

AGENDA

LOCAL DEVELOPMENT COUNCIL FOR OCEAN DOWNS VIDEO LOTTERY FACILITY

April 24, 2024

10:00 AM - Call to Order

Cam Bunting, Chair

- Review of meeting minutes from the regular session on September 20 and the special session on November 16, 2023
- Old Business
 - Review of Local Impact Grants to Worcester County through March 2023
- New Business
 - Review County Commissioners' opposition letters/oral testimony regarding iGaming bills: HB1319/SB603 and SB565
 - Review FY24-26 Multi-Year Plan for Worcester County and the Town of Berlin
 - LDC appointment schedule
 - Updated LDC membership list
- Discussion of Chair and Vice Chair for calendar year 2024
 - Scheduling of Next Meeting
 - Action Items

TIMES SHOWN ARE SUBJECT TO CHANGE

Local Development Council (LDC) for Ocean Downs Video Lottery Facility Meeting Minutes

Meeting Date: September 20, 2023

Time: 10:00 a.m.

Location: Worcester County Government Center, Training Room B

Attendance:

Local Development Council

Cam Bunting, Chair

Matt Gordon, Vice Chair

Steve Ashcraft

Kerrie Bunting

Michael Donnelly

Bob Gilmore (Absent)

Delegate Wayne Hartman

David Massey (term expired)

Mayor Richard Meehan

Delegate Charles Otto

Roxane Rounds

Ivy Wells

Bobbi Sample

Senator Mary Beth Carozza, with Pat Schrawder

Mark Wittmyer (term expired)

Staff

County Attorney Roscoe Leslie

Public Information Officer Kim Moses

Tourism and Economic Development Director

Melanie Pursel

Chair Cam Bunting called the meeting of the Local Development Council (LDC) for the Ocean Downs Video Lottery Facility to order.

The LDC members reviewed and approved their January 18, 2023 meeting minutes as presented.

Senator Carozza asked when new individuals will be appointed to replace expired spots. Appointments are made by the commissioners based on community interest. Those interested in serving on the LDC are encouraged to send a letter of interest, along with a resume or cover letter to khammer@co.worcester.md.us. In response to a comment by Ms. Bunting, Ms. Moses agreed to advise the commissioners of the need to fill vacant seats on the LDC.

LDC members met with County Attorney Roscoe Leslie to discuss the need for Worcester County and the Town of Berlin to develop and submit new multi-year plans for the expenditure of Local Impact Grant (LIG) funds. In response to questions by Ms. Bunting regarding the Town of Berlin's interest in allocating future LIG funds toward implementation of LEOPS (Law Enforcement Officers' Pension System), Mr. Leslie advised that after the town submits an updated plan, the LDC members may require the town to conduct a hearing to receive public comment on said plan. Then following the hearing, that jurisdiction should try to accommodate the recommendations of the LDC and the public.

Senator Mary Beth Carozza advised that LEOPS overall is a powerful tool for the recruitment and retention of public safety officials. Delegate Wayne Hartman concurred, noting that public safety is one of the allowable uses of LIG funds. Ms. Bunting agreed, but noted that using said funds for LEOPS would be a stretch and would set a bad precedent. Mr. Gordon stated that public safety uses should be immediate, such as the purchasing of a car or adding new officers and not for an indefinite, future use, like funding a pension program.

Following further discussion and upon a motion by Delegate Otto, with Ms. Wells abstaining, the LDC members agreed to request the Town of Berlin submit an updated multi-year plan for the expenditure of LIG funds.

Upon a motion by Commissioner Meehan, the LDC members voted unanimously to request the County submit an updated multi-year plan for the expenditure of LIG funds.

LDC members welcomed Casino at Ocean Downs General Manager Bobbi Jones who then discussed casino operations and the state and nationwide decline overall in gaming.

LDC members agreed to schedule a special meeting upon receipt of the new multi-year plan from the Town of Berlin and if needed one to review the County's updated plan.

Upon a motion by Delegate Hartman, the LDC voted unanimously to require both the County and Town to submit updated plans within the next sixty days. Mr. Leslie advised that the jurisdictions receiving LIG funds are not constrained by a time limit to develop new plans, but rather they are limited from expending future funding until they submit new plans to the LDC. He noted that the LDC has 45 days to review, comment, and make recommendations on each new plan they receive¹.

Ms. Purcel discussed the video lottery terminal loan program and advised that Rick Liebowitz of the Small Business Development Center will meet with would be entrepreneurs and small business owners at the Worcester County Tourism and Economic Development Office one day per week.

Following general discussion, the LDC adjourned to meet again on Wednesday, April 24, 2024, at 10 a.m. in the first-floor board room at the Worcester County Government Center.

¹ Worcester County submitted an updated plan on March 27, 2024.

Local Development Council (LDC) for Ocean Downs Video Lottery Facility Special Meeting Minutes

Special Meeting Date: November 16, 2023

Time: 10:00 a.m.

Location: Worcester County Government Center, Training Room B

Attendance:

Local Development Council

Cam Bunting, Chair
Matt Gordon, Vice Chair
Steve Ashcraft (Absent)
Kerrie Bunting
Michael Donnelly
Bob Gilmore (Absent)
Delegate Wayne Hartman (Absent)
David Massey (term expired)
Mayor Richard Meehan
Delegate Charles Otto (Absent)
Roxane Rounds
Ivy Wells
Bobbi Jones
Senator Mary Beth Carozza, with Pat Schrawder
Mark Wittmyer (term expired)

Staff

Public Information Officer Kim Moses
WCTED Director Melanie Pursel

Chair Cam Bunting called the special meeting of the Local Development Council (LDC) for the Ocean Downs Video Lottery Facility to order.

The LDC members reviewed and discussed the draft Multi-Year Plan submitted by the Town of Berlin for the expenditure of Local Impact Grant (LIG) funds. Also in attendance were Berlin Mayor Zack Tyndall, Town Council Vice President Dean Burrell, and members Jay Knerr, Jack Orris, and Steve Green, Town Administrator Mary Bohlen, Berlin Fire Department President David Fitzgerald, and others.

Mayor Tyndall summarized the draft plan, which prioritizes public safety spending for FY24-FY26 by allocating a majority of LIG funds toward implementing and funding the Law Enforcement Officers Pension System (LEOPS) totaling \$1.6 million. Other proposed uses include allocating funds for the Berlin Fire Company EMS apparatus replacement totaling \$45,000, and community center of \$174,569. Council President Burrell advised that this plan was discussed in a series of public meetings and received overwhelming approval from the citizens of Berlin, as this benefit will contribute greatly to public safety by helping the town attract and retain sworn law enforcement officers.

Ms. Bunting suggested the town fund LEOPS in its general fund budget, which would free up LIG funds to be utilized for one of the many clearly approved LIG uses.

Senator Carozza confirmed that there is a severe shortage of sworn law enforcement officers across the Eastern Shore, and LEOPS has become a valuable tool for hiring and retention.

Mr. Gordon stated that it appears that no other jurisdiction is using LIG funds for LEOPS, and the town's proposal sets a very dangerous precedent, as it gives the high-five for other jurisdictions to do the same. He then asked if the town has a backup plan in the event that the casino ceases to operate in the future. Mayor Tyndall stated that the town understands the liability being taken and created a stabilization fund to meet that liability.

Mr. Donnelly pointed out that public safety is a permitted use, but the plan should include steps to incrementally reduce the town's reliance on LIG funds to pay for LEOPS. Senator Carozza concurred, noting that the LDC has made their concerns clear, and suggested the town present a plan in the near future to phase out the use of LIG funds for LEOPS.

Following much discussion and upon a motion by Senator Carozza, the LDC voted to approve the Berlin Multi-Year Plan for FY24-FY26 as presented, with the caveat that town officials submit a written plan prior to April 1, 2024 that identifies their intention to phase out the use of LIG funds for LEOPS in the future Multi-Year Plan for FY26-FY28. Due to a potential conflict, Ms. Wells abstained from the vote.

The LDC adjourned to meet again on April 24, 2024, at 10 a.m. in the third-floor training room at the Worcester County Government Center.

Ocean Downs VLT/Casino Activity
Worcester County revenue only

	FY2011	FY2012*	FY2013*	FY2014*	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Table games					
															FY2020	FY2021	FY2022	FY2023	FY2024	
July	Not Open	144,717.40	155,797.15	157,738.91	165,005.47	211,050.67	216,301.46	213,302.46	301,150.45	285,480.95	271,779.74	367,369.90	360,963.93	349,075.07	44,415.85	46,154.98	55,509.50	40,330.55	47,657.03	
August	Not Open	123,462.20	153,449.26	161,722.56	167,854.94	200,502.12	204,705.65	229,138.13	288,581.16	308,628.35	268,304.71	346,480.61	365,136.78	352,994.80	52,497.35	48,526.78	61,723.00	51,415.68	60,969.81	
September	Not Open	126,874.81	132,817.96	137,959.73	163,551.94	188,504.88	193,894.69	217,357.57	260,769.32	258,320.76	266,470.76	315,291.43	319,300.16	302,417.34	34,464.80	36,876.60	50,161.85	47,788.98	41,084.75	
October	Not Open	103,907.73	95,087.83	115,075.75	136,149.91	153,744.01	162,938.37	174,827.66	215,170.86	235,029.95	240,076.89	267,196.64	280,310.02	287,483.85	43,009.48	31,446.43	41,493.40	45,440.77	45,984.47	
November	Not Open	84,012.53	89,811.28	93,954.83	110,232.51	127,256.44	125,064.97	128,606.95	182,168.58	189,685.56	178,779.09	235,917.89	230,016.82	248,970.94	31,027.50	31,235.15	48,629.15	34,634.12	45,267.37	
December	1,050.53	81,472.24	90,471.21	91,857.20	111,439.14	128,018.90	335,881.88	324,746.44	390,121.88	397,618.21	377,062.65	436,487.85	449,891.74	442,963.29	Note 1	33,325.93	27,623.65	43,490.53	33,889.16	33,128.52
January	100,168.92	84,882.40	79,256.57	85,950.25	111,652.87	122,817.04	121,316.95	159,907.42	169,838.79	185,304.96	196,927.11	163,736.67	242,160.93	214,687.67	25,462.78	29,272.80	-	31,718.72	38,030.56	
February	103,386.59	95,562.94	93,973.12	95,183.15	110,358.26	128,959.11	133,524.28	171,104.31	198,993.78	209,125.18	205,448.99	228,608.23	234,897.07	222,306.58	34,674.58	40,799.40	30,556.87	26,637.46	36,165.20	
March	107,280.83	110,475.53	107,125.57	112,682.21	132,917.69	147,555.23	154,186.61	202,663.17	232,047.91	94,080.93	* 262,378.67	269,802.61	279,994.41	260,572.66	13,071.50	42,468.90	43,041.80	42,343.63		
April	115,786.75	103,960.21	107,519.11	98,260.36	141,877.80	154,295.28	159,406.95	191,719.29	206,929.21	-	* 267,520.00	286,550.11	276,441.08		-	40,777.08	43,000.17	43,226.28		
May	121,696.39	120,817.33	129,260.37	127,790.34	164,862.60	169,972.85	175,505.04	221,627.85	251,789.63	-	* 299,196.73	296,319.39	290,315.22		-	45,408.78	45,325.64	36,216.68		
June	125,002.15	119,035.54	130,276.55	130,115.47	174,646.87	167,125.73	183,035.12	250,809.08	239,892.87	98,976.37	* 308,011.02	294,863.43	303,586.55		12,957.20	47,479.10	36,655.76	49,545.98		
Total Revenue	\$674,372.16	\$1,299,180.86	\$1,364,845.98	\$1,408,290.76	\$1,690,550.00	\$1,899,802.26	\$2,165,761.97	\$2,485,810.33	\$2,937,454.44	\$2,262,251.22	\$3,141,956.36	\$3,508,624.76	\$3,633,014.71	\$2,681,472.20	\$324,906.97	\$468,069.65	\$499,587.67	\$483,168.01	\$348,287.71	
Portion attributable to table games																				

*Casinos closed to the public on March 16, 2020 and reopened on June 19, 2020.

