
By: Senators Baker, Hoffman, Bromwell, and Blount

Introduced and read first time: February 20, 1997

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Gambling Control Commission**

3 FOR the purpose of establishing the Maryland Gambling Control Commission; providing
4 that the Commission consists of a certain number of members appointed by the
5 Governor with the advice and consent of the Senate; requiring the Attorney
6 General to conduct a certain investigation of each nominee; requiring that a
7 criminal background report be provided to the Attorney General by each nominee;
8 establishing the qualifications and terms for Commission members; requiring the
9 Governor to appoint the Chairman of the Commission with the advice and consent
10 of the Senate; establishing rules governing quorums, meetings, and compensation;
11 requiring the Commission to appoint an Executive Director; establishing duties,
12 responsibilities, and eligibility requirements for the Executive Director; providing
13 staff for the Commission; requiring that a criminal background report be provided
14 to the Commission by the Executive Director and each staff member under certain
15 circumstances; establishing a legislative oversight committee; requiring the
16 Legislative Auditor to audit the Commission on an annual basis; authorizing the
17 Governor to appoint citizens' advisory committees; specifying powers and duties for
18 the Commission; authorizing the Commission to issue certain types of gambling
19 licenses; requiring the Commission to deny an application for an initial or renewed
20 license or suspend or revoke a license under certain circumstances; establishing
21 procedures for hearings and appeals; authorizing the Commission to issue cease and
22 desist orders under certain circumstances; establishing a Division of Gambling
23 Enforcement in the Office of the Attorney General; requiring that the Division be
24 under the immediate supervision of a Director who is an assistant Attorney General
25 and is appointed by the Attorney General; providing staff for the Division; requiring
26 that a criminal background report be provided to the Attorney General or the
27 Director by each staff member under certain circumstances; providing that the
28 Director is legal advisor to the Commission; specifying powers and duties of the
29 Division; establishing certain prohibitions; authorizing certain audits of gambling
30 establishments; requiring that certain reports be submitted by the Commission and
31 Division to the Governor and General Assembly; establishing a Maryland Gambling
32 Control Commission Fund; specifying that this Fund is a special continuing,
33 nonlapsing fund; establishing certain penalties; defining certain terms; providing
34 that certain persons and entities are not subject to the licensing requirements of this
35 Act until a certain date; and generally relating to the regulation of gambling
36 activities.

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1 BY adding to

2 Article 41 - Governor - Executive and Administrative Departments
 3 Section 20-101 through 20-701, inclusive, to be under the new title "Title 20.
 4 Maryland Gambling Control Commission"
 5 Annotated Code of Maryland
 6 (1997 Replacement Volume)

7 Preamble

8 WHEREAS, At common law, gambling was a lawful activity unless it became a
 9 nuisance. Over the years, however, the State has enacted many laws that prohibit various
 10 types of gambling. Today, a number of overlapping statutory provisions prohibit most
 11 types of gambling activities throughout the State. Current law specifies that the statewide
 12 prohibitions against "gambling and betting" must be construed "liberally, so as to prevent
 13 the mischiefs intended to be provided against". However, despite broad statutory
 14 prohibitions against gambling activities of any kind, many forms of gambling are now
 15 lawful in the State because the General Assembly has carved out numerous exceptions to
 16 the statewide prohibitions. Most of these exceptions are applicable only in particular local
 17 jurisdictions; and

18 WHEREAS, State lotteries are currently authorized by statute and regulated by the
 19 State Lottery Commission and horse racing is currently authorized by statute and
 20 regulated by the Maryland Racing Commission; and

21 WHEREAS, Gambling aboard a passenger cruise vessel on waters of the State is
 22 currently authorized by statute so long as the vessel is underway east of the Francis Scott
 23 Key Bridge, is operating under an itinerary that either originates or terminates in a
 24 foreign port, and receives authorization from the Maryland Port Administration to
 25 conduct gambling activities; and

26 WHEREAS, Many other types of gambling are currently authorized by statute but
 27 are not regulated by the State. These types of gambling include: (1) commercial bingo,
 28 which is authorized in three counties; (2) bingo that is conducted by certain charitable
 29 and nonprofit organizations, which is authorized throughout the State; (3) raffles
 30 conducted by political committees and certain charitable or nonprofit organizations,
 31 which are authorized throughout the State; (4) paddle wheels and wheels of fortune
 32 conducted by certain charitable and nonprofit organizations, which are authorized in 23
 33 counties; (5) the use of slot machines by certain charitable organizations, which is
 34 authorized in eight counties; (6) casino gambling (including card games, roulette, and
 35 dice games) conducted by certain charitable and nonprofit organizations, which is
 36 authorized in 14 counties; and (7) the use of tip jars by certain charitable and nonprofit
 37 organizations as well as certain for-profit entities, which is authorized in 15 counties.
 38 Regulation of these types of gambling activities is absent or inadequate in many counties;
 39 and

40 WHEREAS, The history of gambling in Maryland reflects a continuous effort to
 41 satisfy the State's desire for revenues and the public's desire for gambling opportunities
 42 while, at the same time, guarding against the two major threats posed by the huge

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1 amounts of money that gambling generates: (1) corruption of public authority; and (2)
2 erosion of public trust in government; and

3 WHEREAS, There is a growing concern in the State about the nature and quantity
4 of gambling activities in the State and the lack of adequate oversight and management of
5 these activities. This concern is reflected in the Final Report of the Joint
6 Executive-Legislative Task Force to Study Commercial Gaming Activities in Maryland,
7 which was issued in December of 1995. In its report, the Commission discussed the
8 inadequacies of the current regulatory system and recommended that the General
9 Assembly and the Governor: (1) review the existing patchwork of laws governing
10 nonprofit gambling in Maryland and develop uniform and tighter regulation; and (2)
11 strengthen the enforcement of current prohibitions against the unauthorized operation of
12 slot machines, tip jars, and other gambling devices; and

13 WHEREAS, There is also a continuing interest in the State for expanding the types
14 of charitable, nonprofit, and commercial gambling activities that are authorized in the
15 State; and

16 WHEREAS, Given the vast scope of charitable, nonprofit, and commercial
17 gambling activities that are already authorized in the State, the concern about the lack of
18 adequate State oversight and management of gambling activities other than State lotteries
19 and horse racing, the concern about inadequate enforcement of current prohibitions
20 against gambling activities, and the interest in expanding charitable, nonprofit, and
21 commercial gambling activities in the State, the General Assembly finds that it is
22 appropriate for the State to undertake a new role in regulating and monitoring gambling
23 activities throughout the State by establishing the Maryland Gambling Control
24 Commission and the Division of Gambling Enforcement in the Office of the Attorney
25 General; and

26 WHEREAS, It is the intent of the General Assembly, in creating the Maryland
27 Gambling Control Commission, to vest in the Commission the power to regulate and
28 license all forms of gambling in the State, other than State lotteries, horse racing, and
29 gambling on passenger cruise ships; and

