

HOUSE BILL 1140

C7

4lr1545

By: **Delegate Luedtke**

Introduced and read first time: February 7, 2014

Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

Local Gaming – Charitable Casino Events

FOR the purpose of authorizing certain qualified organizations to conduct certain charitable casino events; prohibiting certain qualified organizations from operating certain gaming devices; requiring that certain charitable casino events be conducted by members of certain qualified organizations; prohibiting certain individuals from benefiting financially from certain charitable casino events; authorizing certain charitable casino events to occur with a certain frequency and in a certain manner; requiring certain organizations to apply for certain permits; requiring certain qualified organizations to submit certain reports; prohibiting qualified organizations from offering certain prizes; requiring certain qualified organizations to conduct certain casino events in accordance with certain procedures; authorizing qualified organizations to enter into certain contracts with gaming vendors; requiring the State Lottery and Gaming Control Commission to adopt certain regulations; authorizing the Commission to establish and collect certain fees; authorizing the Commission to conduct certain criminal background checks; defining certain terms; and generally relating to charitable casino events in the State.

BY repealing and reenacting, with amendments,

Article – Criminal Law

Section 12–101, 12–103, 12–113, and 13–101

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

BY adding to

Article – Criminal Law

Section 13–2A–01 through 13–2A–07 to be under the new subtitle “Subtitle 2A.
Charitable Casino Events”

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

Article – Criminal Law

12–101.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Candidate” has the meaning stated in § 1–101 of the Election Law Article.
- (c) (1) “Credit” means payment by a credit card or promissory note.
- (2) “Credit” includes selling or pledging personal property in exchange for cash or tokens.
- (d) (1) “Gaming device” means:
- (i) a [gaming table, except a billiard table,] **GAME OR DEVICE** at which a game of chance is played for money or any other thing or consideration of value; or
- (ii) a game or device at which money or any other thing or consideration of value is bet, wagered, or gambled.
- (2) “Gaming device” includes a paddle wheel, wheel of fortune, chance book, and bingo.
- (e) (1) “Gaming event” means:
- [(1)] (I) a bingo game;
- [(2)] (II) a carnival;
- [(3)] (III) a bazaar;
- [(4)] (IV) a raffle;
- [(5)] (V) a benefit performance; or
- [(6)] (VI) any other event at which a gaming device is operated.
- (2) **“GAMING EVENT” DOES NOT INCLUDE A CHARITABLE CASINO EVENT AS DEFINED IN § 13–2A–01 OF THIS ARTICLE.**

(f) “Organization” includes:

- (1) a fraternal, religious, civic, patriotic, educational, or charitable organization;
- (2) a volunteer fire company, rescue squad, or auxiliary unit;
- (3) a veterans’ organization or club;
- (4) a bona fide nonprofit organization that is raising money for an exclusively charitable, athletic, or educational purpose; or
- (5) any organization that is authorized to conduct a gaming event under Subtitle 1 or 2 of this title or Title 13 of this article.

(g) “Political committee” has the meaning stated in § 1–101 of the Election Law Article.

(h) “Token” means a poker chip, bingo chip, or other device commonly used instead of money in the playing of a gaming device.

12–103.

(a) **[For] EXCEPT AS PROVIDED IN TITLE 13, SUBTITLE 2A OF THIS ARTICLE, FOR** money or any other thing or consideration of value, a person may not play **OR OPERATE**:

- (1) the game called “thimbles”;
- (2) **[the game] GAMES COMMONLY** called “little joker”, “**POKER**”, **OR “BLACKJACK”**;
- (3) dice or the game commonly called “craps”; **[or]**
- (4) **ROULETTE; OR**
- [(4)] (5)** any other gaming device or fraudulent trick.

(b) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment for not less than 6 months and not exceeding 2 years or a fine not exceeding \$100 or both.

(C) THIS SUBTITLE DOES NOT APPLY TO THE VIDEO LOTTERY TERMINALS AND TABLE GAMES AUTHORIZED UNDER TITLE 9, SUBTITLE 1A OF THE STATE GOVERNMENT ARTICLE.

