

Department of Legislative Services  
 Maryland General Assembly  
 2026 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 1587 (Delegate Patterson)  
 Ways and Means

Gaming - Electronic Instant Bingo Machines - Operation and Maximum Number of Machines

This bill doubles the maximum number of electronic instant bingo machines that an entity licensed to offer instant bingo under a commercial bingo license or a specified qualified organization may operate if the entity operated electronic machines on February 28, 2008. The bill alters the definition of a “slot machine”, thereby permitting a machine, apparatus, or device that allows a user to play more than 54 bingo cards at the same time. An electronic instant bingo machine is not required to print a paper ticket for each game of instant bingo played unless the player elects to print the ticket. The State Lottery and Gaming Control Commission (SLGCC) must adopt regulations to implement the bill. **The bill takes effect July 1, 2026.**

Fiscal Summary

**State Effect:** Under one set of assumptions, general fund revenues increase by \$8.9 million annually and special fund revenues and expenditures increase by \$2.2 million annually beginning in FY 2027 from admissions and amusement (A&A) tax and license fee revenues.

| (\$ in millions) | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
|------------------|---------|---------|---------|---------|---------|
| GF Revenue       | \$8.9   | \$8.9   | \$8.9   | \$8.9   | \$8.9   |
| SF Revenue       | \$2.2   | \$2.2   | \$2.2   | \$2.2   | \$2.2   |
| SF Expenditure   | \$2.2   | \$2.2   | \$2.2   | \$2.2   | \$2.2   |
| Net Effect       | \$8.9   | \$8.9   | \$8.9   | \$8.9   | \$8.9   |

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** Under one set of assumptions, Anne Arundel County revenues increase by \$1.8 million annually and Calvert County revenues increase by \$253,600 annually from local A&A tax revenues beginning in FY 2027. Additionally, local revenues increase from receiving a portion of State A&A tax revenues beginning in FY 2027.

**Small Business Effect:** Minimal.

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## Analysis

**Bill Summary:** The bill repeals the prohibition that an organization not operate more than the number of electronic bingo machines in operation as of February 28, 2008.

An electronic instant bingo machine authorized under the bill is exempt from a provision of statute stating an electronic gaming device that is not licensed or otherwise operated in compliance with the law as of January 1, 2013, is an illegal gaming device that may not legally operate in the State.

**Exhibit 1** shows the maximum number of machines authorized under the bill and current law for the impacted entities.

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### Exhibit 1 Instant Bingo Machines

| <u>County</u> | <u>Location</u>                   | <u>Current Law</u> | <u>Under the Bill</u> |
|---------------|-----------------------------------|--------------------|-----------------------|
| Anne Arundel  | Delta Bingo                       | 103                | 206                   |
|               | Delta Wayson's Bingo              | 100                | 200                   |
|               | Bingo World                       | 200                | 400                   |
|               | Mayo American Legion #226         | 6                  | 12                    |
|               | Laurel Elks #2283                 | 6                  | 12                    |
|               | Annapolis Elks #622               | 4                  | 8                     |
|               | Annapolis Moose                   | 4                  | 8                     |
|               | Severna Park American Legion #175 | 4                  | 8                     |
|               | American Legion Post #7           | 4                  | 8                     |
| Calvert       | Abner's Crab House & Restaurant   | 85                 | 170                   |
|               | Trader's Steak & Ale              | 87                 | 174                   |
|               | Rod-N-Reel Resort                 | 278                | 556                   |
|               | American Legion Post #206         | 10                 | 20                    |

Source: Department of Legislative Services

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**Current Law:** An entity licensed to offer instant bingo under a commercial bingo license on July 1, 2007, or a qualified nonprofit organization, may continue to operate a game of instant bingo in the same manner using electronic machines, provided that:

- the machines were in operation for a one-year period ending December 31, 2007, or under a commercial bingo license on December 31, 2007;
- the entity does not operate more than the number of machines in operation on February 28, 2008; and
- the conduct of the gaming and operation of the machines are consistent with all other provisions of the Criminal Law Article.

A county may not issue a commercial bingo license under Title 13 of the Criminal Law Article or under any public local law to an entity that was not licensed to conduct commercial bingo on or before June 30, 2008.

