

# SENATE BILL 535

C7, L2  
SB 622/12 – B&T

3lr2065  
CF HB 253

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By: **Senators Shank, Edwards, and Young**  
Introduced and read first time: January 31, 2013  
Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 17, 2013

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Washington County – Amusement Devices – Tip Jars**

3 FOR the purpose of altering the definition of “amusement device” as it relates to the  
4 operation and regulation of amusement devices in Washington County to  
5 include a game activated by an object or another consideration of value; altering  
6 the definition of “gross profits” as it relates to the operation of tip jars in  
7 Washington County to require the deduction of the cost of a gaming sticker;  
8 repealing a certain limit on the maximum amount a tip jar licensee may retain  
9 from gross profits; and generally relating to the operation and regulation of  
10 amusement devices and tip jars in Washington County.

11 ~~BY repealing and reenacting, with amendments,~~  
12 ~~Article 24 – Political Subdivisions – Miscellaneous Provisions~~  
13 ~~Section 11-202~~  
14 ~~Annotated Code of Maryland~~  
15 ~~(2011 Replacement Volume and 2012 Supplement)~~

16 BY repealing and reenacting, without amendments,  
17 Article – Business Regulation  
18 Section 17-441(a) and 17-442  
19 Annotated Code of Maryland  
20 (2010 Replacement Volume and 2012 Supplement)  
21 (As enacted by Chapter (H.B. 472) of the Acts of the General Assembly of  
22 2013)

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, with amendments,  
 2 Article – Business Regulation  
 3 Section 17–441(b)  
 4 Annotated Code of Maryland  
 5 (2010 Replacement Volume and 2012 Supplement)  
 6 (As enacted by Chapter (H.B. 472) of the Acts of the General Assembly of  
 7 2013)

8 BY repealing and reenacting, with amendments,  
 9 Article – Criminal Law  
 10 Section 13–2435  
 11 Annotated Code of Maryland  
 12 (2012 Replacement Volume and 2012 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 14 MARYLAND, That the Laws of Maryland read as follows:

15 ~~Article 24 – Political Subdivisions – Miscellaneous Provisions~~

16 ~~11–202.~~

17 (a) (1) ~~In this section, “amusement device” means [billiard];~~

18 (1) ~~BILLIARD tables [and coin-operated games in Washington~~  
 19 ~~County.~~

20 (2) ~~“Coin-operated game” means a]; OR~~

21 (H) ~~A game activated by coins [or], tokens [including:], OR~~  
 22 ~~OTHER OBJECTS OR CONSIDERATION OF VALUE.~~

23 (2) ~~“AMUSEMENT DEVICE” INCLUDES:~~

24 (i) ~~A video game;~~

25 (ii) ~~An electronic game;~~

26 (iii) ~~A claw machine;~~

27 (iv) ~~A bowling game;~~

28 (v) ~~A shuffleboard game;~~

29 (vi) ~~A pool table;~~

30 (vii) ~~A pinball machine;~~

1                   ~~(viii) A target machine;~~

2                   ~~(ix) A baseball machine; and~~

3                   ~~(x) Any other similar device.~~

4                   ~~(3) "Amusement device" does not include a bona fide vending machine~~  
5 ~~in which amusement features are not incorporated.~~

6           ~~(b) (1) A person, company, partnership, or any other incorporated or~~  
7 ~~unincorporated organization shall be licensed under this section before the person,~~  
8 ~~company, partnership, or any other incorporated or unincorporated organization may~~  
9 ~~operate an amusement device in Washington County.~~

10                   ~~(2) An applicant for an amusement device operator license shall~~  
11 ~~annually:~~

12                   ~~(i) Submit an application to the County Commissioners of~~  
13 ~~Washington County on the form that the County Commissioners require; and~~

14                   ~~(ii) Pay a fee of \$25 annually.~~

15                   ~~(3) The application for an amusement device operator license shall~~  
16 ~~contain:~~

17                   ~~(i) The name of the applicant;~~

18                   ~~(ii) The address of the applicant;~~

19                   ~~(iii) The names and addresses of all locations where amusement~~  
20 ~~machines are to be operated by the applicant; and~~

21                   ~~(iv) Any other information that the County Commissioners~~  
22 ~~require.~~

23                   ~~(4) (i) Each amusement device operator license expires on June 30~~  
24 ~~each year and may be renewed each year on or before July 1.~~

25                   ~~(ii) Before the license expires, the licensee periodically may~~  
26 ~~renew it for an additional 1 year term.~~

27           ~~(e) (1) Before a person who keeps, owns, or maintains an amusement~~  
28 ~~device allows the operation of the machine by the public in Washington County, the~~  
29 ~~person shall obtain a permit.~~

30                   ~~(2) An applicant for an amusement device permit shall:~~

~~(i) Submit an application for each location where the machines are to be operated to the County Commissioners of Washington County on the form that the County Commissioners require; and~~

~~(ii) Pay a fee of \$100 per machine for each permit.~~

~~(3) Each amusement device operator permit expires on June 30 each year and may be renewed each year on or before July 1.~~

~~(d) If an amusement device is on display for sale, the County Commissioners may waive any fee otherwise required under this section.~~

~~(e) (1) A person who violates subsection (b) of this section is guilty of a misdemeanor, and on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding 6 months, or both.~~

~~(2) A person who violates subsection (c) of this section is guilty of a misdemeanor, and on conviction is subject to a fine not exceeding \$500, or imprisonment not exceeding 6 months, or both.~~

~~(3) Upon conviction, the county may institute proceedings to forfeit any amusement device which was operated in derogation of this section. The Circuit Court of Washington County shall have jurisdiction to hear and determine any such forfeiture proceeding.~~

## Article – Business Regulation

17-441.