12-113.

(a) The Office of the Attorney General, the State Lottery and Gaming Control Commission, the Department of State Police, local law enforcement units, and the court shall construe liberally this title **AND TITLE 13** relating to gambling and betting to prevent the activities prohibited.

(b) A decision by the State Lottery and Gaming Control Commission shall be the final determination as to whether a gaming device being operated in the State is:

(1) a legal gaming device or device consistent with the provisions of this article; and

(2) being operated in a lawful manner under this article.

(c) If a local law enforcement unit fails to promptly enforce a final determination made under subsection (b) of this section, the State Lottery and Gaming Control Commission shall refer the matter to the Department of State Police for enforcement of the law.

13-101.

(a) Activities conducted under this title are allowed notwithstanding the provisions of Title 12, [Subtitles 1 and 2] **SUBTITLE 2** of this article.

(b) A county may not issue a commercial bingo license under this title or under any public local law to an entity that was not licensed to conduct commercial bingo on or before June 30, 2008.

SUBTITLE 2A. CHARITABLE CASINO EVENTS.

13-2A-01.

(A) NOTWITHSTANDING TITLE 12 OF THIS ARTICLE AND SUBTITLE 2 OF THIS TITLE, IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "CASINO-STYLE GAMES" INCLUDES BUT IS NOT LIMITED TO:

(1) BLACKJACK;

(2) CRAPS;

(3) DICE GAMES;

(4) POKER; AND

(5) ROULETTE GAMES.

(C) (1) “CHARITABLE CASINO EVENT” MEANS AN EVENT WHERE A QUALIFIED ORGANIZATION RAISES FUNDS FOR ITS CHARITABLE ENDEAVORS USING CASINO–STYLE GAMES.

(2) “CHARITABLE CASINO EVENT” DOES NOT INCLUDE AN EVENT WHERE NO CONSIDERATION IS OFFERED, WHERE CASINO–STYLE GAMES ARE PLAYED WITH TOKENS, AND WHERE NO PRIZES ARE OFFERED OR AWARDED.

(D) “GAMING VENDOR” MEANS AN INDIVIDUAL OR ORGANIZATION THAT ENTERS INTO A CONTRACT WITH A QUALIFIED ORGANIZATION TO PROVIDE SERVICES RELATED TO THE OPERATION OF CASINO–STYLE GAMES AT A CHARITABLE CASINO EVENT.

(E) “LOCAL GAMING PERMITS OFFICE” MEANS A LOCAL GOVERNMENTAL ENTITY RESPONSIBLE FOR APPROVING AND ISSUING PERMITS FOR CHARITABLE CASINO EVENTS.

(F) “QUALIFIED MEMBER” MEANS A PERSON WHO:

(1) OBTAINED A MEMBERSHIP IN A QUALIFIED ORGANIZATION IN ACCORDANCE WITH THE CHARTER AND BYLAWS OF THE ORGANIZATION; AND

(2) HAS BEEN A MEMBER OF THE QUALIFIED ORGANIZATION FOR AT LEAST 12 MONTHS IMMEDIATELY PRIOR TO THE CHARITABLE CASINO EVENT.

(G) “QUALIFIED ORGANIZATION” MEANS A BONA FIDE:

(1) RELIGIOUS ORGANIZATION;

(2) FRATERNAL ORGANIZATION;

(3) CIVIC ORGANIZATION, INCLUDING A:

(I) HUNTING ORGANIZATION;

(II) SOCIAL ORGANIZATION; OR

(III) SPORTING ORGANIZATION;

- (4) AUXILIARY OR VOLUNTEER FIRE ORGANIZATION;
- (5) VETERANS' ORGANIZATION;
- (6) CHARITABLE ORGANIZATION; OR
- (7) SENIOR CITIZEN ORGANIZATION.

13-2A-02.