Note 1: Extra annual \$200,000 allocated once PG County facility opened FY17
Note 2: Table games added December 2017

Source: Maryland Racing Commission summary report

Ocean Downs VLT/Casino Activity

Total revenue County and Municipality

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
July	351,751.11	360,502.43	355,504.10	472,045.20	446,191.02	422,196.25	575,276.83	574,719.52	550,020.43
August	334,170.20	341,176.09	381,896.89	450,552.24	479,382.35	414,823.34	536,319.01	574,284.18	547,678.13
September	314,174.80	323,157.81	362,262.61	408,981.87	407,558.07	419,533.53	492,044.48	500,320.95	476,639.06
October	256,240.01	271,563.96	291,379.43	333,893.05	363,043.59	379,163.86	417,665.47	436,889.53	448,483.44
November	212,094.07	208,441.61	214,344.91	285,254.25	295,457.60	277,141.72	360,777.05	360,271.95	384,773.33
December	213,364.83	426,469.80	406,112.33	496,565.21	507,146.40	476,688.65	565,152.73	593,893.46	582,853.13
January	204,695.07	202,194.91	247,240.57	264,801.39	291,866.37	308,696.66	272,894.46	382,455.73	332,459.07
February	214,931.86	222,540.47	270,487.22	312,640.34	325,425.58	315,215.39	360,642.48	373,736.82	346,400.83
March	245,925.39	256,977.69	322,169.37	360,969.30	148,087.21	*	408,985.19	420,976.49	438,428.26
April	257,158.80	265,678.26	302,850.44	322,400.41	-	*	418,681.95	448,916.74	431,917.61
May	283,288.09	292,508.40	351,305.37	394,488.36	-	*	468,388.69	463,648.55	459,714.25
June	278,542.89	305,058.53	392,473.04	372,804.16	156,322.49	*	481,698.97	467,001.87	472,946.94
Total Revenue	\$3,166,337.12	\$3,476,269.96	\$3,898,026.28	\$4,475,395.78	\$3,420,480.68	\$4,791,214.20	5,381,316.16	5,599,579.20	4,079,751.40

*Casinos closed to the public on March 16, 2020 and reopened on June 19, 2020.

Source: Maryland Racing Commission summary report

Ocean Downs VLT/Casino Activity

Ocean City Revenues Only

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
July	70,350.22	72,100.49	71,100.82	85,447.37	80,355.03	75,208.25	103,953.47	106,877.79	100,472.68
August	66,834.04	68,235.22	76,379.38	80,985.54	85,377.00	73,259.31	94,919.20	104,573.70	97,341.67
September	62,834.96	64,631.56	72,452.52	74,106.27	74,618.65	76,531.39	88,376.53	90,510.39	87,110.86
October	51,248.00	54,312.79	58,275.89	59,361.09	64,006.82	69,543.49	75,234.41	78,289.75	80,499.79
November	42,418.81	41,688.32	42,868.98	51,542.83	52,886.02	49,181.31	62,429.58	65,127.57	67,901.19
December	42,672.97	45,293.96	40,682.95	53,221.67	54,764.09	49,813.00	64,332.44	72,000.86	69,944.92
January	40,939.01	40,438.98	43,666.57	47,481.30	53,280.73	55,884.77	54,578.89	70,147.40	58,885.70
February	42,986.37	44,508.09	49,691.45	56,823.28	58,150.20	54,883.20	66,017.12	69,419.87	62,047.13
March	49,185.08	51,395.54	59,753.10	64,460.69	27,003.14 *	73,303.26	75,586.94	79,216.93	74,935.66
April	51,431.76	53,135.65	55,565.57	57,735.60	- *	75,580.97	81,183.31	77,738.27	
May	56,657.62	58,501.68	64,838.76	71,349.37	- *	84,595.98	83,664.58	84,699.51	
June	55,708.58	61,011.71	70,831.98	66,455.65	28,673.06 *	86,843.97	86,069.22	84,680.19	
Total Revenue	<u>\$633,267.42</u>	<u>\$655,253.99</u>	<u>\$706,107.97</u>	<u>\$768,970.66</u>	<u>\$579,114.74</u>	<u>\$824,628.90</u>	<u>\$936,345.69</u>	<u>\$983,282.23</u>	<u>\$699,139.60</u>

*Casinos closed to the public on March 16, 2020 and reopened on June 19, 2020.

Source: Maryland Racing Commission summary report

Ocean Downs VLT/Casino Activity

Berlin County revenue only

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
July	35,175.11	36,050.24	35,550.41	42,723.69	40,177.52	37,604.13	51,976.73	53,438.90	50,236.34
August	33,417.02	34,117.61	38,189.69	40,492.77	42,688.50	36,629.66	47,459.60	52,286.85	48,670.83
September	31,417.48	32,315.78	36,226.26	37,053.14	37,309.33	38,265.69	44,188.26	45,255.20	43,555.43
October	25,624.00	27,156.40	29,137.94	29,680.55	32,003.41	34,771.74	37,617.21	39,144.88	40,249.90
November	21,209.41	20,844.16	21,434.49	25,771.42	26,443.01	24,590.66	31,214.79	32,563.78	33,950.60
December	21,336.48	22,646.98	20,341.47	26,610.83	27,382.05	24,906.50	32,166.22	36,000.43	34,972.46
January	20,469.51	20,219.49	21,833.29	23,740.65	26,640.36	27,942.39	27,289.45	35,073.70	29,442.85
February	21,493.19	22,254.05	24,845.73	28,411.64	29,075.10	27,441.60	33,008.56	34,709.94	31,023.56
March	24,592.54	25,697.77	29,876.55	32,230.35	13,501.57 *	36,651.63	37,793.47	39,608.46	37,467.83
April	25,715.88	26,567.83	27,782.79	28,867.80	- *	37,790.49	40,591.66	38,869.13	
May	28,328.81	29,250.84	32,419.38	35,674.68	- *	42,297.99	41,832.29	42,349.76	
June	27,854.29	30,505.85	35,415.99	33,227.82	14,336.53 *	43,421.99	43,034.61	42,340.10	
Total Revenue	<u>\$316,633.72</u>	<u>\$327,627.00</u>	<u>\$353,053.99</u>	<u>\$384,485.34</u>	<u>\$289,557.38</u>	<u>\$412,314.47</u>	<u>\$468,172.85</u>	<u>\$491,641.13</u>	<u>\$349,569.80</u>

*Casinos closed to the public on March 16, 2020 and reopened on June 19, 2020.

Source: Maryland Racing Commission summary report

Ocean Downs VLT/Casino Activity

Ocean Pines revenue only

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
July	35,175.11	36,050.24	35,550.41	42,723.69	40,177.52	37,604.13	51,976.73	53,438.90	50,236.34
August	33,417.02	34,117.61	38,189.69	40,492.77	42,688.50	36,629.66	47,459.60	52,286.85	48,670.83
September	31,417.48	32,315.78	36,226.26	37,053.14	37,309.33	38,265.69	44,188.26	45,255.20	43,555.43
October	25,624.00	27,156.40	29,137.94	29,680.55	32,003.41	34,771.74	37,617.21	39,144.88	40,249.90
November	21,209.41	20,844.16	21,434.49	25,771.42	26,443.01	24,590.66	31,214.79	32,563.78	33,950.60
December	21,336.48	22,646.98	20,341.47	26,610.83	27,382.05	24,906.50	32,166.22	36,000.43	34,972.46
January	20,469.51	20,219.49	21,833.29	23,740.65	26,640.32	27,942.39	27,289.45	35,073.70	29,442.85
February	21,493.19	22,254.05	24,845.73	28,411.64	29,075.10	27,441.60	33,008.56	34,709.94	31,023.56
March	24,592.54	25,697.77	29,876.55	32,230.35	13,501.57 *	36,651.63	37,793.47	39,608.46	37,467.83
April	25,715.88	26,567.83	27,782.79	28,867.80	- *	37,790.49	40,591.66	38,869.13	
May	28,328.81	29,250.84	32,419.38	35,674.68	- *	42,297.99	41,832.29	42,349.76	
June	27,854.29	30,505.85	35,415.99	33,227.82	14,336.53 *	43,421.99	43,034.61	42,340.10	
Total Revenue	\$316,633.72	\$327,627.00	\$353,053.99	\$384,485.34	\$289,557.34	\$412,314.47	\$468,172.85	\$491,641.13	\$349,569.80

*Casinos closed to the public on March 16, 2020 and reopened on June 19, 2020.

Source: Maryland Racing Commission summary report



Worcester County Government

One West Market Street | Room 1103 | Snow Hill MD 21863-1195

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February 22, 2024

Honorable Delegate Vanessa Atterbeary
6 Bladen Street, Room 131
Annapolis, MD 21401

Honorable Delegate Jheanelle Wilkins
6 Bladen Street, Room 131
Annapolis, MD 21401

Dear Ways and Means Committee Chair Atterbeary, Vice Chair Wilkins, and members:

The Worcester County Commissioners strongly oppose HB 1319 Internet Gaming – Authorization and Implementation. We are concerned that the introduction of Internet gaming to Maryland would threaten existing brick-and-mortar institutions, fuel gambling addictions, and result in lost revenues to jurisdictions in Worcester County.

