

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 454
Ways and Means

(Howard County Delegation)

Howard County - Casino Events - Authorized
Ho. Co. 8-13

This bill authorizes the Howard County Department of Inspections, Licenses, and Permits to issue a permit to conduct a casino event to certain qualified organizations. A casino event includes card games and roulette. An organization may receive up to one permit per month for a card game and one permit per year for roulette.

Fiscal Summary

State Effect: None.

Local Effect: Howard County revenues increase minimally from collection of gaming permit licensing fees beginning in FY 2014. County administrative and law enforcement expenditures may also increase minimally beginning in FY 2014.

Small Business Effect: None.

Analysis

Bill Summary: In Howard County, an organization must be a bona fide volunteer fire company or war veterans' organization in order to qualify for a permit.

A permit holder of a casino event (which includes a card game and roulette) must ensure that (1) the casino event is managed by members of the organization holding the permit; (2) an individual does not benefit financially from holding the casino event or receive any of the casino event proceeds for personal use; (3) a parent, subsidiary, or affiliate organization has not sponsored a card game within one month or a roulette game within the last year; and (4) the casino event is conducted between 4 p.m. and 1 a.m.

A permit holder may not:

- offer or award cumulative money prizes in excess of \$5,000;
- allow a player to bet more than \$10 in tokens in one game within the month for a card game or year for roulette;
- exchange wagering tokens for an item of merchandise that is worth more than \$1,000; or
- exchange merchandise (that was received for wagering tokens) for money or an item of merchandise having a value that is different from the fair retail market value of the merchandise received for wagering tokens.

Permit holders must submit a specified financial report to the Department of Inspections, Licenses, and Permits within 60 days after holding a casino event. Before submitting this information, a permit holder is required to submit the report to the county police department for review. The Department of Inspections, Licenses, and Permits is required to adopt regulations to govern the issuance of permits and to govern the conduct and management of a casino event.

On recommendation of the Department of Inspections, Licenses, and Permits, the Howard County Executive is required to forward to the county council a recommendation for the amount of the permit fee to be charged for each casino event. The county council is required to adopt by resolution the amount of the permit fee.

Current Law: In Howard County a qualified organization may conduct a gaming event (carnival, bazaar, or raffle) for the exclusive benefit of a qualified organization if an individual or group of individuals does not benefit financially from the gaming event or any of its proceeds. Qualified organizations include a volunteer fire company or bona fide religious, fraternal, civic, war veterans', or charitable organization. A gaming event must be managed personally through the members of the qualified organization.

Card games, dice games, and roulette are generally prohibited. A gaming event may be conducted using a paddle wheel, wheel of fortune, chance book, bingo, or any other gaming device except a card game, dice game, and roulette.

For purposes of conducting bingo, qualified organizations include volunteer fire companies and bona fide religious, educational, fraternal, patriotic, and charitable organizations. Bingo must be conducted in order to benefit charitable purposes in the county or to further the purposes of the organization.

Background: The Maryland State Lottery Agency conducted a study of local gaming in Maryland as required by Chapter 474 of 2008 (SB 959). The report indicates that casino

events are conducted in at least 6 counties, and card games are operated in at least 10 of the 24 counties in Maryland.

Local Fiscal Effect: Howard County revenues may increase minimally from license fees beginning in fiscal 2014. County administrative and law enforcement expenditures may also increase minimally beginning in fiscal 2014.

Additional Information

Prior Introductions: HB 1125 of 2012 and HB 1275 of 2011 received hearings in the House Ways and Means Committee, but no further action was taken.

Cross File: None.

Information Source(s): Howard County, Comptroller's Office, Maryland State Lottery and Gaming Control Agency, Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2013
mlm/rhh

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