30 WHEREAS, Given the confusing status of current laws governing gambling
31 activities in the State, which now authorize various gambling activities under numerous
32 and sometimes overlapping and inconsistent State, county, and municipal statutory
33 provisions, it is the intent of the General Assembly that the Maryland Gambling Control
34 Commission conduct a review of all relevant State, county, and municipal laws and make
35 recommendations to the General Assembly as to how these laws should be changed to
36 protect the public health, safety, and welfare and achieve the goals of uniformity,
37 consistency, and clarity; and

38 WHEREAS, It is the intent of the General Assembly that the Commission evaluate
39 the feasibility and advisability of State regulation of all commercial and noncommercial
40 gambling activities through State preemption of all local laws relating to such activities;
41 and

42 WHEREAS, It is the intent of the General Assembly to maintain the status of any
43 current public general or public local law regulating gambling activities in the State,

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1 unless such laws are in direct conflict with this Act, until a thorough review of these laws
2 is completed by the Commission; and

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

9 WHEREAS, As noted by the Joint Executive-Legislative Task Force to Study
10 Commercial Gaming Activities in Maryland in its Final Report, the current laws
11 governing gambling activities have not been uniformly enforced by the State's Attorneys
12 throughout the State. Some State's Attorneys have openly refused to enforce current laws
13 that restrict or prohibit certain gambling activities. It is the intent of the General
14 Assembly, in creating the Division of Gambling Enforcement in the Office of the
15 Attorney General, to vest in the Division the power to enforce the criminal laws
16 governing gambling activities throughout the State and to assist the Commission in
17 fulfilling its duties under this Act; now, therefore,

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

20 **Article 41 - Governor - Executive and Administrative Departments**

21 TITLE 20.

22 MARYLAND GAMBLING CONTROL COMMISSION.

23 SUBTITLE 1. DEFINITIONS; SCOPE.

24 20-101. DEFINITIONS.

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

26 (B) "APPLICANT" MEANS A PERSON WHO HAS APPLIED FOR A LICENSE UNDER
27 THIS TITLE.

28 (C) "CHAIRMAN" MEANS THE CHAIRMAN OF THE COMMISSION.

29 (D) "CHARITABLE ORGANIZATION" MEANS AN ORGANIZATION DESCRIBED
30 IN § 170(C) OF THE FEDERAL INTERNAL REVENUE CODE.

31 (E) "COMMISSION" MEANS THE MARYLAND GAMBLING CONTROL
32 COMMISSION.

33 (F) "COUNTY" MEANS A COUNTY OR BALTIMORE CITY.

34 (G) "DIRECTOR" MEANS THE DIRECTOR OF THE DIVISION.

35 (H) "DIVISION" MEANS THE DIVISION OF GAMBLING ENFORCEMENT IN THE
36 OFFICE OF THE ATTORNEY GENERAL.

37 (I) "ELIGIBLE GAMBLING APPLICANT" MEANS A PERSON WHO:

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1 (1) IS AUTHORIZED TO CONDUCT GAMBLING ACTIVITIES UNDER
2 ARTICLE 27 OF THE CODE; AND

3 (2) OTHERWISE MEETS THE LICENSING REQUIREMENTS ESTABLISHED
4 UNDER THIS TITLE AND THE REGULATIONS ADOPTED UNDER THIS TITLE.

5 (J) "ELIGIBLE GAMBLING ESTABLISHMENT APPLICANT" MEANS THE OWNER,
6 OPERATOR, OR MANAGER OF A GAMBLING ESTABLISHMENT:

7 (1) AT WHICH GAMBLING ACTIVITIES MAY BE CONDUCTED UNDER
8 ARTICLE 27 OF THE CODE; AND

9 (2) THAT OTHERWISE MEETS THE LICENSING REQUIREMENTS
10 ESTABLISHED UNDER THIS TITLE AND THE REGULATIONS ADOPTED UNDER THIS
11 TITLE.

12 (K) "ELIGIBLE VENDOR APPLICANT" MEANS A VENDOR WHO:

13 (1) MEETS ANY APPLICABLE REQUIREMENTS ESTABLISHED UNDER
14 ARTICLE 27 OF THE CODE; AND

15 (2) OTHERWISE MEETS THE LICENSING REQUIREMENTS ESTABLISHED
16 UNDER THIS TITLE AND THE REGULATIONS ADOPTED UNDER THIS TITLE.

17 (L) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE
18 COMMISSION.

19 (M) (1) "GAMBLING" MEANS ANY GAME OF CHANCE THAT IS PLAYED FOR
20 MONEY OR ANY OTHER PRIZE.

21 (2) "GAMBLING" INCLUDES:

22 (I) BINGO;

23 (II) CARD GAMES;

24 (III) CHANCE BOOKS;

25 (IV) DICE GAMES;

26 (V) PUNCHBOARDS;

27 (VI) PADDLE WHEELS, WHEELS OF FORTUNE, AND ANY OTHER
28 GAME INVOLVING WHEELS OF CHANCE;

29 (VII) RAFFLES;

30 (VIII) ROULETTE;

31 (IX) SLOT MACHINES; AND

32 (X) TIP JARS.

33 (3) "GAMBLING" DOES NOT INCLUDE:

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1 (I) LOTTERIES CONDUCTED UNDER TITLE 9, SUBTITLE 1 OF THE
2 STATE GOVERNMENT ARTICLE;

3 (II) HORSE RACING CONDUCTED UNDER TITLE 11 OF THE
4 BUSINESS REGULATION ARTICLE;

5 (III) FREE-PLAY CONSOLE MACHINES AND FREE-PLAY PINBALL
6 MACHINES THAT ARE LICENSED UNDER PARTS I AND II OF TITLE 17, SUBTITLE 4 OF
7 THE BUSINESS REGULATION ARTICLE;

8 (IV) PINBALL MACHINES FOR PUBLIC USE IN WICOMICO COUNTY
9 THAT ARE LICENSED UNDER PART III OF TITLE 17, SUBTITLE 4 OF THE BUSINESS
10 REGULATION ARTICLE;

11 (V) AMUSEMENT DEVICES FOR PUBLIC USE IN GARRETT COUNTY
12 THAT ARE LICENSED UNDER PART IV OF TITLE 17, SUBTITLE 4 OF THE BUSINESS
13 REGULATION ARTICLE; OR

14 (VI) GAMBLING ABOARD A PASSENGER CRUISE VESSEL THAT IS
15 AUTHORIZED UNDER § 6-209 OF THE TRANSPORTATION ARTICLE.

16 (N) "GAMBLING EQUIPMENT" MEANS ANY DEVICE, MECHANISM, MACHINE,
17 PRINTED MATTER, MATERIAL, FIXTURE, FURNITURE, CONSTRUCTION,
18 INSTALLATION, OR OTHER THING USED IN CONNECTION WITH GAMBLING.

19 (O) "GAMBLING ESTABLISHMENT" MEANS THE BUILDING, ROOM,
20 ENCLOSURE, OR OTHER PLACE IN WHICH GAMBLING IS CONDUCTED.

