



ZEKTICK+

RJR – Senate Bill155 Instant Ticket Lottery Machines – Fraternal Organizations (ITMLs for Homeless Veterans Act) – Important Points for the Committee

Wednesday, March 16th, 2022

Background:

- The veterans ITLM program has been operating for over 7 years with no issues.
- The program is located in the veterans’ organization in the county in which they are located.
- The organizations are private and for members only - not open to the public. These members typically don’t patronize casinos.
- **Over the last 7 years, the number of kiosks in the VFW posts total under 400. Currently, 385 kiosks are operating on the Western Shore in Maryland.**
 - **90 - veterans’ organizations on the Western Shore are currently operating in the ITLM program.**
- According the DLS Fiscal Note, there are **approximately 240 fraternal organizations in Maryland that MAY be eligible to operate the machines.**

How many new machines will come online if the bill is enacted?:

- As stated in the Fiscal Note, it is unknown how many of the 240 fraternal organizations will seek these machines; however, there are several points that indicate the expansion will NOT be substantial:
 1. *Based on the 7-year history that the program has been operating, **LESS THAN 400 machines** are active in (Maryland) posts;*
 2. *The number of machines that a fraternal organization may request is capped at 5 (under the current State Government Article);*
 3. *The bill is only expanding the program to the Western Shore of the state;*
 4. *The legislation has also expressly defined the requirements for a “fraternal organization” to qualify under the legislation, moreover the SLGCA have criteria for controlling the number of machines that will be issued to the organization;*

- As defined in the bill, “**fraternal organization**” means a non-profit organization that:
 - **Is a bona fide fraternal organization;**
 - **Is operated under the lodge system;**
 - **Is conducted solely for the benefit of its members and its beneficiaries; and**
 - **Has been located in a county for at least 5 years before the organization applies for a license.**

5. *Not all of the 240 fraternal organizations in Maryland will elect to have 5 machines or at all.*

Why is this Bill Important to Maryland?:

- It provides direct supplemental support for Maryland homeless veterans, many whom are: ***homeless women, single-parents, and victims of domestic violence;***
- In addition, the state will receive additional money dedicated for the General Fund on an annual basis;
- The bill raises more money for the state without increasing taxes and minimal impacts to the operations of the SLGCA;
- The bill has **zero impacts** on Maryland’s casinos;
 - *the program has existed for 7 years and never has there been opposition vocalized by the casinos that this program is in any way infringing on their revenues, in fact revenues for all 6 casinos continue to thrive.*
- The MBE contractor for the program benefits from the operation of the ITLM program for veterans and will benefit if this legislation is passed.

Other Notes:

- In prior years, this legislation has received *bi-partisan* support and having **nearly 40 co-sponsors in the Senate Chamber;**
- Both DPSCS and MD Veterans Affairs worked closely with the bill sponsor this past year to prioritize and ensure homeless veteran programs receive additional state funds to further assist this population in Maryland;
- No other opposition exists in the record.