBTITLE.

10 (D) THE COMMISSION SHALL ADOPT REGULATIONS THAT ESTABLISH:

11(1) THE FORM AND CONTENT OF AN APPLICATION FOR ANY LICENSE12REQUIRED UNDER THIS SUBTITLE;

13(2) STANDARDS, PROCEDURES, AND RULES THAT GOVERN THE14CONDUCT AND OPERATION OF INTERNET GAMING; AND

15 (3) ANY OTHER REGULATION NECESSARY TO CARRY OUT THE 16 PROVISIONS OF THIS SUBTITLE.

17 **9–1F–03.** 

18 (A) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THIS SUBTITLE IS 19 TO BE IMPLEMENTED IN A MANNER THAT, TO THE EXTENT PERMITTED BY STATE 20 AND FEDERAL LAW, MAXIMIZES THE ABILITY OF MINORITIES, WOMEN, AND 21 MINORITY– AND WOMEN–OWNED BUSINESSES TO PARTICIPATE IN THE INTERNET 22 GAMING INDUSTRY, INCLUDING THROUGH THE OWNERSHIP OF ENTITIES LICENSED 23 TO CONDUCT INTERNET GAMING.

24 (B) (1) (I) THE COMMISSION MAY ISSUE AN INTERNET GAMING 25 LICENSE TO A VIDEO LOTTERY OPERATOR.

(II) IN ADDITION TO THE INTERNET GAMING LICENSES
AUTHORIZED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE COMMISSION
MAY ISSUE UP TO FIVE INTERNET GAMING LICENSES TO APPLICANTS THAT:

291. HAVEMAINTAINEDTHEAPPLICANTS'30HEADQUARTERS IN THE STATE FOR AT LEAST 10 YEARS;

312.EMPLOYED ON DECEMBER 31, 2023, AND CONTINUE32TO EMPLOY, AT LEAST 250 EMPLOYEES IN THE STATE ON A FULL-TIME OR

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## 1 FULL-TIME EQUIVALENT BASIS;

BURING THE PERIOD BEGINNING ON JANUARY 1,
 2018, AND ENDING ON DECEMBER 31, 2023, FILED AN APPLICATION OR RENEWAL
 APPLICATION TO OWN AN EQUITY INTEREST OF AT LEAST 5% IN A VIDEO LOTTERY
 OPERATOR AND WERE FOUND BY THE COMMISSION TO BE QUALIFIED;

6 4. AGREE TO OPERATE THE INTERNET GAMING 7 BUSINESS USING A BRAND ASSOCIATED WITH THE MARYLAND-BASED APPLICANT, 8 SUBJECT TO WAIVER BY THE COMMISSION AFTER 1 FULL YEAR OF OPERATION; AND

9 5. COMMIT TO SPEND AT LEAST \$5,000,000 DURING THE 10 INITIAL TERM OF THE INTERNET GAMING LICENSE TO BUILD AND OPERATE A LIVE 11 GAMING STUDIO, AS DEFINED UNDER § 9–1F–10 OF THIS SUBTITLE, OR A STUDIO 12 FOR TELEVISION AND FILM PRODUCTIONS UNDER THE AUSPICES OF THE 13 MARYLAND FILM OFFICE WITHIN THE MARYLAND DEPARTMENT OF COMMERCE 14 DIVISION OF TOURISM, FILM, AND THE ARTS.

15 (2) (I) THE COMMISSION MAY CONTRACT WITH A CONSULTANT TO 16 ASSIST THE COMMISSION WITH THE DEVELOPMENT OF AN INTERNET GAMING 17 LICENSE APPLICATION AND THE REVIEW OF APPLICANTS.

18 (II) AS PART OF THE REVIEW OF AN APPLICATION FOR AN 19 INTERNET GAMING LICENSE AUTHORIZED UNDER PARAGRAPH (1)(II) OF THIS 20 SUBSECTION, THE COMMISSION SHALL DETERMINE WHETHER THE ISSUANCE OF AN 21 INTERNET GAMING LICENSE TO THE APPLICANT SERVES THE PUBLIC INTEREST.

