
By: Delegates Preis, Dembrow, Vallario, Doory, Hutchins, Valderrama, Turner, and Bissett

Introduced and read first time: January 31, 1997

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation - Gambling Activities - Licensing**

3 FOR the purpose of creating the Maryland Gambling Commission under the Department
4 of Labor, Licensing, and Regulation; defining certain terms; providing for the
5 membership, appointment, qualifications, oath, term, removal, ex officio members,
6 chairman, quorum, meetings, compensation, executive director, staff, and legal
7 adviser of the Commission; providing for the general powers of the Commission;
8 providing that the Commission shall adopt certain regulations; providing for the
9 general, regulatory, and licensing powers and duties of the Commission with respect
10 to certain nonprofit and charitable organizations that conduct gambling activities as
11 authorized by law and certain persons that conduct commercial bingo, pull tab, and
12 tip jar activities as authorized by law; providing for the Commission's powers and
13 duties with respect to sellers and distributors of gambling equipment and the
14 investigation and audit of gambling activities; providing that the Commission shall,
15 by regulation, set fees for licenses in amounts sufficient to cover the Commission's
16 costs of administering this Act; authorizing the Commission to waive any license fee
17 or requirements under this Act under certain circumstances; allowing, under certain
18 circumstances, the Commission to deny an application for an initial or renewed
19 license or suspend or revoke a license issued by the Commission under this Act or
20 any regulations adopted under this Act; providing that certain organizations and
21 groups that are authorized by law to conduct bingo events, to conduct raffles and
22 sell chance books, to operate paddle wheels or wheels of fortune, and to conduct or
23 operate carnivals, fairs, or bazaars at which paddle wheels, wheels of fortune,
24 punchboards, game tickets, or pull tabs are authorized by law to be operated are
25 exempt from licensure under this Act but may be required to submit to the
26 Commission, under certain circumstances, a certain information report; providing
27 that the Commission may waive this reporting requirement; providing that the
28 Commission may investigate complaints about certain organizations and volunteer
29 fire companies made in connection with certain gambling activities; requiring the
30 President of the Senate and the Speaker of the House of Delegates to appoint a
31 Joint Committee on the Oversight of Gambling Activities in Maryland; providing for
32 the membership and duties of the Joint Committee; making it unlawful for certain
33 individuals and organizations to conduct certain gambling activities unless licensed
34 under this Act; providing for certain hearings and cease and desist orders;
35 establishing the Maryland Gambling Commission Fund as a special fund; providing

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1 certain penalties for violations of this Act; providing for the scope and application
2 of the Act; requiring the Commission to develop a certain plan and procedures to
3 ensure that the licensing requirements of this Act are implemented by a certain
4 date; requiring the Commission to make certain studies and reports; and relating
5 generally to the Maryland Gambling Commission under the Department of Labor,
6 Licensing, and Regulation and the oversight and regulation of the business of
7 charitable gambling and commercial bingo, pull tab, and tip jar activities in the
8 State of Maryland.

9 BY adding to

10 Article - Business Regulation
11 Section 6A-101 through 6A-601, inclusive, to be under the new title "Title 6A.
12 Business of Gambling Activities"
13 Annotated Code of Maryland
14 (1992 Volume and 1996 Supplement)

15 Preamble

16 WHEREAS, Under current Maryland law, lottery and horse racing are authorized
17 and regulated by the State Lottery Agency and the Maryland Racing Commission,
18 respectively. Under the State's criminal laws, codified in Article 27 of the Annotated
19 Code, there are exceptions that permit bona fide nonprofit and charitable organizations
20 to engage in a variety of gambling activities, including the operation of slot machines on
21 the Eastern Shore and the conducting of bingo, casino gambling (including card games,
22 roulette, and dice games), and the use of various gambling devices and mechanisms
23 throughout the State; and

24 WHEREAS, Gambling activities by charitable and nonprofit organizations are
25 currently licensed or regulated at the local level in the State. A hodgepodge of local law
26 and regulatory activity in this area has developed over the years. Some of these local laws
27 require licensing, and some of the organizations involved are required to file financial
28 information at the local level and may also be required to file charitable solicitation and
29 financial reports with the Secretary of State; and

30 WHEREAS, There is a growing interest expressed by a variety of sources in
31 expanding the business of charitable gambling activities in the State; and

32 WHEREAS, Given the current level of the business of charitable gambling activities
33 authorized by law in the State, the interest in expansion forms of charitable gambling, and
34 the need to improve the State's oversight and management of charitable gambling
35 activities, the General Assembly finds that it is appropriate for the State to undertake a
36 new role in regulating and monitoring the business of charitable gambling activities
37 through the Maryland Gambling Commission; and

38 WHEREAS, It is the intent of the General Assembly, in creating the Maryland
39 Gambling Commission under this Act, to vest in the Commission power to regulate and
40 license certain forms of charitable gambling. It is also the intent of the General Assembly
41 to maintain the status of any current public general or public local law regulating
42 charitable gambling in the State and to the extent possible avoid duplication or conflict

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1 between those laws and the laws enacted by this Act with respect to the Maryland
2 Gambling Commission; and

3 WHEREAS, In addition to providing a centralized and coordinated licensure and
4 regulatory structure for charitable gambling activities in Maryland, it is also the intent of
5 the General Assembly that the Maryland Gambling Commission have a strong role in
6 advising the Governor and the General Assembly as to any limits on expansion of
7 gambling activities, as well as the impact of these activities on the State and the health,
8 welfare, and interest of its citizens; now, therefore,

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

11 **Article - Business Regulation**

12 TITLE 6A. BUSINESS OF GAMBLING ACTIVITIES.

13 SUBTITLE 1. DEFINITIONS; SCOPE.

14 6A-101. DEFINITIONS.

15 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

16 (B) "CHARITABLE ORGANIZATION" MEANS AN ORGANIZATION DESCRIBED
17 IN § 170(C) OF THE INTERNAL REVENUE CODE.

18 (C) "COMMISSION" MEANS THE MARYLAND GAMBLING COMMISSION.

19 (D) "COUNTY" MEANS A COUNTY OR BALTIMORE CITY.

20 (E) "GAMBLING EQUIPMENT" MEANS ANY DEVICE, MECHANISM, MACHINE,
21 PRINTED MATTER, FIXTURE, FURNITURE, CONSTRUCTION, OR INSTALLATION FOR
22 USE IN CONNECTION WITH THE GAMBLING ACTIVITIES OR EQUIPMENT REQUIRED
23 TO BE LICENSED UNDER THIS TITLE.

24 (F) "GAMBLING ESTABLISHMENT" MEANS THE BUILDING, ROOM,
25 ENCLOSURE, OR OTHER PLACE IN WHICH GAMBLING ACTIVITY IS CONDUCTED BY A
26 PERSON IF REQUIRED TO BE LICENSED UNDER THIS TITLE OR OTHER LAW.

27 (G) "LICENSEE" MEANS A PERSON LICENSED UNDER THIS TITLE OR THE
28 REGULATIONS ADOPTED UNDER IT.

29 (H) "PERSON" MEANS AN INDIVIDUAL, RECEIVER, TRUSTEE, GUARDIAN,
30 PERSONAL REPRESENTATIVE, FIDUCIARY, REPRESENTATIVE OF ANY KIND,
31 PARTNERSHIP, FIRM, ASSOCIATION, ORGANIZATION, GROUP, CORPORATION,
32 LIMITED LIABILITY COMPANY, OR OTHER ENTITY.

33 (I) "STATE" MEANS THE STATE OF MARYLAND.

34 (J) "VENDOR" MEANS ANY PERSON THAT SELLS, LEASES, DELIVERS, OR
35 SUPPLIES ANY GAMBLING EQUIPMENT TO A GAMBLING ESTABLISHMENT OR TO A
36 PERSON REQUIRED TO BE LICENSED UNDER THIS TITLE OR OTHER LAW.

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1 6A-102. SCOPE.

2 (A) UNLESS OTHERWISE SPECIFIED, THIS TITLE APPLIES IN ADDITION TO THE
3 PROVISIONS OF ARTICLE 27 OF THE CODE.

4 (B) NOTHING IN THIS TITLE MAY BE CONSTRUED TO PREEMPT OR
5 SUPERSEDE THE AUTHORITY OF ANY COUNTY OR MUNICIPAL CORPORATION OF
6 THE STATE UNDER ARTICLE 27 OF THE CODE OR UNDER ANY OTHER PUBLIC
7 GENERAL OR PUBLIC LOCAL LAW, OR LOCAL ORDINANCE OR RESOLUTION IN
8 EFFECT BEFORE, ON, OR AFTER THE EFFECTIVE DATE OF THIS TITLE.

9 (C) NOTHING IN THIS TITLE MAY BE CONSTRUED TO GRANT ANY PRIVILEGE,
10 RIGHT, OR AUTHORITY TO ANY PERSON OR TO ANY COUNTY OR MUNICIPAL
11 CORPORATION IN THE STATE IF THAT PRIVILEGE, RIGHT, OR AUTHORITY DID NOT
12 EXIST ON OR BEFORE THE EFFECTIVE DATE OF THIS TITLE.