21 (P) "GROSS REVENUE" MEANS THE TOTAL AMOUNT OF MONEY RECEIVED BY
22 A LICENSEE FOR GAMBLING ACTIVITIES MINUS THE TOTAL AMOUNT OF MONEY
23 PAID OUT AS WINNINGS TO PATRONS OR THE TOTAL COST OF PRIZES DISTRIBUTED
24 TO PATRONS.

25 (Q) "LICENSEE" MEANS A PERSON LICENSED UNDER THIS TITLE:

26 (1) TO CONDUCT GAMBLING ACTIVITIES;

27 (2) AS A GAMBLING ESTABLISHMENT; OR

28 (3) AS A VENDOR.

29 (R) "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 (S) "STATE" MEANS THE STATE OF MARYLAND.

34 (T) "VENDOR" MEANS ANY PERSON WHO MANUFACTURES ANY GAMBLING
35 EQUIPMENT OR SELLS, LEASES, DELIVERS, DISTRIBUTES, OR SUPPLIES ANY
36 GAMBLING EQUIPMENT TO ANY PERSON.

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1 20-102. SCOPE.

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

4 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THIS TITLE MAY
5 NOT BE CONSTRUED TO PREEMPT THE AUTHORITY OF ANY COUNTY OR MUNICIPAL
6 CORPORATION OF THE STATE UNDER ARTICLE 27 OF THE CODE OR ANY OTHER
7 PUBLIC GENERAL LAW, PUBLIC LOCAL LAW, LOCAL ORDINANCE, OR LOCAL
8 RESOLUTION IN EFFECT BEFORE, ON, OR AFTER THE EFFECTIVE DATE OF THIS
9 TITLE.

10 (2) IF ANY PROVISION OF ARTICLE 27 OF THE CODE OR ANY OTHER
11 PUBLIC GENERAL LAW, PUBLIC LOCAL LAW, LOCAL ORDINANCE, OR LOCAL
12 RESOLUTION CONFLICTS WITH THE PROVISIONS OF THIS TITLE, THE PROVISIONS OF
13 THIS TITLE SHALL PREEMPT THAT LAW, ORDINANCE, OR RESOLUTION.

14 SUBTITLE 2. MARYLAND GAMBLING CONTROL COMMISSION.

15 20-201. MARYLAND GAMBLING CONTROL COMMISSION ESTABLISHED.

16 (A) THERE IS A MARYLAND GAMBLING CONTROL COMMISSION WHICH IS AN
17 INDEPENDENT UNIT OF STATE GOVERNMENT.

18 (B) THE COMMISSION SHALL BE FUNDED AS PROVIDED IN THE STATE
19 BUDGET.

20 20-202. MEMBERSHIP; QUALIFICATIONS; TERM.

21 (A) (1) THE COMMISSION CONSISTS OF FIVE MEMBERS APPOINTED BY THE
22 GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE OF MARYLAND.

23 (2) IN MAKING APPOINTMENTS TO THE COMMISSION, THE GOVERNOR
24 SHALL GIVE CONSIDERATION TO BASING THE MEMBERSHIP ON FACTORS RELATING
25 TO THE EQUITABLE GEOGRAPHIC REPRESENTATION OF THE REGIONS OF THE
26 STATE.

27 (B) EACH MEMBER:

28 (1) SHALL BE AT LEAST 25 YEARS OLD AT THE TIME OF APPOINTMENT;

29 (2) SHALL BE A RESIDENT OF THE STATE WHO HAS RESIDED IN THE
30 STATE FOR AT LEAST THE PREVIOUS 5 YEARS AT THE TIME OF APPOINTMENT;

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

32 (4) SHALL BE A PERSON WHO HAS NOT BEEN CONVICTED OF OR
33 PLEADED GUILTY TO A FELONY UNDER THE LAWS OF THIS STATE OR ANY OTHER
34 STATE OR FEDERAL LAW OR A CRIME THAT INVOLVES MORAL TURPITUDE;

35 (5) MAY NOT HAVE ANY DIRECT OR INDIRECT FINANCIAL INTEREST BY
36 OWNERSHIP, OPERATION, OR MANAGEMENT IN ANY GAMBLING ACTIVITY,
37 GAMBLING ESTABLISHMENT, OR VENDOR IN THIS STATE OR IN ANY OTHER STATE
38 OR FOREIGN JURISDICTION, INCLUDING LOTTERIES OR HORSE RACING;

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1 (6) MAY NOT RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE
2 RECEIPTS OF ANY GAMBLING ACTIVITY, INCLUDING LOTTERIES AND HORSE
3 RACING;

4 (7) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR:

5 (I) THE MANUFACTURE, SALE, RENTAL, DISTRIBUTION,
6 DELIVERY, OR SUPPLY OF GAMBLING EQUIPMENT;

7 (II) THE CONDUCT OF ANY GAMBLING ACTIVITY;

8 (III) THE OPERATION OR MANAGEMENT OF ANY GAMBLING
9 ESTABLISHMENT; OR

10 (IV) THE PROVISION OF ANY INDEPENDENT CONSULTANT
11 SERVICES IN CONNECTION WITH ANY GAMBLING ACTIVITY, GAMBLING
12 ESTABLISHMENT, OR VENDOR; AND

13 (8) MAY NOT BE EMPLOYED BY ANY VENDOR, ANY PERSON WHO
14 CONDUCTS GAMBLING ACTIVITY, OR ANY PERSON WHO OWNS OR OPERATES A
15 GAMBLING ESTABLISHMENT.

16 (C) (1) PRIOR TO NOMINATION, THE GOVERNOR SHALL REQUEST THAT
17 THE ATTORNEY GENERAL INVESTIGATE A POTENTIAL NOMINEE'S BACKGROUND TO
18 INSURE THAT THE PERSON:

19 (I) MEETS THE ELIGIBILITY REQUIREMENTS ESTABLISHED
20 UNDER SUBSECTION (B) OF THIS SECTION; AND

21 (II) IS OTHERWISE A PERSON OF GOOD CHARACTER, HONESTY,
22 AND INTEGRITY.

23 (2) EACH NOMINEE SHALL SUBMIT A CRIMINAL BACKGROUND REPORT
24 TO THE ATTORNEY GENERAL, INCLUDING A COMPLETE SET OF LEGIBLE
25 FINGERPRINTS TAKEN ON STANDARD FINGERPRINT CARDS AT A STATE OR
26 FEDERAL LAW ENFORCEMENT AGENCY AND THE RESULTS OF A STATE AND
27 FEDERAL BACKGROUND INVESTIGATION OF THE NOMINEE.

28 (3) ANY INFORMATION OBTAINED BY THE ATTORNEY GENERAL ABOUT
29 ANY CRIMINAL CHARGES AGAINST ANY NOMINEE AND THE DISPOSITION OF SUCH
30 CHARGES SHALL BE USED TO DETERMINE A NOMINEE'S ELIGIBILITY TO SERVE ON
31 THE COMMISSION.