22 (3) (I) THE INITIAL LICENSE FEE FOR AN INTERNET GAMING 23 LICENSE IS EQUAL TO \$1,000,000.

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(II) THE TERM OF AN INTERNET GAMING LICENSE IS 5 YEARS.

(4) (I) ON APPLICATION BY AN INTERNET GAMING LICENSEE AND
PAYMENT OF A LICENSE RENEWAL FEE UNDER SUBPARAGRAPH (II) OF THIS
PARAGRAPH, THE COMMISSION SHALL RENEW FOR 5 YEARS AN INTERNET GAMING
LICENSE IF THE LICENSEE COMPLIES WITH ALL STATUTORY AND REGULATORY
REQUIREMENTS.

30 (II) THE LICENSE RENEWAL FEE IS EQUAL TO 1% OF THE 31 INTERNET GAMING LICENSEE'S AVERAGE ANNUAL PROCEEDS RETAINED BY THE 32 LICENSEE UNDER § 9–1F–05(B)(1)(II) OF THIS SUBTITLE FOR THE PRECEDING 33 3–YEAR PERIOD.

$egin{array}{c} 1 \\ 2 \\ 3 \end{array}$	(C) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE Commission, the Comptroller shall pay the following amounts from the license fees collected by the Commission under this section:
4 5 6	(1) AN AMOUNT TO THE STATE LOTTERY AND GAMING CONTROL AGENCY NECESSARY TO REIMBURSE THE AGENCY FOR EXPENSES RELATED TO THE ISSUANCE AND RENEWAL OF LICENSES UNDER THIS SECTION;
7 8 9	(2) 1% TO THE STATE LOTTERY AND GAMING CONTROL AGENCY FOR THE COST OF PERFORMING BACKGROUND INVESTIGATIONS AND OTHER REGULATORY ACTIVITIES;
10 11	(3) 1% TO THE PROBLEM GAMBLING FUND ESTABLISHED UNDER § 9–1A–33 OF THIS TITLE; AND
$\frac{12}{13}$	(4) THE REMAINDER TO THE BLUEPRINT FOR MARYLAND'S FUTURE FUND ESTABLISHED UNDER § 5–206 OF THE EDUCATION ARTICLE.
14	9–1F–04.
15	AN INTERNET GAMING LICENSEE:
16	
	(1) SHALL:
17 18	(I) SHALL: (I) COMPLY WITH ALL STATE AND FEDERAL DATA SECURITY LAWS; AND
	(I) COMPLY WITH ALL STATE AND FEDERAL DATA SECURITY
18 19	(I) COMPLY WITH ALL STATE AND FEDERAL DATA SECURITY LAWS; AND (II) MAINTAIN ALL INTERNET GAMING DATA SECURELY FOR AT
18 19 20	<ul> <li>(I) COMPLY WITH ALL STATE AND FEDERAL DATA SECURITY LAWS; AND</li> <li>(II) MAINTAIN ALL INTERNET GAMING DATA SECURELY FOR AT LEAST 5 YEARS; AND</li> </ul>
<ol> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> </ol>	<ul> <li>(I) COMPLY WITH ALL STATE AND FEDERAL DATA SECURITY LAWS; AND</li> <li>(II) MAINTAIN ALL INTERNET GAMING DATA SECURELY FOR AT LEAST 5 YEARS; AND</li> <li>(2) MAY NOT:</li> <li>(1) SHARE ANY PERSONALLY IDENTIFIABLE INFORMATION WITH ANY THIRD PARTIES WITHOUT PERMISSION, EXCEPT AS NEEDED TO OPERATE INTERNET GAMING, ADMINISTER THE LICENSEE'S OBLIGATIONS UNDER THIS</li> </ul>

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1 9–1F–05.

2 (A) (1) THE COMMISSION SHALL ACCOUNT TO THE COMPTROLLER FOR 3 ALL OF THE REVENUE UNDER THIS SUBTITLE.