13 (D) NOTHING IN THIS TITLE MAY BE CONSTRUED TO DENY OR REPEAL ANY
14 PRIVILEGE, RIGHT, OR AUTHORITY OF ANY PERSON OR OF ANY COUNTY OR
15 MUNICIPAL CORPORATION IF THAT PRIVILEGE, RIGHT, OR AUTHORITY EXISTED ON
16 OR BEFORE THE EFFECTIVE DATE OF THIS TITLE.

17 (E) (1) NOTHING IN THIS TITLE MAY BE CONSTRUED TO BROADEN THE
18 AUTHORITY OF THE STATE LOTTERY AGENCY OR THE MARYLAND RACING
19 COMMISSION TO AUTHORIZE ANY LOTTERY OR HORSE RACING ACTIVITY NOT
20 AUTHORIZED BY LAW BEFORE, ON, OR AFTER THE EFFECTIVE DATE OF THIS TITLE.

21 (2) NOTHING IN THIS TITLE MAY BE CONSTRUED TO AFFECT OR ALTER:

22 (I) THE LICENSURE AND REGULATION OF THE STATE LOTTERY
23 BY THE STATE LOTTERY AGENCY UNDER TITLE 9, SUBTITLE 1 OF THE STATE
24 GOVERNMENT ARTICLE;

25 (II) THE LICENSURE AND REGULATION OF HORSE RACING
26 ACTIVITIES BY THE MARYLAND RACING COMMISSION UNDER TITLE 11 OF THIS
27 ARTICLE;

28 (III) THE AUTHORITY OF THE SECRETARY OF STATE WITH RESPECT
29 TO CHARITABLE ORGANIZATIONS UNDER TITLE 6 OF THIS ARTICLE; OR

30 (IV) THE LICENSURE OF FREE-PLAY CONSOLE MACHINES,
31 FREE-PLAY PINBALL MACHINES, PINBALL MACHINES, CONSOLE MACHINES, AND
32 AMUSEMENT DEVICES UNDER THE AUTHORITY OF THE PROVISIONS OF TITLE 17,
33 SUBTITLE 4 OF THIS ARTICLE OR OTHER LAW.

34 SUBTITLE 2. MARYLAND GAMBLING COMMISSION.

35 6A-201. MARYLAND GAMBLING COMMISSION ESTABLISHED.

36 (A) THERE IS A MARYLAND GAMBLING COMMISSION IN THE DEPARTMENT.

37 (B) FUNDS FOR THE COMMISSION SHALL BE AS PROVIDED IN THE BUDGET.

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1 6A-202. MEMBERSHIP; QUALIFICATIONS; TERM.

2 (A) (1) THE COMMISSION CONSISTS OF SEVEN MEMBERS APPOINTED BY
3 THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE OF MARYLAND.

4 (2) THREE OF THE MEMBERS SHALL HAVE EXPERIENCE IN LAW
5 ENFORCEMENT.

6 (3) IN MAKING APPOINTMENTS TO THE COMMISSION, THE GOVERNOR
7 SHALL GIVE CONSIDERATION TO BASING THE MEMBERSHIP ON FACTORS RELATING
8 TO THE EQUITABLE GEOGRAPHIC REPRESENTATION OF THE REGIONS OF THE
9 STATE.

10 (B) AT THE TIME OF APPOINTMENT AND QUALIFICATIONS EACH MEMBER:

11 (1) SHALL BE AT LEAST 21 YEARS OLD;

12 (2) SHALL BE A RESIDENT OF THE STATE WHO HAS RESIDED IN THE
13 STATE FOR AT LEAST THE LAST 5 YEARS;

14 (3) SHALL BE A REGISTERED VOTER OF THE STATE;

15 (4) SHALL BE AN INDIVIDUAL WHO HAS NOT BEEN CONVICTED OF A
16 FELONY UNDER MARYLAND LAW OR A CRIME THAT INVOLVES MORAL TURPITUDE;

17 (5) MAY NOT HAVE ANY DIRECT OR INDIRECT FINANCIAL INTEREST BY
18 OWNERSHIP OR MANAGEMENT IN ANY GAMBLING ACTIVITIES IN THIS STATE OR IN
19 ANY OTHER STATE OR FOREIGN JURISDICTION, INCLUDING HORSE RACING OR
20 ACTIVITIES IN CONNECTION WITH ANY LOTTERY;

21 (6) MAY NOT RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE
22 RECEIPTS OF ANY GAMBLING ACTIVITY AUTHORIZED BY LAW, INCLUDING
23 LOTTERIES AND HORSE RACING;

24 (7) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR
25 THE MANUFACTURE OR SALE OF GAMBLING DEVICES, THE CONDUCT OF ANY
26 GAMBLING ACTIVITY, OR THE PROVISION OF ANY INDEPENDENT CONSULTANT
27 SERVICES IN CONNECTION WITH ANY GAMBLING ACTIVITY; AND

28 (8) MAY NOT BE EMPLOYED BY OR BE A MANAGER OF ANY PERSON
29 THAT CONDUCTS ANY GAMBLING ACTIVITY.

30 (C) NOT MORE THAN FIVE MEMBERS OF THE COMMISSION MAY BE OF THE
31 SAME POLITICAL PARTY.

32 (D) BEFORE TAKING OFFICE, EACH APPOINTEE TO THE COMMISSION SHALL
33 TAKE THE OATH REQUIRED BY ARTICLE I, § 9 OF THE MARYLAND CONSTITUTION.

34 (E) (1) THE TERM OF A MEMBER OF THE COMMISSION IS 4 YEARS AND
35 BEGINS ON JULY 1.

36 (2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY THE
37 TERMS PROVIDED FOR MEMBERS OF THE COMMISSION ON JULY 1, 1997.

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1 (3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A
2 SUCCESSOR IS APPOINTED AND QUALIFIES.

3 (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
4 ONLY FOR THE REMAINDER OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED
5 AND QUALIFIES.

6 (F) THE GOVERNOR MAY REMOVE A MEMBER OF THE COMMISSION FOR
7 INEFFICIENCY, MISCONDUCT IN OFFICE, OR NEGLECT OF DUTY.

8 6A-203. CHAIRMAN.

9 (A) THE GOVERNOR SHALL DESIGNATE A CHAIRMAN FROM AMONG THE
10 MEMBERS OF THE COMMISSION.

11 (B) THE TERM OF THE CHAIRMAN IS 1 YEAR.

12 (C) THE CHAIRMAN MAY NOT SERVE MORE THAN TWO CONSECUTIVE TERMS
13 AS CHAIRMAN.

14 6A-204. QUORUM, MEETINGS, AND COMPENSATION.

15 (A) A MAJORITY OF THE MEMBERS THEN SERVING ON THE COMMISSION IS A
16 QUORUM.

17 (B) THE COMMISSION SHALL MEET IN THE STATE, AT THE TIMES AND PLACES
18 THAT THE COMMISSION DETERMINES.

19 (C) THE COMMISSION'S PRINCIPAL OFFICE SHALL BE LOCATED AT A PLACE IN
20 THE STATE AS DETERMINED BY THE COMMISSION.

21 (D) EACH MEMBER OF THE COMMISSION IS ENTITLED TO:

22 (1) COMPENSATION IN ACCORDANCE WITH THE STATE BUDGET; AND

23 (2) REIMBURSEMENT UNDER THE STANDARD STATE TRAVEL
24 REGULATIONS FOR EXPENSES FOR EACH COMMISSION MEETING ATTENDED AND
25 FOR OTHER NECESSARY EXPENSES, AS PROVIDED IN THE STATE BUDGET.

26 6A-205. EXECUTIVE DIRECTOR.

27 (A) (1) THE SECRETARY SHALL APPOINT AN EXECUTIVE DIRECTOR FOR
28 THE COMMISSION.

29 (2) THE EXECUTIVE DIRECTOR SHALL SERVE AT THE PLEASURE OF
30 THE SECRETARY.

31 (B) THE EXECUTIVE DIRECTOR SHALL:

32 (1) COLLECT THE FEES IMPOSED BY REGULATIONS ADOPTED BY THE
33 COMMISSION UNDER THIS TITLE AND DEPOSIT THEM TO THE CREDIT OF THE
34 GENERAL FUNDS OF THE STATE;

35 (2) KEEP THE RECORDS AND PAPERS OF THE COMMISSION, INCLUDING
36 A RECORD OF EACH PROCEEDING OR MEETING OF THE COMMISSION;

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- 1 (3) ADMINISTER THE LICENSES REQUIRED UNDER THIS TITLE;
- 2 (4) PREPARE, ISSUE, AND SUBMIT REPORTS OF THE COMMISSION;
- 3 (5) ADMINISTER THE DAILY OPERATION OF THE OFFICE OF THE
- 4 COMMISSION;
- 5 (6) SIGN AND ISSUE SUBPOENAS ON BEHALF OF THE COMMISSION; AND
- 6 (7) PERFORM ANY OTHER DUTY THAT THE COMMISSION DIRECTS.

