

Maryland



Regulatory Oversight

COMMERCIAL GAMING

Governing Body: Maryland Code State Government § 9-1A-01 et. seq., provides a regulatory framework for the implementation of Video Lottery Terminals (VLTs) and table games through the Maryland Lottery and Gaming Control Commission (MLGCC), within the Maryland Lottery and Gaming Control Agency (MLGCA).

The MLGCC is a seven-member board responsible for regulating gaming (slots and table games) in Maryland. The MLGCC also serves as an advisory board to the MLGCA. After licenses are awarded, the MLGCA steps in for the subsequent regulatory process and is responsible for conducting background and financial checks of potential facility licensees, in conjunction with the appropriate agencies.

VLTs, including electronic table games, are permitted under the law. Electronic table games, which are electronic versions of games such as roulette and blackjack, are permitted under the definition of VLTs. The law was amended in 2012 to permit live table games. Authorized table games are defined as: roulette, baccarat, blackjack, craps, big six-wheel, mini-baccarat, poker, pai gow poker, and sic bo (or any variation and composites of these games); and gaming tournaments in which players compete against one another in one or more of the games previously described.



Licensing

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Under [§ 9-1A-36](#), six video lottery facilities, or casinos, are permitted in the state, the last of which opened in 2016.

Licenses are awarded through a competitive bidding process. There is a license fee of \$3m for every 500 VLTs. The license awarded is for an initial period of 15 years. The licensee may apply for a ten-year renewal at the end of original license period.

The Video Lottery Facility Location Commission, tasked with awarding the casino licenses, may alter the allocation of the VLTs if warranted by market conditions. However, no more than 4,750 VLTs may be placed at any single location and no more than 16,500 VLTs across the state.

Supplier License: In Maryland, manufacturers, distributors and resellers must be licensed. Manufacturers must pay a \$10,000 application fee and an initial license fee of \$5,000. Their licenses may be renewed every five years at \$5,000. Distributors and resellers must pay a \$10,000 application fee and an initial license fee of \$1,000. Their licenses may be renewed every five years at \$1,000.

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Taxation & Tribal Revenue Sharing

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Gaming Tax Rate: Maryland's VLT tax rates vary by casino. Currently, owners of casinos are entitled to the following revenue shares from VLTs:

- Horseshoe Casino Baltimore: 46%
- Maryland Live!: 49%
- Hollywood Casino Perryville: 39%
- Casino at Ocean Downs: 53%
- Rocky Gap Casino Resort: 60%
- MGM National Harbor: 44%

The taxation rate for table games is 20 percent and is distributed as follows: 15 percent to the Maryland's Education Trust Fund and 5 percent to local grants. Md. Code State Government [§ 9-1A-27\(D\)](#).

Tax Allocation: In Maryland, slot machine taxes are distributed in the following manner:

Education Trust Fund	32.75-47.5%
Horse Racing Purse	6%
Local Impact Grants	5.5%
Race Track Facilities Renewal Account	1%
Maryland Lottery & Gaming Control Agency	1%
Small, minority and women-owned business	1.5%

Promotional Credits: In Maryland, 20 percent of total VLT revenue from the previous fiscal year may be used as free promotional play.

Withholding Tax on Gambling Winnings: For winnings over \$5,000, operators are required to withhold:

- 8.75 percent for Maryland residents; and
- 7.5 percent for out-of-state players.

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Responsible Gaming

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Statutory Funding Requirement: Gaming licensees must help to defray operational costs for the problem gambling hotline. An annual fee of \$425 is required to be paid for each video lottery terminal (VLT) operated by a licensee during any given year. The fee is distributed to the state's problem gambling fund. Additionally, a fee of up to \$500 is required for each table game to go toward aiding problem gaming in the state.

Self-exclusion: The MLGCC maintains [a self-exclusion program](#) for the state's casinos. The only people who have access to the self-exclusion list are the MLGCC and the Maryland casino operators. Consequently, the provisions only apply to Maryland's casino and not to those in other states; however, the operators of Maryland casinos may bar individuals from their facilities in other states. If a voluntarily excluded individual is found in a Maryland casino, the individual is subject to arrest for trespassing.

Maryland's self-exclusion program enrolls individuals for a minimum of two years. After the two-year period an individual can request to be removed from the list. However, the lottery has the final determination as to whether an individual can be removed from the voluntary exclusion list.

Alcohol use: Maryland does not offer patrons complimentary alcoholic beverages.

Advertising Restrictions: Maryland prohibits predatory marketing. It is illegal for a gaming advertisement to be false or deceptive, or knowingly direct a gaming advertisement to an individual under 21 years of age or to persons on the state's exclusion (mandatory or voluntary) lists. All gaming ads (billboard/radio/television/print) must bear the approved gambling assistance message.

On-Premise Display Requirement: The state's approved gambling assistance message must be displayed at each customer entrance to the gaming floor.

Restrictions on Minors on the Gambling Premises: Persons under 21 are not allowed in a gambling area.



Other Regulations

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Testing Requirements: Gaming equipment must be tested and approved by the MSLGCC before use in Maryland.

AML Requirements: Under federal U.S. law, commercial casino operators, tribal gaming operators and card clubs are required to comply with various statutes to prevent money laundering activities and other financial crimes, including terrorism financing.

Shipping Requirements: Prior to transporting a video lottery terminal or table game equipment, the person proposing to move the piece of gaming equipment must submit written notice to the MLGCC.

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Credit Offered to Patrons: Patrons may be extended credit for the purposes of gaming.

Political Contributions: A person with an interest in a video lottery facility may not make political contributions in state elections.



Sports Betting

Maryland voters approved Question 2 on November 3, 2020. The ballot initiative is the result of Senate Bill 4, which was passed during the 2020 legislative session and signed by Republican Governor Larry Hogan in May 2020.

Question 2 authorizes the General Assembly to enact legislation to authorize and license sports betting, which is expected to be implemented in 2021. The state revenue generated by sports betting will be primarily dedicated to funding public education.