4 (2) THE PROCEEDS FROM INTERNET GAMING, LESS THE AMOUNT 5 RETAINED BY THE LICENSEE UNDER SUBSECTION (B)(1)(II) OF THIS SECTION, 6 SHALL BE UNDER THE CONTROL OF THE COMPTROLLER AND DISTRIBUTED AS 7 PROVIDED UNDER SUBSECTION (B) OF THIS SECTION.

8 (B) (1) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS 9 PARAGRAPH, ALL PROCEEDS FROM INTERNET GAMING SHALL BE ELECTRONICALLY 10 TRANSFERRED MONTHLY INTO THE STATE LOTTERY FUND ESTABLISHED UNDER 11 SUBTITLE 1 OF THIS TITLE.

12(II)A LICENSEE SHALL RETAIN 53% OF THE PROCEEDS FROM13INTERNET GAMING RECEIVED BY THE LICENSEE.

14 (2) ALL PROCEEDS FROM INTERNET GAMING IN THE STATE LOTTERY 15 FUND ESTABLISHED UNDER SUBTITLE 1 OF THIS TITLE SHALL BE DISTRIBUTED ON 16 A MONTHLY BASIS, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE 17 COMMISSION IN THE FOLLOWING MANNER:

18 (I) 1% TO THE STATE LOTTERY AND GAMING CONTROL 19 AGENCY FOR THE COST OF PERFORMING BACKGROUND INVESTIGATIONS AND 20 OTHER REGULATORY ACTIVITIES;

21 (II) 1% TO THE PROBLEM GAMBLING FUND ESTABLISHED 22 UNDER § 9–1A–33 OF THIS TITLE; AND

23(III) THE REMAINDER TO THE BLUEPRINT FOR MARYLAND'S24FUTURE FUND ESTABLISHED UNDER § 5–206 OF THE EDUCATION ARTICLE.

25 **9–1F–06.** 

26 (A) IN ORDER TO ASSIST INDIVIDUALS WHO MAY HAVE A GAMBLING 27 PROBLEM, AN INTERNET GAMING LICENSEE SHALL:

(1) CAUSE THE WORDS "IF YOU OR SOMEONE YOU KNOW HAS A
GAMBLING PROBLEM AND WANTS HELP, CALL 1-800-GAMBLER" OR SOME
COMPARABLE LANGUAGE APPROVED BY THE COMMISSION TO BE DISPLAYED
PROMINENTLY AT LOG-ON AND LOG-OFF TIMES TO ANY INDIVIDUAL VISITING OR
LOGGED ONTO AN INTERNET GAMING PLATFORM;

1 (2) PROVIDE A MECHANISM BY WHICH AN INTERNET GAMING 2 ACCOUNT HOLDER MAY ESTABLISH THE FOLLOWING CONTROLS ON THE ACCOUNT 3 HOLDER'S GAMING ACTIVITY THROUGH THE ACCOUNT:

4 (I) A LIMIT ON THE AMOUNT OF MONEY DEPOSITED WITHIN A 5 SPECIFIED PERIOD OF TIME AND THE LENGTH OF TIME THE ACCOUNT HOLDER WILL 6 BE UNABLE TO PARTICIPATE IN INTERNET GAMING IF THE ACCOUNT HOLDER 7 REACHES THE ESTABLISHED DEPOSIT LIMIT; AND

8 (II) A TEMPORARY SUSPENSION OF INTERNET GAMING 9 ACTIVITY THROUGH THE ACCOUNT FOR ANY NUMBER OF HOURS OR DAYS;

10(3) DEFINE THE PERMISSIBLE USE OF CREDIT CARDS FOR ANY11INTERNET GAMING-RELATED TRANSACTIONS; AND

12 (4) (I) CAUSE THE DISPLAY OF A PROBLEM GAMBLING 13 DISCLOSURE CONCERNING THE RISKS ASSOCIATED WITH GAMBLING AND THE 14 SUPPORT AVAILABLE TO PROBLEM GAMBLERS AT ACCOUNT LOGIN;

(II) REQUIRE AN INDIVIDUAL TO CERTIFY THAT THE
 INDIVIDUAL HAS READ THE DISCLOSURE DESCRIBED UNDER ITEM (I) OF THIS ITEM
 BEFORE ESTABLISHING AN INTERNET GAMING ACCOUNT; AND

(III) REQUIRE EACH USER TO CERTIFY ON A MONTHLY BASIS
 THAT THE USER HAS READ THE DISCLOSURE DESCRIBED UNDER ITEM (I) OF THIS
 ITEM.