32 (4) EXCEPT AS PROVIDED UNDER PARAGRAPH (3) OF THIS SUBSECTION
33 OR AS OTHERWISE DIRECTED BY A COURT ORDER, ANY INFORMATION OBTAINED
34 BY THE ATTORNEY GENERAL ABOUT ANY CRIMINAL CHARGES AGAINST ANY
35 NOMINEE AND THE DISPOSITION OF SUCH CHARGES MAY NOT BE TRANSMITTED
36 OUTSIDE OF THE OFFICE OF THE ATTORNEY GENERAL AND IS CONFIDENTIAL.

37 (D) NOT MORE THAN THREE MEMBERS OF THE COMMISSION MAY BE
38 AFFILIATED WITH THE SAME POLITICAL PARTY.

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

3 (F) (1) THE TERM OF A MEMBER OF THE COMMISSION IS 5 YEARS AND
4 BEGINS ON JULY 1, PROVIDED, HOWEVER, THAT A MEMBER MAY NOT SERVE FOR
5 MORE THAN A TOTAL OF 10 YEARS.

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

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

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

13 (G) THE GOVERNOR MAY REMOVE A MEMBER OF THE COMMISSION FOR
14 INEFFICIENCY, MISCONDUCT IN OFFICE, NEGLECT OF DUTY, OR OTHER CONDUCT
15 EVIDENCING INCOMPETENCE OR LACK OF FITNESS FOR THE POSITION.

16 20-203. CHAIRMAN.

17 (A) THE GOVERNOR SHALL DESIGNATE A CHAIRMAN FROM AMONG THE
18 MEMBERS OF THE COMMISSION.

19 (B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE MEMBER WHO IS
20 DESIGNATED AS CHAIRMAN BY THE GOVERNOR SHALL SERVE AS CHAIRMAN
21 THROUGHOUT THE MEMBER'S TERM OR UNTIL A SUCCESSOR HAS BEEN
22 DESIGNATED BY THE GOVERNOR.

23 (C) A MEMBER MAY NOT SERVE MORE THAN 5 YEARS AS CHAIRMAN.

24 20-204. QUORUM, MEETINGS, AND COMPENSATION.

25 (A) A MAJORITY OF THE MEMBERS THEN SERVING ON THE COMMISSION IS A
26 QUORUM.

27 (B) THE COMMISSION SHALL MEET IN THE STATE AT THE TIMES AND PLACES
28 THAT THE COMMISSION DETERMINES.

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

31 (D) EACH MEMBER OF THE COMMISSION SHALL BE:

32 (1) COMPENSATED IN ACCORDANCE WITH THE STATE BUDGET; AND

33 (2) REIMBURSED UNDER THE STANDARD STATE TRAVEL
34 REGULATIONS FOR EXPENSES FOR EACH COMMISSION MEETING ATTENDED AND
35 OTHER NECESSARY EXPENSES, AS PROVIDED IN THE STATE BUDGET.

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1 20-205. EXECUTIVE DIRECTOR.

2 (A) THE COMMISSION SHALL APPOINT AN EXECUTIVE DIRECTOR FOR THE
3 COMMISSION.

4 (B) THE EXECUTIVE DIRECTOR SHALL SERVE AT THE PLEASURE OF THE
5 COMMISSION.

6 (C) THE EXECUTIVE DIRECTOR SHALL:

7 (1) COLLECT THE FEES IMPOSED BY REGULATIONS ADOPTED BY THE
8 COMMISSION UNDER THIS TITLE AND DEPOSIT THEM TO THE CREDIT OF THE
9 MARYLAND GAMBLING CONTROL COMMISSION FUND ESTABLISHED UNDER § 20-505
10 OF THIS TITLE;

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

13 (3) ISSUE THE LICENSES AUTHORIZED UNDER THIS TITLE;

14 (4) PREPARE, ISSUE, AND SUBMIT REPORTS OF THE COMMISSION;

15 (5) ADMINISTER THE DAILY OPERATION OF THE OFFICE OF THE
16 COMMISSION;

17 (6) SIGN AND ISSUE SUBPOENAS ON BEHALF OF THE COMMISSION; AND

18 (7) PERFORM ANY OTHER DUTY THAT THE COMMISSION DIRECTS.

19 (D) THE EXECUTIVE DIRECTOR SHALL BE:

20 (1) COMPENSATED IN ACCORDANCE WITH THE STATE BUDGET; AND

21 (2) REIMBURSED FOR EXPENSES UNDER THE STANDARD STATE
22 TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

23 20-206. STAFF OF THE COMMISSION.

24 (A) WITH THE APPROVAL OF THE COMMISSION AND SUBJECT TO THE STATE
25 PERSONNEL MANAGEMENT SYSTEM, THE EXECUTIVE DIRECTOR SHALL APPOINT A
26 STAFF TO THE COMMISSION.

27 (B) THE STAFF MAY INCLUDE INSPECTORS, INVESTIGATORS, EXAMINERS,
28 AUDITORS, TYPISTS, CLERKS, AND ANY OTHER PROFESSIONAL, TECHNICAL, AND
29 OPERATIONAL PERSONNEL THAT ARE NECESSARY TO ASSIST THE EXECUTIVE
30 DIRECTOR AND THE COMMISSION IN CARRYING OUT THEIR POWERS AND DUTIES
31 UNDER THIS TITLE.

32 (C) EACH MEMBER OF THE COMMISSION'S STAFF SHALL BE:

33 (1) COMPENSATED IN ACCORDANCE WITH THE STATE BUDGET; AND

34 (2) REIMBURSED FOR EXPENSES UNDER THE STANDARD STATE
35 TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

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1 20-207. FINGERPRINTS AND CRIMINAL BACKGROUND CHECKS.

2 (A) A MEMBER OF THE COMMISSION'S STAFF, INCLUDING THE EXECUTIVE
3 DIRECTOR:

4 (1) SHALL BE A PERSON WHO HAS NOT BEEN CONVICTED OF OR
5 PLEADED GUILTY TO A FELONY UNDER THE LAWS OF THIS STATE OR ANY OTHER
6 STATE OR FEDERAL LAW OR A CRIME THAT INVOLVES MORAL TURPITUDE;

7 (2) MAY NOT HAVE ANY DIRECT OR INDIRECT FINANCIAL INTEREST BY
8 OWNERSHIP, OPERATION, OR MANAGEMENT IN ANY GAMBLING ACTIVITY,
9 GAMBLING ESTABLISHMENT, OR VENDOR IN THIS STATE OR IN ANY OTHER STATE
10 OR FOREIGN JURISDICTION, INCLUDING LOTTERIES OR HORSE RACING;

11 (3) MAY NOT RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE
12 RECEIPTS OF ANY GAMBLING ACTIVITY, INCLUDING LOTTERIES AND HORSE
13 RACING;

14 (4) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR:

15 (I) THE MANUFACTURE, SALE, RENTAL, DISTRIBUTION,
16 DELIVERY, OR SUPPLY OF GAMBLING EQUIPMENT;

17 (II) THE CONDUCT OF ANY GAMBLING ACTIVITY;

18 (III) THE OPERATION OR MANAGEMENT OF ANY GAMBLING
19 ESTABLISHMENT; OR

20 (IV) THE PROVISION OF ANY INDEPENDENT CONSULTANT
21 SERVICES IN CONNECTION WITH ANY GAMBLING ACTIVITY, GAMBLING
22 ESTABLISHMENT, OR VENDOR; AND

23 (5) MAY NOT BE EMPLOYED BY ANY VENDOR, ANY PERSON WHO
24 CONDUCTS GAMBLING ACTIVITY, OR ANY PERSON WHO OWNS OR OPERATES A
25 GAMBLING ESTABLISHMENT.

