SENATE BILL 828

C7 4lr3033

By: **Senator Stone**
Introduced and read first time: January 31, 2014
Assigned to: Budget and Taxation

A BILL ENTITLED

AN ACT concerning

Baltimore County – Slot Machines for Nonprofit Organizations

FOR the purpose of adding Baltimore County to the list of counties in which certain nonprofit fraternal, religious, and war veterans' organizations may own and operate a certain number of slot machines under certain circumstances; and generally relating to slot machines in Baltimore County.

BY repealing and reenacting, with amendments,
Article – Criminal Law
Section 12–304
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

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

Article – Criminal Law

12–304.

(a) In this section, "eligible organization" means:

(1) a nonprofit organization that:

(i) has been located in a county listed in subsection (b) of this section for at least 5 years before the organization applies for a license under subsection (e) of this section; and

(ii) is a bona fide:

1. fraternal organization;

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

2. religious organization; or

3. war veterans' organization; or

(2) a nonprofit organization that has been affiliated with a national fraternal organization for less than 5 years and has been located in a county listed in subsection (b) of this section for at least 50 years before the nonprofit organization applies for a license under subsection (e) of this section.

(b) This section applies in:

(1) BALTIMORE COUNTY;

[(1)**] (2)** Caroline County;

[(2)**] (3)** Cecil County;

[(3)**] (4)** Dorchester County;

[(4)**] (5)** Kent County;

[(5)**] (6)** Queen Anne's County;

[(6)**] (7)** Somerset County;

[(7)**] (8)** Talbot County;

[(8)**] (9)** Wicomico County; and

[(9)**] (10)** Worcester County.

(c) (1) In this subsection, a console or set of affixed slot machines is not an individual slot machine.

(2) Notwithstanding any other provision of this subtitle, an eligible organization may own and operate a slot machine if the eligible organization:

(i) obtains a license under subsection (e) of this section for each slot machine;

(ii) owns each slot machine that the eligible organization operates;

(iii) owns not more than five slot machines;

(iv) locates and operates its slot machines at its principal meeting hall in the county in which the eligible organization is located;

(v) does not locate or operate its slot machines in a private commercial facility;

(vi) uses:

1. at least one–half of the net after payout proceeds from its slot machines for the benefit of a charity; and

2. the remainder of the proceeds from its slot machines to further the purposes of the eligible organization;

(vii) does not use any of the proceeds of the slot machine for the financial benefit of an individual; and

(viii) reports annually under affidavit to the State Comptroller:

1. the income of each slot machine; and

2. the disposition of the income from each slot machine.

(d) An eligible organization may not use or operate a slot machine unless:

(1) the slot machine is equipped with a tamperproof meter or counter that accurately records gross receipts; and

(2) the eligible organization keeps an accurate record of the gross receipts and payoffs of the slot machine.

(e) (1) (i) The State Comptroller shall regulate the operation of slot machines under this section.

(ii) The State Comptroller may adopt regulations to implement the requirements of this section, including requiring audits of the annual reports submitted to the State Comptroller under subsection (c)(2)(viii) of this section.

(2) Before an eligible organization may operate a slot machine under this section, the eligible organization shall obtain a license for the slot machine from the State Comptroller.

(3) (i) The State Comptroller shall:

1. charge an annual fee for each license for a machine; and

2. issue a license sticker to the applicant.

(ii) The applicant shall place the sticker on the slot machine.

(iii) The State Comptroller shall set the amount of the annual fee so that the total proceeds of the annual fee equal an amount directly related to administrative costs of the State Comptroller to regulate the operation of slot machines under this section.

(4) In the application to the State Comptroller for a license, one of the principal officers of the eligible organization shall certify under affidavit that the organization:

(i) is an eligible organization; and

(ii) will comply with this section.

(f) (1) A principal officer of the eligible organization may not intentionally misrepresent a statement of fact on the application.

(2) A person who violates this subsection is guilty of perjury and on conviction is subject to the penalty provided under Title 9, Subtitle 1 of this article.

(g) The Comptroller may not issue a license for a slot machine to an eligible organization located in Ocean City that is located east of South and North Baltimore Avenues.

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