

## QUESTION 1: CONSTITUTIONAL AMENDMENT

### **Balancing the State Budget**

Chapter 645 of 2020 (Senate Bill 1028)

#### Summary

This proposed constitutional amendment would alter the State's budget process.

Under current provisions of the State Constitution, the Governor annually submits for approval by the General Assembly a proposed operating budget, which contains the planned funding levels for all three branches of State government – the Executive, Legislative, and Judicial Branches. In approving the operating budget, the General Assembly may not increase or add funding for the Executive Branch, but it may increase funding for the Legislative and Judicial Branches. Except for expenditures required by the State Constitution, the General Assembly may decrease funding in the operating budget for each of the three branches of State government. Once the General Assembly approves the operating budget, it becomes law immediately without further action by the Governor.

Under this proposed constitutional amendment, the General Assembly, beginning with the 2023 Legislative Session, would be authorized to increase or add funding in the operating budget, so long as the total level of funding approved by the General Assembly for the Executive Branch does not exceed the total level of funding proposed by the Governor for the Executive Branch. The Governor would be authorized to use a line item veto to reject an individual budget item where the General Assembly increased or added funding to the Governor's proposed budget for the Executive Branch. The General Assembly would be authorized to override such a veto with a three-fifths vote of the membership in each chamber. If the Governor vetoes a budget item that was increased by the General Assembly and the General Assembly does not override that veto, then the level of funding for that item would revert back to the amount proposed by the Governor. If the Governor vetoes a budget item that was added by the General Assembly and the General Assembly does not override that veto, then that item becomes void.

## QUESTION 2: REFERENDUM BY LEGISLATIVE ACTION

### **Expansion of Commercial Gaming – Sports and Event Wagering Referendum and Minority Business Enterprise Disparity Study**

Chapter 492 of 2020 (Senate Bill 4)

#### Summary

If the voters statewide approve this referendum, Chapter 492 of the Acts of the General Assembly of 2020 will authorize the General Assembly to pass a law allowing the State Lottery and Gaming Control Commission to issue licenses to offer betting in the State on sports and other competitive events. Such a law must specify (1) who is eligible to apply for a license to operate sports and event betting; (2) what forms of betting are allowed; (3) how betting must be conducted; and (4) where an individual can place a bet.

Chapter 492 also provides that State revenues generated by sports and event betting must be used primarily for funding public education.

Article XIX of the Maryland Constitution, approved by the voters at the November 2008 general election, authorized commercial gaming by the operation of video lottery terminals, also known as slot machines, at multiple locations in the State. Article XIX also requires that additional forms or an expansion of commercial gaming in the State, such as the legalization of sports and event betting, be approved by referendum in a general election.

Betting on sports in most states was illegal under federal law until the United States Supreme Court ruled in 2018 that the federal law was unconstitutional. As a result, states are free to authorize sports betting. Under current Maryland law, betting on sports is illegal.

Sports and event betting is a gambling activity in which an individual places a bet on the results of a sporting event or a particular play or action during a sporting event. Sports and event betting can also extend to non-athletic events, such as reality television competitions or entertainment awards shows.