Worcester County is home to the Casino at Ocean Downs. Since opening its doors in 2011, the casino has grown to become a vital tourism and economic development partner, generating more than \$46.2 million in local impact grant (LIG) funds to Worcester County, Ocean City, Berlin, and Ocean Pines. These funds are reinvested in our communities. Just a few of the many projects our jurisdictions have been able to fund, even in years of economic downturn, include improvements to roadways and bridges, upgrades to public safety radio systems, additional police vehicles, a new Berlin Police Department, and a new Worcester Technical High School that trains area youth for family-sustaining careers right here at home.

Unlike the Casino at Ocean Downs, which has established partnerships designed to attract residents and visitors to invest their discretionary income in area hotels, eateries, and retail establishments, most online gaming operators are out-of-state. Every dollar spent gambling online would equate to a direct loss to our local economy. And, every dollar spent online would be spent anonymously. We have strong concerns about the emotional, social, and fiscal impacts of online gambling on Worcester County residents. Empirical studies indicate that this immersive platform may increase gambling disorder rates, due to factors such as accessibility, disinhibition, and convenience. To protect the long-term health of residents, businesses, and communities, we respectfully urge you to oppose HB 1319.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony W. Bertino, Jr.", written over a circular stamp.

Anthony W. Bertino, Jr.
President

cc: Senator Mary Beth Carozza
Delegate Wayne Hartman
Delegate Charles Otto



Worcester County Government

One West Market Street | Room 1103 | Snow Hill MD 21863-1195

(410) 632-1194 | (410) 632-3131 (fax) | admin@co.worcester.md.us | www.co.worcester.md.us

February 22, 2024

Honorable Senator Guy Guzzone
Miller Senate Office Building, 3 West
Annapolis, MD 21401
guy.guzzone@senate.state.md.us

Honorable Senator Jim Rosapepe
Miller Senate Office Building, 3 West
Annapolis, MD 21401
jim.rosapepe@senate.state.md.us

Dear Budget & Taxation Chair Senator Guzzone, Vice Chair Rosapepe and members:

The Worcester County Commissioners strongly oppose SB 603 Internet Gaming - Authorization and Implementation. We are concerned that the introduction of Internet gaming to Maryland would threaten existing brick-and-mortar institutions, fuel gambling addictions, and result in lost revenues to jurisdictions in Worcester County.

Worcester County is home to the Casino at Ocean Downs. Since opening its doors in 2011, the casino has grown to become a vital tourism and economic development partner, generating more than \$46.2 million in local impact grant (LIG) funds to Worcester County, Ocean City, Berlin, and Ocean Pines. These funds are reinvested in our communities. Just a few of the many projects our jurisdictions have been able to fund, even in years of economic downturn, include improvements to roadways and bridges, upgrades to public safety radio systems, additional police vehicles, a new Berlin Police Department, and a new Worcester Technical High School that trains area youth for family-sustaining careers right here at home.

Unlike the Casino at Ocean Downs, which has established partnerships designed to attract residents and visitors to invest their discretionary income in area hotels, eateries, and retail establishments, most online gaming operators are out-of-state. Every dollar spent gambling online would equate to a direct loss to our local economy. And, every dollar spent online would be spent anonymously. We have strong concerns about the emotional, social, and fiscal impacts of online gambling on Worcester County residents. Empirical studies indicate that this immersive platform may increase gambling disorder rates, due to factors such as accessibility, disinhibition, and convenience. To protect the long-term health of residents, businesses, and communities, we respectfully urge you to oppose SB 603.

Sincerely,

A handwritten signature in blue ink that reads "Anthony W. Bertino, Jr." The signature is fluid and cursive, with a large, stylized "A" and "B".

Anthony W. Bertino, Jr.
President

cc: Senator Mary Beth Carozza
Delegate Wayne Hartman
Delegate Charles Otto



Worcester County Government
One West Market Street | Room 1103 | Snow Hill MD 21863-1195
(410) 632-1194 | (410) 632-3131 (fax) | admin@co.worcester.md.us | www.co.worcester.md.us

February 22, 2024

Honorable Senator Guy Guzzone
Miller Senate Office Building, 3 West
Annapolis, MD 21401
guy.guzzone@senate.state.md.us

Honorable Senator Jim Rosapepe
Miller Senate Office Building, 3 West
Annapolis, MD 21401
jim.rosapepe@senate.state.md.us

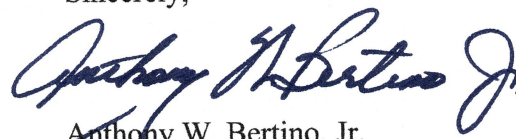
Dear Budget & Taxation Chair Senator Guzzone, Vice Chair Rosapepe and members:

The Worcester County Commissioners strongly oppose SB 565 Expansion of Commercial Gaming – Internet Gaming Referendum. We are concerned that the introduction of Internet gaming to Maryland would threaten existing brick-and-mortar institutions, fuel gambling addictions, and result in lost revenues to jurisdictions in Worcester County.

Worcester County is home to the Casino at Ocean Downs. Since opening its doors in 2011, the casino has grown to become a vital tourism and economic development partner, generating more than \$46.2 million in local impact grant (LIG) funds to Worcester County, Ocean City, Berlin, and Ocean Pines. These funds are reinvested in our communities. Just a few of the many projects our jurisdictions have been able to fund, even in years of economic downturn, include improvements to roadways and bridges, upgrades to public safety radio systems, additional police vehicles, a new Berlin Police Department, and a new Worcester Technical High School that trains area youth for family-sustaining careers right here at home.

Unlike the Casino at Ocean Downs, which has established partnerships designed to attract residents and visitors to invest their discretionary income in area hotels, eateries, and retail establishments, most online gaming operators are out-of-state. Every dollar spent gambling online would equate to a direct loss to our local economy. And, every dollar spent online would be spent anonymously. We have strong concerns about the emotional, social, and fiscal impacts of online gambling on Worcester County residents. Empirical studies indicate that this immersive platform may increase gambling disorder rates, due to factors such as accessibility, disinhibition, and convenience. To protect the long-term health of residents, businesses, and communities, we respectfully urge you to oppose SB 565.

Sincerely,



Anthony W. Bertino, Jr.
President

cc: Senator Mary Beth Carozza
Delegate Wayne Hartman
Delegate Charles Otto

Good afternoon, Mr. Chair and committee members.

I'm Worcester County Commissioner Diana Purnell, and I'm speaking today on behalf of our board. We unanimously oppose SB 603.

Introducing online gaming in Maryland would lure residents and visitors away from brick-and-mortar institutions, divert revenues from the county and its municipalities, and result in a dramatic rise in individuals addicted to gambling.

Worcester County – Maryland's Coast is home to the Casino at Ocean Downs. I'll be frank. Prior to 2011, residents, businesses, and government leaders in Worcester were more than a little uncertain what impact the introduction of a casino would have on our tourism-driven economy. However, the Ocean Downs Casino quickly proved to be a dedicated and enthusiastic tourism partner and an economic powerhouse.

Since opening, the casino has generated more than \$46 million for the County and its municipalities to complete road projects, meet public safety needs, and construct a new technical high school. The casino also created 350 year-round, family-sustaining jobs for Worcester residents.

Online gaming will never be a county partner. It will never add jobs or revenues to our county. Just the opposite. Online gaming will entice patrons away from the casino and into an immersive, anonymous, cyber gambling platform that could be accessed from every computer and smartphone in the privacy of the home, where children are watching and being enamored by what they see. If we open Maryland to online gaming, we could just be paving the way for the next generation to become addicted to gambling. These are youth who lack the experience and the maturity to grasp the lasting physical, mental, and financial ramifications of cyber gambling.

For these reasons, we urge you to oppose SB 603.

HOUSE BILL 1319

C7

4lr2107

By: **Delegate Atterbeary**

Introduced and read first time: February 9, 2024

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Internet Gaming – Authorization and Implementation**

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

11 BY repealing and reenacting, without amendments,
12 Article – Education
13 Section 5–206(b)
14 Annotated Code of Maryland
15 (2022 Replacement Volume and 2023 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Education
18 Section 5–206(f)
19 Annotated Code of Maryland
20 (2022 Replacement Volume and 2023 Supplement)

21 BY adding to
22 Article – State Government
23 Section 9–1F–01 through 9–1F–11 to be under the new subtitle “Subtitle 1F. Internet
24 Gaming”
25 Annotated Code of Maryland
26 (2021 Replacement Volume and 2023 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 That the Laws of Maryland read as follows:

2 **Article – Education**

3 5–206.

4 (b) There is the Blueprint for Maryland’s Future Fund.

5 (f) The Fund consists of:

6 (1) Revenue distributed to the Fund under Title 9, Subtitles 1D [and 1E]
7 **THROUGH 1F** of the State Government Article and §§ 2–4A–02, 2–605.1, and 2–1303 of
8 the Tax – General Article;

9 (2) Money appropriated in the State budget for the Fund; and

10 (3) Any other money from any other source accepted for the benefit of the
11 Fund.

12 **Article – State Government**

13 **SUBTITLE 1F. INTERNET GAMING.**

14 **9–1F–01.**

15 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
16 INDICATED.

17 (B) “COMMISSION” MEANS THE STATE LOTTERY AND GAMING CONTROL
18 COMMISSION.

19 (C) “ECONOMICALLY DISADVANTAGED AREA” MEANS A GEOGRAPHIC AREA,
20 IDENTIFIED BY THE COMMISSION, THAT MEETS THREE OR MORE OF THE
21 FOLLOWING CRITERIA:

22 (1) HAS A MEDIAN INCOME RATE THAT IS 80% OR LESS OF THE
23 AVERAGE MEDIAN HOUSEHOLD INCOME OF THE STATE;

24 (2) HAS AN UNEMPLOYMENT RATE THAT IS AT LEAST 150% OF THE
25 UNEMPLOYMENT RATE OF THE STATE;

26 (3) HAS AN UNINSURED RATE THAT IS AT LEAST 150% OF THE HEALTH
27 UNINSURED RATE OF THE STATE;

28 (4) HAS A SUPPLEMENTAL NUTRITION ASSISTANCE PLAN

1 PARTICIPATION RATE THAT IS AT LEAST 150% OF THE SUPPLEMENTAL NUTRITION
2 ASSISTANCE PLAN PARTICIPATION RATE OF THE STATE; AND

3 (5) HAS A POVERTY RATE THAT IS AT LEAST 150% OF THE POVERTY
4 RATE IN THE STATE.