(A) A QUALIFIED ORGANIZATION MAY NOT USE OR OPERATE THE FOLLOWING ELECTRONIC GAMING DEVICES:

- (1) A SLOT MACHINE AS DEFINED UNDER TITLE 12, SUBTITLE 3 OF THIS ARTICLE;
- (2) AN ELECTRONIC INSTANT BINGO MACHINE AS DEFINED UNDER TITLE 12, SUBTITLE 3 OF THIS ARTICLE;
- (3) AN INSTANT TICKET LOTTERY MACHINE AS DEFINED UNDER TITLE 9, SUBTITLE 1 OF THE STATE GOVERNMENT ARTICLE; OR
- (4) A VIDEO LOTTERY TERMINAL AS DEFINED UNDER TITLE 9, SUBTITLE 1A OF THE STATE GOVERNMENT ARTICLE.

(B) THIS SECTION MAY NOT BE CONSTRUED TO LIMIT OR RESTRICT THE AUTHORITY OF A LOCAL GAMING PERMITS OFFICE TO:

- (1) DESIGNATE THE TYPE OR TYPES OF CASINO-STYLE GAMES THAT MAY BE OPERATED IN ITS JURISDICTION; OR
- (2) ESTABLISH ADDITIONAL REGULATORY STANDARDS FOR ISSUING PERMITS FOR CHARITABLE CASINO EVENTS.

13-2A-03.

(A) SUBJECT TO SUBSECTIONS (B) AND (C) OF THIS SECTION, A QUALIFIED ORGANIZATION MAY CONDUCT:

- (1) ONE CHARITABLE CASINO EVENT THAT INCLUDES CARD GAMES AND DICE GAMES DURING EACH CALENDAR MONTH; AND

(2) ONE CHARITABLE CASINO EVENT THAT INCLUDES ROULETTE DURING EACH CALENDAR YEAR.

(B) A CHARITABLE CASINO EVENT SHALL BE MANAGED BY MEMBERS OF THE QUALIFIED ORGANIZATION SPONSORING THE EVENT.

(C) CASINO-STYLE GAMES THAT ARE USED AT A CHARITABLE CASINO EVENT SHALL BE OPERATED:

(1) BY QUALIFIED MEMBERS OF THE ORGANIZATION OR QUALIFIED MEMBERS OF OTHER ORGANIZATIONS ALLOWED TO OPERATE CASINO-STYLE GAMES UNDER THIS SUBTITLE; AND

(2) WITHOUT THE ASSISTANCE OF PROFESSIONAL OPERATORS OF CASINO-STYLE GAMES.

(D) EXCEPT AS PROVIDED IN § 13-2A-06 OF THIS SUBTITLE, A PERSON OR GROUP OF INDIVIDUALS MAY NOT:

(1) BENEFIT FINANCIALLY FROM A CHARITABLE CASINO EVENT;

(2) RECEIVE ANY PROCEEDS FROM A CHARITABLE CASINO EVENT FOR PERSONAL USE, PROFIT, OR BENEFIT; OR

(3) RECEIVE ANY COMPENSATION FOR MANAGING OR OPERATING CASINO-STYLE GAMES AT A CHARITABLE CASINO EVENT.

(E) SUBJECT TO § 13-2A-06 OF THIS SUBTITLE, A GAMING VENDOR MAY RECEIVE COMPENSATION FROM THE QUALIFIED ORGANIZATION FOR ITS SERVICE IN PROMOTING OR TRAINING IN PREPARATION FOR A CHARITABLE CASINO EVENT.

13-2A-04.

(A) A QUALIFIED ORGANIZATION SHALL APPLY TO THE LOCAL GAMING PERMITS OFFICE FOR A SEPARATE PERMIT FOR EACH CHARITABLE CASINO EVENT TO BE CONDUCTED.

