

Department of Legislative Services  
Maryland General Assembly  
2008 Session

FISCAL AND POLICY NOTE

House Bill 468  
Ways and Means

(Delegate Hixson, *et al.*)

---

**Video Lottery Terminals - Center on the Prevention of Compulsive Gambling**

---

This bill establishes the Center on the Prevention of Compulsive Gambling in the University of Maryland School of Medicine. The center's purpose is to serve as a statewide resource relating to the prevention, cause, and treatment of compulsive gambling. The center must

- provide expert educational and prevention materials;
- provide education and training for health care professionals;
- oversee pilot research studies to leverage federal and private grant funding;
- serve as a central repository; and
- establish a 24-hour toll-free counseling hotline.

The center is to be supported by money from the Compulsive Gambling Fund established by Chapter 4 of the 2007 special session.

---

**Fiscal Summary**

**State Effect:** None. The bill would require the center to receive a portion of special funds dedicated to problem gambling treatment and prevention.

**Local Effect:** None.

**Small Business Effect:** None.

---

**Analysis**

**Current Law:** Specified types of gambling are allowed in Maryland. This includes 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.

Two pieces of legislation related to video lottery terminal (VLT) gaming passed during the 2007 special session – Chapter 5 (House Bill 4) and Chapter 4 (Senate Bill 3). Chapter 5 is a constitutional amendment that will be submitted to the voters at the November 2008 general election authorizing 15,000 VLTs at five locations in the State. The amendment also proposes that the General Assembly may only authorize expanded forms of gambling subject to certain restrictions. Chapter 4 establishes the operational and regulatory framework for the proposed VLT program. Enactment of Chapter 4 is contingent on ratification of Chapter 5 by the voters of Maryland. For additional discussion of gambling in Maryland, including studies on gambling addiction, please consult the *Legislators' Guide to Video Lottery Terminal Gambling* published by the Department of Legislative Services Office of Policy Analysis.

Chapter 4 requires a \$425 annual fee per VLT terminal (maximum of \$6.4 million annually) to be paid by VLT licensees for a Problem Gambling Fund administered by the Department of Health and Mental Hygiene (DHMH). Expenditures from the Problem Gambling Fund are made only by DHMH to • establish a 24-hour counseling and support services hotline; • implement problem gambling treatment and prevention programs; and • establish a network of clinically appropriate services to problem gamblers throughout the State. Chapter 4 requires the Secretary of Health and Mental Hygiene to provide grants from the Problem Gambling Fund to support a network of services that provide • inpatient and residential services; • outpatient and intensive outpatient services; • continuing care services; • educational services; • services for victims of domestic violence; and • other preventive or rehabilitative services or treatment.

DHMH is also required by Chapter 4 to conduct a problem and pathological gambling prevalence study to measure the rate of problem and pathological gambling in the State. After satisfying these requirements, DHMH can use any unspent monies in the fund on drug and other addiction treatment services.

**Background:** Compulsive or problem gamblers are individuals who are preoccupied chronically and progressively with gaming and the urge to gamble; and whose gambling behavior compromises, disrupts, or damages the individual's personal, family, or vocational pursuits.

Subject to enactment of Chapter 4 and ratification of Chapter 5, the General Assembly finds that • compulsive gambling is a serious social problem; • there is evidence that the availability of gambling increases the risk of becoming a compulsive gambler; and

- Maryland, with its extensive legalized gambling, has an obligation to provide a program of treatment for compulsive gamblers.

**State Fiscal Effect:** DHMH could provide funds to support services provided by the center out of the Problem Gambling Fund, contingent on ratification of Chapter 5 and enactment of Chapter 4. However, the bill does not make establishment of the center contingent on the legislation taking effect. The University of Maryland, Baltimore advises that the center would be established in the School of Medicine's Department of Psychiatry at an estimated cost of \$1.5 million annually.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, University System of Maryland, Department of Legislative Services

**Fiscal Note History:** First Reader - March 11, 2008  
mll/rhh

---

Analysis by: Michael P. Lee

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