5 (D) "INTERNET GAMING" MEANS CASINO-STYLE GAMING THROUGH AN
6 ONLINE GAMING SYSTEM:

7 (1) ON A COMPUTER, A MOBILE DEVICE, OR ANY OTHER INTERACTIVE
8 DEVICE; AND

9 (2) THAT IS CONDUCTED BY AN INTERNET GAMING LICENSEE OR A
10 PERSON WHO OPERATES INTERNET GAMING ON BEHALF OF AN INTERNET GAMING
11 LICENSEE.

12 (E) "INTERNET GAMING LICENSE" MEANS A LICENSE ISSUED BY THE
13 COMMISSION TO CONDUCT INTERNET GAMING IN THE STATE IN ACCORDANCE WITH
14 THIS SUBTITLE.

15 (F) "INTERNET GAMING LICENSEE" MEANS THE HOLDER OF AN INTERNET
16 GAMING LICENSE UNDER THIS SUBTITLE.

17 (G) (1) "PERSONAL NET WORTH" MEANS THE NET VALUE OF THE ASSETS
18 HELD BY AN INDIVIDUAL, INCLUDING THE INDIVIDUAL'S SHARE OF ASSETS HELD
19 JOINTLY OR AS COMMUNITY PROPERTY WITH THE INDIVIDUAL'S SPOUSE, AFTER
20 TOTAL LIABILITIES ARE DEDUCTED.

21 (2) "PERSONAL NET WORTH" DOES NOT INCLUDE:

22 (I) THE INDIVIDUAL'S OWNERSHIP INTEREST IN AN APPLICANT
23 FOR LICENSURE UNDER THIS SUBTITLE;

24 (II) THE INDIVIDUAL'S EQUITY IN THE INDIVIDUAL'S PRIMARY
25 PLACE OF RESIDENCE;

26 (III) ANY MORTGAGE OR LOAN SECURED BY THE INDIVIDUAL'S
27 PRIMARY PLACE OF RESIDENCE AS A LIABILITY; OR

28 (IV) THE CASH VALUE OF ANY QUALIFIED RETIREMENT SAVINGS
29 PLANS OR INDIVIDUAL RETIREMENT ACCOUNTS.

30 (H) "PROCEEDS" MEANS THE AMOUNT OF MONEY BET ON INTERNET

1 GAMING, LESS:

2 (1) THE AMOUNT RETURNED TO SUCCESSFUL PLAYERS;

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

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

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

11 9-1F-02.

12 (A) (1) THIS SUBTITLE AUTHORIZES AN INTERNET GAMING LICENSEE TO
13 CONDUCT AND OPERATE INTERNET GAMING IN THE STATE AS PROVIDED IN THIS
14 SUBTITLE.

15 (2) AN INTERNET GAMING LICENSEE MAY ENTER INTO AN
16 AGREEMENT WITH UP TO ONE OPERATOR TO CONDUCT AND OPERATE INTERNET
17 GAMING ON BEHALF OF THE LICENSEE.

18 (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE COMMISSION
19 SHALL REGULATE INTERNET GAMING AND THE CONDUCT OF INTERNET GAMING TO
20 THE SAME EXTENT THAT THE COMMISSION REGULATES THE OPERATION OF VIDEO
21 LOTTERY TERMINALS AND TABLE GAMES UNDER SUBTITLE 1A OF THIS TITLE AND
22 MOBILE SPORTS WAGERING UNDER SUBTITLE 1E OF THIS TITLE.

23 (C) UNLESS THE CONTEXT REQUIRES OTHERWISE, THE REQUIREMENTS
24 UNDER §§ 9-1A-04, 9-1A-06, 9-1A-07, 9-1A-08, 9-1A-12, 9-1A-14, 9-1A-18,
25 9-1A-19, 9-1A-20, AND 9-1A-25 OF THIS TITLE APPLY TO THE AUTHORITY, DUTIES,
26 AND RESPONSIBILITIES OF THE COMMISSION, AN INTERNET GAMING LICENSEE,
27 AND AN EMPLOYEE OR A CONTRACTOR OF AN INTERNET GAMING LICENSEE UNDER
28 THIS SUBTITLE.

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

30 (1) THE FORM AND CONTENT OF AN APPLICATION FOR ANY LICENSE
31 REQUIRED UNDER THIS SUBTITLE;

1 **(2) STANDARDS, PROCEDURES, AND RULES THAT GOVERN THE**
2 **CONDUCT AND OPERATION OF INTERNET GAMING; AND**

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

5 **9-1F-03.**

6 **(A) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THIS SUBTITLE BE**
7 **IMPLEMENTED IN A MANNER THAT, TO THE EXTENT PERMITTED BY STATE AND**
8 **FEDERAL LAW, MAXIMIZES THE ABILITY OF MINORITIES, WOMEN, AND**
9 **MINORITY- AND WOMEN-OWNED BUSINESSES TO PARTICIPATE IN THE INTERNET**
10 **GAMING INDUSTRY, INCLUDING THROUGH THE OWNERSHIP OF ENTITIES LICENSED**
11 **TO CONDUCT INTERNET GAMING.**

12 **(B) (1) (I) SUBJECT TO THE LIMITATIONS OF THIS SUBSECTION, THE**
13 **COMMISSION MAY ISSUE NOT MORE THAN 12 INTERNET GAMING LICENSES TO**
14 **APPLICANTS THAT MEET THE REQUIREMENTS FOR AN INTERNET GAMING LICENSE**
15 **UNDER THIS SUBTITLE.**

16 **(II) 1. EXCEPT AS PROVIDED UNDER SUBSUBPARAGRAPH 2**
17 **OF THIS SUBPARAGRAPH, THE COMMISSION MAY NOT AWARD A LICENSE TO AN**
18 **APPLICANT THAT HAS NOT DEMONSTRATED DIRECT OR INDIRECT OWNERSHIP OF**
19 **AT LEAST 5% BY INDIVIDUALS WHOSE PERSONAL NET WORTH DOES NOT EXCEED AN**
20 **AMOUNT DETERMINED BY THE COMMISSION TO ENCOURAGE DIVERSITY, EQUITY,**
21 **AND INCLUSION IN THE INTERNET GAMING INDUSTRY.**

22 **2. THE COMMISSION MAY AWARD A LICENSE TO AN**
23 **APPLICANT THAT, IN LIEU OF THE OWNERSHIP REQUIREMENT DESCRIBED UNDER**
24 **SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH, HAS ESTABLISHED A**
25 **PROFIT-SHARING AGREEMENT WITH NONMANAGEMENT EMPLOYEES WHOSE**
26 **PERSONAL NET WORTH DOES NOT EXCEED AN AMOUNT DETERMINED BY THE**
27 **COMMISSION TO ENCOURAGE DIVERSITY, EQUITY, AND INCLUSION IN THE**
28 **INTERNET GAMING INDUSTRY.**

29 **(III) IN ADDITION TO ANY OTHER FACTORS ESTABLISHED BY THE**
30 **COMMISSION BY REGULATION TO ENSURE COMPLIANCE WITH THIS SUBTITLE, THE**
31 **COMMISSION SHALL REVIEW APPLICATIONS FOR INTERNET GAMING LICENSES**
32 **BASED ON:**

33 **1. THE PERCENTAGE OF OWNERSHIP BY INDIVIDUALS**
34 **WHOSE PERSONAL NET WORTH DOES NOT EXCEED THE LIMITATION DESCRIBED**
35 **UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH;**

1 **2. THE PERCENTAGE OF PROCEEDS THAT THE**
2 **APPLICANT PROPOSES TO RETAIN, NOT TO EXCEED:**

3 **A. 80% OF THE PROCEEDS FROM LIVE DEALER GAMES**
4 **CONDUCTED IN ACCORDANCE WITH § 9-1F-10 OF THIS SUBTITLE; AND**

5 **B. 45% OF PROCEEDS FROM ALL OTHER INTERNET**
6 **GAMING;**

7 **3. THE APPLICANT'S FINANCIAL STABILITY,**
8 **RESOURCES, INTEGRITY, AND BUSINESS ABILITY AND ACUMEN;**

9 **4. THE APPLICANT'S WORKFORCE DEVELOPMENT**
10 **PLANS FOR INTERNET GAMING INDUSTRY EMPLOYEES IN THE STATE;**

11 **5. THE APPLICANT'S PLANS FOR EMPLOYING**
12 **INDIVIDUALS IN THE INTERNET GAMING INDUSTRY WHO RESIDE IN ECONOMICALLY**
13 **DISADVANTAGED AREAS; AND**

14 **6. THE APPLICANT'S RESPONSIBLE GAMING PROGRAMS**
15 **AND AN EFFECTIVE GOVERNANCE AND COMPLIANCE PROGRAM.**

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

19 **(II) AS PART OF THE REVIEW OF AN APPLICATION FOR AN**
20 **INTERNET GAMING LICENSE, THE COMMISSION SHALL DETERMINE WHETHER THE**
21 **ISSUANCE OF A LICENSE TO THE APPLICANT SERVES THE PUBLIC INTEREST.**

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

24 **2. THE COMMISSION MAY AUTHORIZE THE PAYMENT OF**
25 **THE FEE REQUIRED UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH IN**
26 **SEPARATE INSTALLMENTS.**

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

28 **(4) (I) ON APPLICATION BY AN INTERNET GAMING LICENSEE AND**
29 **PAYMENT OF A LICENSE RENEWAL FEE UNDER SUBPARAGRAPH (II) OF THIS**
30 **PARAGRAPH, THE COMMISSION SHALL RENEW FOR 5 YEARS AN INTERNET GAMING**

1 LICENSE IF THE LICENSEE COMPLIES WITH ALL STATUTORY AND REGULATORY
2 REQUIREMENTS.

3 (II) THE LICENSE RENEWAL FEE IS EQUAL TO 1% OF THE
4 INTERNET GAMING LICENSEE'S AVERAGE ANNUAL PROCEEDS RETAINED BY THE
5 LICENSEE UNDER § 9-1F-05(B)(1)(II) OF THIS SUBTITLE FOR THE PRECEDING
6 3-YEAR PERIOD.

7 (C) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
8 COMMISSION, THE COMPTROLLER SHALL PAY THE FOLLOWING AMOUNTS FROM
9 THE LICENSE FEES COLLECTED BY THE COMMISSION UNDER THIS SECTION:

10 (1) AN AMOUNT TO THE STATE LOTTERY AND GAMING CONTROL
11 AGENCY NECESSARY TO REIMBURSE THE AGENCY FOR EXPENSES RELATED TO THE
12 ISSUANCE AND RENEWAL OF LICENSES UNDER THIS SECTION;

13 (2) 1% TO THE PROBLEM GAMBLING FUND ESTABLISHED UNDER §
14 9-1A-33 OF THIS TITLE; AND

15 (3) THE REMAINDER TO THE BLUEPRINT FOR MARYLAND'S FUTURE
16 FUND ESTABLISHED UNDER § 5-206 OF THE EDUCATION ARTICLE.