(B) IF A SUSPENSION OF INTERNET GAMING ACTIVITY UNDER SUBSECTION
(A)(2)(II) OF THIS SECTION IS IMPOSED BY THE ACCOUNT HOLDER FOR AT LEAST 72
HOURS, THE INTERNET GAMING LICENSEE MAY NOT SEND GAMING-RELATED
ELECTRONIC MAIL TO THE ACCOUNT HOLDER UNTIL THE SUSPENSION EXPIRES.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
AN INTERNET GAMING LICENSEE SHALL PROVIDE A MECHANISM BY WHICH AN
ACCOUNT HOLDER MAY CHANGE THE CONTROLS ON GAMING ACTIVITY IMPOSED BY
THE ACCOUNT HOLDER UNDER THIS SECTION.

29 (2) IF THE ACCOUNT IS SUSPENDED BY THE ACCOUNT HOLDER 30 UNDER SUBSECTION (A)(2)(II) OF THIS SECTION, THE ACCOUNT HOLDER MAY NOT 31 CHANGE GAMING CONTROLS UNTIL THE SUSPENSION EXPIRES.

32 (D) NOTWITHSTANDING A TEMPORARY SUSPENSION OF INTERNET GAMING

ACTIVITY IMPOSED BY AN ACCOUNT HOLDER UNDER SUBSECTION (A)(2)(II) OF THIS
 SECTION, THE ACCOUNT HOLDER MAY CONTINUE TO HAVE ACCESS TO THE ACCOUNT
 AND IS AUTHORIZED TO WITHDRAW FUNDS FROM THE ACCOUNT ON PROPER
 APPLICATION TO THE INTERNET GAMING LICENSEE.

5 **9–1F–07.** 

6 (A) THE COMMISSION MAY IMPOSE A PENALTY NOT EXCEEDING \$1,000,000 7 AGAINST ANY PERSON WHO KNOWINGLY:

8 (1) TAMPERS WITH SOFTWARE, COMPUTERS, OR OTHER EQUIPMENT 9 USED TO CONDUCT INTERNET GAMING TO ALTER THE ODDS OR THE PAYOUT OF A 10 GAME OR DISABLE THE GAME FROM OPERATING ACCORDING TO THE RULES OF THE 11 GAME AS ADOPTED BY THE COMMISSION; OR

12 (2) OFFERS OR ALLOWS TO BE OFFERED ANY INTERNET GAME THAT 13 HAS BEEN TAMPERED WITH IN A WAY THAT AFFECTS THE ODDS OR THE PAYOUT OF 14 A GAME OR HAS BEEN DISABLED FROM OPERATING ACCORDING TO THE RULES OF 15 THE GAME AS ADOPTED BY THE COMMISSION.

16 (B) IN ADDITION TO ANY PENALTIES IMPOSED UNDER SUBSECTION (A) OF 17 THIS SECTION, THE COMMISSION MAY SUSPEND, FOR NOT LESS THAN **30** DAYS, THE 18 LICENSE OF AN INTERNET GAMING LICENSEE OR ANY OTHER PERSON REQUIRED TO 19 BE LICENSED UNDER THIS SUBTITLE WHO IS IN VIOLATION OF SUBSECTION (A) OF 20 THIS SECTION.