26 (B) (1) THE EXECUTIVE DIRECTOR SHALL SUBMIT A CRIMINAL
27 BACKGROUND REPORT TO THE COMMISSION, INCLUDING A COMPLETE SET OF
28 LEGIBLE FINGERPRINTS TAKEN ON STANDARD FINGERPRINT CARDS AT A STATE OR
29 FEDERAL LAW ENFORCEMENT AGENCY AND THE RESULTS OF A STATE AND
30 FEDERAL BACKGROUND INVESTIGATION OF THE EXECUTIVE DIRECTOR.

31 (2) THE COMMISSION MAY REQUEST THAT AN APPLICANT FOR
32 EMPLOYMENT WITH OR EMPLOYEE OF THE COMMISSION PROVIDE TO IT A
33 CRIMINAL BACKGROUND REPORT, INCLUDING A COMPLETE SET OF LEGIBLE
34 FINGERPRINTS TAKEN ON STANDARD FINGERPRINT CARDS AT A STATE OR
35 FEDERAL LAW ENFORCEMENT AGENCY AND THE RESULTS OF A STATE AND
36 FEDERAL BACKGROUND INVESTIGATION OF THE APPLICANT OR EMPLOYEE.

37 (C) ANY INFORMATION OBTAINED BY THE COMMISSION UNDER SUBSECTION
38 (B) OF THIS SECTION ABOUT ANY CRIMINAL CHARGES AGAINST THE EXECUTIVE
39 DIRECTOR OR ANY OTHER APPLICANT OR EMPLOYEE AND THE DISPOSITION OF

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1 SUCH CHARGES SHALL BE USED TO DETERMINE THE PERSON'S ELIGIBILITY FOR
2 EMPLOYMENT WITH THE COMMISSION.

3 (D) EXCEPT AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION OR AS
4 OTHERWISE DIRECTED BY A COURT ORDER, ANY INFORMATION OBTAINED BY THE
5 COMMISSION UNDER SUBSECTION (B) OF THIS SECTION ABOUT ANY CRIMINAL
6 CHARGES AGAINST THE EXECUTIVE DIRECTOR OR ANY OTHER APPLICANT OR
7 EMPLOYEE AND THE DISPOSITION OF SUCH CHARGES MAY NOT BE TRANSMITTED
8 OUTSIDE OF THE COMMISSION AND IS CONFIDENTIAL.

9 20-208. LEGISLATIVE OVERSIGHT COMMITTEE.

10 (A) THE PRESIDENT OF THE SENATE OF MARYLAND AND THE SPEAKER OF
11 THE HOUSE OF DELEGATES SHALL APPOINT A JOINT COMMITTEE ON THE
12 OVERSIGHT OF GAMBLING ACTIVITIES IN THE STATE.

13 (B) THE COMMITTEE CONSISTS OF 10 MEMBERS, 5 OF WHOM SHALL BE
14 MEMBERS OF THE SENATE APPOINTED BY THE PRESIDENT, AND 5 OF WHOM SHALL
15 BE MEMBERS OF THE HOUSE OF DELEGATES APPOINTED BY THE SPEAKER.

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

18 (D) THE PRESIDENT AND THE SPEAKER SHALL JOINTLY APPOINT A SENATOR
19 AND DELEGATE EACH TO SERVE AS COCHAIRMEN.

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

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

24 (G) THE JOINT COMMITTEE SHALL MONITOR THE ACTIVITIES OF THE
25 COMMISSION, REVIEW AND EVALUATE THE LAWS OF THE STATE RELATING TO
26 GAMBLING, AND CONSULT WITH THE COMMISSION AND ADVISE THE GENERAL
27 ASSEMBLY ON ANY NECESSARY CHANGES TO SUCH LAWS.

28 20-209. AUDIT OF THE COMMISSION.

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

31 (B) THE COMMISSION MAY, SUBJECT TO THE APPROVAL OF THE BOARD OF
32 PUBLIC WORKS, CONTRACT WITH CERTIFIED PUBLIC ACCOUNTANTS IN THE
33 PRIVATE SECTOR FOR ADDITIONAL AUDITS.

34 (C) ANY RECORD OR DOCUMENT RELATING TO AN AUDIT CONDUCTED
35 UNDER THIS SECTION IS A PUBLIC RECORD.

36 20-210. CITIZENS' ADVISORY COMMITTEES.

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

13

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

3 (I) SHALL BE BASED ON EQUITABLE GEOGRAPHIC
4 REPRESENTATION; AND

5 (II) SHALL MEET AT THE TIMES AND PLACES THAT IT
6 DETERMINES.

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

9 SUBTITLE 3. LICENSING AND REGULATORY AUTHORITY.

10 20-301. POWERS AND DUTIES OF COMMISSION.

11 (A) THE COMMISSION SHALL:

12 (1) ISSUE A LICENSE TO AN ELIGIBLE APPLICANT;

13 (2) DETERMINE THE ELIGIBILITY OF AN APPLICANT FOR A LICENSE;

14 (3) ENFORCE THE LAWS REGULATING GAMBLING IN THE STATE TO
15 ENSURE THAT GAMBLING ACTIVITIES ARE CONDUCTED IN THE PUBLIC INTEREST;

16 (4) ENSURE THE BONA FIDE NATURE AND CHARACTER AND THE
17 VIABILITY OF CHARITABLE AND NONPROFIT ORGANIZATIONS ALLOWED TO
18 CONDUCT GAMBLING ACTIVITIES IN THE STATE AND THAT THE NET PROCEEDS OF
19 THOSE ACTIVITIES INURE ONLY TO CHARITABLE OR NONPROFIT PURPOSES AS
20 REQUIRED BY LAW;

21 (5) FOR PURPOSES OF PARAGRAPH (4) OF THIS SUBSECTION, IF
22 ANOTHER PROVISION OF LAW REQUIRES THAT THE PROCEEDS, IN WHOLE OR IN
23 PART, OF GAMBLING ACTIVITIES BE USED TO BENEFIT CHARITY, THE COMMISSION
24 SHALL REQUIRE THAT THE PROCEEDS, OR THE APPLICABLE PORTION OF THE
25 PROCEEDS, BE USED BY OR DISTRIBUTED TO A CHARITABLE ORGANIZATION;

26 (6) REGULARLY REVIEW ONGOING AND PROPOSED GAMBLING
27 ACTIVITIES IN THE STATE;

