

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 557

(Senator Beidle)

Budget and Taxation

Ways and Means

Gaming - Definition of "Own" - Alterations

This bill alters the definition of “own” for purposes of governing the operation of video lottery terminals (VLTs) and conduct of sports wagering. “Own” does not include having a beneficial or proprietary interest of 15% or less in the property or business of an applicant or licensee if the interest: (1) does not confer any voting rights, and (2) is held directly by a person or is held in trust for the benefit of a person, provided that the trustee does not exercise any voting rights or control over the applicant or licensee. Additionally, before the transfer or issuance of the interest, to be precluded from the definition of “own”, the applicant or licensee must submit: (1) written notice and certification to the State Lottery and Gaming Control Commission (SLGCC) as specified attesting to not being disqualified for a video lottery employee license, and (2) a State and national criminal history records check, including submitting fingerprints.

Fiscal Summary

State Effect: None. The bill does not directly affect governmental finances. The bill reduces the workload of the State Lottery and Gaming Control Agency investigators who perform background checks by only requiring a State and national criminal history records check (including submitting fingerprints), along with a written notice and certification, for specified applicants or licensees.

Local Effect: None.

Small Business Effect: Minimal or none.

Analysis

Current Law: Statute governing the operation of VLTs defines “own” as having a beneficial or proprietary interest of at least 5% in the property or business of an applicant or licensee.

An owner or operator of a video lottery destination location may submit an application for a video lottery operation license. An owner includes any type of owner or beneficiary of a business entity, including a person having an ownership interest regardless of the percentage of ownership interest.

An individual or business entity may not own an interest in more than one video lottery facility. A Senator or Delegate may not be an owner or employee of any business that holds a video lottery operation license.

A business entity applying for a video lottery operation license must provide specified information to SLGCC, which includes the names of persons who own or control the business entity, the rights and privileges acquired by the holders of ownership interests and the terms on which ownership interests have been offered, among other requirements. SLGCC may waive the requirement to provide this information for an institutional investor.

SLGCC must disqualify an applicant for a video lottery operation license for failing to prove by clear and convincing evidence that the applicant and each person who owns or controls the application are qualified. If a video lottery operation licensee contracts with another person other than a licensee's employee to provide services relating to operating a video lottery facility, each person and each person who owns or controls the person or management and supervisory personnel and other principal employees of the person must qualify under the same specified standards for video lottery operation licensees.

SLGCC must regulate sports wagering and the conduct of sports wagering to the same extent that SLGCC regulates the operation of VLTs and table games. Thus, specified requirements relating to governing VLTs, such as licensing and application requirements, apply to the authority, duties, and responsibilities of SLGCC, a sports wagering licensee, and a contractor of a sports wagering licensee.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland State Lottery and Gaming Control Agency; Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2026
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