

HOUSE BILL 989

C7

7lr1727

By: **Delegates Buckel and Hornberger**

Introduced and read first time: February 8, 2017

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Wagering on Sporting Events – Study and Implementation**

3 FOR the purpose of establishing the Task Force to Study the Implementation of Sports
4 Gaming in the State; providing for the composition, chair, and staffing of the Task
5 Force; prohibiting a member of the Task Force from receiving certain compensation,
6 but authorizing the reimbursement of certain expenses; requiring the Task Force to
7 monitor and study certain actions and make recommendations regarding certain
8 matters; requiring the Task Force to report its findings and recommendations to the
9 Governor and the General Assembly on or before a certain date; authorizing certain
10 license holders to apply to the State Lottery and Gaming Control Commission for a
11 sports gaming license; authorizing the holder of a sports gaming license to accept
12 wagers on sporting events from certain individuals; requiring the Commission to
13 revoke a license under certain circumstances; providing for the distribution of the
14 proceeds from wagering on sporting events; requiring the Commission to adopt
15 certain regulations; making conforming changes; defining certain terms; making
16 certain provisions of this Act subject to a certain contingency; submitting, subject to
17 a certain contingency, certain provisions of this Act to a referendum of the qualified
18 voters of the State; providing for the termination of certain provisions of this Act;
19 and generally relating to wagering on sporting events.

20 BY adding to

21 Article – State Government
22 Section 9–1A–39; and 9–1D–01 through 9–1D–05 to be under the new subtitle
23 “Subtitle 1D. Sports Gaming”
24 Annotated Code of Maryland
25 (2014 Replacement Volume and 2016 Supplement)

26 BY repealing and reenacting, with amendments,

27 Article – State Government
28 Section 9–1A–03, 9–1A–28(b)(1), 9–1A–30(b)(1), and 9–1A–31(a)(1)
29 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2014 Replacement Volume and 2016 Supplement)

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

Article – State Government

9–1A–39.

**(A) THERE IS A TASK FORCE TO STUDY THE IMPLEMENTATION OF SPORTS
GAMING IN THE STATE.**

(B) (1) THE TASK FORCE CONSISTS OF THE FOLLOWING MEMBERS:

**(I) THREE MEMBERS OF THE SENATE OF MARYLAND,
APPOINTED BY THE PRESIDENT OF THE SENATE;**

**(II) THREE MEMBERS OF THE HOUSE OF DELEGATES,
APPOINTED BY THE SPEAKER OF THE HOUSE;**

**(III) THE DIRECTOR OF THE STATE LOTTERY AND GAMING
CONTROL AGENCY;**

**(IV) A REPRESENTATIVE OF THE VIDEO LOTTERY OPERATORS,
APPOINTED BY THE GOVERNOR; AND**

**(V) A REPRESENTATIVE OF THE HORSE RACING LICENSEES,
APPOINTED BY THE GOVERNOR.**

**(2) AT LEAST ONE MEMBER APPOINTED UNDER PARAGRAPH (1)(I) OF
THIS SUBSECTION AND ONE MEMBER APPOINTED UNDER PARAGRAPH (1)(II) OF
THIS SUBSECTION SHALL BE MEMBERS OF THE MINORITY PARTY.**

**(C) THE DIRECTOR OF THE STATE LOTTERY AND GAMING CONTROL
AGENCY SHALL SERVE AS THE CHAIR OF THE TASK FORCE.**

**(D) THE STATE LOTTERY AND GAMING CONTROL AGENCY SHALL PROVIDE
STAFF FOR THE TASK FORCE.**

(E) A MEMBER OF THE TASK FORCE:

**(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE TASK
FORCE; BUT**

(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

(F) THE TASK FORCE SHALL:

(1) MONITOR ACTIONS ON FEDERAL LAWS THAT AUTHORIZE OR PROHIBIT STATE ACTIONS ON SPORTS GAMING;

(2) STUDY THE IMPLEMENTATION OF SPORTS GAMING IN OTHER STATES; AND

(3) MAKE RECOMMENDATIONS REGARDING CHANGES TO STATE LAW IN ORDER TO IMPLEMENT SPORTS GAMING IN THE STATE.

(G) ON OR BEFORE DECEMBER 1 EACH YEAR, THE TASK FORCE SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – State Government

9–1A–03.

(a) Except as provided in subsection (b) of this section, any additional forms or expansion of commercial gaming other than as expressly provided in this subtitle AND SUBTITLE 1D OF THIS TITLE are prohibited.

