
By: Prince George's County Delegation

Introduced and read first time: January 30, 1997

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County - Gaming Machines - Nonprofit Organizations**

3 **PG 325-97**

4 FOR the purpose of making applicable to certain nonprofit organizations in Prince
5 George's County certain gaming laws concerning the licensing, fees, and other
6 requirements for the operation of gaming machines; requiring certain nonprofit
7 organizations in Prince George's County to use certain amounts of the proceeds
8 generated from the operation of gaming machines for certain purposes; allowing
9 certain nonprofit organizations in Prince George's County to own a certain
10 maximum number of gaming machines; requiring certain nonprofit organizations in
11 Prince George's County to submit certain quarterly reports to the Comptroller of
12 the Treasury; changing certain references from "slot machines" to "gaming
13 machines"; making certain stylistic changes; requiring the Director of the
14 Department of Legislative Reference, in consultation with the publishers of the
15 Annotated Code of Maryland, to propose correction of references in the Code that
16 are rendered incorrect by this Act; providing for the effective date of this Act; and
17 generally relating to the operation of gaming machines in Prince George's County.

18 BY repealing and reenacting, with amendments,
19 Article 27 - Crimes and Punishments
20 Section 264B to be under the amended subheading "Gaming Machines"
21 Annotated Code of Maryland
22 (1996 Replacement Volume)

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

25 **Article 27 - Crimes and Punishments**

26 [Slot] GAMING Machines

27 264B.

28 Any machine, apparatus or device is a [slot] GAMING machine within the
29 provisions of this section if it is one that is adapted for use in such a way that, as a result
30 of the insertion or deposit therein, or placing with another person of any piece of money,

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1 coin, token or other object, such machine, apparatus or device is caused to operate or may
2 be operated, and by reason of any element of chance or of other outcome of such
3 operation unpredictable by him, the user may receive or become entitled to receive any
4 piece of money, coin, token or other object representative of and convertible into money,
5 irrespective of whether the said machine, apparatus or device may, apart from any
6 element of chance or unpredictable outcome of such operation, also sell, deliver or
7 present some merchandise or money or other tangible thing of value.

8 I. It shall be unlawful for any person, firm or corporation to locate, possess,
9 keep, maintain or operate any [slot] GAMING machine within this State, whether as
10 owner, lessor, lessee, licensor, licensee, or otherwise, except as provided in paragraphs II,
11 VI, and VII of this section.

12 II. In those counties and municipalities of this State wherein the county
13 commissioners or municipal authorities thereof, prior to July 1, 1963, licensed such [slot]
14 GAMING machines for operation therein,

15 (A) After July 1, 1965, it shall be unlawful for any person, firm or
16 corporation to conduct any place of business wherein is located or kept, other than in a
17 building or upon any premises used solely for storage, a number of [slot] GAMING
18 machines in excess of the maximum numbers hereinafter set forth, and it shall be
19 unlawful for any person, firm or corporation to possess, keep or maintain, other than in a
20 building or upon any premises used solely for storage, or operate within any one building,
21 or upon any premises, as hereinafter defined, a number of [slot] GAMING machines in
22 excess of the following maximum numbers of such machines:

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

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

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

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

38 (B) After July 1, 1968, it shall be unlawful for any person, firm or
39 corporation, whether as owner, lessor, lessee, licensor, licensee, or otherwise, to possess,
40 keep, maintain or operate, or have in or upon any place of business, building or premises
41 for any purpose any [slot] GAMING machines whatsoever; provided, however, that the
42 county commissioners or county executive of any county in which such machines are
43 situated may, in their discretion, cause such machines to be registered in a manner

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1 appropriate to their office and to be sealed against use, stored, kept and possessed under
 2 the supervision and control of said county commissioners or county executive pending
 3 lawful disposal.

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

8 III. Any firm, person or corporation violating the provisions hereof shall be deemed
 9 guilty of a misdemeanor and shall, upon conviction, be punishable by a fine of [one
 10 thousand dollars (\$1,000)] \$1,000 or by imprisonment for a period not to exceed [one
 11 (1)] 1 year, or by both such fine and such imprisonment, for each violation.

