

SENATE BILL 878

C7, J1

4lr2096
CF HB 1029

By: **Senator Klausmeier**

Introduced and read first time: February 2, 2024

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 29, 2024

CHAPTER _____

1 AN ACT concerning

2 **Gaming – Problem Gambling – Prevalence Study and Fund Revenue**

3 FOR the purpose of requiring the Maryland Department of Health to conduct certain
4 prevalence studies concerning problem and pathological mobile gambling; altering
5 the distribution of certain ~~State lottery~~, fantasy competition, and sports wagering
6 proceeds; and generally relating to problem gambling and the Problem Gambling
7 Fund.

8 BY repealing and reenacting, with amendments,
9 Article – Health – General
10 Section 19–804
11 Annotated Code of Maryland
12 (2023 Replacement Volume)

13 BY adding to
14 Article – State Government
15 Section 9–1A–33(b)(7)
16 Annotated Code of Maryland
17 (2021 Replacement Volume and 2023 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – State Government
20 Section ~~9–120(b)(1)(xii) and (xiii)~~, 9–1D–04, and 9–1E–12(b)
21 Annotated Code of Maryland
22 (2021 Replacement Volume and 2023 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



~~BY adding to~~
~~Article – State Government~~
~~Section 9–120(b)(1)(xiii)~~
~~Annotated Code of Maryland~~
~~(2021 Replacement Volume and 2023 Supplement)~~

BY repealing and reenacting, without amendments,
Article – State Government
Section 9–1E–12(a)
Annotated Code of Maryland
(2021 Replacement Volume and 2023 Supplement)

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

Article – Health – General

19–804.

(a) (1) The Secretary shall make grants from or agreements for the use of State funds, including the funds provided under § 9–1A–33 of the State Government Article, and federal funds to help public agencies or nonprofit organizations operate the network of clinically appropriate services for problem gamblers who reside in the State to provide the following:

- (i) Inpatient and residential services;
- (ii) Outpatient services;
- (iii) Intensive outpatient services;
- (iv) Continuing care services;
- (v) Educational services;
- (vi) Services for victims of domestic violence; and
- (vii) Other preventive or rehabilitative services or treatment.

(2) Research and training that are designed to improve or extend these services are proper items of expense.

(b) The Secretary shall conduct [a]:

(1) A prevalence study and replication prevalence studies to measure the rate of problem and pathological IN–PERSON gambling in the State; AND

(2) A PREVALENCE STUDY AND REPLICATION PREVALENCE STUDIES TO MEASURE THE RATE OF PROBLEM AND PATHOLOGICAL MOBILE GAMBLING IN THE STATE.

(c) (1) Subject to paragraph (2) of this subsection, the Secretary shall contract with an independent researcher to conduct the prevalence studies.

(2) The Secretary shall utilize the most current psychiatric or diagnostic criteria for problem and pathological gambling as the basis for the prevalence studies.

(d) **(1)** The initial prevalence study **ON PROBLEM AND PATHOLOGICAL IN-PERSON GAMBLING IN THE STATE** shall be completed on or before July 1, 2009.

(2) THE INITIAL PREVALENCE STUDY ON PROBLEM AND PATHOLOGICAL MOBILE GAMBLING IN THE STATE SHALL BE COMPLETED ON OR BEFORE JULY 1, 2029.

(e) Replication prevalence studies shall be conducted no less than every 5 years with measures taken to permit comparisons between the initial prevalence study and subsequent replication prevalence studies.

(f) Services under this subtitle shall be provided by public agencies or, under contract, by nonprofit organizations.

Article – State Government

~~9-120.~~

~~(b) (1) By the end of the month following collection, the Comptroller shall deposit, cause to be deposited, or pay:~~

~~(xii) after June 30, 2023, into the Prince George's County Blue Line Corridor Facility Fund established under § 10-657.6 of the Economic Development Article from the money that remains in the State Lottery Fund from the proceeds of all lotteries after the distributions under subsection (a) of this section and items (i) through (xi) of this paragraph, an amount not to exceed \$27,000,000 to be paid in two installments not later than November 1 and June 1 of each fiscal year; [and]~~

~~(XIII) AFTER JUNE 30, 2024, INTO THE PROBLEM GAMBLING FUND ESTABLISHED UNDER § 9-1A-33 OF THIS TITLE, 1% OF THE MONEY THAT REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF ALL LOTTERIES EACH FISCAL YEAR, EXCEPT FROM THE INSTANT TICKET LOTTERY MACHINES UNDER § 9-112 OF THIS SUBTITLE, AFTER THE DISTRIBUTIONS UNDER SUBSECTION (A) OF THIS SECTION AND ITEMS (I) THROUGH (XII) OF THIS PARAGRAPH; AND~~

~~[(xiii)] (XIV) into the General Fund of the State the money that remains in the State Lottery Fund from the proceeds of all lotteries after the distributions under subsection (a) of this section and items (i) through [(xii)] (XII) of this paragraph.~~

9-1A-33.

(b) (7) ON OR BEFORE NOVEMBER 1, 2025, AND EACH NOVEMBER 1 THEREAFTER, THE SECRETARY OF HEALTH SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THIS ARTICLE, ON HOW THE FUNDS IN THE PROBLEM GAMBLING FUND HAVE BEEN EXPENDED ON PROBLEM GAMBLING TREATMENT AND PREVENTION PROGRAMS UNDER THIS SUBSECTION.

9-1D-04.

(a) A fantasy competition operator shall retain [85%] 84% of the proceeds and pay the remainder to the Commission.

(b) [The Commission shall distribute the proceeds paid] **FROM THE REMAINDER OF THE PROCEEDS PAID TO THE COMMISSION** under subsection (a) of this section, **THE COMMISSION SHALL PAY THE FOLLOWING AMOUNTS:**

(1) 93.75% to the Blueprint for Maryland's Future Fund established under § 5-206 of the Education Article; **AND**

(2) 6.25% TO THE PROBLEM GAMBLING FUND ESTABLISHED UNDER § 9-1A-33 OF THIS TITLE.

9-1E-12.

(a) (1) The Commission shall account to the Comptroller for all of the revenue under this subtitle.

(2) The proceeds from sports wagering, less the amount retained by the licensee under subsection (b)(1) of this section, shall be under the control of the Comptroller and distributed as provided under subsection (b) of this section.

(b) (1) (i) Except as provided in subparagraphs (ii), (iii), and (iv) of this paragraph, all proceeds from sports wagering shall be electronically transferred monthly into the State Lottery Fund established under Subtitle 1 of this title.

(ii) A Class A-1 and A-2 sports wagering facility licensee shall retain [85%] 84% of the proceeds from sports wagering conducted at the locations described in § 9-1E-09(a) of this subtitle.

(iii) A Class B–1 and B–2 sports wagering facility licensee shall retain ~~[85%]~~ **84%** of the proceeds from sports wagering conducted at the location described in the licensee’s application.

(iv) A mobile sports wagering licensee shall retain ~~[85%]~~ **84%** of the proceeds from online sports wagering received by the licensee.

(2) All proceeds from sports wagering in the State Lottery Fund established under Subtitle 1 of this title shall be distributed on a monthly basis, on a properly approved transmittal prepared by the Commission **AS FOLLOWS:**

(I) 93.75% to the Blueprint for Maryland’s Future Fund established under § 5–206 of the Education Article; **AND**

(II) 6.25% TO THE PROBLEM GAMBLING FUND ESTABLISHED UNDER § 9–1A–33 OF THIS TITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.