28 (7) REGULARLY REVIEW AND EVALUATE STATE, COUNTY, AND
29 MUNICIPAL LAWS GOVERNING GAMBLING ACTIVITIES AND ADVISE THE GOVERNOR
30 AND GENERAL ASSEMBLY ON ANY CHANGES TO THOSE LAWS THAT ARE NEEDED TO
31 PROTECT THE PUBLIC HEALTH, SAFETY, OR WELFARE OR TO MAINTAIN THE GOALS
32 OF UNIFORMITY, CONSISTENCY, AND CLARITY;

33 (8) COLLECT AND ACCOUNT FOR THE LICENSE FEES IMPOSED UNDER
34 THIS TITLE OR THE REGULATIONS ADOPTED UNDER THIS TITLE;

35 (9) PUBLISH AND MAKE AVAILABLE, ON REQUEST, AT THE
36 COMMISSION'S OFFICE OR ELSEWHERE, A LIST OF THE LICENSES ISSUED BY THE
37 COMMISSION, INCLUDING THE NAME, ADDRESS, TYPE OF LICENSE, AND LICENSE
38 NUMBER OF EACH LICENSEE;

14

1 (10) PROVIDE INFORMATION AND EXPERTISE TO THE DIVISION TO
2 ASSIST IT IN ENFORCING THIS TITLE AND THE OTHER GAMBLING LAWS OF THE
3 STATE, INCLUDING, UPON REQUEST, ANY INFORMATION OBTAINED BY THE
4 COMMISSION UNDER THIS TITLE; AND

5 (11) ESTABLISH REASONABLE LICENSE APPLICATION AND RENEWAL
6 FEES TO COVER THE DIRECT AND INDIRECT COSTS OF ADMINISTERING THIS TITLE.

7 (B) THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT THE
8 PROVISIONS OF THIS TITLE, INCLUDING REGULATIONS THAT REQUIRE A LICENSEE
9 TO:

10 (1) MAINTAIN BOOKS, RECORDS, LOGS, ACCOUNTS, INVENTORY LISTS,
11 LISTS OF GAMBLING EQUIPMENT SERIAL NUMBERS, GAMBLING EQUIPMENT
12 MAINTENANCE AND REPAIR DATA, OR ANY OTHER DOCUMENTATION OR
13 INFORMATION THAT THE COMMISSION CONSIDERS NECESSARY, IN WHATEVER
14 FORMAT AND FOR WHATEVER LENGTH OF TIME THE COMMISSION MAY REQUIRE;

15 (2) MAINTAIN ALL BOOKS, RECORDS, DOCUMENTS, AND OTHER
16 INFORMATION IDENTIFIED IN PARAGRAPH (1) OF THIS SUBSECTION IN THE STATE
17 AND INFORM THE COMMISSION OF THE PRECISE LOCATION OF SUCH BOOKS,
18 RECORDS, DOCUMENTS, AND OTHER INFORMATION;

19 (3) IDENTIFY ANY PERSON WHO IS INVOLVED IN THE MANAGEMENT OR
20 OPERATION OF GAMBLING ACTIVITIES OR A GAMBLING ESTABLISHMENT;

21 (4) IDENTIFY ANY PAYMENTS RELATED TO GAMBLING ACTIVITIES
22 MADE BY ANY LICENSEE TO ANY PERSON;

23 (5) RECORD AND REPORT ALL INCOME AND EXPENSES THAT RELATE
24 TO GAMBLING ACTIVITIES TO THE COMMISSION IN A MANNER AND ON A SCHEDULE
25 TO BE ESTABLISHED BY THE COMMISSION, INCLUDING:

26 (I) SUFFICIENT AND CLEAR DATA ON GROSS REVENUE;

27 (II) ALL EXPENSES AND OTHER PAYMENTS MADE FROM GROSS
28 REVENUE;

29 (III) THE IDENTITY OF ALL RECIPIENTS OF ANY PORTION OF THE
30 GROSS REVENUE;

31 (IV) THE AMOUNT OF THE GROSS REVENUE THAT IS DISTRIBUTED
32 TO ANY CHARITABLE ORGANIZATION OR ANY OTHER PERSON; AND

33 (V) THE AMOUNT OF THE GROSS REVENUE THAT IS USED IN
34 FURTHERANCE OF ANY GAMBLING ACTIVITY OR THE PURPOSES OF A GAMBLING
35 ESTABLISHMENT;

36 (6) DISPLAY ITS LICENSE CONSPICUOUSLY IN THE PLACE OR ON THE
37 PREMISES WHERE THE GAMBLING ACTIVITY IS HELD OR, IN THE CASE OF A
38 VENDOR, AT THE VENDOR'S PRINCIPAL PLACE OF BUSINESS;

15

1 (7) DOCUMENT EXPENSES ASSOCIATED WITH ANY GAMBLING ACTIVITY
2 OR GAMBLING ESTABLISHMENT AND JUSTIFY SUCH EXPENSES AS COMMERCIALY
3 REASONABLE; AND

4 (8) SEPARATELY ACCOUNT FOR ALL REVENUES AND PROCEEDS FROM
5 GAMBLING ACTIVITIES AND INSURE THAT SUCH REVENUES AND PROCEEDS ARE
6 NOT COMMINGLED WITH OTHER FUNDS.

7 (C) THE COMMISSION MAY:

8 (1) ISSUE SUBPOENAS FOR THE ATTENDANCE OF WITNESSES TO
9 TESTIFY OR TO PRODUCE BOOKS, RECORDS, DOCUMENTS, OR OTHER EVIDENCE;

10 (2) INSPECT, EXAMINE, OR AUDIT THE BOOKS, DOCUMENTS, AND
11 RECORDS OF ANY LICENSEE, ANY PERSON LENDING MONEY TO A LICENSEE OR
12 OTHERWISE IN ANY MANNER FINANCING ANY GAMBLING ACTIVITY, OR ANY
13 APPLICANT;

14 (3) INSPECT AND CALIBRATE GAMBLING EQUIPMENT;

15 (4) REQUIRE A LICENSEE TO DEVELOP AND MAINTAIN A LIST OF
16 PERSONS WHO ARE TO BE EXCLUDED OR EJECTED FROM THE LICENSEE'S
17 ESTABLISHMENT;

18 (5) REQUIRE THAT ANY PERSON WHO IS INVOLVED IN THE
19 MANAGEMENT OR OPERATION OF GAMBLING ACTIVITIES OR A GAMBLING
20 ESTABLISHMENT BE A PERSON WHO HAS NOT BEEN CONVICTED OF OR PLEADED
21 GUILTY TO A FELONY UNDER THE LAWS OF THIS STATE OR ANY OTHER STATE OR
22 FEDERAL LAW OR A CRIME THAT INVOLVES MORAL TURPITUDE;

23 (6) ESTABLISH STANDARDS AND QUALIFICATIONS FOR ANY EMPLOYEE
24 OR AGENT OF A LICENSEE WHO PARTICIPATES IN THE MANAGEMENT OR
25 OPERATION OF GAMBLING ACTIVITIES OR A GAMBLING ESTABLISHMENT; AND

26 (7) EXERCISE ANY OTHER POWER NECESSARY TO CARRY OUT THE
27 PURPOSES OF THIS TITLE.