7 (C) THE EXECUTIVE DIRECTOR IS ENTITLED TO:

- 8 (1) COMPENSATION IN ACCORDANCE WITH THE STATE BUDGET; AND
- 9 (2) REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE
- 10 TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

11 (D) (1) THE COMMISSION SHALL REQUEST THE EXECUTIVE DIRECTOR TO

12 PROVIDE TO IT A CRIMINAL BACKGROUND INVESTIGATION REPORT ON OR THE

13 FINGERPRINTS OF THE EXECUTIVE DIRECTOR.

14 (2) THE FINGERPRINTS OR THE CRIMINAL BACKGROUND CHECK SHALL

15 BE TAKEN BY OR MADE BY A REPRESENTATIVE OF A LAW ENFORCEMENT AGENCY

16 OF THE STATE OR FEDERAL GOVERNMENT.

17 (3) EXCEPT WHEN SUBJECT TO A COURT ORDER, ALL INFORMATION

18 OBTAINED BY THE COMMISSION ABOUT ANY CRIMINAL CHARGES AGAINST THE

19 EXECUTIVE DIRECTOR AND THE DISPOSITION OF THOSE CHARGES MAY NOT BE

20 TRANSMITTED OUTSIDE THE COMMISSION AND IS CONFIDENTIAL.

21 6A-206. STAFF OF THE COMMISSION.

22 (A) WITH THE APPROVAL OF THE COMMISSION AND SUBJECT TO THE STATE

23 PERSONNEL MANAGEMENT SYSTEM, THE EXECUTIVE DIRECTOR SHALL APPOINT A

24 STAFF TO THE COMMISSION.

25 (B) THE STAFF MAY INCLUDE INSPECTORS, INVESTIGATORS, EXAMINERS,

26 AUDITORS, TYPISTS, AND CLERKS TO ASSIST THE EXECUTIVE DIRECTOR AND THE

27 COMMISSION IN CARRYING OUT THEIR POWERS AND DUTIES UNDER THIS TITLE.

28 (C) EACH MEMBER OF THE COMMISSION'S STAFF IS ENTITLED TO:

- 29 (1) COMPENSATION IN ACCORDANCE WITH THE STATE BUDGET; AND
- 30 (2) REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE
- 31 TRAVEL REGULATIONS, AS PROVIDED IN THE BUDGET.

32 (D) AN INDIVIDUAL WHO HOLDS A POSITION UNDER THE COMMISSION MAY

33 NOT HAVE A FINANCIAL INTEREST IN ANY GAMBLING ACTIVITY.

34 (E) (1) THE COMMISSION MAY REQUEST AN APPLICANT FOR EMPLOYMENT

35 OR EMPLOYEE OF THE COMMISSION TO PROVIDE TO IT A CRIMINAL BACKGROUND

36 INVESTIGATION REPORT ON OR FINGERPRINTS OF THE APPLICANT FOR

37 EMPLOYMENT OR EMPLOYEE.

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1 (2) THE FINGERPRINTS OR CRIMINAL BACKGROUND CHECK SHALL BE
2 TAKEN BY OR MADE BY A REPRESENTATIVE OF A LAW ENFORCEMENT AGENCY OF
3 THE STATE OR FEDERAL GOVERNMENT.

4 (3) EXCEPT WHEN SUBJECT TO A COURT ORDER, ALL INFORMATION
5 OBTAINED BY THE COMMISSION ABOUT ANY CRIMINAL CHARGES AGAINST ANY
6 EMPLOYEE OF THE COMMISSION AND THE DISPOSITION OF THOSE CHARGES MAY
7 NOT BE TRANSMITTED OUTSIDE THE COMMISSION AND IS CONFIDENTIAL.

8 6A-207. LEGAL ADVISER.

9 (A) THE ATTORNEY GENERAL IS THE LEGAL ADVISER TO THE COMMISSION.

10 (B) THE ATTORNEY GENERAL SHALL ASSIGN AT LEAST ONE ASSISTANT
11 ATTORNEY GENERAL TO THE COMMISSION.

12 (C) THE ATTORNEY GENERAL SHALL DESIGNATE ONE OF THE ASSISTANT
13 ATTORNEYS GENERAL ASSIGNED TO THE COMMISSION AS COUNSEL TO THE
14 COMMISSION.

15 (D) THE COUNSEL AND OTHER ASSISTANT ATTORNEYS GENERAL ASSIGNED
16 TO THE COMMISSION SHALL GIVE THE LEGAL AID, ADVICE, AND COUNSEL
17 REQUIRED BY THE COMMISSION.

18 6A-208. LEGISLATIVE OVERSIGHT COMMITTEE.

19 (A) THE PRESIDENT OF THE SENATE OF MARYLAND AND SPEAKER OF THE
20 HOUSE OF DELEGATES SHALL APPOINT A JOINT COMMITTEE ON THE OVERSIGHT OF
21 GAMBLING ACTIVITIES IN MARYLAND.

22 (B) THE COMMITTEE CONSISTS OF 10 MEMBERS, FIVE OF WHOM SHALL BE
23 MEMBERS OF THE SENATE APPOINTED BY THE PRESIDENT, AND FIVE OF WHOM
24 SHALL BE MEMBERS OF THE HOUSE OF DELEGATES APPOINTED BY THE SPEAKER.

25 (C) THE MEMBERS OF THE JOINT COMMITTEE SERVE AT THE PLEASURE OF
26 THE PRESIDING OFFICER WHO APPOINTED THEM.

27 (D) THE PRESIDENT AND THE SPEAKER SHALL JOINTLY APPOINT A SENATOR
28 AND DELEGATE EACH TO SERVE AS COCHAIRMAN.

29 (E) THE DEPARTMENTS OF FISCAL SERVICES AND LEGISLATIVE REFERENCE
30 SHALL PROVIDE STAFF ASSISTANCE TO THE JOINT COMMITTEE.

31 (F) THE JOINT COMMITTEE SHALL MEET PERIODICALLY WITH THE
32 COMMISSION TO REVIEW THE ACTIVITIES AND REPORTS OF THE COMMISSION.

33 (G) THE JOINT COMMITTEE SHALL MONITOR THE ACTIVITIES OF THE
34 COMMISSION, REVIEW AND EVALUATE THE GAMBLING LAWS OF THE STATE, AND
35 ADVISE THE GENERAL ASSEMBLY AND THE COMMISSION OF ANY NECESSARY
36 CHANGES TO THE LAWS OF THE STATE ON THE REGULATION OF GAMBLING.

37 6A-209. AUDIT OF THE COMMISSION.

38 (A) THE LEGISLATIVE AUDITOR SHALL AUDIT THE BOOKS, RECORDS, AND
39 MANAGEMENT AND OTHER PRACTICES OF THE COMMISSION ON AN ANNUAL BASIS.

1 (B) THE COMMISSION MAY, SUBJECT TO THE APPROVAL OF THE BOARD OF
2 PUBLIC WORKS, CONTRACT WITH CERTIFIED PUBLIC ACCOUNTANTS IN THE
3 PRIVATE SECTOR FOR ADDITIONAL AUDITS. ANY SUCH AUDIT SHALL BE
4 CONSIDERED TO BE PART OF THE PUBLIC RECORDS OF THE STATE.

5 6A-210. COOPERATION WITH LAW ENFORCEMENT AGENCIES.

6 (A) STATE AND LOCAL LAW ENFORCEMENT AGENCIES SHALL COOPERATE
7 WITH THE COMMISSION TO ENFORCE THIS TITLE.

8 (B) THE COMMISSION MAY REQUEST THE STATE POLICE, THE POLICE
9 COMMISSIONER OF BALTIMORE CITY, OR THE SHERIFF OR POLICE DEPARTMENT OF
10 A COUNTY OR A MUNICIPAL CORPORATION TO ASSIGN LAW ENFORCEMENT
11 OFFICERS TO ENFORCE THIS TITLE OR PREVENT UNAUTHORIZED GAMBLING
12 ACTIVITIES.

13 (C) THE COMMISSION MAY REQUEST THE STATE'S ATTORNEY FOR A COUNTY
14 OR FEDERAL LAW ENFORCEMENT AGENCIES TO ASSIST THE COMMISSION IN
15 ENFORCING THIS TITLE.

16 6A-211. CITIZENS' ADVISORY COMMITTEES.

17 (A) THE GOVERNOR MAY APPOINT ONE OR MORE CITIZENS' ADVISORY
18 COMMITTEES TO ADVISE THE COMMISSION ON ITS GOALS, REGULATIONS, POLICIES,
19 AND OTHER MATTERS RELATING TO THE COMMISSION'S ACTIVITIES.

