

Department of Legislative Services
Maryland General Assembly
2007 Special Session

FISCAL AND POLICY NOTE

House Bill 33
Ways and Means

(Delegate Olszewski, *et al.*)

Casino Act of 2008

This constitutional amendment provides that, on or after the effective date of the amendment, the General Assembly may authorize expanded or additional locations for “casino-style gaming.” Casino-style gaming includes card and dice games, roulette, slot machine gaming, and games involving video lottery terminals (VLTs) or other electronic contrivances that meet the parameters set forth in the proposed amendment.

Fiscal Summary

State Effect: Since the proposed constitutional amendment does not provide for regulation of casino gaming, it would not materially affect State government finances or operations.

Local Effect: It is anticipated that the FY 2009 budgets of local election boards will contain funding for notifying qualified voters about proposed constitutional amendments for the 2008 general election in newspapers or on specimen ballots.

Small Business Effect: None.

Analysis

Current Law: Specified types of gambling are allowed in Maryland, including the State lottery and wagering on horse racing. Bingo, bazaars, and gaming nights are allowed for some nonprofit organizations on a county-by-county basis. Several counties permit for-profit bingo. In addition, some nonprofit organizations in Eastern Shore counties are allowed to operate up to five slot machines, provided that at least 50% of the proceeds go

to charity. Commercial casino-style gaming and VLTs are not authorized for operation in the State.

Background: According to the American Gaming Association, 11 states have commercial casino-style gaming (Colorado, Illinois, Indiana, Iowa, Louisiana, Michigan, Mississippi, Missouri, Nevada, New Jersey, and South Dakota). A twelfth state, Pennsylvania, has authorized commercial casinos, but they are not operational at this time. Native American tribes in 28 states operate casinos. In 11 states, racetrack casinos are operational (Delaware, Florida, Iowa, Louisiana, Maine, New Mexico, New York, Oklahoma, Pennsylvania, Rhode Island, and West Virginia).

Over the past several legislative sessions, various proposals have been introduced to authorize VLTs at the State's horse racing tracks or other tourist destinations in the State.

For more information about VLT gambling, gambling and horseracing in Maryland, and recent legislation regarding VLT gambling, consult the *Legislators' Guide to Video Lottery Gambling*.

State Fiscal Effect: If the proposed constitutional amendment is approved by the General Assembly and the voters, it is assumed that additional legislation would be required, since the proposed amendment does not provide for the regulation of casino-style gaming.

Local Fiscal Effect: The Maryland Constitution requires that proposed amendments to the constitution be publicized either: (1) in at least two newspapers in each county, if available, and in at least three newspapers in Baltimore City once a week for four weeks immediately preceding the general election; or (2) by order of the Governor in a manner provided by law. State law requires local boards of elections to publicize proposed amendments to the constitution either in newspapers or on specimen ballots; local boards of elections are responsible for the costs associated with these requirements. It is anticipated that the fiscal 2009 budgets of local election boards will contain funding for notifying qualified voters about proposed constitutional amendments for the 2008 general election in newspapers or on specimen ballots.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): American Gaming Association, National Conference of State Legislatures, Department of Legislative Services

Fiscal Note History: First Reader - November 2, 2007
mcp/rhh

Analysis by: Karen D. Morgan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510