21 **9–1F–08.** 

22 ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE MARYLAND CENTER OF 23 EXCELLENCE ON PROBLEM GAMBLING SHALL REPORT TO THE GOVERNOR AND, IN 24 ACCORDANCE WITH § 2–1257 OF THIS ARTICLE, THE GENERAL ASSEMBLY ON:

25 (1) THE IMPACT OF INTERNET GAMING ON PROBLEM GAMBLERS AND 26 GAMBLING ADDICTION IN THE STATE; AND

27 (2) THE EFFECTIVENESS OF THE STATUTORY AND REGULATORY 28 CONTROLS IN PLACE TO ENSURE THE INTEGRITY OF INTERNET GAMING 29 OPERATIONS.

30 **9–1F–09.** 

31(A)ON OR BEFORE SEPTEMBER 1 EACH YEAR, AN INTERNET GAMING32LICENSEE SHALL PROVIDE ALL TRANSACTIONAL DATA AND METRICS RELATED TO

INTERNET GAMING CONDUCTED IN THE STATE AND ACQUIRED BY AN OPERATOR OF
 THE LICENSEE ON A MONTHLY, A QUARTERLY, OR AN ANNUAL BASIS TO MORGAN
 STATE UNIVERSITY AND BOWIE STATE UNIVERSITY.

4 (B) THE TRANSACTIONAL DATA AND METRICS PROVIDED IN ACCORDANCE 5 WITH SUBSECTION (A) OF THIS SECTION SHALL EXCLUDE ANY PERSONALLY 6 IDENTIFIABLE INFORMATION.

7 9–1F–10.

8 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS 9 INDICATED.

**"AUTHORIZED** 10 (2) INTERACTIVE GAME" MEANS ANY 11 INTERNET-BASED VERSION, OR SUBSTANTIAL EQUIVALENT, OF A TABLE GAME, 12POKER TOURNAMENT, GAMING TOURNAMENT, OR ANY OTHER GAME TYPICALLY OFFERED IN A CASINO AND APPROVED BY THE COMMISSION, INCLUDING GAMES IN 13 14 WHICH INDIVIDUALS WAGER MONEY OR SOMETHING OF MONETARY VALUE AND THAT ARE ACCESSED BY A COMPUTER OR MOBILE DEVICE THAT IS CONNECTED TO 15 16 THE INTERNET.

"LIVE 17(3) **(I)** DEALER GAME" MEANS AN **AUTHORIZED** 18 INTERACTIVE GAME CONDUCTED BY LIVE STUDIO DEALERS OR OTHER PHYSICAL GAMING EQUIPMENT, SUCH AS AN AUTOMATED ROULETTE WHEEL, BALL BLOWER, 19 20OR GAMING DEVICE, OR BOTH, IN A LIVE GAME ENVIRONMENT IN WHICH THE AUTHORIZED PARTICIPANTS HAVE THE ABILITY TO PARTICIPATE IN GAME PLAY AND 2122COMMUNICATE GAME DECISIONS THROUGH AN AUTHORIZED INTERACTIVE GAMING 23PLATFORM.

24(II) "LIVE DEALER GAME" INCLUDES A LIVE CARD GAME, A LIVE25TABLE GAME, AND ANY OTHER LIVE AUTHORIZED INTERACTIVE GAME.

(4) "LIVE GAMING STUDIO" MEANS A PHYSICAL LOCATION IN THE
STATE THAT UTILIZES LIVE VIDEO STREAMING TECHNOLOGY TO PROVIDE
AUTHORIZED INTERACTIVE GAMES TO A PLAYER'S INTERACTIVE GAMING DEVICE OR
MULTI-USE COMPUTING DEVICE.

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- (5) "LIVE STUDIO DEALER" MEANS AN INDIVIDUAL WHO:

(I) LEADS A TABLE GAME, INCLUDING BLACKJACK, CRAPS,
 POKER, ROULETTE, OR ANY OTHER AUTHORIZED INTERACTIVE GAME, WHILE
 ASSISTING AUTHORIZED PARTICIPANTS WITH GAME–RELATED NEEDS;

1(II) DISTRIBUTES VIRTUAL CARDS, DICE, OR OTHER2EQUIPMENT TO AUTHORIZED PARTICIPANTS ACCORDING TO THE TABLE GAME OR3AUTHORIZED INTERACTIVE GAME; AND

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(III) MONITORS GAME PACE AND PLAY.