20 (B) (1) A CITIZENS' ADVISORY COMMITTEE APPOINTED BY THE
21 GOVERNOR:

22 (I) SHALL BE BASED ON EQUITABLE GEOGRAPHIC
23 REPRESENTATION; AND

24 (II) SHALL MEET AT THE TIMES AND PLACES THAT IT
25 DETERMINES.

26 (2) THE MEMBERS OF A CITIZENS' ADVISORY COMMITTEE MAY NOT BE
27 COMPENSATED.

28 6A-212. GENERAL POWERS OF THE COMMISSION.

29 (A) THE COMMISSION SHALL ENFORCE THE LAWS REGULATING GAMBLING
30 IN THE STATE TO ENSURE THAT GAMBLING ACTIVITIES ARE CONDUCTED IN THE
31 PUBLIC INTEREST.

32 (B) (1) THE COMMISSION SHALL ENSURE THE BONA FIDE NATURE AND
33 CHARACTER AND THE VIABILITY OF CHARITABLE AND NONPROFIT
34 ORGANIZATIONS ALLOWED TO CONDUCT GAMBLING ACTIVITIES IN THE STATE AND
35 THAT THE NET PROCEEDS OF THOSE ACTIVITIES INURE ONLY TO CHARITABLE OR
36 NONPROFIT PURPOSES AS REQUIRED BY LAW.

37 (2) FOR PURPOSES OF PARAGRAPH (1) OF THIS SUBSECTION, IF
38 ANOTHER PROVISION OF THE LAW OF THE STATE REQUIRES THAT THE PROCEEDS,
39 IN WHOLE OR IN PART, OF CHARITABLE GAMBLING ACTIVITIES SHALL BE USED TO
40 BENEFIT CHARITY OR SHALL BE USED FOR PURPOSES OF A CHARITABLE,

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1 BENEVOLENT, PATRIOTIC, FRATERNAL, EDUCATIONAL, RELIGIOUS, OR CIVIC
2 OBJECTIVE, THE COMMISSION SHALL REQUIRE THAT THE PROCEEDS, OR THE
3 APPLICABLE PORTION OF THE PROCEEDS, SHALL BE USED BY OR DISTRIBUTED TO A
4 CHARITABLE ORGANIZATION.

5 (C) THE COMMISSION SHALL REGULARLY REVIEW ONGOING AND PROPOSED
6 GAMBLING ACTIVITIES IN THE STATE.

7 (D) THE COMMISSION SHALL HAVE THE POWERS NECESSARY OR PROPER TO
8 CARRY OUT FULLY ALL THE PURPOSES OF THIS TITLE.

9 6A-213. ADOPTION OF REGULATIONS BY THE COMMISSION.

10 (A) THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT THE
11 PROVISIONS OF THIS TITLE.

12 (B) THE COMMISSION SHALL ADOPT REASONABLE LICENSE APPLICATION
13 AND RENEWAL FEES TO COVER THE DIRECT AND INDIRECT COSTS OF
14 ADMINISTERING THIS TITLE.

15 SUBTITLE 3. LICENSURE AND REGULATORY AUTHORITY.

16 6A-301. POWERS AND DUTIES OF THE COMMISSION.

17 (A) IN ADDITION TO ANY OTHER POWERS AND DUTIES OF THE COMMISSION
18 UNDER THIS TITLE, THE COMMISSION HAS THE FOLLOWING POWERS AND DUTIES:

19 (1) TO DETERMINE THE ELIGIBILITY OF AN APPLICANT FOR A LICENSE
20 UNDER THIS SECTION;

21 (2) TO LICENSE, FOR A PERIOD NOT TO EXCEED 2 YEARS, EACH
22 ORGANIZATION, GROUP, OR PERSON THAT IS AUTHORIZED BY LAW TO CONDUCT
23 THE FOLLOWING GAMBLING ACTIVITIES:

24 (I) CASINO GAMBLING, INCLUDING ROULETTE, DICE GAMES, AND
25 CARD GAMES, PROVIDED THAT THE COMMISSION SHALL ALSO AUTHORIZE AND
26 LICENSE THE ESTABLISHMENT IN WHICH CASINO GAMBLING AUTHORIZED BY LAW
27 IS CONDUCTED;

28 (II) 1. COMMERCIAL BINGO (FOR THE PURPOSE OF THIS
29 SECTION, COMMERCIAL BINGO MEANS:

30 A. ANY BINGO GAME AUTHORIZED IN ANNE ARUNDEL
31 COUNTY UNDER §§ 2-301 THROUGH 2-329 OF THE ANNE ARUNDEL COUNTY CODE;

32 B. ANY BINGO GAME AUTHORIZED IN CALVERT COUNTY
33 UNDER § 259A OF ARTICLE 27 OF THE ANNOTATED CODE OF MARYLAND; AND

34 C. ANY BINGO GAME CONDUCTED BY AN ORGANIZATION
35 OR GROUP AS AUTHORIZED BY LAW BUT ONLY IF:

36 I. THE ORGANIZATION OR GROUP DOES NOT ITSELF
37 CONDUCT THE GAMES ON PREMISES OWNED BY THE ORGANIZATION OR GROUP; OR

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1 II. THE ORGANIZATION OR GROUP IS A VOLUNTEER FIRE
2 COMPANY AND DOES NOT ITSELF CONDUCT THE GAMES ON NONCOMMERCIAL
3 PRIVATELY OWNED PROPERTY OR THE ORGANIZATION OR GROUP, INCLUDING A
4 VOLUNTEER FIRE COMPANY, DOES NOT ITSELF CONDUCT THE GAMES ON
5 PROPERTY OR PREMISES LEASED FROM THE STATE, A COUNTY, A MUNICIPAL
6 CORPORATION, OR ANOTHER ORGANIZATION OR GROUP THAT IS ALSO
7 AUTHORIZED BY LAW TO CONDUCT BINGO GAMES BUT IS EXEMPT FROM BEING
8 REQUIRED TO BE LICENSED UNDER § 6A-302 OF THIS TITLE);

9 2. PROVIDED THAT THE COMMISSION SHALL ALSO LICENSE
10 THE ESTABLISHMENT IN WHICH THE BINGO GAMES, AS COVERED UNDER THIS
11 SUBITEM (II) AND AUTHORIZED BY LAW, ARE CONDUCTED;

12 (III) THE USE OR OPERATION OF SLOT MACHINES;

13 (IV) THE USE OF TIP JARS; AND

14 (V) THE USE OR OPERATION OF ANY OTHER GAMING OR
15 GAMBLING DEVICE, MACHINE, OR MECHANISM, INCLUDING ANY ELECTRONIC
16 DEVICE, MACHINE, OR MECHANISM; PROVIDED THAT NOTHING IN THIS SUBITEM (V)
17 MAY BE CONSTRUED TO REQUIRE THE LICENSURE OF ANY ORGANIZATION OR
18 GROUP THAT IS AUTHORIZED BY LAW TO CONDUCT RAFFLES, SELL CHANCE BOOKS,
19 OPERATE PADDLE WHEELS OR WHEELS OF FORTUNE, OR CONDUCT OR OPERATE
20 CARNIVALS, FAIRS, OR BAZAARS AT WHICH GAMBLING ACTIVITIES, INCLUDING THE
21 OPERATION OR USE OF PADDLE WHEELS, WHEELS OF FORTUNE, PUNCHBOARDS,
22 GAME TICKETS, OR PULL TABS, ARE AUTHORIZED BY LAW;

23 (3) TO LICENSE, FOR A PERIOD NOT TO EXCEED 2 YEARS, EACH
24 VENDOR;

25 (4) TO REQUIRE EACH ORGANIZATION OR GROUP AND EACH
26 GAMBLING ESTABLISHMENT REQUIRED TO BE LICENSED UNDER ITEM (2) OF THIS
27 SUBSECTION TO MAINTAIN BOOKS, RECORDS, LOGS, ACCOUNTS, INVENTORY LISTS,
28 SLOT MACHINES, AND OTHER GAMBLING EQUIPMENT SERIAL NUMBERS, GAMBLING
29 EQUIPMENT MAINTENANCE AND REPAIR DATA, OR ANY OTHER DOCUMENTATION
30 OR INFORMATION THE COMMISSION CONSIDERS NECESSARY AND IN WHATEVER
31 FORMAT AND FOR WHATEVER LENGTH OF TIME THE COMMISSION MAY REQUIRE,
32 PROVIDED THAT THE COMMISSION SHALL REQUIRE THE BOOKS, RECORDS,
33 DOCUMENTS, AND OTHER INFORMATION SET FORTH IN THIS ITEM TO BE
34 MAINTAINED IN THIS STATE, AND PROVIDED THAT EACH ORGANIZATION OR
35 GROUP LICENSED UNDER THIS SECTION SHALL INFORM THE COMMISSION OF THE
36 PRECISE LOCATION OF THOSE BOOKS, RECORDS, DOCUMENTS, AND THE OTHER
37 REQUIRED INFORMATION;