28 20-302. LICENSES.

29 (A) THE COMMISSION MAY ISSUE A LICENSE TO AN APPLICANT IF THE
30 APPLICANT PROVES BY CLEAR AND CONVINCING EVIDENCE THAT THE APPLICANT
31 IS AN ELIGIBLE GAMBLING APPLICANT, ELIGIBLE GAMBLING ESTABLISHMENT, OR
32 ELIGIBLE VENDOR APPLICANT.

33 (B) THE COMMISSION MAY ISSUE A LICENSE TO AN ELIGIBLE APPLICANT FOR
34 A PERIOD NOT TO EXCEED 2 YEARS.

35 (C) A LICENSE ISSUED UNDER THIS TITLE IS NOT TRANSFERABLE.

36 (D) A LICENSE ISSUED UNDER THIS TITLE IS A REVOCABLE PRIVILEGE AND IS
37 NOT A VESTED PROPERTY RIGHT.

16

1 20-303. WAIVER OF LICENSE OR FEE REQUIREMENTS.

2 THE COMMISSION MAY WAIVE ANY LICENSE OR FEE REQUIREMENT OR ANY
3 PHOTOGRAPHING, FINGERPRINTING, OR CRIMINAL BACKGROUND CHECK
4 REQUIREMENT UNDER THIS TITLE IF THE COMMISSION FINDS THAT APPLICABLE
5 LOCAL LAW IS SUFFICIENT TO SUBSTITUTE FOR ANY SUCH REQUIREMENT.

6 20-304. DENIAL, SUSPENSION, AND REVOCATION OF LICENSES.

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

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

12 (2) FRAUDULENTLY OR DECEPTIVELY USES THE LICENSE;

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

14 (4) WILLFULLY FAILS TO PROVIDE OR WILLFULLY MISREPRESENTS
15 ANY INFORMATION REQUIRED TO BE PROVIDED UNDER THIS TITLE OR ANY
16 REGULATION ADOPTED UNDER THIS TITLE;

17 (5) VIOLATES OR HAS VIOLATED:

18 (I) ANY OF THE PROVISIONS OF THIS TITLE OR ANY REGULATION
19 ADOPTED UNDER THIS TITLE; OR

20 (II) ANY OTHER LAW;

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

23 (I) ANY OF THE PROVISIONS OF THIS TITLE OR ANY REGULATION
24 ADOPTED UNDER THIS TITLE; OR

25 (II) ANY OTHER LAW;

26 (7) HAS BEEN CONVICTED OF OR PLEADED GUILTY TO ANY FELONY
27 UNDER THE LAWS OF THIS STATE OR ANY OTHER STATE OR FEDERAL LAW OR ANY
28 CRIME THAT INVOLVES MORAL TURPITUDE;

29 (8) HAS MADE, DIRECTLY OR INDIRECTLY, ANY UNLAWFUL PAYMENT
30 TO ANY PERSON IN CONNECTION WITH ANY GAMBLING ACTIVITY;

31 (9) DENIES THE COMMISSION OR THE DIVISION, ANY AUTHORIZED
32 REPRESENTATIVE OF THE COMMISSION OR THE DIVISION, OR ANY LAW
33 ENFORCEMENT AGENCY ACCESS TO ANY PLACE OR PREMISES WHERE GAMBLING
34 ACTIVITY IS CONDUCTED;

35 (10) FAILS TO PRODUCE FOR INSPECTION OR AUDIT ANY BOOK,
36 RECORD, DOCUMENT, OR ITEM REQUIRED BY THIS TITLE OR ANY REGULATION
37 ADOPTED UNDER THIS TITLE;

17

1 (11) FAILS TO DISPLAY ITS LICENSE AS REQUIRED BY THIS TITLE OR ANY
2 OTHER LAW; OR

3 (12) FAILS TO PROVE BY CLEAR AND CONVINCING EVIDENCE THAT THE
4 APPLICANT OR LICENSEE IS AN ELIGIBLE GAMBLING APPLICANT, ELIGIBLE
5 GAMBLING ESTABLISHMENT APPLICANT, OR ELIGIBLE VENDOR APPLICANT.

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

10 20-305. HEARINGS AND APPEALS.

11 (A) BEFORE THE COMMISSION TAKES ANY FINAL ACTION UNDER § 20-304 OF
12 THIS TITLE, THE COMMISSION SHALL GIVE ANY PERSON AGAINST WHOM THE
13 ACTION IS PROPOSED AN OPPORTUNITY FOR A HEARING BEFORE THE COMMISSION.

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

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

20 (D) A PARTY TO A PROCEEDING UNDER THIS TITLE WHO IS AGGRIEVED BY A
21 FINAL DECISION OF THE COMMISSION IN A CONTESTED CASE, AS DEFINED IN § 10-201
22 OF THE STATE GOVERNMENT ARTICLE, MAY TAKE AN APPEAL AS AUTHORIZED
23 UNDER § § 10-222 AND 10-223 OF THE STATE GOVERNMENT ARTICLE.

24 20-306. CEASE AND DESIST ORDERS.

25 (A) IF THE COMMISSION FINDS THAT A LICENSEE UNDER THIS TITLE HAS
26 VIOLATED THIS TITLE OR ANY REGULATION ADOPTED UNDER IT, THE COMMISSION
27 MAY SUMMARILY ISSUE A CEASE AND DESIST ORDER UNDER SUBSECTION (B) OF
28 THIS SECTION.

29 (B) THE COMMISSION MAY SUMMARILY ISSUE A CEASE AND DESIST ORDER
30 TO THE VIOLATOR IF THE COMMISSION:

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

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

36 (3) REFERS THE MATTER TO THE DIVISION.

37 (C) (1) IF THE COMMISSION ISSUES A CEASE AND DESIST ORDER UNDER
38 THIS SUBSECTION, THE PERSON TO WHOM THE ORDER APPLIES MAY REQUEST A
39 HEARING FROM THE COMMISSION.

18

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

4 (3) A PARTY TO A PROCEEDING UNDER THIS SUBSECTION WHO IS
5 AGGRIEVED BY A FINAL DECISION OF THE COMMISSION, MAY TAKE AN APPEAL AS
6 ALLOWED UNDER §§ 10-222 AND 10-223 OF THE STATE GOVERNMENT ARTICLE.

7 SUBTITLE 4. DIVISION OF GAMBLING ENFORCEMENT.

8 20-401. DIVISION OF GAMBLING ENFORCEMENT ESTABLISHED.

9 THERE IS A DIVISION OF GAMBLING ENFORCEMENT IN THE OFFICE OF THE
10 ATTORNEY GENERAL.

11 20-402. DIRECTOR.

12 (A) THE DIVISION SHALL BE UNDER THE IMMEDIATE SUPERVISION OF A
13 DIRECTOR.

