

SENATE BILL 454

C7

8lr2131
CF HB 611

By: **Senator Ready**

Introduced and read first time: January 26, 2018

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Carroll County – Instant Ticket Lottery Machines – Fraternal and Sororal**
3 **Organizations**

4 FOR the purpose of adding certain fraternal and sororal organizations in Carroll County to
5 the list of organizations in certain counties that may be licensed to operate a certain
6 number of instant ticket lottery machines; making conforming changes; altering a
7 certain definition; and generally relating to the operation of instant lottery machines
8 in Carroll County.

9 BY repealing and reenacting, with amendments,
10 Article – State Government
11 Section 9–112
12 Annotated Code of Maryland
13 (2014 Replacement Volume and 2017 Supplement)

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

16 **Article – State Government**

17 9–112.

18 (a) In this section, [“veterans’] “**ELIGIBLE** organization” means:

19 **(1)** an organization that is tax exempt and organized as a veterans’
20 organization under § 501(c)(19) or § 501(c)(4) of the Internal Revenue Code; **OR**

21 **(2)** **A FRATERNAL OR SORORAL ORGANIZATION IN CARROLL COUNTY**

22 **THAT:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(I) 1. IS CONDUCTED SOLELY FOR THE BENEFIT OF ITS**
2 **MEMBERS AND BENEFICIARIES;**

3 **2. IS OPERATED ON A LODGE SYSTEM WITH A**
4 **RITUALISTIC ACTIVITY; AND**

5 **3. HAS A REPRESENTATIVE FORM OF GOVERNMENT; AND**

6 **(II) IS NOT:**

7 **1. A HIGH SCHOOL OR COLLEGE FRATERNITY OR**
8 **SORORITY; OR**

9 **2. ANY OTHER ORGANIZATION THE MEMBERSHIP OF**
10 **WHICH IS RESTRICTED WHOLLY OR LARGELY TO STUDENTS OR GRADUATES OF AN**
11 **EDUCATIONAL INSTITUTION OR A PROFESSIONAL SCHOOL.**

12 (b) Except as provided in subsection (d) of this section, in accordance with the
13 regulations of the Agency and this subtitle, the Director shall issue licenses to the persons
14 and governmental units that will best serve the public convenience and promote the sale of
15 State lottery tickets or shares.

16 (c) Before issuing a license to an applicant, the Director shall consider such
17 factors as:

18 (1) the financial responsibility and security of the applicant and the
19 business or activity of the applicant;

20 (2) the accessibility of the place of business or activity to the public;

21 (3) the sufficiency of existing licenses to serve the public convenience; and

22 (4) the volume of expected sales.

23 (d) (1) This subsection does not apply in:

24 (i) Caroline County;

25 (ii) Cecil County;

26 (iii) Dorchester County;

27 (iv) Kent County;

28 (v) Queen Anne's County;

- 1 (vi) Somerset County;
- 2 (vii) Talbot County;
- 3 (viii) Wicomico County; and
- 4 (ix) Worcester County.

5 (2) (i) Subject to subparagraph (ii) of this paragraph, the Director may
6 issue a license under this subtitle for not more than five instant ticket lottery machines to
7 an applicant that is [a veterans'] AN ELIGIBLE organization.

8 (ii) [A veterans'] AN ELIGIBLE organization that is issued a license
9 under this subsection shall locate and operate its instant ticket lottery machines at its
10 principal meeting hall in the county in which the [veterans'] ELIGIBLE organization is
11 located.

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

17 (4) (i) Subject to subparagraph (ii) of this paragraph, [a veterans'] AN
18 ELIGIBLE organization issued a license under this subsection shall purchase or lease the
19 instant ticket lottery machines to be used by the [veterans'] ELIGIBLE organization.

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

23 (5) The Director may adopt regulations to implement the provisions of this
24 subsection that included restricting the location of instant ticket lottery machines in areas
25 of [a veterans'] AN ELIGIBLE organization's public meeting hall that is accessible to the
26 public.

27 (6) The State Lottery and Gaming Control Agency shall ensure that the
28 element of chance in the conduct of the gaming through the instant ticket lottery machines
29 established under this subsection is consistent with the holding in the case of Chesapeake
30 Amusements Inc. v. Riddle, 363 Md. 16 (2001), in that the element of chance must be wholly
31 within the pre-printed instant lottery ticket, and that player enhancements in an instant
32 ticket lottery machine may not affect the element of chance being wholly within the
33 pre-printed instant lottery ticket.

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

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

3 (2) an individual who is under the age of 21 years.

4 (f) The Commission may hear and decide an appeal of a denial of a license.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2018.