38 (5) TO REQUIRE EACH ORGANIZATION OR GROUP AND EACH
39 GAMBLING ESTABLISHMENT REQUIRED TO BE LICENSED UNDER ITEM (2) OF THIS
40 SUBSECTION TO DISPLAY THE LICENSE CONSPICUOUSLY IN THE PLACE OR ON THE
41 PREMISES WHERE THE GAMBLING ACTIVITY IS HELD;

42 (6) TO REQUEST ANY ORGANIZATION OR GROUP AND GAMBLING
43 ESTABLISHMENT REQUIRED TO BE LICENSED UNDER ITEM (2) OF THIS SUBSECTION

12

1 TO DESIGNATE THE NAMES OF THOSE INDIVIDUALS WHO ARE DIRECTLY INVOLVED
2 IN THE MANAGEMENT AND OPERATION OF THE GAMBLING ACTIVITIES CONDUCTED
3 BY THE ORGANIZATION, GROUP, OR THE GAMBLING ESTABLISHMENT AND, AT THE
4 COMMISSION'S DISCRETION, TO REQUEST THOSE INDIVIDUALS TO BE
5 PHOTOGRAPHED OR FINGERPRINTED OR THE SUBJECT OF A CRIMINAL
6 BACKGROUND CHECK TAKEN BY A REPRESENTATIVE OF A LAW ENFORCEMENT
7 AGENCY OF THE STATE OR FEDERAL GOVERNMENT, PROVIDED THAT, EXCEPT
8 WHEN SUBJECT TO A COURT ORDER, ALL INFORMATION OBTAINED BY THE
9 COMMISSION ABOUT ANY CRIMINAL CHARGES AGAINST THOSE INDIVIDUALS AND
10 THE DISPOSITION OF THOSE CHARGES MAY NOT BE TRANSMITTED OUTSIDE THE
11 COMMISSION AND IS CONFIDENTIAL;

12 (7) TO INSPECT AND CALIBRATE GAMBLING EQUIPMENT, INCLUDING
13 SLOT MACHINES, AUTHORIZED FOR USE BY A GAMBLING ESTABLISHMENT
14 LICENSED UNDER THIS TITLE;

15 (8) TO REVIEW ANY PAYMENTS RELATED TO GAMBLING ACTIVITIES
16 MADE BY ANY ORGANIZATION OR GROUP, GAMBLING ESTABLISHMENT, OR
17 VENDOR TO ANY PERSON, PROVIDED THAT NOTHING IN THIS ITEM MAY BE
18 CONSTRUED TO AUTHORIZE ANY PAYMENT TO ANY INDIVIDUALS INVOLVED WITH
19 GAMBLING ESTABLISHMENTS IF SUCH PAYMENTS ARE OTHERWISE PROHIBITED BY
20 LAW;

21 (9) TO REQUIRE ALL INCOME AND EXPENSES THAT RELATE TO
22 GAMBLING FROM THE ACTIVITIES CONDUCTED BY THE ORGANIZATION, GROUP, OR
23 THE GAMBLING ESTABLISHMENT LICENSED UNDER THIS TITLE TO BE RECORDED
24 AND REPORTED TO THE COMMISSION IN ACCORDANCE WITH REGULATIONS
25 ADOPTED BY THE COMMISSION;

26 (10) TO REQUIRE ALL INFORMATION REQUIRED TO BE MAINTAINED BY
27 GAMBLING ESTABLISHMENTS UNDER ITEM (4) OF THIS SUBSECTION TO BE
28 SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH A SCHEDULE TO BE
29 DETERMINED BY THE COMMISSION;

30 (11) TO REQUIRE THE INFORMATION RECEIVED UNDER ITEM (10) OF
31 THIS SUBSECTION TO PROVIDE SUFFICIENT AND CLEAR DATA ON THE DAILY GROSS
32 INCOME OR GROSS RECEIPTS FROM ALL GAMBLING ACTIVITY, ALL EXPENSES AND
33 PAYMENTS MADE FROM THE GROSS RECEIPTS, THE NATURE AND VALUE OF DAILY
34 OR OTHER PRIZES AND PAYOFFS DISTRIBUTED TO WINNING PLAYERS, THE
35 IDENTITY OF ALL CHARITABLE RECIPIENTS OF THE PROCEEDS OF THE GROSS
36 INCOME, THE AMOUNT DONATED TO EACH CHARITY, AND THE AMOUNT USED IN
37 FURTHERANCE OF THE PURPOSES OF THE GAMBLING ESTABLISHMENT;

38 (12) TO COLLECT AND ACCOUNT FOR THE LICENSE FEES IMPOSED
39 UNDER THIS TITLE;

40 (13) TO PUBLISH AND MAKE AVAILABLE, ON REQUEST, AT THE
41 COMMISSION'S OFFICE OR ELSEWHERE, A LIST OF THE LICENSES ISSUED BY THE
42 COMMISSION, INCLUDING THE NAMES, ADDRESSES, TYPES OF LICENSE, AND
43 LICENSE NUMBER OF EACH LICENSEE;

13

1 (14) TO PROVIDE INFORMATION AND EXPERTISE TO STATE AND LOCAL
2 LAW ENFORCEMENT AGENCIES AND OFFICES TO ASSIST THEM IN THE
3 ENFORCEMENT OF THIS TITLE AND THE OTHER GAMBLING LAWS OF THE STATE,
4 INCLUDING, UPON REQUEST, ANY INFORMATION OBTAINED BY THE COMMISSION
5 UNDER THIS TITLE;

6 (15) TO REQUIRE THAT ANY LICENSEE UNDER THIS TITLE PROVIDE TO
7 THE COMMISSION ON FORMS DEvised BY THE COMMISSION A DISCLOSURE OF
8 OWNERSHIP OF ANY GAMBLING EQUIPMENT USED BY THE LICENSEE AND OF
9 OWNERSHIP OF ANY GAMBLING ESTABLISHMENTS;

10 (16) TO REQUIRE THAT EXPENSES OF ANY GAMBLING ACTIVITIES BE
11 DOCUMENTED AND BE COMMERCIALY REASONABLE; AND

12 (17) TO REQUIRE THAT ALL REVENUES AND PROCEEDS FROM
13 GAMBLING ACTIVITIES BE SEPARATELY ACCOUNTED FOR AND NOT BE
14 COMMINGLED WITH OTHER FUNDS.

15 (B) A LICENSE ISSUED BY THE COMMISSION UNDER THIS SECTION IS NOT
16 TRANSFERABLE.

17 (C) THE COMMISSION MAY WAIVE ANY LICENSE OR FEE REQUIREMENT OR
18 ANY PHOTOGRAPHING, FINGERPRINTING, OR CRIMINAL BACKGROUND CHECK
19 REQUIREMENT UNDER THIS TITLE IF THE COMMISSION FINDS THAT APPLICABLE
20 LOCAL LAW AND LOCAL REGULATORY PROVISIONS ARE SUFFICIENT TO
21 SUBSTITUTE FOR ANY SUCH REQUIREMENTS UNDER THIS TITLE.

22 6A-302. EXEMPT ORGANIZATIONS AND GROUPS - INFORMATION REPORTS;
23 COMMISSION INVESTIGATION.

24 (A) AN ORGANIZATION OR GROUP DESCRIBED IN SUBSECTION (B) OF THIS
25 SECTION IS EXEMPT FROM LICENSURE UNDER THIS SUBTITLE.

26 (B) UPON RECEIPT OF A COMPLAINT BY THE COMMISSION ABOUT THE
27 GAMBLING ACTIVITIES OF ANY ORGANIZATION OR GROUP THAT, AS AUTHORIZED
28 BY ARTICLE 27 OF THE CODE OR OTHER LAW, CONDUCTS BINGO (OTHER THAN
29 COMMERCIAL BINGO, AS THAT TERM IS DEFINED IN § 6A-301(A)(2)(II) OF THIS TITLE),
30 CONDUCTS RAFFLES OR SELLS CHANCE BOOKS, OPERATES PADDLE WHEELS OR
31 WHEELS OF FORTUNE, OR CONDUCTS OR OPERATES A CARNIVAL, FAIR, OR BAZAAR
32 AT WHICH GAMBLING ACTIVITIES, INCLUDING PADDLE WHEELS, WHEELS OF
33 FORTUNE, PUNCHBOARDS, GAME TICKETS, OR PULL TABS ARE OPERATED OR USED
34 AS AUTHORIZED BY LAW, THE COMMISSION MAY REQUEST THE ORGANIZATION OR
35 GROUP TO SUBMIT TO THE COMMISSION AN INFORMATION REPORT ON THE
36 ACTIVITIES OF THE ORGANIZATION OR GROUP IN CONNECTION WITH THOSE
37 EVENTS, INCLUDING GROSS RECEIPTS OR EXPENSES PAID FROM GROSS RECEIPTS.