A “slot machine” does not include a machine, apparatus, or device that is a handheld device that displays only facsimiles of bingo cards that an individual uses to mark and monitor contemporaneously to a live call of bingo numbers called on the premises by an individual where the user is operating the machine, does not permit a user to play more than 54 bingo cards at the same time, does not randomly generate any numbers and is not part of an integrated system.

#### *Admissions and Amusement Tax*

A State A&A tax is imposed on the net proceeds derived from any charge for the operation of an electronic bingo machine permitted under a commercial bingo license or an electronic tip jar machine authorized under Title 13 of the Criminal Law Article that is operated for commercial purposes. The combined State and local tax rate may not exceed 35%. The tax is currently only imposed in Anne Arundel and Calvert counties.

Revenues attributable to a State A&A tax rate of 20% imposed on electronic bingo and electronic tip jars are distributed to the general fund after a \$8.5 million annual distribution to the Maryland E-Innovation Initiative Fund (MEIF). Revenues attributable to a 5% tax rate are distributed to the Maryland State Arts Council (\$1.0 million), the Town of Chesapeake Beach (\$300,000), the Michael Erin Busch Sports Fund (\$500,000), and the Special Fund for Preservation of Cultural Arts in Maryland (remaining revenues), of which the Arts Council of Anne Arundel County and the Maryland Historical Society each receive \$250,000.

The tax rate in Anne Arundel County is 25%, distributed as described above because Anne Arundel County has a 10% local A&A tax, and the combined State and local tax rate cannot exceed 35%. In Calvert County, the total State A&A tax rate on specified machines is 33%. Revenues attributable to the additional State A&A tax rate in Calvert County are distributed as follows:

- 1.5% to the Boys and Girls Club of the Town of North Beach in the amount of \$50,000, with the remainder to the Town of North Beach;

- 2.5% to the Town of Chesapeake Beach; and
- 4.0% to the Calvert County Youth Recreational Opportunities Fund (CCYROF).

### **State Fiscal Effect:**

#### *Licensing*

The bill authorizes an additional 891 instant bingo machines (431 in Anne Arundel County and 460 in Calvert County). Application and license fees for instant bingo machines are established in regulations. The annual license fee paid by the facility is \$150 per machine. There is also a manufacturer's annual license fee of \$150 per machine, but the State Lottery and Gaming Control Agency (SLGCA) does not currently collect that fee and has no plans to collect that fee in the future. Assuming an increase of 891 licensed machines, general fund license fee revenues for SLGCA increase by \$133,650 annually. License fees may minimally increase further to the extent additional employees, such as instant bingo managers, at commercial instant bingo facilities are hired and required to be licensed. SLGCA licenses the bingo facilities and certain key employees, certifies the machines, and performs an annual compliance audit. SLGCA can certify additional machines and license any additional employees with existing resources.

#### *Admissions and Amusement Tax Revenues*

Of the 891 machines authorized under current law, 853 are held under a commercial bingo license and subject to the A&A tax. This analysis assumes that the number of machines subject to the tax doubles from 853 to 1,706, thereby increasing net proceeds by 70%.

Beginning in fiscal 2027, general fund revenues attributable to a State A&A tax rate of 20% increase by \$8.8 million annually; combined with the licensing fees discussed above, general fund revenues increase by \$8.9 million annually.

Special Fund for Preservation of Cultural Arts in Maryland revenues attributable to a tax rate of 5% increase by \$2.2 million annually. This program is within the Department of Commerce, so special fund revenues and expenditures for Commerce increase. Commerce can administer the additional funds utilizing existing resources.

#### *Impact on Other Gaming Revenues*

While the bill may draw some gaming revenues away from the State lottery and casino facilities, the impact is likely small enough that overall gaming revenues are not materially affected.

**Local Fiscal Effect:** Revenues for Anne Arundel and Calvert counties increase from local A&A tax revenues. Under the assumptions above, Anne Arundel County revenues increase by \$1.8 million annually beginning in fiscal 2027. Calvert County revenues increase by \$253,600 annually beginning in fiscal 2027.

Additionally, of State A&A tax revenues, \$380,500 is annually distributed to the Town of North Beach, \$634,100 is annually distributed to the Town of Chesapeake Beach, and \$1.0 million is annually distributed to CCYROF beginning in fiscal 2027.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Anne Arundel and Calvert counties; Comptroller's Office; Department of Commerce; Maryland State Lottery and Gaming Control Agency; Department of Legislative Services

**Fiscal Note History:** First Reader - March 12, 2026  
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