(B) EACH QUALIFIED ORGANIZATION THAT HOSTS OR SPONSORS A CHARITABLE CASINO EVENT SHALL SUBMIT TO THE LOCAL GAMING PERMITS OFFICE, IN A FORM AND MANNER DETERMINED BY THE LOCAL JURISDICTION, A REPORT FOR EACH CHARITABLE CASINO EVENT THAT PROVIDES:

- (1) AN ACCOUNTING OF ALL FUNDS RECEIVED;
 - (2) A LISTING OF THE NAMES, ADDRESSES, AGES, AND DATES OF MEMBERSHIP OF EACH INDIVIDUAL WHO MANAGED OR OPERATED A CASINO–STYLE GAME AT THE CHARITABLE CASINO EVENT;
 - (3) DETAILS OF ANY CONTRACT WITH A GAMING VENDOR AS DESCRIBED IN THIS SUBTITLE; AND
 - (4) THE NAMES OF ANY MEMBERS FROM A NONSPONSORING QUALIFIED ORGANIZATION THAT ASSIST IN MANAGING THE CHARITABLE CASINO EVENT OR OPERATING CASINO–STYLE GAMES.
- (C) (1) WITHIN 90 DAYS AFTER HOLDING A CHARITABLE CASINO EVENT, THE QUALIFIED ORGANIZATION CONDUCTING THE EVENT SHALL SUBMIT TO THE LOCAL GAMING PERMITS OFFICE A FINANCIAL REPORT THAT LISTS THE RECEIPTS AND EXPENDITURES FOR THE EVENT.
- (2) BEFORE THE QUALIFIED ORGANIZATION SUBMITS THE REPORT TO THE LOCAL GAMING PERMITS OFFICE, THE QUALIFIED ORGANIZATION SHALL SUBMIT THE REPORT TO THE COUNTY POLICE DEPARTMENT AND THE STATE LOTTERY AND GAMING CONTROL COMMISSION FOR REVIEW.
- (D) THIS SECTION MAY NOT BE CONSTRUED TO LIMIT OR RESTRICT THE AUTHORITY OF THE LOCAL GAMING PERMITS OFFICE TO MAKE OTHER PERMITTING DECISIONS RELATED TO CHARITABLE CASINO EVENTS.

13–2A–05.

- (A) A QUALIFIED ORGANIZATION SHALL ENSURE THAT:
- (1) THE EVENT IS CONDUCTED IN ACCORDANCE WITH THE RULES AND PROCEDURES OF THE LOCAL GAMING PERMITS OFFICE;
 - (2) A PARENT, A SUBSIDIARY, OR AN AFFILIATE OF THE QUALIFIED ORGANIZATION CONDUCTING THE EVENT HAS NOT CONDUCTED A CHARITABLE CASINO EVENT WITHIN THE CALENDAR MONTH; AND
 - (3) NO PERSON UNDER 21 YEARS OF AGE ENTERS A CHARITABLE CASINO EVENT OR PLAYS A CASINO–STYLE GAME.

(B) A QUALIFIED ORGANIZATION SHALL ESTABLISH AND COLLECT A SET DONATION FROM EACH PLAYER THAT MUST BE COLLECTED FOR ENTRANCE TO THE CHARITABLE CASINO EVENT.

(C) A QUALIFIED ORGANIZATION SHALL EXCHANGE THE PLAYER'S DONATED AMOUNT FOR TOKENS, WHICH MAY BE USED TO PLAY CASINO-STYLE GAMES.

(D) A PLAYER MAY USE TOKENS TO BID ON A NONCASH ITEM IN A RAFFLE OR EXCHANGE THEM FOR AN ITEM OF MERCHANDISE OR NONCASH PRIZE.

(E) A QUALIFIED ORGANIZATION CONDUCTING A CHARITABLE CASINO EVENT MAY NOT:

(1) OFFER OR AWARD A CASH PRIZE TO THE PLAYER;

(2) ALLOW A PLAYER TO BET MORE THAN \$10 OR THE EQUIVALENT IN TOKENS IN ANY ONE GAME; OR

(3) EXCHANGE MERCHANDISE THAT WAS RECEIVED FOR TOKENS THAT WERE USED IN WAGERING FOR:

(I) MONEY; OR

(II) AN ITEM OF MERCHANDISE HAVING A VALUE THAT IS DIFFERENT FROM THE FAIR RETAIL MARKET VALUE OF THE ITEM OF MERCHANDISE THAT WAS RECEIVED FOR THE TOKENS.

