HOUSE BILL 389

C7 HB 1230/17 – W&M

By: Delegate Mosby

Introduced and read first time: January 24, 2018 Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 Gaming – Instant Ticket Lottery Machines – Fraternal Organizations

- FOR the purpose of authorizing fraternal organizations as eligible recipients of a license
 issued by the Director of the State Lottery and Gaming Control Agency that allows
 the operation in certain counties of a certain number of instant ticket lottery
 machines under certain conditions; defining a certain term; and generally relating
 to the operation of instant ticket lottery machines in the State.
- 8 BY repealing and reenacting, with amendments,
- 9 Article State Government
- 10 Section 9–112
- 11 Annotated Code of Maryland
- 12 (2014 Replacement Volume and 2017 Supplement)
- SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 That the Laws of Maryland read as follows:
- 15 Article State Government
- 16 9–112.

17 (a) (1) In this section[, "veterans'] THE FOLLOWING WORDS HAVE THE 18 MEANINGS INDICATED.

19(2)(I) "FRATERNAL ORGANIZATION" MEANS ANY ORGANIZATION20THAT:

211. IS CONDUCTED SOLELY FOR THE BENEFIT OF ITS22MEMBERS AND ITS BENEFICIARIES;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. 8lr2661

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$\frac{1}{2}$	RITUALISTIC AC	2. IS OPERATED ON A LODGE SYSTEM WITH A		
3		3. HAS A REPRESENTATIVE FORM OF GOVERNMENT.		
4 5	ORGANIZATION	(II) "FRATERNAL ORGANIZATION" INCLUDES A SORORAL		
6		(III) "FRATERNAL ORGANIZATION" DOES NOT INCLUDE:		
7 8	SORORITY; OR	1. ANY COLLEGE OR HIGH SCHOOL FRATERNITY OR		
9 10 11		2. ANY OTHER FRATERNAL OR SORORAL ORGANIZATION IP OF WHICH IS RESTRICTED WHOLLY OR LARGELY TO STUDENTS OR AN EDUCATIONAL INSTITUTION OR A PROFESSIONAL SCHOOL.		
$12 \\ 13 \\ 14$	and organized as a veterans' organization under § 501(c)(19) or § 501(c)(4) of the Internal			
15 16 17 18	(b) Except as provided in subsection (d) of this section, in accordance with the regulations of the Agency and this subtitle, the Director shall issue licenses to the persons and governmental units that will best serve the public convenience and promote the sale of State lottery tickets or shares.			
19 20	(c) Befo factors as:	ore issuing a license to an applicant, the Director shall consider such		
$\begin{array}{c} 21 \\ 22 \end{array}$	(1) business or activ	the financial responsibility and security of the applicant and the ity of the applicant;		
23	(2)	the accessibility of the place of business or activity to the public;		
24	(3)	the sufficiency of existing licenses to serve the public convenience; and		
25	(4)	the volume of expected sales.		
26	(d) (1)	This subsection does not apply in:		
27		(i) Caroline County;		
28		(ii) Cecil County;		
29		(iii) Dorchester County;		

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1		(iv)	Kent County;	
2		(v)	Queen Anne's County;	
3		(vi)	Somerset County;	
4		(vii)	Talbot County;	
5		(viii)	Wicomico County; and	
6		(ix)	Worcester County.	
7 8 9	issue a license under this subtitle for not more than five instant ticket lottery machine			
10 11	is issued a license	(ii) under	A veterans' ORGANIZATION OR FRATERNAL organization that this subsection shall locate and operate its instant ticket lottery	

is issued a license under this subsection shall locate and operate its instant ticket lottery
machines at its principal meeting hall in the county in which the veterans' ORGANIZATION
OR FRATERNAL organization is located.

14 (3) After deduction of any commission and validation prize payout as 15 provided under § 9–117 of this subtitle, a veterans' ORGANIZATION OR FRATERNAL 16 organization issued a license under this subsection shall credit the remaining receipts from 17 the sale of tickets from instant ticket lottery machines to the State Lottery Fund 18 established under § 9–118 of this subtitle.

19 (4) (i) Subject to subparagraph (ii) of this paragraph, a veterans' 20 ORGANIZATION OR FRATERNAL organization issued a license under this subsection shall 21 purchase or lease the instant ticket lottery machines to be used by the veterans' 22 ORGANIZATION OR FRATERNAL organization.

(ii) An organization may not use receipts from the sale of tickets
from instant ticket lottery machines that would otherwise be credited to the State Lottery
Fund for the costs of purchasing or leasing instant ticket lottery machines.

26 (5) The Director may adopt regulations to implement the provisions of this 27 subsection that included restricting the location of instant ticket lottery machines in areas 28 of a veterans' **ORGANIZATION'S OR FRATERNAL** organization's public meeting hall that 29 is accessible to the public.

30 (6) The State Lottery and Gaming Control Agency shall ensure that the 31 element of chance in the conduct of the gaming through the instant ticket lottery machines 32 established under this subsection is consistent with the holding in the case of Chesapeake 33 Amusements Inc. v. Riddle, 363 Md. 16 (2001), in that the element of chance must be wholly 34 within the pre-printed instant lottery ticket, and that player enhancements in an instant

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1 ticket lottery machine may not affect the element of chance being wholly within the 2 pre-printed instant lottery ticket.

3 (e) The Director may not issue a license to:

4 (1) a person or governmental unit to engage in business primarily as a 5 licensed agent; or

- 6 (2) an individual who is under the age of 21 years.
- 7 (f) The Commission may hear and decide an appeal of a denial of a license.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 9 1, 2018.