5 (B) SUBJECT TO APPROVAL BY THE COMMISSION, AN INTERNET GAMING 6 LICENSEE MAY OFFER AUTHORIZED INTERACTIVE GAMES, INCLUDING GAMING 7 TOURNAMENTS IN WHICH PLAYERS COMPETE AGAINST ONE ANOTHER IN ONE OR 8 MORE OF THE GAMES AUTHORIZED UNDER THIS SUBTITLE OR BY THE COMMISSION 9 OR IN APPROVED VARIATIONS OR COMPOSITES OF THOSE GAMES.

10 (C) AN INTERNET GAMING OPERATOR MAY USE LIVE STUDIO DEALERS TO 11 ADMINISTER AN AUTHORIZED INTERACTIVE GAME.

12 (D) A LIVE GAMING STUDIO USED TO CONDUCT A LIVE DEALER GAME 13 AUTHORIZED UNDER THIS SECTION:

14 (1) SHALL BE LOCATED WITHIN THE STATE; AND

15 (2) IS NOT REQUIRED TO BE LOCATED WITHIN THE PREMISES OF A 16 VIDEO LOTTERY FACILITY.

17 **9–1F–11.** 

18 (A) IN THIS SECTION, "GOVERNMENT" MEANS ANY GOVERNMENTAL UNIT, 19 OTHER THAN THE UNITED STATES GOVERNMENT, OF A NATIONAL, STATE, OR LOCAL 20 BODY EXERCISING GOVERNMENTAL FUNCTIONS.

21 (B) ON RECOMMENDATION OF THE COMMISSION, THE GOVERNOR, ON 22 BEHALF OF THE STATE, IS AUTHORIZED TO:

(1) ENTER INTO AN AGREEMENT WITH OTHER GOVERNMENTS,
SUBJECT TO THE LIMITATIONS OF THIS SECTION, THAT ALLOWS AND PROVIDES FOR
PARTICIPATION IN MULTIJURISDICTIONAL INTERNET GAMING BY INDIVIDUALS
WHO ARE PHYSICALLY LOCATED IN JURISDICTIONS OVER WHICH THE
GOVERNMENTS THAT ARE A PARTY TO THE AGREEMENT EXERCISE LEGAL
AUTHORITY; AND

29(2) TAKE ALL NECESSARY ACTIONS TO ENSURE THAT ANY30AGREEMENT ENTERED INTO UNDER THIS SECTION BECOMES EFFECTIVE.

31 (C) THE COMMISSION MAY ADOPT REGULATIONS UNDER THIS SECTION

(1) (2) (3) **REVENUE AMONG THE PARTIES TO THE AGREEMENT;** (4) **RESOLUTION OF PLAYER DISPUTES;** THE INFORMATION THAT A GOVERNMENT PROPOSING TO ENTER (5) INTO THE AGREEMENT WITH THE STATE MUST PROVIDE TO THE COMMISSION; (6) (7) (8) (1) (2) BANKROLLS, FOR ENFORCEMENT, (3)

11 THE MANNER AND PROCEDURE FOR HEARINGS CONDUCTED BY 12THE COMMISSION WITH RESPECT TO ANY AGREEMENT AUTHORIZED UNDER THIS SECTION; 13

14THE INFORMATION THAT THE COMMISSION MUST PROVIDE TO 15THE GOVERNOR THAT SUPPORTS THE RECOMMENDATIONS OF THE COMMISSION MADE UNDER THIS SECTION; AND

- 16
- 17ANY OTHER PROVISION NECESSARY TO CARRY OUT THIS SECTION.