(b) This subtitle, including the authority provided to the Commission under this subtitle, does not apply to:

(1) lotteries conducted under Subtitle 1 of this title;

(2) wagering on horse racing conducted under Title 11 of the Business Regulation Article;

(3) the operation of slot machines as provided under Titles 12 and 13 of the Criminal Law Article; or

(4) other gaming conducted under Titles 12 and 13 of the Criminal Law Article.

9–1A–28.

(b) (1) The Account shall receive money as required under § 9-1A-27 of this subtitle **AND § 9-1D-05 OF THIS TITLE**.

9-1A-30.

(b) (1) There shall be credited to the Education Trust Fund all proceeds allocated to the Fund under § 9-1A-27 of this subtitle **AND § 9-1D-05 OF THIS TITLE**.

9-1A-31.

(a) (1) Except as provided in paragraph (5) of this subsection, the local impact grants provided under § 9-1A-27 of this subtitle **AND § 9-1D-05 OF THIS TITLE** shall be distributed in the following manner:

(i) 82% to the local jurisdictions with video lottery facilities, based on each jurisdiction's percentage of overall gross revenues from video lottery terminals; and

(ii) except as provided in paragraph (2) of this subsection, for operations at a video lottery facility starting in fiscal year 2012 and ending in fiscal year 2032, 18% to Baltimore City with the Pimlico Community Development Authority acting as the local development council in accordance with subsection (d) of this section, to be distributed primarily for capital projects benefiting economic and community development in the following manner:

1. at least 75% in a manner that is consistent with the Park Heights Master Plan; and

2. the remainder dedicated to the needs of:

A. any census blockgroup that Baltimore City identifies as being located partly or entirely within 1 mile of Pimlico Race Course but not within the boundaries of the Park Heights Master Plan in a manner that is consistent with adopted neighborhood priorities;

B. any neighborhood included in the Northwest Community Planning Forum Strategic Neighborhood Action Plan in a manner that is consistent with the adopted Northwest Community Planning Forum Strategic Neighborhood Action Plan priorities; and

C. beginning after a video lottery operation license is issued to a video lottery facility in Baltimore City, any neighborhood within an area bounded by Liberty Heights Avenue, Northern Parkway, Druid Park Drive, and Wabash Avenue in a manner that is consistent with adopted neighborhood priorities.

SUBTITLE 1D. SPORTS GAMING.

1 **9-1D-01.**

2 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
3 **INDICATED.**

4 **(B) “COMMISSION” HAS THE MEANING STATED IN § 9-1A-01 OF THIS TITLE.**

5 **(C) “HORSE RACING LICENSEE” MEANS THE HOLDER OF A LICENSE ISSUED**
6 **BY THE STATE RACING COMMISSION UNDER TITLE 11 OF THE BUSINESS**
7 **REGULATION ARTICLE.**

8 **(D) “SPORTING EVENT” MEANS A CONTEST, AN EVENT, A GAME, OR A MATCH**
9 **BETWEEN INDIVIDUALS OR TEAMS SPONSORED BY A PROFESSIONAL LEAGUE OR**
10 **ASSOCIATION OR HOSTED BY A COLLEGE OR UNIVERSITY.**

11 **(E) “SPORTS GAMING LICENSE” MEANS A LICENSE ISSUED UNDER THIS**
12 **SUBTITLE THAT AUTHORIZES THE HOLDER TO ACCEPT WAGERS ON SPORTING**
13 **EVENTS.**

14 **(F) “VIDEO LOTTERY FACILITY” HAS THE MEANING STATED IN § 9-1A-01**
15 **OF THIS TITLE.**

16 **(G) “VIDEO LOTTERY OPERATION LICENSE” HAS THE MEANING STATED IN §**
17 **9-1A-01 OF THIS TITLE.**

18 **(H) “VIDEO LOTTERY OPERATOR” HAS THE MEANING STATED IN § 9-1A-01**
19 **OF THIS TITLE.**

20 **9-1D-02.**

21 **(A) THIS SUBTITLE AUTHORIZES, SUBJECT TO REGULATIONS ADOPTED BY**
22 **THE COMMISSION, THE HOLDER OF A SPORTS GAMING LICENSE TO ACCEPT WAGERS**
23 **ON SPORTING EVENTS.**

24 **(B) THE COMMISSION SHALL ADOPT REGULATIONS TO IMPLEMENT THIS**
25 **SUBTITLE.**

26 **9-1D-03.**

27 **(A) A VIDEO LOTTERY OPERATOR OR HORSE RACING LICENSEE MAY APPLY**
28 **TO THE COMMISSION FOR A SPORTS GAMING LICENSE.**

(B) THE HOLDER OF A SPORTS GAMING LICENSE MAY ACCEPT WAGERS ON SPORTING EVENTS FROM AN INDIVIDUAL PHYSICALLY PRESENT AT:

(1) A VIDEO LOTTERY FACILITY; OR

(2) A RACETRACK THAT OFFERS THOROUGHBRED OR HARNESS RACING.