17 (D) (1) FOR ALL LICENSES REQUIRED UNDER THIS SUBTITLE, IF AN
18 APPLICANT HOLDS A VALID LICENSE IN THIS STATE OR ANOTHER STATE AND THE
19 COMMISSION DETERMINES THAT THE LICENSING STANDARDS OF THE ISSUING
20 AGENCY ARE COMPREHENSIVE AND THOROUGH AND PROVIDE SIMILAR AND
21 ADEQUATE SAFEGUARDS TO THOSE PROVIDED IN THIS SUBTITLE, THE COMMISSION
22 MAY:

23 (I) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS
24 SUBTITLE; AND

25 (II) ISSUE A LICENSE TO THAT APPLICANT.

26 (2) (I) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS
27 SUBSECTION, ON THE REQUEST OF AN APPLICANT, THE COMMISSION MAY GRANT AN
28 EXEMPTION OR A WAIVER OF A LICENSING REQUIREMENT OR GROUNDS FOR DENIAL
29 OF A LICENSE IF THE COMMISSION DETERMINES THAT THE REQUIREMENT OR
30 GROUNDS FOR DENIAL OF A LICENSE AS APPLIED TO THE APPLICANT ARE NOT
31 NECESSARY TO PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE POLICIES
32 ESTABLISHED BY THIS SUBTITLE.

33 (II) ON GRANTING AN APPLICANT AN EXEMPTION OR A WAIVER

1 UNDER THIS PARAGRAPH, OR AT ANY TIME AFTER AN EXEMPTION OR A WAIVER HAS
2 BEEN GRANTED, THE COMMISSION MAY:

3 1. LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION
4 OR WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;
5 AND

6 2. REQUIRE THE PERSON THAT IS GRANTED THE
7 EXEMPTION OR WAIVER TO COOPERATE WITH THE COMMISSION AND TO PROVIDE
8 THE COMMISSION WITH ANY ADDITIONAL INFORMATION REQUIRED BY THE
9 COMMISSION AS A CONDITION OF THE WAIVER OR EXEMPTION.

10 (3) EXCEPT AS PROVIDED UNDER THIS SUBTITLE OR IN REGULATION,
11 THE COMMISSION MAY NOT WAIVE A REQUIREMENT UNDER PARAGRAPH (1) OR
12 PARAGRAPH (2) OF THIS SUBSECTION THAT RELATES TO MINORITY BUSINESS
13 ENTERPRISE PARTICIPATION GOALS AND PROCEDURES ESTABLISHED UNDER §
14 9-1F-04(B) OF THIS SUBTITLE.

15 (E) (1) WITHIN 30 DAYS AFTER THE AWARD OF AN INTERNET GAMING
16 LICENSE, THE INTERNET GAMING LICENSEE SHALL SUBMIT TO THE COMMISSION A
17 DIVERSITY PLAN THAT DESCRIBES THE STEPS THAT THE LICENSEE WILL TAKE TO
18 PROMOTE MEANINGFUL DIVERSITY AMONG ITS OWNERS, INVESTORS, MANAGERS,
19 EMPLOYEES, AND CONTRACTORS AND TO PROMOTE EQUALITY OF OPPORTUNITY.

20 (2) EACH INTERNET GAMING LICENSEE SHALL MAKE GOOD FAITH
21 EFFORTS TO MEET THE DIVERSITY OBJECTIVES OUTLINED IN THE DIVERSITY PLAN
22 SUBMITTED UNDER PARAGRAPH (1) OF THIS SUBSECTION AND REPORT TO THE
23 COMMISSION ANY NECESSARY METRICS TO MEASURE PROGRESS IN MEETING THOSE
24 OBJECTIVES.

25 (3) THE COMMISSION MAY MAKE THE DIVERSITY PLANS AND
26 METRICS SUBMITTED IN ACCORDANCE WITH THIS SUBSECTION AVAILABLE TO THE
27 PUBLIC.

28 (F) (1) AN INTERNET GAMING LICENSEE MAY NOT TRANSFER
29 OWNERSHIP OR CONTROL OF THE LICENSE FOR A PERIOD OF AT LEAST 3 YEARS
30 FOLLOWING ISSUANCE OF THE LICENSE.

31 (2) THE LIMITATIONS UNDER THIS SUBSECTION DO NOT APPLY TO
32 TRANSFERS AS A RESULT OF THE DISABILITY, INCAPACITY, OR DEATH OF THE
33 OWNER OF AN INTERNET GAMING LICENSE, BANKRUPTCY OR RECEIVERSHIP IN
34 ACCORDANCE WITH A LENDING AGREEMENT OF AN INTERNET GAMING LICENSEE,
35 OR COURT ORDER.

1 **9-1F-04.**

2 (A) AN INTERNET GAMING LICENSEE:

3 (1) SHALL:

4 (I) COMPLY WITH ALL STATE AND FEDERAL DATA SECURITY
5 LAWS; AND

6 (II) MAINTAIN ALL INTERNET GAMING DATA SECURELY FOR AT
7 LEAST 5 YEARS; AND

8 (2) MAY NOT:

9 (I) SHARE ANY PERSONALLY IDENTIFIABLE INFORMATION
10 WITH ANY THIRD PARTIES WITHOUT PERMISSION, EXCEPT AS NEEDED TO OPERATE
11 INTERNET GAMING, ADMINISTER THE LICENSEE'S OBLIGATIONS UNDER THIS
12 SUBTITLE, AND SUPPORT PROBLEM GAMBLING INITIATIVES;

13 (II) TARGET ADVERTISING TO INDIVIDUALS WHO ARE
14 PROHIBITED FROM PARTICIPATING IN GAMBLING ACTIVITIES UNDER THIS TITLE
15 AND OTHER AT-RISK INDIVIDUALS; OR

16 (III) ENGAGE IN ANY FALSE OR DECEPTIVE ADVERTISING.

17 (B) (1) THE FINDINGS AND EVIDENCE RELIED ON BY THE GENERAL
18 ASSEMBLY FOR THE CONTINUATION OF THE MINORITY BUSINESS ENTERPRISE
19 PROGRAM UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND
20 PROCUREMENT ARTICLE ARE INCORPORATED IN THIS SUBSECTION.

21 (2) TO THE EXTENT PRACTICABLE AND AUTHORIZED BY THE UNITED
22 STATES CONSTITUTION, AN INTERNET GAMING LICENSEE SHALL COMPLY WITH THE
23 STATE'S MINORITY BUSINESS ENTERPRISE PROGRAM.

24 (3) (I) WITHIN 6 MONTHS AFTER THE ISSUANCE OF AN INTERNET
25 GAMING LICENSE UNDER THIS SUBTITLE, THE GOVERNOR'S OFFICE OF SMALL,
26 MINORITY, AND WOMEN BUSINESS AFFAIRS, IN CONSULTATION WITH THE OFFICE
27 OF THE ATTORNEY GENERAL AND THE INTERNET GAMING LICENSEE, SHALL
28 ESTABLISH A CLEAR PLAN FOR SETTING REASONABLE AND APPROPRIATE MINORITY
29 BUSINESS ENTERPRISE PARTICIPATION GOALS AND PROCEDURES FOR THE
30 PROCUREMENT OF GOODS AND SERVICES RELATED TO INTERNET GAMING.

1 **(II) TO THE EXTENT PRACTICABLE, THE GOALS AND**
2 **PROCEDURES SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE**
3 **BASED ON THE REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE STATE FINANCE**
4 **AND PROCUREMENT ARTICLE AND THE REGULATIONS IMPLEMENTING THAT**
5 **SUBTITLE.**

6 **(C) AN APPLICANT FOR AN INTERNET GAMING LICENSE OR AN INTERNET**
7 **GAMING LICENSEE SHALL PRODUCE INFORMATION, DOCUMENTATION, AND**
8 **ASSURANCES TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT:**

9 **(1) UNLESS THE APPLICANT OR LICENSEE ALREADY HAS A**
10 **COLLECTIVE BARGAINING AGREEMENT, THE APPLICANT OR LICENSEE HAS**
11 **ENTERED INTO A LABOR PEACE AGREEMENT WITH EACH LABOR ORGANIZATION**
12 **THAT IS ACTIVELY ENGAGED IN REPRESENTING OR ATTEMPTING TO REPRESENT**
13 **INTERNET GAMING INDUSTRY WORKERS, INCLUDING DEALERS CONDUCTING LIVE**
14 **DEALER GAMES IN ACCORDANCE WITH § 9-1F-10 OF THIS SUBTITLE, IN THE STATE;**

15 **(2) THE LABOR PEACE AGREEMENT IS VALID AND ENFORCEABLE**
16 **UNDER 29 U.S.C. § 158; AND**

17 **(3) THE LABOR PEACE AGREEMENT PROTECTS THE STATE'S**
18 **REVENUES BY PROHIBITING THE LABOR ORGANIZATION AND ITS MEMBERS FROM**
19 **ENGAGING IN PICKETING, WORK STOPPAGES, BOYCOTTS, AND ANY OTHER**
20 **ECONOMIC INTERFERENCE WITH THE OPERATION OF INTERNET GAMING WITHIN**
21 **THE FIRST 5 YEARS OF THE EFFECTIVE DATE OF AN INTERNET GAMING LICENSE.**

22 **9-1F-05.**

23 **(A) (1) THE COMMISSION SHALL ACCOUNT TO THE COMPTROLLER FOR**
24 **ALL OF THE REVENUE UNDER THIS SUBTITLE.**

25 **(2) THE PROCEEDS FROM INTERNET GAMING, LESS THE AMOUNT**
26 **RETAINED BY THE LICENSEE UNDER SUBSECTION (B)(1)(II) OF THIS SECTION,**
27 **SHALL BE UNDER THE CONTROL OF THE COMPTROLLER AND DISTRIBUTED AS**
28 **PROVIDED UNDER SUBSECTION (B) OF THIS SECTION.**

29 **(B) (1) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
30 **PARAGRAPH, ALL PROCEEDS FROM INTERNET GAMING SHALL BE ELECTRONICALLY**
31 **TRANSFERRED MONTHLY INTO THE STATE LOTTERY FUND ESTABLISHED UNDER**
32 **SUBTITLE 1 OF THIS TITLE.**

33 **(II) A LICENSEE SHALL RETAIN THE PERCENTAGE OF**
34 **PROCEEDS FROM INTERNET GAMING THAT THE LICENSEE PROPOSED IN THE**

1 LICENSE APPLICATION SUBMITTED UNDER § 9-1F-03 OF THIS SUBTITLE.

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

6 (I) 1% TO THE STATE LOTTERY AND GAMING CONTROL
7 AGENCY FOR THE COST OF PERFORMING BACKGROUND INVESTIGATIONS AND
8 OTHER REGULATORY ACTIVITIES;

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

11 (III) 1% TO LOCAL JURISDICTIONS, DISTRIBUTED TO EACH
12 COUNTY BASED ON THE COUNTY'S SCHOOL-AGE POPULATION, TO BE USED FOR
13 FUNDING EDUCATION; AND

14 (IV) THE REMAINDER TO THE BLUEPRINT FOR MARYLAND'S
15 FUTURE FUND ESTABLISHED UNDER § 5-206 OF THE EDUCATION ARTICLE.