12 IV. It shall be unlawful for the licensing authorities in Calvert, Charles and St.
 13 Mary's Counties to charge a license fee for such [slot] GAMING machines that shall
 14 exceed the pro rata share of the license fee for such [slot] GAMING machines up to the
 15 date such [slot] GAMING machines are required to be removed by the provisions of this
 16 section.

17 V. It shall be a defense to any prosecution under paragraph III of this section if
 18 the defendant shows that the [slot] GAMING machine is an antique [slot] GAMING
 19 machine and was not operated for gambling purposes while in the defendant's possession.
 20 For the purposes of this paragraph, a [slot] GAMING machine is an antique [slot]
 21 GAMING machine if the defendant shows by a preponderance of the evidence that the
 22 machine was manufactured at least 25 years before the date on which the machine is
 23 seized. Whenever this defense is offered, no [slot] GAMING machine seized from any
 24 defendant shall be destroyed or otherwise altered until after a final court determination
 25 including review upon appeal, if any, that the defense is not applicable. If the defense is
 26 applicable, the [slot] GAMING machine shall be returned pursuant to provisions of law
 27 providing for the return of property.

28 VI. (A) The provisions of this paragraph [of this section] apply in:

29 (1) Caroline County;

30 (2) Cecil County;

31 (3) Dorchester County;

32 (4) Kent County;

33 (5) PRINCE GEORGE'S COUNTY;

34 (6) Queen Anne's County;

35 [(6)] (7) Somerset County;

36 [(7)] (8) Talbot County; and

37 [(8)] (9) Wicomico County.

38 (B) In paragraph VI, "eligible organization" means:

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1 (1) [a] A bona fide fraternal, religious, or war veterans' nonprofit
2 organization which has been located in a county listed in paragraph VI(A) of this section
3 for a period of at least 5 years before application for a license under paragraph VI(E) of
4 this section; OR

5 (2) IN PRINCE GEORGE'S COUNTY A VOLUNTEER FIRE, RESCUE,
6 OR EMERGENCY MEDICAL SERVICES ORGANIZATION OR NATIONALLY CHARTERED
7 WAR VETERANS' ORGANIZATION THAT HAS BEEN LOCATED IN PRINCE GEORGE'S
8 COUNTY FOR AT LEAST 5 YEARS BEFORE APPLICATION FOR A LICENSE UNDER
9 PARAGRAPH VI(E) OF THIS SECTION.

10 (C) Notwithstanding any other provision of this subtitle, an eligible
11 organization may own and operate a [slot] GAMING machine if it:

12 (1) Obtains a license under paragraph VI(E) of this section for each
13 [slot] GAMING machine owned or operated;

14 (2) Owns the [slot] GAMING machines it operates;

15 (3) (I) [Owns] EXCEPT AS PROVIDED IN SUBITEM (II) OF THIS
16 ITEM, OWNS no more than 5 [slot] GAMING machines, where each [slot] GAMING
17 machine is an individual [slot] GAMING machine and not a console or set of [slot]
18 GAMING machines affixed to each other; OR

19 (II) IN PRINCE GEORGE'S COUNTY, OWNS NO MORE THAN 15
20 GAMING MACHINES, WHERE EACH GAMING MACHINE IS AN INDIVIDUAL GAMING
21 MACHINE AND NOT A CONSOLE OR SET OF GAMING MACHINES AFFIXED TO EACH
22 OTHER;

23 (4) Locates and operates the [slot] GAMING machines at its principal
24 meeting hall, VOLUNTEER FIRE STATION, VOLUNTEER RESCUE STATION, OR
25 VOLUNTEER EMERGENCY MEDICAL SERVICES STATION in the county in which the
26 eligible organization is located;

27 (5) (I) [Uses] EXCEPT AS PROVIDED IN SUBITEM (II) OF THIS ITEM,
28 USES at least [50 percent] 50% of the proceeds from the [slot] GAMING machines for
29 the benefit of a charity and the remainder of the proceeds [in the furtherance of] TO
30 FURTHER the purposes of the eligible organization; OR

