
By: Senator Baker

Introduced and read first time: January 31, 1996

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Slot Machines - Transportation**

3 FOR the purpose of providing that a slot machine that is lawfully owned and operated by
4 certain entities in certain counties may be transported directly to and from certain
5 locations for the purpose of servicing or repairing the slot machine; and generally
6 relating to slot machines on the Eastern Shore.

7 BY repealing and reenacting, with amendments,
8 Article 27 - Crimes and Punishments
9 Section 264B
10 Annotated Code of Maryland
11 (1992 Replacement Volume and 1995 Supplement)

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

14 **Article 27 - Crimes and Punishments**

15 264B.

16 Any machine, apparatus or device is a slot machine within the provisions of this
17 section if it is one that is adapted for use in such a way that, as a result of the insertion or
18 deposit therein, or placing with another person of any piece of money, coin, token or
19 other object, such machine, apparatus or device is caused to operate or may be operated,
20 and by reason of any element of chance or of other outcome of such operation
21 unpredictable by him, the user may receive or become entitled to receive any piece of
22 money, coin, token or other object representative of and convertible into money,
23 irrespective of whether the said machine, apparatus or device may, apart from any
24 element of chance or unpredictable outcome of such operation, also sell, deliver or
25 present some merchandise or money or other tangible thing of value.

26 I. It shall be unlawful for any person, firm or corporation to locate, possess,
27 keep, maintain or operate any slot machine within this State, whether as owner, lessor,
28 lessee, licensor, licensee, or otherwise, except as provided in paragraphs II, VI, and VII of
29 this section.

1 II. In those counties and municipalities of this State wherein the county
2 commissioners or municipal authorities thereof, prior to July 1, 1963, licensed such slot
3 machines for operation therein,

4 (A) After July 1, 1965, it shall be unlawful for any person, firm or
5 corporation to conduct any place of business wherein is located or kept, other than in a
6 building or upon any premises used solely for storage, a number of slotmachines in excess
7 of the maximum numbers hereinafter set forth, and it shall be unlawful for any person,
8 firm or corporation to possess, keep or maintain, other than in a building or upon any
9 premises used solely for storage, or operate within any one building, or upon any
10 premises, as hereinafter defined, a number of slot machines in excess of the following
11 maximum numbers of such machines:

12 (1) At any time after July 1, 1963, a number equal to the number
13 located, kept, possessed, maintained or operated in such place of business, building or
14 premises as of March 1, 1963.

15 (2) At any time after July 1, 1965, a number equal to the number
16 located, kept, possessed, maintained or operated in such place of business, building or
17 premises as of January 1, 1963, or thirty (30) machines, whichever shall be the lesser
18 number.

19 (3) At any time after July 1, 1966, a number equal to the number
20 located, kept, possessed, maintained or operated in such place of business, building or
21 premises as of January 1, 1963, or twenty (20) machines, whichever shall be the lesser
22 number.

23 (4) At any time after July 1, 1967, a number equal to the number
24 located, kept, possessed, maintained or operated in such place of business, building or
25 premises as of January 1, 1963, or ten (10) machines, whichever shall be the lesser
26 number.

27 (B) After July 1, 1968, it shall be unlawful for any person, firm or
28 corporation, whether as owner, lessor, lessee, licensor, licensee, or otherwise, to possess,
29 keep, maintain or operate, or have in or upon any place of business, building or premises
30 for any purpose any slot machines whatsoever; provided, however, that the county
31 commissioners or county executive of any county in which such machines are situated
32 may, in their discretion, cause such machines to be registered in a manner appropriate to
33 their office and to be sealed against use, stored, kept and possessed under the supervision
34 and control of said county commissioners or county executive pending lawful disposal.

35 (C) For the purposes of this section, the term "premises" shall mean any
36 parcel or tract of land, whether improved or unimproved, under single ownership, or
37 under the ownership of any combination of persons, firms or corporations associated
38 together in any joint or common venture.

39 III. Any firm, person or corporation violating the provisions hereof shall be
40 deemed guilty of a misdemeanor and shall, upon conviction, be punishable by a fine of
41 one thousand dollars (\$1,000) or by imprisonment for a period not to exceed one (1) year,
42 or by both such fine and such imprisonment, for each violation.

1 IV. It shall be unlawful for the licensing authorities in Calvert, Charles and St.
2 Mary's Counties to charge a license fee for such slot machines that shall exceed the pro
3 rata share of the license fee for such slot machines up to the date such slot machines are
4 required to be removed by the provisions of this section.