(C) THE COMMISSION SHALL ESTABLISH BY REGULATION:

(1) THE FORM AND CONTENT OF THE APPLICATION FOR A SPORTS GAMING LICENSE;

(2) THE APPLICATION FEE FOR A SPORTS GAMING LICENSE; AND

(3) THE TERM OF A SPORTS GAMING LICENSE.

(D) THE COMMISSION SHALL REVOKE A SPORTS GAMING LICENSE FROM A LICENSE HOLDER THAT DOES NOT HOLD:

(1) A VIDEO LOTTERY OPERATION LICENSE; OR

(2) A LICENSE ISSUED BY THE STATE RACING COMMISSION UNDER TITLE 11 OF THE BUSINESS REGULATION ARTICLE.

9-1D-04.

A HOLDER OF A SPORTS GAMING LICENSE MAY NOT ACCEPT A WAGER ON A SPORTING EVENT FROM AN INDIVIDUAL WHO IS NOT AT LEAST 21 YEARS OLD.

9-1D-05.

(A) EACH HOLDER OF A SPORTS GAMING LICENSE SHALL RETAIN 80% OF THE PROCEEDS FROM WAGERS ON SPORTING EVENTS.

(B) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, THE COMPTROLLER SHALL PAY FROM THE REMAINING 20% OF THE PROCEEDS FROM WAGERS ON SPORTING EVENTS THE FOLLOWING AMOUNTS:

(1) 5% TO THE PROBLEM GAMBLING FUND ESTABLISHED UNDER § 9-1A-33 OF THIS TITLE;

1 **(2) 5% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER**
2 **§ 9-1A-28 OF THIS TITLE;**

3 **(3) 5% TO THE TRANSPORTATION TRUST FUND ESTABLISHED UNDER**
4 **§ 3-216 OF THE TRANSPORTATION ARTICLE, TO BE USED ONLY FOR THE STATE'S**
5 **SHARE OF THE WASHINGTON AREA METROPOLITAN TRANSIT AUTHORITY AS**
6 **REQUIRED UNDER TITLE 10, SUBTITLE 2 OF THE TRANSPORTATION ARTICLE;**

7 **(4) 20% TO LOCAL IMPACT GRANTS, IN ACCORDANCE WITH § 9-1A-31**
8 **OF THIS TITLE; AND**

9 **(5) 65% TO THE EDUCATION TRUST FUND ESTABLISHED UNDER §**
10 **9-1A-30 OF THIS TITLE.**

11 SECTION 3. AND BE IT FURTHER ENACTED, That before Section 2 of this Act,
12 which authorizes additional forms or expansion of commercial gaming, becomes effective it
13 shall first be submitted to a referendum of the qualified voters of the State at the next
14 November general election following the date the contingency in Section 4 of this Act is
15 satisfied, in accordance with Article XIX, § 1(e) of the Maryland Constitution. The State
16 Board of Elections shall do those things necessary and proper to provide for and hold the
17 referendum required by this section. If a majority of the votes cast on the question are "For
18 the referred law" the provisions of Section 2 of this Act shall become effective on the 120th
19 day following the official canvass of votes for the referendum, but if a majority of the votes
20 cast on the question are "Against the referred law" the provisions of Section 2 of this Act
21 are of no effect and null and void.

22 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions of
23 Section 3 of this Act and for the sole purpose of providing for the referendum required by
24 Section 3 of this Act, Section 3 of this Act shall take effect contingent upon the repeal or
25 amendment of the federal Professional and Amateur Sports Protection Act in a manner
26 that does not prohibit the State from allowing wagering on sporting events or a
27 determination by a federal court or the United States Department of Justice that the Act
28 does not prohibit the State from allowing wagering on sporting events. If the Director of
29 the State Lottery and Gaming Control Agency determines that an event satisfying the
30 contingency has occurred, the Director shall notify the Department of Legislative Services.
31 Section 3 of this Act shall take effect on the date that notice from the Director is received
32 by the Department of Legislative Services.

33 SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take
34 effect July 1, 2017. It shall remain effective for a period of 4 years and, at the end of June
35 30, 2021, with no further action required by the General Assembly, Section 1 of this Act
36 shall be abrogated and of no further force and effect.

37 SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the provisions of
38 Sections 3, 4, and 5 of this Act, this Act shall take effect July 1, 2017.