16 9-1F-06.

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

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

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

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

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

1 **(3) DEFINE THE PERMISSIBLE USE OF CREDIT CARDS FOR ANY**
2 **INTERNET GAMING-RELATED TRANSACTIONS; AND**

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

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

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

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

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

20 **(2) IF THE ACCOUNT IS SUSPENDED BY THE ACCOUNT HOLDER**
21 **UNDER SUBSECTION (A)(2)(II) OF THIS SECTION, THE ACCOUNT HOLDER MAY NOT**
22 **CHANGE GAMING CONTROLS UNTIL THE SUSPENSION EXPIRES.**

23 **(D) NOTWITHSTANDING A TEMPORARY SUSPENSION OF INTERNET GAMING**
24 **ACTIVITY IMPOSED BY AN ACCOUNT HOLDER UNDER SUBSECTION (A)(2)(II) OF THIS**
25 **SECTION, THE ACCOUNT HOLDER MAY CONTINUE TO HAVE ACCESS TO THE ACCOUNT**
26 **AND IS AUTHORIZED TO WITHDRAW FUNDS FROM THE ACCOUNT ON PROPER**
27 **APPLICATION TO THE INTERNET GAMING LICENSEE.**

28 **9-1F-07.**

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

31 **(1) TAMPERS WITH SOFTWARE, COMPUTERS, OR OTHER EQUIPMENT**
32 **USED TO CONDUCT INTERNET GAMING TO ALTER THE ODDS OR THE PAYOUT OF A**

1 GAME OR DISABLE THE GAME FROM OPERATING ACCORDING TO THE RULES OF THE
2 GAME AS ADOPTED BY THE COMMISSION; OR

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

7 (B) IN ADDITION TO ANY PENALTIES IMPOSED UNDER SUBSECTION (A) OF
8 THIS SECTION, THE COMMISSION MAY SUSPEND, FOR NOT LESS THAN 30 DAYS, THE
9 LICENSE OF AN INTERNET GAMING LICENSEE OR ANY OTHER PERSON REQUIRED TO
10 BE LICENSED UNDER THIS SUBTITLE WHO IS IN VIOLATION OF SUBSECTION (A) OF
11 THIS SECTION.

12 9-1F-08.

13 ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE MARYLAND CENTER OF
14 EXCELLENCE ON PROBLEM GAMBLING SHALL REPORT TO THE GOVERNOR AND, IN
15 ACCORDANCE WITH § 2-1257 OF THIS ARTICLE, THE GENERAL ASSEMBLY ON:

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

18 (2) THE EFFECTIVENESS OF THE STATUTORY AND REGULATORY
19 CONTROLS IN PLACE TO ENSURE THE INTEGRITY OF INTERNET GAMING
20 OPERATIONS.

21 9-1F-09.

22 (A) ON OR BEFORE SEPTEMBER 1 EACH YEAR, AN INTERNET GAMING
23 LICENSEE SHALL PROVIDE ALL TRANSACTIONAL DATA AND METRICS RELATED TO
24 INTERNET GAMING CONDUCTED IN THE STATE AND ACQUIRED BY AN OPERATOR OF
25 THE LICENSEE ON A MONTHLY, QUARTERLY, OR ANNUAL BASIS TO MORGAN STATE
26 UNIVERSITY AND BOWIE STATE UNIVERSITY.

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

30 9-1F-10.

31 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
32 INDICATED.

1 **(2) “AUTHORIZED INTERACTIVE GAME” MEANS ANY**
2 **INTERNET-BASED VERSION, OR SUBSTANTIAL EQUIVALENT, OF A TABLE GAME,**
3 **POKER TOURNAMENT, GAMING TOURNAMENT, OR ANY OTHER GAME TYPICALLY**
4 **OFFERED IN A CASINO AND APPROVED BY THE COMMISSION, INCLUDING GAMES IN**
5 **WHICH INDIVIDUALS WAGER MONEY OR SOMETHING OF MONETARY VALUE AND**
6 **THAT ARE ACCESSED BY A COMPUTER OR MOBILE DEVICE THAT IS CONNECTED TO**
7 **THE INTERNET.**

8 **(3) (I) “LIVE DEALER GAME” MEANS AN AUTHORIZED**
9 **INTERACTIVE GAME CONDUCTED BY LIVE STUDIO DEALERS OR OTHER PHYSICAL**
10 **GAMING EQUIPMENT, SUCH AS AN AUTOMATED ROULETTE WHEEL, BALL BLOWER,**
11 **OR GAMING DEVICE, OR BOTH, IN A LIVE GAME ENVIRONMENT IN WHICH THE**
12 **AUTHORIZED PARTICIPANTS HAVE THE ABILITY TO PARTICIPATE IN GAME PLAY AND**
13 **COMMUNICATE GAME DECISIONS THROUGH AN AUTHORIZED INTERACTIVE GAMING**
14 **PLATFORM.**

15 **(II) “LIVE DEALER GAME” INCLUDES A LIVE CARD GAME, A LIVE**
16 **TABLE GAME, AND ANY OTHER LIVE AUTHORIZED INTERACTIVE GAME.**

17 **(4) “LIVE GAMING STUDIO” MEANS A PHYSICAL LOCATION IN THE**
18 **STATE THAT UTILIZES LIVE VIDEO STREAMING TECHNOLOGY TO PROVIDE**
19 **AUTHORIZED INTERACTIVE GAMES TO A PLAYER’S INTERACTIVE GAMING DEVICE OR**
20 **MULTI-USE COMPUTING DEVICE.**

21 **(5) “LIVE STUDIO DEALER” MEANS AN INDIVIDUAL WHO:**

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

25 **(II) DISTRIBUTES VIRTUAL CARDS, DICE, OR OTHER**
26 **EQUIPMENT TO AUTHORIZED PARTICIPANTS ACCORDING TO THE TABLE GAME OR**
27 **AUTHORIZED INTERACTIVE GAME; AND**

28 **(III) MONITORS GAME PACE AND PLAY.**

29 **(B) SUBJECT TO APPROVAL BY THE COMMISSION, AN INTERNET GAMING**
30 **LICENSEE MAY OFFER AUTHORIZED INTERACTIVE GAMES, INCLUDING GAMING**
31 **TOURNAMENTS IN WHICH PLAYERS COMPETE AGAINST ONE ANOTHER IN ONE OR**
32 **MORE OF THE GAMES AUTHORIZED UNDER THIS SUBTITLE OR BY THE COMMISSION**
33 **OR IN APPROVED VARIATIONS OR COMPOSITES OF THOSE GAMES.**

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

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

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

6 (2) IS NOT REQUIRED TO BE LOCATED WITHIN THE PREMISES OF A
7 VIDEO LOTTERY FACILITY, AS DEFINED UNDER § 9-1A-01 OF THIS TITLE.

8 9-1F-11.

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

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

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

20 (2) TAKE ALL NECESSARY ACTIONS TO ENSURE THAT ANY
21 AGREEMENT ENTERED INTO UNDER THIS SECTION BECOMES EFFECTIVE.

22 (C) THE COMMISSION MAY ADOPT REGULATIONS UNDER THIS SECTION
23 THAT PROVIDE FOR:

24 (1) THE FORM, LENGTH, AND TERMS OF AN AGREEMENT AUTHORIZED
25 UNDER THIS SECTION;

26 (2) MATTERS RELATING TO THE TAXATION OF INTERNET GAMING
27 REVENUE BY THE PARTIES TO THE AGREEMENT;

28 (3) THE SHARING AND DISTRIBUTION OF INTERNET GAMING
29 REVENUE AMONG THE PARTIES TO THE AGREEMENT;

30 (4) RESOLUTION OF PLAYER DISPUTES;

1 **(5) THE INFORMATION THAT A GOVERNMENT PROPOSING TO ENTER**
2 **INTO THE AGREEMENT WITH THE STATE MUST PROVIDE TO THE COMMISSION;**

3 **(6) THE MANNER AND PROCEDURE FOR HEARINGS CONDUCTED BY**
4 **THE COMMISSION WITH RESPECT TO ANY AGREEMENT AUTHORIZED UNDER THIS**
5 **SECTION;**

6 **(7) THE INFORMATION THAT THE COMMISSION MUST PROVIDE TO**
7 **THE GOVERNOR THAT SUPPORTS THE RECOMMENDATIONS OF THE COMMISSION**
8 **MADE UNDER THIS SECTION; AND**

9 **(8) ANY OTHER PROVISION NECESSARY TO CARRY OUT THIS SECTION.**

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

12 **(1) FOR ANY POTENTIAL ARRANGEMENT FOR THE SHARING OF**
13 **REVENUES BY THE PARTIES TO THE AGREEMENT;**

14 **(2) PERMITTING THE EFFECTIVE REGULATION OF INTERNET GAMING**
15 **BY THE STATE, INCLUDING PROVISIONS RELATING TO LICENSING, TECHNICAL**
16 **STANDARDS TO BE FOLLOWED, RESOLUTION OF DISPUTES BY PATRONS,**
17 **REQUIREMENTS FOR BANKROLLS, ENFORCEMENT, ACCOUNTING, AND**
18 **MAINTENANCE OF RECORDS;**

19 **(3) BY WHICH EACH PARTY TO THE AGREEMENT AGREES TO PROHIBIT**
20 **OPERATORS OF INTERNET GAMING, SERVICE PROVIDERS, AND MANUFACTURERS OR**
21 **DISTRIBUTORS OF INTERNET GAMING SYSTEMS FROM ENGAGING IN ANY ACTIVITY**
22 **PERMITTED UNDER THE AGREEMENT UNLESS THOSE PERSONS ARE LICENSED OR**
23 **FOUND SUITABLE:**

24 **(I) UNDER THIS SUBTITLE; OR**

25 **(II) BY ANY OTHER PARTY TO THE AGREEMENT UNDER**
26 **REQUIREMENTS THAT ARE MATERIALLY CONSISTENT WITH THE REQUIREMENTS OF**
27 **THIS SUBTITLE;**

28 **(4) PROHIBITING VARIATION OR DEROGATION FROM THE**
29 **REQUIREMENTS OF THE AGREEMENT FOR ANY PARTY TO THE AGREEMENT ABSENT**
30 **THE CONSENT OF ALL PARTIES TO THE AGREEMENT;**

31 **(5) PROHIBITING ANY SUBORDINATE OR SIDE AGREEMENTS, EXCEPT**

1 WITH RESPECT TO SHARING OF REVENUES, AMONG ANY SUBSET OF THE
2 GOVERNMENTS THAT ARE PARTIES TO THE AGREEMENT; AND

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

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

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

15 “Do you favor the expansion of commercial gaming in the State of Maryland to
16 authorize Internet gaming for the primary purpose of raising revenue for education?”