(F) NO PRIZE, WHETHER WON THROUGH A CASINO-STYLE GAME OR EXCHANGED FOR TOKENS, SHALL BE OFFERED OR AWARDED AT A CHARITABLE CASINO EVENT IF ITS CASH VALUE IS MORE THAN \$1,000.

(G) A QUALIFIED ORGANIZATION SPONSORING A CHARITABLE CASINO EVENT MAY NOT TAKE A RAKE OR PERCENTAGE FROM ANY GAME.

13-2A-06.

(A) A QUALIFIED ORGANIZATION THAT CONDUCTS A CHARITABLE CASINO EVENT MAY ENTER INTO A CONTRACT WITH A GAMING VENDOR TO PROVIDE CASINO-STYLE GAMES FOR THE CHARITABLE CASINO EVENT.

(B) A QUALIFIED ORGANIZATION SHALL PAY A GAMING VENDOR A SET FEE NEGOTIATED IN A CONTRACT FOR A CHARITABLE CASINO EVENT.

(C) THE FEE MAY NOT INCLUDE A PERCENTAGE OR PORTION OF THE PROCEEDS FROM THE CHARITABLE CASINO EVENT.

(D) A GAMING VENDOR MAY:

(1) TRAIN MEMBERS OF A QUALIFIED ORGANIZATION TO OPERATE CASINO–STYLE GAMES; AND

(2) PROMOTE THE EVENT.

(E) A GAMING VENDOR MAY NOT HIRE EMPLOYEES TO OPERATE ANY CASINO–STYLE GAME.

(F) A GAMING VENDOR IS SUBJECT TO THE ADMISSIONS AND AMUSEMENT TAX IN THE JURISDICTION IN WHICH THE CHARITABLE CASINO EVENT IS HELD.

13–2A–07.

(A) THE STATE LOTTERY AND GAMING CONTROL COMMISSION SHALL:

(1) LICENSE GAMING VENDORS IN CONNECTION WITH CHARITABLE CASINO EVENTS;

(2) CERTIFY AND REGULATE THE OPERATION, OWNERSHIP, AND MANUFACTURE OF A CASINO–STYLE GAME AUTHORIZED UNDER THIS SUBTITLE; AND

(3) REGULATE THE CONDUCT AND MANAGEMENT OF A CHARITABLE CASINO EVENT IN A MANNER DESIGNED TO PREVENT FRAUD AND PROTECT THE PUBLIC.

(B) THE COMMISSION SHALL ADOPT REGULATIONS THAT:

(1) DEFINE LAWFUL AND UNLAWFUL CASINO–STYLE GAMES USED IN CHARITABLE CASINO EVENTS;

(2) APPROVE AND LICENSE CASINO–STYLE GAMES USED IN CHARITABLE CASINO EVENTS;

(3) DEFINE COMMON RULES FOR THE SPECIFIC CASINO–STYLE GAMES THAT MAY BE UTILIZED AT A CHARITABLE CASINO EVENT;

(4) APPROVE AND LICENSE OWNERS, OPERATORS, AND MANUFACTURERS OF CASINO–STYLE GAMES USED IN CHARITABLE CASINO EVENTS;

(5) ESTABLISH PROCEDURES FOR THE LICENSE APPLICATION AND RENEWAL PROCESSES FOR CASINO–STYLE GAMES USED IN CHARITABLE CASINO EVENTS; AND

(6) ESTABLISH LICENSE FEES THAT ARE SUFFICIENT TO COVER THE DIRECT AND INDIRECT COSTS OF LICENSURE OF CASINO–STYLE GAMES USED IN CHARITABLE CASINO EVENTS.

(C) THE COMMISSION’S APPLICATION PROCESS SHALL INCLUDE CRIMINAL BACKGROUND CHECKS FOR GAMING VENDOR EMPLOYEES.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.