18 **(D)** THE GOVERNOR MAY NOT ENTER INTO AN AGREEMENT UNDER THIS SECTION UNLESS THE AGREEMENT INCLUDES TERMS: 19

20FOR ANY POTENTIAL ARRANGEMENT FOR THE SHARING OF 21**REVENUES BY THE PARTIES TO THE AGREEMENT;** 

22PERMITTING THE EFFECTIVE REGULATION OF INTERNET GAMING 23BY THE STATE, INCLUDING PROVISIONS RELATING TO LICENSING, TECHNICAL STANDARDS TO BE FOLLOWED, RESOLUTION OF DISPUTES BY PATRONS, 2425REQUIREMENTS ACCOUNTING, AND 26**MAINTENANCE OF RECORDS;** 

27BY WHICH EACH PARTY TO THE AGREEMENT AGREES TO PROHIBIT 28**OPERATORS OF INTERNET GAMING, SERVICE PROVIDERS, AND MANUFACTURERS OR** 29DISTRIBUTORS OF INTERNET GAMING SYSTEMS FROM ENGAGING IN ANY ACTIVITY 30 PERMITTED UNDER THE AGREEMENT UNLESS THOSE PERSONS ARE LICENSED OR 31 FOUND SUITABLE:

1 THAT PROVIDE FOR:

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 $\mathbf{2}$ THE FORM, LENGTH, AND TERMS OF AN AGREEMENT AUTHORIZED 3 **UNDER THIS SECTION:** 

**SENATE BILL 603** 

- MATTERS RELATING TO THE TAXATION OF INTERNET GAMING 4
- $\mathbf{5}$ **REVENUE BY THE PARTIES TO THE AGREEMENT:**
- 6 THE SHARING AND DISTRIBUTION OF INTERNET GAMING 7
- 8

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(I) UNDER THIS SUBTITLE; OR

2 (II) BY ANY OTHER PARTY TO THE AGREEMENT UNDER 3 REQUIREMENTS THAT ARE MATERIALLY CONSISTENT WITH THE REQUIREMENTS OF 4 THIS SUBTITLE;

5 (4) PROHIBITING VARIATION OR DEROGATION FROM THE 6 REQUIREMENTS OF THE AGREEMENT FOR ANY PARTY TO THE AGREEMENT ABSENT 7 THE CONSENT OF ALL PARTIES TO THE AGREEMENT;

8 (5) PROHIBITING ANY SUBORDINATE OR SIDE AGREEMENTS, EXCEPT 9 WITH RESPECT TO SHARING OF REVENUES, AMONG ANY SUBSET OF THE 10 GOVERNMENTS THAT ARE PARTIES TO THE AGREEMENT; AND

11 (6) IF THE AGREEMENT ALLOWS PERSONS PHYSICALLY LOCATED IN 12 THE STATE TO PARTICIPATE IN INTERNET GAMING CONDUCTED BY ANOTHER PARTY 13 TO THE AGREEMENT OR AN OPERATOR OF INTERNET GAMING LICENSED BY THE 14 OTHER PARTY, REQUIRING THAT PARTY TO ESTABLISH AND MAINTAIN REGULATORY 15 REQUIREMENTS GOVERNING INTERNET GAMING THAT ARE CONSISTENT WITH THE 16 REQUIREMENTS OF THIS SUBTITLE IN ALL MATERIAL RESPECTS.

17 SECTION 2. AND BE IT FURTHER ENACTED, That:

18 (a) In accordance with Article XIX, § 1(e) of the Maryland Constitution, before 19 this Act, which authorizes additional forms or expansion of commercial gaming, becomes 20 effective, a question substantially similar to the following shall be submitted to a 21 referendum of the qualified voters of the State at the general election to be held in 22 November 2024:

23 "Do you favor the expansion of commercial gaming in the State of Maryland to 24 authorize Internet gaming for the primary purpose of raising revenue for education?"

(b) The State Board of Elections shall do those things necessary and proper to provide for and hold the referendum required by this section. If a majority of the votes cast on the question are "For the referred law", this Act shall become effective on the 30th day following the official canvass of votes for the referendum, but if a majority of the votes cast on the question are "Against the referred law", this Act, with no further action required by the General Assembly, shall be null and void.

31 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to the provisions of 32 Section 2 of this Act and for the sole purpose of providing for the referendum required by 33 Section 2 of this Act, this Act shall take effect July 1, 2024.