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

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

SENATE BILL 603

C7
SB 267/23 – B&T

4lr2106

By: **Senator Watson**

Introduced and read first time: January 26, 2024

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Internet Gaming – Authorization and Implementation**

3 FOR the purpose of authorizing the State Lottery and Gaming Control Commission to issue
4 certain licenses to certain video lottery operators in the State and certain qualified
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
10 to a referendum of the qualified voters of the State; and generally relating to Internet
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.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
2 That the Laws 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 (1) Revenue distributed to the Fund under Title 9, Subtitles 1D [and 1E]
8 **THROUGH 1F** of the State Government Article and §§ 2–4A–02, 2–605.1, and 2–1303 of
9 the Tax – General Article;

10 (2) Money appropriated in the State budget for the Fund; and

11 (3) Any other money from any other source accepted for the benefit of the
12 Fund.

13 **Article – State Government**

14 **SUBTITLE 1F. INTERNET GAMING.**

15 **9–1F–01.**

16 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
17 INDICATED.

18 (B) “COMMISSION” MEANS THE STATE LOTTERY AND GAMING CONTROL
19 COMMISSION.

20 (C) “INTERNET GAMING” MEANS CASINO–STYLE GAMING THROUGH AN
21 ONLINE GAMING SYSTEM:

22 (1) ON A COMPUTER, A MOBILE DEVICE, OR ANY OTHER INTERACTIVE
23 DEVICE; AND

24 (2) THAT IS CONDUCTED BY AN INTERNET GAMING LICENSEE OR A
25 PERSON WHO OPERATES INTERNET GAMING ON BEHALF OF AN INTERNET GAMING
26 LICENSEE.

27 (D) “INTERNET GAMING LICENSE” MEANS A LICENSE ISSUED BY THE
28 COMMISSION TO CONDUCT INTERNET GAMING IN THE STATE IN ACCORDANCE WITH
29 THIS SUBTITLE.

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:

5 (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.

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

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

29 (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE COMMISSION
30 SHALL 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 LICENSE
12 REQUIRED UNDER THIS SUBTITLE;

13 (2) STANDARDS, PROCEDURES, AND RULES THAT GOVERN THE
14 CONDUCT 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.

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

29 1. HAVE MAINTAINED THE APPLICANTS'
30 HEADQUARTERS IN THE STATE FOR AT LEAST 10 YEARS;

31 2. EMPLOYED ON DECEMBER 31, 2023, AND CONTINUE
32 TO EMPLOY, AT LEAST 250 EMPLOYEES IN THE STATE ON A FULL-TIME OR

1 FULL-TIME EQUIVALENT BASIS;

2 3. DURING THE PERIOD BEGINNING ON JANUARY 1,
3 2018, AND ENDING ON DECEMBER 31, 2023, FILED AN APPLICATION OR RENEWAL
4 APPLICATION TO OWN AN EQUITY INTEREST OF AT LEAST 5% IN A VIDEO LOTTERY
5 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.

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

25 (4) (I) ON APPLICATION BY AN INTERNET GAMING LICENSEE AND
26 PAYMENT OF A LICENSE RENEWAL FEE UNDER SUBPARAGRAPH (II) OF THIS
27 PARAGRAPH, THE COMMISSION SHALL RENEW FOR 5 YEARS AN INTERNET GAMING
28 LICENSE IF THE LICENSEE COMPLIES WITH ALL STATUTORY AND REGULATORY
29 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.

1 **(C) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE**
2 **COMMISSION, THE COMPTROLLER SHALL PAY THE FOLLOWING AMOUNTS FROM**
3 **THE LICENSE FEES COLLECTED BY THE COMMISSION UNDER THIS SECTION:**

4 **(1) AN AMOUNT TO THE STATE LOTTERY AND GAMING CONTROL**
5 **AGENCY NECESSARY TO REIMBURSE THE AGENCY FOR EXPENSES RELATED TO THE**
6 **ISSUANCE AND RENEWAL OF LICENSES UNDER THIS SECTION;**

7 **(2) 1% TO THE STATE LOTTERY AND GAMING CONTROL AGENCY FOR**
8 **THE COST OF PERFORMING BACKGROUND INVESTIGATIONS AND OTHER**
9 **REGULATORY ACTIVITIES;**

10 **(3) 1% TO THE PROBLEM GAMBLING FUND ESTABLISHED UNDER §**
11 **9-1A-33 OF THIS TITLE; AND**

12 **(4) THE REMAINDER TO THE BLUEPRINT FOR MARYLAND'S FUTURE**
13 **FUND ESTABLISHED UNDER § 5-206 OF THE EDUCATION ARTICLE.**

14 **9-1F-04.**

15 **AN INTERNET GAMING LICENSEE:**

16 **(1) SHALL:**

17 **(I) COMPLY WITH ALL STATE AND FEDERAL DATA SECURITY**
18 **LAWS; AND**

19 **(II) MAINTAIN ALL INTERNET GAMING DATA SECURELY FOR AT**
20 **LEAST 5 YEARS; AND**

21 **(2) MAY NOT:**

22 **(I) SHARE ANY PERSONALLY IDENTIFIABLE INFORMATION**
23 **WITH ANY THIRD PARTIES WITHOUT PERMISSION, EXCEPT AS NEEDED TO OPERATE**
24 **INTERNET GAMING, ADMINISTER THE LICENSEE'S OBLIGATIONS UNDER THIS**
25 **SUBTITLE, AND SUPPORT PROBLEM GAMBLING INITIATIVES;**

26 **(II) TARGET ADVERTISING TO INDIVIDUALS WHO ARE**
27 **PROHIBITED FROM PARTICIPATING IN GAMBLING ACTIVITIES UNDER THIS TITLE**
28 **AND OTHER AT-RISK INDIVIDUALS; OR**

29 **(III) ENGAGE IN ANY FALSE OR DECEPTIVE ADVERTISING.**

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 FROM
13 INTERNET 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'S
24 FUTURE 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:

28 (1) CAUSE THE WORDS "IF YOU OR SOMEONE YOU KNOW HAS A
29 GAMBLING PROBLEM AND WANTS HELP, CALL 1-800-GAMBLER" OR SOME
30 COMPARABLE LANGUAGE APPROVED BY THE COMMISSION TO BE DISPLAYED
31 PROMINENTLY AT LOG-ON AND LOG-OFF TIMES TO ANY INDIVIDUAL VISITING OR
32 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 ANY**
11 **INTERNET 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;**

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

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

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

25 **(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
26 **AN INTERNET GAMING LICENSEE SHALL PROVIDE A MECHANISM BY WHICH AN**
27 **ACCOUNT HOLDER MAY CHANGE THE CONTROLS ON GAMING ACTIVITY IMPOSED BY**
28 **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**

1 ACTIVITY IMPOSED BY AN ACCOUNT HOLDER UNDER SUBSECTION (A)(2)(II) OF THIS
2 SECTION, THE ACCOUNT HOLDER MAY CONTINUE TO HAVE ACCESS TO THE ACCOUNT
3 AND IS AUTHORIZED TO WITHDRAW FUNDS FROM THE ACCOUNT ON PROPER
4 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 GAMING
32 LICENSEE SHALL PROVIDE ALL TRANSACTIONAL DATA AND METRICS RELATED TO

1 INTERNET GAMING CONDUCTED IN THE STATE AND ACQUIRED BY AN OPERATOR OF
2 THE LICENSEE ON A MONTHLY, A QUARTERLY, OR AN ANNUAL BASIS TO MORGAN
3 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.

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

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

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

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

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

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

1 (II) DISTRIBUTES VIRTUAL CARDS, DICE, OR OTHER
2 EQUIPMENT TO AUTHORIZED PARTICIPANTS ACCORDING TO THE TABLE GAME OR
3 AUTHORIZED INTERACTIVE GAME; AND

4 (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:

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

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

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

1 THAT PROVIDE FOR:

2 (1) THE FORM, LENGTH, AND TERMS OF AN AGREEMENT AUTHORIZED
3 UNDER THIS SECTION;

4 (2) MATTERS RELATING TO THE TAXATION OF INTERNET GAMING
5 REVENUE BY THE PARTIES TO THE AGREEMENT;

6 (3) THE SHARING AND DISTRIBUTION OF INTERNET GAMING
7 REVENUE AMONG THE PARTIES TO THE AGREEMENT;

8 (4) RESOLUTION OF PLAYER DISPUTES;

9 (5) THE INFORMATION THAT A GOVERNMENT PROPOSING TO ENTER
10 INTO THE AGREEMENT WITH THE STATE MUST PROVIDE TO THE COMMISSION;

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

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

17 (8) ANY OTHER PROVISION NECESSARY TO CARRY OUT THIS SECTION.

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

20 (1) FOR ANY POTENTIAL ARRANGEMENT FOR THE SHARING OF
21 REVENUES BY THE PARTIES TO THE AGREEMENT;

22 (2) PERMITTING THE EFFECTIVE REGULATION OF INTERNET GAMING
23 BY THE STATE, INCLUDING PROVISIONS RELATING TO LICENSING, TECHNICAL
24 STANDARDS TO BE FOLLOWED, RESOLUTION OF DISPUTES BY PATRONS,
25 REQUIREMENTS FOR BANKROLLS, ENFORCEMENT, ACCOUNTING, AND
26 MAINTENANCE OF RECORDS;

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

1 **(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?”

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

SENATE BILL 565

C7

4lr2063
CF 4lr2263

By: **Senator Watson**

Introduced and read first time: January 25, 2024

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Expansion of Commercial Gaming – Internet Gaming Referendum**

3 FOR the purpose of providing that the General Assembly may authorize, by law, the State
4 Lottery and Gaming Control Commission to issue certain Internet gaming licenses;
5 requiring certain implementation legislation to include certain criteria and
6 specifications; declaring the intent of the General Assembly that certain revenues be
7 used for the funding of public education; submitting this Act to a referendum of the
8 qualified voters of the State; and generally relating to Internet gaming.