(a) In this part the following words have the meanings indicated.

(b) (1) “Amusement device” means:

(I) a billiard table; or

(II) A game activated by coins [or], tokens, OR OTHER OBJECTS OR CONSIDERATION OF VALUE.

(2) “Amusement device” includes:

(i) a video game;

(ii) an electronic game;

(iii) a claw machine;

- 1                    (iv) a bowling game;  
 2                    (v) a shuffleboard game;  
 3                    (vi) a pool table;  
 4                    (vii) a pinball machine;  
 5                    (viii) a target machine;  
 6                    (ix) a baseball machine; and  
 7                    (x) any other similar device.

8                    (3) “Amusement device” does not include a vending machine in which  
 9 amusement features are not incorporated.

10 17-442.

11                    Part V of this subtitle applies only in Washington County.

## 12                    **Article – Criminal Law**

13 13-2435.

14                    (a) In this section, “gross profits” means the total proceeds from the  
 15 operation of a tip jar less:

- 16                    **(1) the amount of money winnings or value of prizes distributed; AND**  
 17                    **(2) THE COST OF A GAMING STICKER.**

18                    (b) There is a Washington County Gaming Fund.

19                    (c) (1) The county commissioners shall establish:

- 20                    (i) the method and time of deposits to the fund; and  
 21                    (ii) other procedures necessary to carry out subsections (d), (e),  
 22 and (f) of this section.

23                    (2) In accordance with a written agreement between the county  
 24 commissioners and the gaming commission, the gaming commission may use money  
 25 from the fund to reimburse the county commissioners for the costs to the county for  
 26 administering Part III of this subtitle.

1           (3)   (i)    The county commissioners may require the Washington  
2 County Volunteer Fire and Rescue Association to submit financial reports of the  
3 Association.

4                   (ii)   The county commissioners may adopt regulations specifying  
5 the time frames for submission of the reports, but the regulations shall be limited in  
6 scope to the timing of submission of the reports only.

7                   (iii)   The financial reports of the Washington County Volunteer  
8 Fire and Rescue Association may include an annual budget as approved under  
9 paragraph (4) of this subsection, budget reports, and related documentation that  
10 shows how money has been spent by the Washington County Volunteer Fire and  
11 Rescue Association during the previous fiscal year.

12                   (iv)   If the financial reports are not submitted within the time  
13 required under the regulations, the county commissioners may withhold funds that  
14 would otherwise be distributed under subsection (f)(1) of this section until the reports  
15 are submitted.

16           (4)   (i)    Each year the Washington County Volunteer Fire and  
17 Rescue Association shall submit its budget to the county commissioners.

18                   (ii)   The county commissioners shall accept or reject the budget  
19 by a majority vote.

20                   (iii)   The acceptance or rejection of the budget may not be  
21 delegated to any designee.

22                   (iv)   The county commissioners may withhold funds that would  
23 otherwise be distributed under subsection (f)(1) of this section until the budget of the  
24 Washington County Volunteer Fire and Rescue Association is accepted by the county  
25 commissioners.

26           (d)   (1)    This subsection applies only to a person who holds a tip jar license  
27 under § 13-2420(b)(7), (8), or (9) of this subtitle.

28                   (2)    Subject to paragraph (3) of this subsection, a person subject to this  
29 subsection shall deposit with a financial institution designated by the gaming  
30 commission, to the credit of the fund, the gross profits from each tip jar that the  
31 person operates.

32                   (3)    To offset the costs of operating a tip jar, a person with a tip jar  
33 license may retain ~~the lesser of \$45 or~~ 50% of the gross profits from each tip jar game.

34           (e)   (1)    This subsection applies only to a person who holds a tip jar license  
35 under § 13-2420(b)(1) through (6) of this subtitle.

1           (2) A person subject to this subsection shall deposit with a financial  
2 institution designated by the gaming commission, to the credit of the fund, 15% of the  
3 gross profits earned through the operation of tip jars during the 12-month period  
4 ending June 30.

5           (3) If a person fails to contribute the full amount required under  
6 paragraph (2) of this subsection, the person shall deposit the balance required during  
7 the next year.

8           (f) After the reimbursement under subsection (c)(2) of this section, each year  
9 the gaming commission shall distribute:

10           (1) 50% of the money deposited in the fund to the Washington County  
11 Volunteer Fire and Rescue Association; and

12           (2) subject to any restriction that the county commissioners adopt by  
13 regulation, 50% of the money deposited in the fund to bona fide charitable  
14 organizations in the county.

15           (g) The county commissioners may not require that funds distributed under  
16 (f)(1) of this section be used for fire and rescue services for which funds previously  
17 have been appropriated in the county operating budget.

18           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 July 1, 2013.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.