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**By: Delegates Bonsack and C. Davis**

Introduced and read first time: February 6, 1997

Assigned to: Judiciary

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A BILL ENTITLED

1 AN ACT concerning

2 **Electronic Gaming Devices - Nonprofit Organizations**

3 FOR the purpose of making applicable to each county of the State certain gaming laws  
4 concerning the licensing, proceeds, fees, and other requirements for the operation  
5 of electronic gaming devices by certain nonprofit organizations; making stylistic  
6 changes; changing certain references from "slot machines" to "electronic gaming  
7 devices"; and generally relating to electronic gaming devices.

8 BY repealing and reenacting, with amendments,  
9 Article 27 - Crimes and Punishments  
10 Section 264B  
11 Annotated Code of Maryland  
12 (1996 Replacement Volume)

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

15 **Article 27 - Crimes and Punishments**

16 264B.

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

27 I. It shall be unlawful for any person, firm or corporation to locate, possess,  
28 keep, maintain or operate any [slot machine] ELECTRONIC GAMING DEVICE within this  
29 State, whether as owner, lessor, lessee, licensor, licensee, or otherwise, except as provided  
30 in paragraphs II, VI, and VII of 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] ELECTRONIC GAMING DEVICES 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 [slot machines]  
7 ELECTRONIC GAMING DEVICES in excess of the maximum numbers hereinafter set  
8 forth, and it shall be unlawful for any person, firm or corporation to possess, keep or  
9 maintain, other than in a building or upon any premises used solely for storage, or  
10 operate within any one building, or upon any premises, as hereinafter defined, a number  
11 of [slot machines] ELECTRONIC GAMING DEVICES in excess of the following maximum  
12 numbers of such [machines] DEVICES:

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

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

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

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

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

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

41           III. Any firm, person or corporation violating the provisions hereof shall be  
42 deemed guilty of a misdemeanor and shall, upon conviction, be punishable by a fine of

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1 [one thousand dollars (\$1,000)] \$1,000 or by imprisonment for a period not to exceed  
 2 [one (1)] 1 year, or by both such fine and such imprisonment, for each violation.

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

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

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

22 (1) Caroline County;

23 (2) Cecil County;

24 (3) Dorchester County;

25 (4) Kent County;

26 (5) Queen Anne's County;

27 (6) Somerset County;

28 (7) Talbot County; and

29 (8) Wicomico County] EACH COUNTY OF THE STATE.

30 (B) In paragraph VI, "eligible organization" means a bona fide fraternal,  
 31 religious, or war veterans' nonprofit organization which has been located in [a] THE  
 32 county [listed in paragraph VI(A) of this section] IN WHICH IT SEEKS TO OBTAIN A  
 33 LICENSE FOR OPERATING ELECTRONIC GAMING DEVICES for a period of at least 5  
 34 years before application for a license under paragraph VI(E) of this section.

35 (C) Notwithstanding any other provision of this subtitle, an eligible  
 36 organization may own and operate [a slot machine] AN ELECTRONIC GAMING DEVICE  
 37 if it:

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

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1 (2) Owns the [slot machines] ELECTRONIC GAMING DEVICES it  
2 operates;

3 (3) Owns no more than 5 [slot machines] ELECTRONIC GAMING  
4 DEVICES, where each [slot machine] ELECTRONIC GAMING DEVICE is an individual  
5 [slot machine] ELECTRONIC GAMING DEVICE and not a console or set of [slot  
6 machines] ELECTRONIC GAMING DEVICES affixed to each other;

7 (4) Locates and operates the [slot machines] ELECTRONIC GAMING  
8 DEVICES at its principal meeting hall in the county in which the eligible organization is  
9 located;

10 (5) Uses at least 50 percent of the proceeds from the [slot machines]  
11 ELECTRONIC GAMING DEVICES for the benefit of a charity and the remainder of the  
12 proceeds in the furtherance of the purposes of the eligible organization;

13 (6) Does not use any of the proceeds for the financial benefit of any  
14 individual;

15 (7) Does not locate or operate the [slot machines] ELECTRONIC  
16 GAMING DEVICES in any private commercial facility; and

17 (8) Reports annually under affidavit to the Comptroller of the  
18 Treasury the income of each [slot machine] ELECTRONIC GAMING DEVICE and the  
19 disposition of the income in accordance with this paragraph.

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

22 (1) The [slot machine] ELECTRONIC GAMING DEVICE shall be  
23 equipped with a tamperproof meter or counter which accurately records gross receipts;  
24 and

25 (2) The eligible organization shall accurately take and maintain a  
26 record of the gross receipts and payoffs of the [slot machine] ELECTRONIC GAMING  
27 DEVICE.

28 (E) (1) Before an eligible organization operates [a slot machine] AN  
29 ELECTRONIC GAMING DEVICE under paragraph VI(C) of this section, the eligible  
30 organization shall obtain a license for the [slot machine] ELECTRONIC GAMING  
31 DEVICE from the sheriff for the county in which the eligible organization plans to locate  
32 the [slot machine] ELECTRONIC GAMING DEVICE.

33 (2) (i) The county shall:

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

36 2. Issue a license sticker to the applicant.

37 (ii) The applicant shall place the sticker on the [slot machine]  
38 ELECTRONIC GAMING DEVICE.

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

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

6 (i) Is an eligible organization; and

7 (ii) Will comply with the provisions of paragraph VI(C) of this  
8 section.

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

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

13 VII. (A) Only for the purpose of demonstration or sale to an entity lawfully  
14 permitted to buy [slot machines] ELECTRONIC GAMING DEVICES, a person may take  
15 delivery of, possess, or transport [slot machines] ELECTRONIC GAMING DEVICES if the  
16 person:

17 (1) Is operating with or under a distributorship contract with a  
18 manufacturer of [slot machines] ELECTRONIC GAMING DEVICES;

19 (2) Is registered with the United States Department of Justice as a  
20 distributor of [slot machines] ELECTRONIC GAMING DEVICES; and

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

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

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

29 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 October 1, 1997.