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
10 That:

11 (a) Subject to subsection (b) of this section, the General Assembly may authorize,
12 by law, the State Lottery and Gaming Control Commission to issue a license to offer
13 Internet gaming in the State.

14 (b) Legislation enacted by the General Assembly to implement the provisions of
15 this Act shall include the criteria for eligible applications for a licensee and specifications
16 of the permissible forms and means of conduct of Internet gaming.

17 SECTION 2. AND BE IT FURTHER ENACTED, That, if the voters of this State
18 adopt a referendum that authorizes Internet gaming in the State, the State's share of
19 revenues generated by Internet gaming shall primarily be used for the funding of public
20 education.

21 SECTION 3. AND BE IT FURTHER ENACTED, That the provisions of Section 1 of
22 this Act, which authorize the General Assembly to authorize, by law, the State Lottery and
23 Gaming Control Commission to issue Internet gaming licenses to certain licensees in the
24 State, are subject to a referendum of the qualified voters of the State as provided in Section
25 4 of this Act, and on voter approval of this Act at the general election to be held in November
26 2024, legislation shall be required to provide for the operation, regulation, and disposition

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 of proceeds of Internet gaming in the State.

2 SECTION 4. AND BE IT FURTHER ENACTED, That:

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

8 “Do you favor the expansion of commercial gaming in the State of Maryland to
9 authorize Internet gaming for the primary purpose of raising revenue for education?”

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

16 SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions of
17 Section 4 of this Act and for the sole purpose of providing for the referendum required by
18 Section 4 of this Act, this Act shall take effect July 1, 2024.

March 27, 2024

Local Development Council Chair Cam Bunting
C/O Kim Moses
Worcester County Government Center
One W. Market Street, Room 1103
Snow Hill, MD 21863

RE: Local Impact Grant Multi-Year Spending Plan

Dear Ms. Bunting:


Since the inception of the Local Impact Grant (LIG), Worcester County has allocated LIG funding to education and workforce development and public safety. Following the adoption of the first Multi-Year Spending Plan in 2011, the County has allocated LIG funds to pay the debt service for Worcester Technical High School (WTHS). In FY23 the final debt service payment for WTHS was made. This has allowed Worcester County the opportunity to reassess the priorities for LIG funding.

Worcester County determined during the FY24 budget process to allocate future LIG funds to pay for public safety and facilities. Within the current year the funding will be used for public safety capital needs, improvements to the jail facility, and a public safety storage facility, as detailed below.

- Debt service payment for jail improvements - \$940,798
- Debt service payment for public safety logistical storage - \$261,961
- Jail camera and security upgrades - \$325,000
- Public safety vehicles and upfitting - \$865,184

We will inform you if there are any changes to the funding allocation structure in the future.

Sincerely,


Anthony W. Bertino, Jr.
President



Town of Berlin

Multi-Year Spending Plan

TO: Local Development Council (LDC) of Worcester County

FROM: Mayor and Council of Berlin

MEETING DATE: Monday, October 10, 2023

SUBJECT: Multi-Year Spending Plan (FY2024, FY2025, FY2026)

SUMMARY

Since the inception of the Local Impact Grant (LIG), the Town of Berlin has utilized grant funding for “public safety” and intends to continue to prioritize public safety spending over the next three fiscal years. The primary public safety expenditure will be the Law Enforcement Officers Pension System (LEOPS).

Residual LIG funds will be utilized for the following purposes:

- Infrastructure improvements;
- Facilities;
- Sanitation;
- Economic and Community Development;
- Other Public Services and Improvements.

Due to the uncertainty of our current economic environment, the Town of Berlin is reducing our LIG revenue projections to \$420,000 for FY2024, FY2025, and FY2026. If LIG revenue exceeds projections, any changes to expenditures will be reflected on the Town of Berlin’s LIG Expenditure Report provided to the Worcester County LDC each year.

MULTI-YEAR PLAN

On Monday, October 10, 2023, the Mayor and Council approved an LDC Multi-Year plan for FY24, FY25, and FY26. Attached below is a table outlining the projected LIG revenues and expenditures for the next three fiscal years.

Town of Berlin	
LDC Multi-Year Plan (FY24-FY26)	
Projected LIG Grant	
FY23 CF	\$ 436,569
FY24	\$ 418,000
FY25	\$ 420,000
FY26	\$ 420,000
Total Projected LIG Grant	\$ 1,694,569
Projected LIG Expenditures	
LEOPS Stabilization Fund	\$ 425,000
FY24 LEOPS	\$ 340,000
FY25 LEOPS	\$ 350,000
FY26 LEOPS	\$ 360,000
BFCEMS Apparatus Replacement	\$ 45,000
Community Center	\$ 174,569
Total Projected LIG Expenditures	\$ 1,694,569
Excess LIG grant funds exceeding projections for FY24-FY26 will be applied to the Community Center expenditure and identified on the Town of Berlin's annual report to the LDC	



MAYOR, ZACK TYNDALL

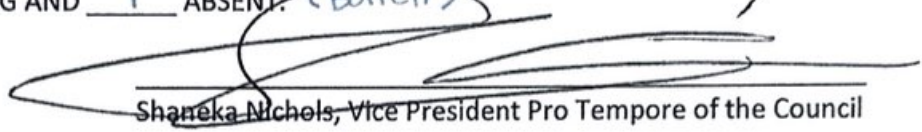


MOTION OF THE MAYOR AND COUNCIL 2023-58

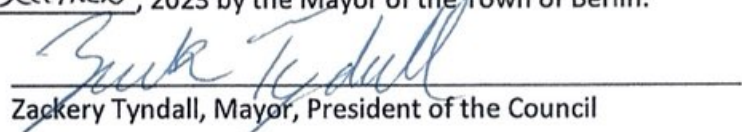
A motion of the Mayor and Council of the Town of Berlin acknowledging the REQUEST OF THE LOCAL DEVELOPMENT COMMITTEE (LDC) TO PHASE OUT THE PLANNED USE OF "CASINO FUNDS" IN THE TOWN'S GENERAL FUND BUDGET FOR THE LAW ENFORCEMENT OFFICERS PENSIONS SYSTEM (LEOPS) OVER FUTURE YEARS. THE MAYOR AND COUNCIL ARE COMMITTED TO WORKING TOWARD THIS GOAL AND TO CONTINUE TO GIVE DUE CONSIDERATION TO OTHER AREAS OF FUNDING COMMITMENT FOR THESE FUNDS.

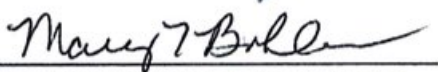
THE MAYOR AND COUNCIL ARE ALSO COMMITTED TO SUBMITTING AN UPDATED MULTI-YEAR PLAN BY June 30, 2025 FOR THE FISCAL YEARS 2027 TO 2029.

APPROVED THIS 11th DAY OF December 2023 BY THE MAYOR AND COUNCIL OF THE TOWN OF BERLIN, MARYLAND BY AFFIRMATIVE VOTE OF 4 TO 0 OPPOSED, WITH 0 ABSTAINING AND 1 ABSENT. (Burrell)


Shaneka Nichols, Vice President Pro Tempore of the Council

Approved this 11th day of December, 2023 by the Mayor of the Town of Berlin.


Zackery Tyndall, Mayor, President of the Council

ATTEST: 
Mary Bohlen, Town Administrator

**LOCAL DEVELOPMENT COUNCIL
FOR THE OCEAN DOWNS CASINO**

Reference: Subsection 9-1A-31(c) - State Government Article, Annotated Code of Maryland

Appointed by: County Commissioners

Function: Advisory
Review and comment on the multi-year plan for the expenditure of the local impact grant funds from video lottery facility proceeds for specified public services and improvements; Advise the County on the impact of the video lottery facility on the communities and the needs and priorities of the communities in the immediate proximity to the facility.

Number/Term: 15/4-year terms; Terms Expire December 31

Compensation: None

Meetings: At least semi-annually

Special Provisions: Membership to include State Delegation (or their designee); one representative of the Ocean Downs Video Lottery Facility, seven residents of communities in immediate proximity to Ocean Downs, and four business or institution representatives located in immediate proximity to Ocean Downs.

Staff Contacts: Kim Moses, Public Information Officer, 410-632-1194
Roscoe Leslie, County Attorney, 410-632-1194

Current Members:

<u>Member's Name</u>	<u>Nominated By</u>	<u>Represents/Resides</u>	<u>Years of Term(s)</u>
Mark Wittmyer	At-Large	Business - Ocean Pines	15-19
David Massey ^c	At-Large	Business - Ocean Pines	09-13-17, 17-21
Bobbi Jones	Ocean Downs Casino	Ocean Downs Casino	23-indefinite
Mary Beth Carozza	Indefinite	Maryland Senator	14-indefinite
Wayne A. Hartman	Indefinite	Maryland Delegate	18-indefinite
Charles Otto	Indefinite	Maryland Delegate	14-indefinite
Michael Donnelly	Dist. 7 - Mitrecic	Resident - Ocean City	*16-19, 19-23
Steve Ashcraft	Dist. 6 - Bunting	Resident - Ocean Pines	*19-20, 20-24
Kerrie Bunting	Dist. 4 - Elder	Resident - Snow Hill	*22-24
Mayor Rick Meehan ^c	At-Large	Business - Ocean City	*09-12-16-20-24
Bob Gilmore	Dist. 5 - Bertino	Resident - Ocean Pines	*19-21, 21-25
Matt Gordon	Dist. 1 – Abbott	Resident - Pocomoke	19-22, 22-26
Ivy Wells	Dist. 3 - Church	Resident - Berlin	22-26
Cam Bunting ^c	At-Large	Business - Berlin	*09-10-14-18-22-26
Roxane Rounds	Dist. 2 - Purnell	Resident - Berlin	*14-15-19-23-27

Prior Members:

J. Lowell Stoltzfus ^c (09-10)
 Mark Wittmyer ^c (09-11)
 John Salm ^c (09-12)
 Mike Pruitt ^c (09-12)
 Norman H. Conway ^c (09-14)
 Michael McDermott (10-14)
 Diana Purnell ^c (09-14)
 Linda Dearing (11-15)
 Todd Ferrante ^c (09-16)

Since 2009

Joe Cavilla (12-17)	Charlie Dorman (12-19)
James N. Mathias, Jr. ^c (09-18)	Gee Williams (09-21)
Ron Taylor ^c (09-14)	Bobbi Sample (17-23)
James Rosenberg (09-19)	
Rod Murray ^c (*09-19)	
Gary Weber (*19-21)	

* = Appointed to fill an unexpired term/initial terms staggered
^c = Charter Member