31 (II) IN PRINCE GEORGE'S COUNTY:

32 1. PAYS 25% OF THE PROCEEDS TO THE GENERAL FUND OF
33 THE STATE;

34 2. USES 25% OF THE PROCEEDS FOR ELEMENTARY AND
35 SECONDARY PUBLIC EDUCATION PURPOSES IN PRINCE GEORGE'S COUNTY, OR IF
36 THE ORGANIZATION IS LOCATED IN A MUNICIPALITY, PAYS 10% TO THE GENERAL
37 FUND OF THAT MUNICIPALITY AND USES 15% FOR ELEMENTARY AND SECONDARY
38 PUBLIC EDUCATION PURPOSES IN PRINCE GEORGE'S COUNTY; AND

39 3. USES THE REMAINDER OF THE PROCEEDS TO FURTHER
40 THE PURPOSES OF THE ELIGIBLE ORGANIZATION;

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1 (6) Does not use any of the proceeds for the financial benefit of any
2 individual;

3 (7) Does not locate or operate the [slot] GAMING machines in any
4 private commercial facility; and

5 (8) (I) [Reports] EXCEPT AS PROVIDED IN SUBITEM (II) OF THIS
6 ITEM, REPORTS annually under affidavit to the Comptroller of the Treasury the income
7 of each [slot] GAMING machine and the disposition of the income in accordance with
8 this paragraph; OR

9 (II) IN PRINCE GEORGE'S COUNTY, REPORTS QUARTERLY
10 UNDER AFFIDAVIT TO THE COMPTROLLER OF THE TREASURY THE INCOME OF
11 EACH GAMING MACHINE AND THE DISPOSITION OF THE INCOME IN ACCORDANCE
12 WITH THIS PARAGRAPH.

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

15 (1) The [slot] GAMING machine shall be equipped with a
16 tamperproof meter or counter which accurately records gross receipts; and

17 (2) The eligible organization shall accurately take and maintain a
18 record of the gross receipts and payoffs of the [slot] machine.

19 (E) (1) Before an eligible organization operates a [slot] GAMING
20 machine under paragraph VI(C) of this section, the eligible organization shall obtain a
21 license for the [slot] GAMING machine from the sheriff for the county in which the
22 eligible organization plans to locate the [slot] GAMING machine.

23 (2) (i) The county shall:

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

26 2. Issue a license sticker to the applicant.

27 (ii) The applicant shall place the sticker on the [slot] GAMING
28 machine.

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

31 (3) The application to the sheriff for the issuance of the license shall
32 be certified by an affidavit by one of the principal officers of the eligible organization
33 stating that it:

34 (i) Is an eligible organization; and

35 (ii) Will comply with the provisions of paragraph VI(C) of this
36 section.

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

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1 (ii) Any person who violates this paragraph upon conviction is
2 subject to the penalty provided under [Article 27,] § 439 of [the Code] THIS ARTICLE.

3 VII. (A) Only for the purpose of demonstration or sale to an entity lawfully
4 permitted to buy [slot] GAMING machines, a person may take delivery of, possess, or
5 transport [slot] GAMING machines if the person:

6 (1) Is operating with or under a distributorship contract with a
7 manufacturer of [slot] GAMING machines;

8 (2) Is registered with the United States Department of Justice as a
9 distributor of [slot] GAMING machines; and

10 (3) Has provided the Secretary of the Department of State Police with
11 a copy of the person's current federal registration.

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

14 SECTION 2. AND BE IT FURTHER ENACTED, That the Director of the
15 Department of Legislative Reference, in consultation with the publishers of the
16 Annotated Code of Maryland, shall propose the correction of references in the Code that
17 are rendered incorrect by this Act.

18 SECTION 3. AND BE IT FURTHER ENACTED, That proceeds from gaming
19 machines in Prince George's County that are required to be used for elementary and
20 secondary public education purposes under Section 1 of this Act are a supplement to and
21 not a replacement for any other funds allocated to elementary and secondary public
22 education purposes in Prince George's County.

23 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 1997.