38 (C) IF AN ORGANIZATION OR GROUP DESCRIBED IN SUBSECTION (B) OF THIS
39 SECTION IS REQUIRED BY LAW TO REPORT TO A COUNTY OR MUNICIPAL AGENCY
40 ABOUT THE ACTIVITIES IT CONDUCTS OR IS REQUIRED TO MAINTAIN BOOKS,
41 RECORDS, DOCUMENTS, OR OTHER INFORMATION FOR INSPECTION BY A COUNTY
42 AGENCY OR UNIT IN CONNECTION WITH THOSE ACTIVITIES, THE COMMISSION MAY
43 REQUEST THE COUNTY OR MUNICIPAL AGENCY UNIT TO:

14

1 (1) SUBMIT THE REPORT TO THE COMMISSION AS SOON AS THE COUNTY
2 OR MUNICIPAL AGENCY RECEIVES THE REPORT; OR

3 (2) SUBMIT A REPORT TO THE COMMISSION AS TO WHETHER THE
4 ORGANIZATION OR GROUP IS IN COMPLIANCE WITH THE REQUIREMENT FOR THE
5 ORGANIZATION TO MAINTAIN THE BOOKS, RECORDS, DOCUMENTS, AND
6 INFORMATION.

7 (D) IF THE COMMISSION RECEIVES AN INFORMATION REPORT FROM A
8 COUNTY OR MUNICIPAL AGENCY UNDER SUBSECTION (B) OF THIS SECTION, THE
9 AGENCY SHALL NOTIFY THE ORGANIZATION OR GROUP THAT SUBMITTED THE
10 REPORT THAT THE ORGANIZATION OR GROUP NEED NOT SUBMIT A SEPARATE
11 INFORMATION REPORT TO THE COMMISSION.

12 (E) THE COMMISSION MAY WAIVE ANY REPORTING REQUIREMENT OF THIS
13 SECTION.

14 (F) THE COMMISSION SHALL:

15 (1) HAVE ACCESS TO THE REPORTS REQUIRED BY LAW TO BE
16 PROVIDED BY AN ORGANIZATION OR GROUP TO A COUNTY OR MUNICIPAL
17 AGENCY; AND

18 (2) MAINTAIN THE REPORTS THE COMMISSION RECEIVES UNDER THIS
19 SECTION.

20 (G) THE COMMISSION AND THE APPROPRIATE COUNTY OR MUNICIPAL
21 AGENCIES THAT LICENSE OR REGULATE ORGANIZATIONS OR GROUPS COVERED IN
22 THIS SECTION SHALL COOPERATE AND COORDINATE WITH EACH OTHER TO AVOID
23 DUPLICATION OF EFFORT.

24 (H) (1) UPON RECEIVING A COMPLAINT RELATING TO AN ORGANIZATION
25 OR GROUP CONDUCTING ACTIVITIES DESCRIBED IN SUBSECTION (A) OF THIS
26 SECTION, THE COMMISSION MAY INVESTIGATE THE COMPLAINT AND BRING THE
27 MATTER TO THE ATTENTION OF THE APPROPRIATE LAW ENFORCEMENT AGENCY.

28 (2) IN INVESTIGATING A COMPLAINT UNDER THIS SUBSECTION, THE
29 COMMISSION MAY REQUEST ANY BOOKS, RECORDS, DOCUMENTS, OR OTHER
30 INFORMATION REQUIRED BY LAW FOR THE ORGANIZATION OR GROUP TO
31 MAINTAIN.

32 6A-303. DENIAL, SUSPENSION, AND REVOCATION OF LICENSES.

33 (A) THE COMMISSION MAY DENY AN APPLICATION FOR AN INITIAL OR
34 RENEWED LICENSE OR SUSPEND OR REVOKE A LICENSE ISSUED BY IT UNDER THIS
35 TITLE IF THE APPLICANT OR LICENSEE:

36 (1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO
37 OBTAIN OR RENEW A LICENSE FOR THE APPLICANT OR ANOTHER PERSON;

38 (2) FRAUDULENTLY OR DECEPTIVELY USES THE LICENSE;

39 (3) HAS HAD A SIMILAR LICENSE DENIED, SUSPENDED, OR REVOKED;

15

1 (4) WILLFULLY FAILS TO PROVIDE OR WILLFULLY MISREPRESENTS
2 ANY INFORMATION REQUIRED TO BE PROVIDED BY THIS TITLE OR ANY
3 REGULATION ADOPTED UNDER THIS TITLE;

4 (5) VIOLATES OR HAS VIOLATED:

5 (I) ANY OF THE PROVISIONS OF THIS TITLE OR ANY
6 REGULATIONS ADOPTED BY THE COMMISSION UNDER THIS TITLE; OR

7 (II) ANY OTHER LAW;

8 (6) KNOWINGLY CAUSES, AIDS, ABETS, OR CONSPIRES WITH ANOTHER
9 PERSON TO VIOLATE:

10 (I) ANY OF THE PROVISIONS OF THIS TITLE OR ANY
11 REGULATIONS ADOPTED BY THE COMMISSION UNDER THIS TITLE; OR

12 (II) ANY OTHER LAW;

13 (7) HAS BEEN CONVICTED OF OR PLEADED GUILTY TO ANY FELONY
14 UNDER MARYLAND LAW OR ANY CRIME THAT INVOLVES MORAL TURPITUDE;

15 (8) HAS MADE, DIRECTLY OR INDIRECTLY, ANY UNLAWFUL PAYMENT
16 TO ANY PERSON IN CONNECTION WITH ANY GAMBLING ACTIVITY THAT IS THE
17 SUBJECT OF THIS TITLE;

18 (9) DENIES THE COMMISSION, ANY AUTHORIZED REPRESENTATIVE OF
19 THE COMMISSION, OR ANY LAW ENFORCEMENT AGENCY ACCESS TO ANY PLACE OR
20 PREMISES WHERE GAMBLING ACTIVITY AUTHORIZED UNDER THIS TITLE OR OTHER
21 LAW IS CONDUCTED;

22 (10) FAILS TO PRODUCE FOR INSPECTION OR AUDIT ANY BOOK,
23 RECORD, DOCUMENT, OR ITEM REQUIRED BY THIS TITLE OR BY ANY REGULATION
24 ADOPTED BY THE COMMISSION UNDER THIS TITLE;

25 (11) FAILS TO DISPLAY ITS LICENSE AT ALL TIMES IN THE PLACE OR ON
26 THE PREMISES WHERE THE GAMBLING ACTIVITY AUTHORIZED UNDER THIS TITLE
27 OR UNDER OTHER LAW DURING THE OPERATION OF THE GAMBLING ACTIVITY; OR

28 (12) FAILS TO PROVIDE BY CLEAR AND CONVINCING EVIDENCE THAT
29 THE APPLICANT OR LICENSEE IS QUALIFIED IN ACCORDANCE WITH THE
30 PROVISIONS OF THIS TITLE.

31 (B) THE COMMISSION MAY NOT DENY AN APPLICATION FOR AN INITIAL OR
32 RENEWED LICENSE OR SUSPEND OR FAIL TO ISSUE A LICENSE, OR SUSPEND OR
33 REVOKE A LICENSE FOR ANY REASON BASED ON RACE, COLOR, CREED, SEX,
34 RELIGIOUS AFFILIATION, NATIONAL ORIGIN, OR PHYSICAL DISABILITY.

35 6A-304. HEARINGS AND APPEALS.

36 (A) EXCEPT AS OTHERWISE PROVIDED IN TITLE 10 OF THE STATE
37 GOVERNMENT ARTICLE, BEFORE THE COMMISSION TAKES ANY FINAL ACTION
38 UNDER § 6A-303 OF THIS TITLE, THE COMMISSION SHALL GIVE ANY PERSON AGAINST

16

1 WHOM THE ACTION IS PROPOSED AN OPPORTUNITY FOR A HEARING BEFORE THE
2 COMMISSION.

3 (B) THE COMMISSION SHALL GIVE NOTICE AND HOLD THE HEARING IN
4 ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

5 (C) IF, AFTER DUE NOTICE, THE PERSON AGAINST WHOM THE ACTION IS
6 CONTEMPLATED DOES NOT APPEAR, THE COMMISSION MAY HEAR AND DETERMINE
7 THE MATTER.

8 (D) A PARTY TO A PROCEEDING UNDER THIS TITLE WHO IS AGGRIEVED BY A
9 FINAL DECISION OF THE COMMISSION IN A CONTESTED CASE, AS DEFINED IN § 10-201
10 OF THE STATE GOVERNMENT ARTICLE, MAY TAKE AN APPEAL AS ALLOWED IN §§
11 10-215 AND 10-216 OF THE STATE GOVERNMENT ARTICLE.

12 SUBTITLE 4. MISCELLANEOUS PROVISIONS.

13 6A-401. POWERS TO INVESTIGATE, AUDIT, REMOVE EMPLOYEES, AND REQUIRE
14 RECORD KEEPING.

