

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 510

(Senators Hough and Young)

Budget and Taxation

Ways and Means

Frederick County - Gaming Events

This bill authorizes the Frederick County Department of Permits and Inspections to issue a permit to conduct a card game, card tournament, or casino event to a specified list of qualified organizations. An organization may receive up to four permits per year.

Fiscal Summary

State Effect: None.

Local Effect: Frederick County revenues increase minimally from collection of gaming permit licensing fees beginning in FY 2016.

Small Business Effect: None.

Analysis

Bill Summary: In Frederick County, an organization must be a bona fide hospital; volunteer fire company; or a religious, fraternal, civic, war veterans', amateur athletic, or charitable organization in order to qualify for a permit. A permit is not transferable. A gaming event (which includes a card game, card tournament, or casino event including card games, dice games, and roulette) may be (1) managed and operated by members of the organization holding the permit or (2) managed by the members of the organization holding the permit and operated by another organization eligible to receive a permit. An operator of a gaming event may not receive compensation and must be at least 18 years old.

Proceeds from an event may be used only to benefit charity or to further the purpose of the qualified organization and may not personally benefit an individual or group of individuals unless to benefit a family with medical needs upon approval of the Frederick County

Executive, or designee of the county executive. Gaming events may not last longer than 24 consecutive hours and are prohibited after 1 a.m. on a Sunday. A permit holder may not exchange wagering tokens for:

- an item of merchandise that is worth more than \$10,000;
- 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.

An individual who participates in a gaming event must be at least 21 years old. Only a preset entrance fee for the gaming event may be charged. A participant must receive wagering tokens in exchange for the entrance fee and may purchase additional tokens at a cost not exceeding 100% of the entrance fee. Only wagering tokens, and not cash, may be used for wagering.

Permit holders must submit a specified financial report and specified information about certain prize winners to the Frederick County Department of Permits and Inspections within 60 days after holding a gaming event. The Frederick County Executive may adopt regulations to govern the issuance of permits and for the conduct and management of a gaming event. The Frederick County Council may adopt regulations to govern permit fees.

An organization that violates these provisions is prohibited from receiving a permit for five years.

Current Law: In Frederick County, an eligible organization must obtain a permit before conducting a gaming event including a bazaar, carnival, raffle, tip jar, punchboard, chance book, paddle wheel, wheel of fortune, and any other gaming device.

Eligible organizations may hold in a year: (1) four gaming events in which the major prize has a value greater than \$5,000; and (2) raffles in which the major prize is \$5,000 or less as many times as allowed by the county commissioners. Except as specified for tip jars and punchboards, an individual may not benefit financially from a gaming event.

Eligible organizations include bona fide religious, fraternal, civic, war veterans', hospital, amateur athletic, patriotic, charitable, and educational organizations as well as volunteer fire, rescue, and ambulance companies and their auxiliary organizations in Frederick County.

The Frederick County Commissioners may charge a fee for each permit and adopt regulations governing gaming event permit applications and the issuance of permits.

Background: The Maryland State Lottery and Gaming Control Agency conducted a study of local gaming in Maryland as required by Chapter 474 of 2008. 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.

Additional Information

Prior Introductions: None.

Cross File: HB 274 (Frederick County Delegation) – Ways and Means.

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

Fiscal Note History: First Reader - February 19, 2015
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