5 V. It shall be a defense to any prosecution under paragraph III of this section if
6 the defendant shows that the slot machine is an antique slot machine and was not
7 operated for gambling purposes while in the defendant's possession. Forthe purposes of
8 this paragraph, a slot machine is an antique slot machine if the defendant shows by a
9 preponderance of the evidence that the machine was manufactured at least 25 years
10 before the date on which the machine is seized. Whenever this defense is offered, no slot
11 machine seized from any defendant shall be destroyed or otherwise altered until after a
12 final court determination including review upon appeal, if any, that the defense is not
13 applicable. If the defense is applicable, the slot machine shall be returned pursuant to
14 provisions of law providing for the return of property.

15 VI. (A) The provisions of this paragraph of this section apply in:

16 (1) Caroline County;

17 (2) Cecil County;

18 (3) Dorchester County;

19 (4) Kent County;

20 (5) Queen Anne's County;

21 (6) Somerset County;

22 (7) Talbot County; and

23 (8) Wicomico County.

24 (B) In paragraph VI, "eligible organization" means a bona fide fraternal,
25 religious, or war veterans' nonprofit organization which has been located in a county
26 listed in paragraph VI(A) of this section for a period of at least 5 years before application
27 for a license under paragraph VI(E) of this section.

28 (C) Notwithstanding any other provision of this subtitle, an eligible
29 organization may own and operate a slot machine if it:

30 (1) Obtains a license under paragraph VI(E) of this section for each
31 slot machine owned or operated;

32 (2) Owns the slot machines it operates;

33 (3) Owns no more than 5 slot machines, where each slot machine is an
34 individual slot machine and not a console or set of slot machines affixed to each other;

35 (4) Locates and operates the slot machines at its principal meeting
36 hall in the county in which the eligible organization is located;

4

1 (5) Uses at least 50 percent of the proceeds from the slotmachines for
2 the benefit of a charity and the remainder of the proceeds in the furtherance of the
3 purposes of the eligible organization;

4 (6) Does not use any of the proceeds for the financial benefit of any
5 individual;

6 (7) Does not locate or operate the slot machines in any private
7 commercial facility; and

8 (8) Reports annually under affidavit to the Comptroller ofthe
9 Treasury the income of each slot machine and the disposition of the income in
10 accordance with this paragraph.

11 (D) To be eligible for use and operation under this paragraph VI of this
12 section:

13 (1) The slot machine shall be equipped with a tamperproof meter or
14 counter which accurately records gross receipts; and

15 (2) The eligible organization shall accurately take and maintain a
16 record of the gross receipts and payoffs of the slot machine.

17 (E) (1) Before an eligible organization operates a slot machineunder
18 paragraph VI(C) of this section, the eligible organization shall obtain a license for the slot
19 machine from the sheriff for the county in which the eligible organization plans to locate
20 the slot machine.

21 (2) (i) The county shall:

22 1. Charge an annual fee for the license of \$50 for each machine;
23 and

24 2. Issue a license sticker to the applicant.

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

26 (iii) The proceeds of the annual fee shall be transferred to the
27 general fund of the county.

28 (3) The application to the sheriff for the issuance of thelicense shall
29 be certified by an affidavit by one of the principal officers of the eligible organization
30 stating that it:

31 (i) Is an eligible organization; and

32 (ii) Will comply with the provisions of paragraph VI(C) of this
33 section.

34 (4) (i) A principal officer of the eligible organization may not
35 intentionally misrepresent a statement of fact on the application.

36 (ii) Any person who violates this paragraph upon conviction is
37 subject to the penalty provided under Article 27, § 439 of the Code.

1 (F) A PERSON MAY TRANSPORT A SLOT MACHINE THAT IS LAWFULLY
2 OWNED AND OPERATED BY A LICENSEE UNDER THIS SUBTITLE DIRECTLY TO AND
3 FROM THE LICENSEE'S PRINCIPAL MEETING HALL IN THE COUNTY IN WHICH THE
4 LICENSEE IS LOCATED AND A SLOT MACHINE DISTRIBUTOR THAT HAS A PLACE OF
5 BUSINESS LOCATED IN ONE OF THE COUNTIES LISTED IN SUBSECTION VI(A) OF THIS
6 SECTION FOR THE PURPOSE OF SERVICING OR REPAIRING THE SLOT MACHINE.

7 VII. (A) Only for the purpose of demonstration or sale to an entity lawfully
8 permitted to buy slot machines, a person may take delivery of, possess, or transport slot
9 machines if the person:

10 (1) Is operating with or under a distributorship contract with a
11 manufacturer of slot machines;

12 (2) Is registered with the United States Department of Justice as a
13 distributor of slot machines; and

14 (3) Has provided the [Superintendent] SECRETARY OF THE
15 DEPARTMENT of the Maryland State Police with a copy of the person's current federal
16 registration.

17 (B) Any person violating the provisions of this paragraph shall upon
18 conviction be punished as provided in paragraph III of this section.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 1996.