15 (A) THE COMMISSION MAY:

16 (1) INVESTIGATE AN ALLEGED VIOLATION OF THIS TITLE, ARTICLE 27
17 OF THE CODE, OR OTHER LAW; AND

18 (2) INSPECT, EXAMINE, OR AUDIT THE BOOKS, DOCUMENTS, AND
19 RECORDS OF ANY ORGANIZATION, GROUP, VENDOR, OR GAMBLING
20 ESTABLISHMENT LICENSED UNDER THIS TITLE, ANY PERSON LENDING MONEY TO
21 OR IN ANY MANNER FINANCING ANY GAMBLING ACTIVITY, OR ANY APPLICANT FOR
22 A LICENSE, UNDER THIS TITLE OR OTHER LAW, TO ENGAGE IN GAMBLING
23 ACTIVITIES.

24 (B) THE COMMISSION MAY ADMINISTER OATHS.

25 (C) THE COMMISSION MAY ISSUE SUBPOENAS FOR THE ATTENDANCE OF
26 WITNESSES TO TESTIFY OR TO PRODUCE BOOKS, RECORDS, DOCUMENTS, OR OTHER
27 EVIDENCE.

28 (D) (1) IF THE COMMISSION FINDS THAT A LICENSEE UNDER THIS TITLE
29 HAS VIOLATED THIS TITLE OR ANY REGULATION ADOPTED UNDER IT, THE
30 COMMISSION MAY SUMMARILY ISSUE A CEASE AND DESIST ORDER TO THE
31 VIOLATOR IF THE COMMISSION:

32 (I) FINDS THAT THE PUBLIC HEALTH, SAFETY, OR WELFARE
33 REQUIRES EMERGENCY ACTION;

34 (II) GIVES THE VIOLATOR WRITTEN NOTICE OF THE ORDER, THE
35 REASONS FOR THE ORDER, AND THE RIGHT OF THE VIOLATOR TO REQUEST A
36 HEARING UNDER PARAGRAPH (2) OF THIS SUBSECTION; AND

37 (III) REFERS THE MATTER TO THE ATTORNEY GENERAL OR THE
38 APPROPRIATE STATE'S ATTORNEY.

17

1 (2) (I) IF THE COMMISSION SUSPENDS OR REVOKES A LICENSE
2 UNDER § 6A-303(A) OF THIS TITLE OR ISSUES A CEASE AND DESIST ORDER UNDER
3 THIS SUBSECTION, THE PERSON TO WHOM THE SUSPENSION, REVOCATION, OR
4 ORDER APPLIES MAY REQUEST A HEARING FROM THE COMMISSION.

5 (II) WITHIN 30 DAYS AFTER A REQUEST IS SUBMITTED, THE
6 COMMISSION SHALL HOLD A HEARING IN ACCORDANCE WITH TITLE 10, SUBTITLE 2
7 OF THE STATE GOVERNMENT ARTICLE.

8 6A-402. COORDINATION WITH REGULATORY AGENCIES.

9 THE COMMISSION, THE STATE LOTTERY AGENCY, THE MARYLAND RACING
10 COMMISSION, THE SECRETARY OF LABOR, LICENSING, AND REGULATION, THE
11 SECRETARY OF THE STATE POLICE, AND THE SECRETARY OF STATE SHALL
12 COORDINATE THEIR ACTIVITIES SET FORTH UNDER THIS TITLE AND COOPERATE
13 AND CONSULT WITH EACH OTHER ON A REGULAR BASIS.

14 6A-403. PROHIBITION ON CONDUCTING CERTAIN GAMBLING ACTIVITIES WITHOUT A
15 LICENSE; OTHER PROHIBITIONS.

16 (A) NOTWITHSTANDING ANY OTHER LAW, AN ORGANIZATION OR GROUP
17 MAY NOT CONDUCT ANY ACTIVITY COVERED UNDER § 6A-301(A)(2) OF THIS TITLE
18 UNLESS THE ORGANIZATION OR GROUP HAS A LICENSE ISSUED UNDER THIS TITLE
19 FOR EACH GAMBLING ESTABLISHMENT IN WHICH THE AUTHORIZED GAMBLING
20 ACTIVITY IS CONDUCTED.

21 (B) A CONTRACT BETWEEN A VENDOR OF GAMBLING EQUIPMENT AND AN
22 ORGANIZATION, GROUP, OR GAMBLING ESTABLISHMENT LICENSED UNDER THIS
23 TITLE OR OTHER LAW TO CONDUCT GAMBLING ACTIVITY MAY NOT PROVIDE A FEE
24 TO THE VENDOR THAT EXCEEDS A PERCENTAGE OF THE PROCEEDS, AS
25 DETERMINED BY THE COMMISSION BY REGULATION.

26 (C) A VENDOR MAY NOT LEASE, RENT, SELL, DISTRIBUTE, OR SUPPLY ANY
27 GAMBLING EQUIPMENT ON TERMS OTHER THAN A WRITTEN CONTRACT TO LEASE,
28 RENT, SELL, DISTRIBUTE, OR MANUFACTURE.

29 (D) A VENDOR MAY NOT SELL OR DISPOSE OF A SLOT MACHINE EXCEPT TO A
30 PERSON AUTHORIZED BY LAW TO POSSESS ONE.

31 (E) (1) EXCEPT AS MAY BE OTHERWISE ALLOWED BY LAW, A PERSON MAY
32 NOT GIVE ANYTHING OF VALUE TO A LICENSEE OR ANY AGENT, EMPLOYEE, OR
33 PERSONNEL OF THE LICENSEE, INCLUDING A VOLUNTEER.

34 (2) EXCEPT AS MAY BE OTHERWISE ALLOWED BY LAW, A LICENSEE OR
35 ANY AGENT, EMPLOYEE, OR PERSONNEL, INCLUDING A VOLUNTEER, OF A LICENSEE
36 MAY NOT ACCEPT ANYTHING OF VALUE, WHICH IS GIVEN FOR THE PURPOSE OF
37 INDUCING THE LICENSEE TO TAKE OR NOT TAKE ANY PARTICULAR ACTION IN
38 CONNECTION WITH ANY GAMBLING ACTIVITY.

39 6A-404. AUDITS OF GAMBLING ESTABLISHMENTS.

40 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, THE STATE POLICE
41 SHALL HAVE ACCESS TO THE RECORDS IN THE CUSTODY OF THE COMMISSION.

18

1 (B) AN ORGANIZATION, GROUP, OR GAMBLING ESTABLISHMENT, AS A
2 CONDITION FOR LICENSURE UNDER THIS TITLE, SHALL ALLOW AN AUTHORIZED
3 LAW ENFORCEMENT OFFICER OR THE COMMISSION, THE EXECUTIVE DIRECTOR, OR
4 A MEMBER OF THE STAFF OF THE COMMISSION, UPON THE PRESENTATION OF
5 PROPER CREDENTIALS BY THE APPROPRIATE INDIVIDUAL, TO ENTER THE
6 PREMISES DURING BUSINESS HOURS TO INSPECT:

7 (1) ANY RECORD REQUIRED TO BE KEPT BY ANY REGULATION
8 ADOPTED UNDER THIS TITLE; OR

9 (2) ANY GAMBLING EQUIPMENT.

10 (C) IF THE COMMISSION FINDS THAT THE ACCOUNTS OF THE ORGANIZATION,
11 GROUP, OR GAMBLING ESTABLISHMENT ARE INADEQUATE OR INADEQUATELY
12 KEPT OR POSTED, THE COMMISSION MAY EMPLOY EXPERTS TO REWRITE, POST, OR
13 BALANCE THEM AT THE EXPENSE OF THE LICENSEE.

14 (D) THE EXPENSE INCURRED IN ANY EXAMINATION, AUDIT, OR
15 INVESTIGATION OF AN ORGANIZATION, GROUP, OR GAMBLING ESTABLISHMENT
16 MADE UNDER THIS TITLE SHALL BE PAID FOR, WITHIN 30 DAYS AFTER THE
17 EXAMINATION, AUDIT, OR INVESTIGATION BY THE ORGANIZATION, GROUP, OR
18 GAMBLING ESTABLISHMENT BEING EXAMINED, AUDITED, OR INVESTIGATED.

19 (E) (1) EACH ORGANIZATION, GROUP, OR GAMBLING ESTABLISHMENT
20 EXAMINED, AUDITED, OR INVESTIGATED SHALL, WITHIN 30 DAYS AFTER THE
21 EXAMINATION, AUDIT, OR INVESTIGATION, PAY TO THE COMMISSION THE TRAVEL
22 EXPENSES AND A PER DIEM AS COMPENSATION OF INVESTIGATORS, AUDITORS, AND
23 TYPISTS TO THE EXTENT INCURRED, ON ACCOUNT OF THE EXAMINATION, AUDIT,
24 OR INVESTIGATION AT REASONABLE RATES AS THE COMMISSION SHALL ESTABLISH
25 BY REGULATION.

26 (2) A DETAILED ACCOUNT OF THE EXPENSE INCURRED SHALL BE
27 PRESENTED TO THE ORGANIZATION, GROUP, OR GAMBLING ESTABLISHMENT
28 BEING EXAMINED, AUDITED, OR INVESTIGATED AT THE TIME REQUEST FOR
29 PAYMENT IS MADE.

30 (3) AN ORGANIZATION, GROUP, OR GAMBLING ESTABLISHMENT MAY
31 NOT PAY AND AN INVESTIGATOR, EXAMINER, OR AUDITOR MAY NOT ACCEPT ANY
32 ADDITIONAL EMOLUMENT ON ACCOUNT OF ANY EXAMINATION.

33 6A-405. REPORTS AND STUDIES.

34 (A) THE COMMISSION SHALL PREPARE AND SUBMIT AN ANNUAL REPORT TO
35 THE GOVERNOR AND, SUBJECT TO THE PROVISIONS OF § 2-1312 OF THE STATE
36 GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON ALL MATTERS,
37 INCLUDING DISCIPLINARY ACTIONS TAKEN BY THE COMMISSION, RELATING TO THE
38 COMMISSION'S REGULATION AND LICENSURE OF GAMBLING AND RELATED
39 ACTIVITIES UNDER THIS TITLE.

40 (B) THE GOVERNOR OR THE GENERAL ASSEMBLY MAY REQUIRE OTHER
41 REPORTS FROM THE COMMISSION TO BE SUBMITTED ON A MORE FREQUENT BASIS
42 ON OR ABOUT ANY MATTER RELATING TO THIS TITLE.

19

1 (C) THE REPORTS MADE UNDER THIS SECTION ARE PUBLIC RECORDS.

2 (D) (1) THE COMMISSION SHALL CONDUCT A THOROUGH STUDY OF THE
3 TYPES OF GAMBLING ACTIVITY IN THE STATE, INCLUDING HORSE RACING AND
4 LOTTERY GAMES, THAT HAVE BEEN OR MAY BE AUTHORIZED BY THE STATE
5 LOTTERY COMMISSION.

6 (2) (I) IN CONDUCTING THE STUDY, THE COMMISSION SHALL
7 COLLECT PERTINENT DATA, STATISTICS, REPORTS, AND OTHER INFORMATION
8 ABOUT GAMBLING AND ITS SOCIOLOGICAL, PSYCHOLOGICAL, AND ECONOMIC
9 IMPACT ON THE CITIZENS OF THE STATE, INCLUDING COMPULSIVE GAMBLING,
10 CRIMINAL ACTIVITY, AND OTHER PROBLEMS AND CONCERNS ASSOCIATED WITH
11 GAMBLING.

12 (II) IN COLLECTING INFORMATION ABOUT COMPULSIVE
13 GAMBLING, THE COMMISSION SHALL CONSULT WITH THE COMPULSIVE GAMBLING
14 CENTER ESTABLISHED UNDER § 19-803 OF THE HEALTH - GENERAL ARTICLE.

15 (3) THE STUDY SHALL INCLUDE LEGISLATIVE, ADMINISTRATIVE, AND
16 OTHER RECOMMENDATIONS ON:

17 (I) GAMBLING ACTIVITIES UNDER THIS TITLE THAT SHOULD BE
18 ALLOWED OR PROHIBITED IN THE STATE OR IN COUNTIES OF THE STATE;

19 (II) THE TYPES OF LICENSES AND OTHER REGULATORY
20 MECHANISMS THAT SHOULD BE REQUIRED;

21 (III) ANY CHANGES TO THE LAW OF THE STATE ON THE
22 REGULATION OF GAMBLING UNDER THIS TITLE;

23 (IV) THE DEVELOPMENT OR FUNDING OF EDUCATIONAL,
24 PREVENTIVE, AND TREATMENT PROGRAMS RELATING TO GAMBLING; AND

25 (V) ANY OTHER MATTER THE COMMISSION CONSIDERS
26 APPROPRIATE.

27 (4) THE RESULTS AND RECOMMENDATIONS OF THE INITIAL STUDY
28 SHALL BE SUBMITTED TO THE GOVERNOR AND THE GENERAL ASSEMBLY BY
29 JANUARY 1, 1998, AND THEREAFTER ON AN ANNUAL BASIS.

30 6A-406. MARYLAND GAMBLING COMMISSION FUND.

31 (A) THERE IS A MARYLAND GAMBLING COMMISSION FUND WITHIN THE
32 DEPARTMENT.

33 (B) ALL FEES COLLECTED UNDER THIS TITLE SHALL BE PAID INTO THE
34 MARYLAND GAMBLING COMMISSION FUND.

35 (C) THE MARYLAND GAMBLING COMMISSION FUND IS A SPECIAL
36 CONTINUING, NONLAPSING FUND.

37 (D) SUBJECT TO THE APPROPRIATION PROCESS IN THE STATE BUDGET, THE
38 COMMISSION SHALL USE THE FUND FOR THE EXPENSES INCURRED UNDER THIS
39 TITLE.

20

1 (E) THE STATE TREASURER SHALL HOLD AND THE STATE COMPTROLLER
2 SHALL ACCOUNT FOR THE FUND.

3 (F) THE FUND SHALL BE INVESTED AND REINVESTED IN THE SAME MANNER
4 AS OTHER STATE FUNDS.

5 (G) INVESTMENT EARNINGS ACCRUE TO THE BENEFIT OF THE FUND.

6 SUBTITLE 5. PENALTIES.

7 6A-501. PENALTIES.

8 (A) A PERSON WHO WILLFULLY OR KNOWINGLY VIOLATES THIS TITLE IS
9 GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT
10 EXCEEDING \$5,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.

11 (B) EACH INDIVIDUAL WHO PARTICIPATES IN OR CONSENTS TO A VIOLATION
12 OF THIS TITLE IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO
13 A FINE NOT EXCEEDING \$5,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR
14 BOTH.

15 (C) AT THE INITIATIVE OF THE APPROPRIATE STATE'S ATTORNEY OR THE
16 ATTORNEY GENERAL'S OFFICE AND IN ACCORDANCE WITH THE APPLICABLE
17 PROCEDURES OF ARTICLE 27 OF THE CODE, A PERSON SHALL FORFEIT ANY
18 GAMBLING EQUIPMENT TO THE STATE IF:

19 (1) THE PERSON WILLFULLY OR KNOWINGLY OWNS, OPERATES, SELLS,
20 LEASES, SUPPLIES, OR DISTRIBUTES THE EQUIPMENT WITHOUT OBTAINING ALL
21 NECESSARY LICENSES REQUIRED BY THIS TITLE AND, IF APPROPRIATE, BY ARTICLE
22 27 OF THE CODE; OR

23 (2) THE PERSON WILLFULLY OR KNOWINGLY OWNS, OPERATES, SELLS,
24 LEASES, SUPPLIES, OR DELIVERS THE EQUIPMENT WITHOUT PROVIDING THE
25 COMMISSION THE WRITTEN RECORDS, DOCUMENTATION, OR INFORMATION
26 REQUIRED BY THIS TITLE OR THE REGULATIONS UNDER IT.

27 (D) EACH VIOLATION OF THIS TITLE IS A SEPARATE OFFENSE.

28 SUBTITLE 6. SHORT TITLE.

29 6A-601. SHORT TITLE.

30 THIS TITLE MAY BE CITED AS THE MARYLAND GAMBLING ACT.

31 SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial
32 members of the Maryland Gambling Commission shall expire as follows:

33 (1) 3 members on July 1, 2000;

34 (2) 3 members on July 1, 1999; and

35 (3) 1 member on July 1, 1998.

21

1 SECTION 3. AND BE IT FURTHER ENACTED, That the Maryland Gambling
2 Commission, as soon as possible after its formation and organization, shall develop a
3 workable, efficient, and clearly understandable plan and procedures to ensure that all
4 organizations, associations, companies, firms, and business entities that are required to be
5 licensed by the Commission under the provisions of this Act shall be licensed by January
6 1, 1998.

7 SECTION 4. AND BE IT FURTHER ENACTED, That if any provision of this Act
8 conflicts with or duplicates the powers and duties of the Secretary of State under Title 6
9 of the Business Regulation Article, or any other provision of Title 6, the Secretary of
10 State and the Maryland Gambling Commission shall, by January 1, 1998, develop
11 legislation, in consultation with the Department of Legislative Reference, to resolve the
12 conflicts or duplication of powers, authority, or any other provisions of law affecting the
13 Secretary of State and the Commission.

14 SECTION 5. AND BE IT FURTHER ENACTED, That any organization or group
15 that is authorized and licensed to conduct gambling activities in accordance with the
16 provisions of Article 27 of the Annotated Code of Maryland or any other law on or before
17 the effective date of this Act and that continues to possess the valid license as provided in
18 the Code or other law is not required to obtain a license as provided in § 6A-301 of the
19 Business Regulation Article as provided in this Act until 1 year after the effective date of
20 this Act but shall otherwise be subject to all other provisions of this Act.

21 SECTION 6. AND BE IT FURTHER ENACTED, That the catchlines inserted
22 after each section designation in Section 1 of this Act are not law and may not be
23 considered to have been enacted as part of this Act.

24 SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July 1, 1997.