14 (B) THE DIRECTOR SHALL:

15 (1) BE AN ASSISTANT ATTORNEY GENERAL; AND

16 (2) ADMINISTER THE WORK OF THE DIVISION UNDER THE DIRECTION
17 AND SUPERVISION OF THE ATTORNEY GENERAL.

18 (C) THE DIRECTOR SHALL BE APPOINTED BY THE ATTORNEY GENERAL.

19 (D) THE DIRECTOR SHALL SERVE AT THE PLEASURE OF THE ATTORNEY
20 GENERAL.

21 20-403. STAFF.

22 (A) THE DIRECTOR SHALL ORGANIZE THE WORK OF THE DIVISION IN SUCH
23 ORGANIZATIONAL UNITS AS MAY BE NECESSARY FOR THE EFFICIENT AND
24 EFFECTIVE OPERATION OF THE DIVISION.

25 (B) WITH THE APPROVAL OF THE ATTORNEY GENERAL AND SUBJECT TO THE
26 STATE PERSONNEL MANAGEMENT SYSTEM, THE DIRECTOR SHALL APPOINT A STAFF
27 TO THE DIVISION.

28 (C) THE STAFF MAY INCLUDE OTHER ASSISTANT ATTORNEYS GENERAL AND
29 ANY INSPECTORS, INVESTIGATORS, EXAMINERS, AUDITORS, TYPISTS, CLERKS, AND
30 OTHER PROFESSIONAL, TECHNICAL, AND OPERATIONAL PERSONNEL THAT ARE
31 NECESSARY TO ASSIST THE DIRECTOR AND THE DIVISION IN CARRYING OUT THEIR
32 POWERS AND DUTIES UNDER THIS TITLE.

33 (D) EACH MEMBER OF THE DIVISION'S STAFF SHALL BE:

34 (1) COMPENSATED IN ACCORDANCE WITH THE STATE BUDGET; AND

35 (2) REIMBURSED FOR EXPENSES UNDER THE STANDARD STATE
36 TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

19

1 20-404. FINGERPRINTS AND CRIMINAL BACKGROUND CHECKS.

2 (A) A MEMBER OF THE DIVISION'S STAFF, INCLUDING THE DIRECTOR:

3 (1) SHALL BE A PERSON WHO HAS NOT BEEN CONVICTED OF OR
4 PLEADED GUILTY TO A FELONY UNDER THE LAWS OF THIS STATE OR ANY OTHER
5 STATE OR FEDERAL LAW OR A CRIME THAT INVOLVES MORAL TURPITUDE;

6 (2) MAY NOT HAVE ANY DIRECT OR INDIRECT FINANCIAL INTEREST BY
7 OWNERSHIP, OPERATION, OR MANAGEMENT IN ANY GAMBLING ACTIVITY,
8 GAMBLING ESTABLISHMENT, OR VENDOR IN THIS STATE OR IN ANY OTHER STATE
9 OR FOREIGN JURISDICTION, INCLUDING LOTTERIES OR HORSE RACING;

10 (3) MAY NOT RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE
11 RECEIPTS OF ANY GAMBLING ACTIVITY, INCLUDING LOTTERIES AND HORSE
12 RACING;

13 (4) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR:

14 (I) THE MANUFACTURE, SALE, RENTAL, DISTRIBUTION,
15 DELIVERY, OR SUPPLY OF GAMBLING EQUIPMENT;

16 (II) THE CONDUCT OF ANY GAMBLING ACTIVITY;

17 (III) THE OPERATION OR MANAGEMENT OF ANY GAMBLING
18 ESTABLISHMENT; OR

19 (IV) THE PROVISION OF ANY INDEPENDENT CONSULTANT
20 SERVICES IN CONNECTION WITH ANY GAMBLING ACTIVITY, GAMBLING
21 ESTABLISHMENT, OR VENDOR; AND

22 (5) MAY NOT BE EMPLOYED BY ANY VENDOR, ANY PERSON WHO
23 CONDUCTS GAMBLING ACTIVITY, OR ANY PERSON WHO OWNS OR OPERATES A
24 GAMBLING ESTABLISHMENT.

25 (B) (1) THE DIRECTOR SHALL SUBMIT A CRIMINAL BACKGROUND REPORT
26 TO THE ATTORNEY GENERAL, INCLUDING A COMPLETE SET OF LEGIBLE
27 FINGERPRINTS TAKEN ON STANDARD FINGERPRINT CARDS AT A STATE OR
28 FEDERAL LAW ENFORCEMENT AGENCY AND THE RESULTS OF A STATE AND
29 FEDERAL BACKGROUND INVESTIGATION OF THE DIRECTOR.

30 (2) THE DIRECTOR MAY REQUEST THAT AN APPLICANT FOR
31 EMPLOYMENT WITH OR EMPLOYEE OF THE DIVISION PROVIDE TO THE DIRECTOR A
32 CRIMINAL BACKGROUND REPORT, INCLUDING A COMPLETE SET OF LEGIBLE
33 FINGERPRINTS TAKEN ON STANDARD FINGERPRINT CARDS AT A STATE OR
34 FEDERAL LAW ENFORCEMENT AGENCY AND THE RESULTS OF A STATE AND
35 FEDERAL BACKGROUND INVESTIGATION OF THE APPLICANT OR EMPLOYEE.

36 (C) ANY INFORMATION OBTAINED BY THE ATTORNEY GENERAL OR
37 DIRECTOR UNDER SUBSECTION (B) OF THIS SECTION ABOUT ANY CRIMINAL
38 CHARGES AGAINST THE DIRECTOR OR ANY OTHER APPLICANT OR EMPLOYEE AND
39 THE DISPOSITION OF SUCH CHARGES SHALL BE USED TO DETERMINE THE PERSON'S
40 ELIGIBILITY FOR EMPLOYMENT WITH THE DIVISION.

20

1 (D) EXCEPT AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION OR AS
2 OTHERWISE DIRECTED BY A COURT ORDER, ANY INFORMATION OBTAINED BY THE
3 ATTORNEY GENERAL OR DIRECTOR UNDER SUBSECTION (B) OF THIS SECTION
4 ABOUT ANY CRIMINAL CHARGES AGAINST THE DIRECTOR OR ANY OTHER
5 APPLICANT OR EMPLOYEE AND THE DISPOSITION OF SUCH CHARGES MAY NOT BE
6 TRANSMITTED OUTSIDE OF THE OFFICE OF THE ATTORNEY GENERAL.

7 20-405. LEGAL ADVISER.

8 (A) THE DIRECTOR IS THE LEGAL ADVISER TO THE COMMISSION.

9 (B) THE DIRECTOR AND THE OTHER ASSISTANT ATTORNEYS GENERAL
10 ASSIGNED TO THE DIVISION SHALL GIVE THE LEGAL AID, ADVICE, AND COUNSEL
11 REQUIRED BY THE COMMISSION, INCLUDING, ON REQUEST, ASSISTANCE IN
12 CONSIDERATION AND ADOPTION OF REGULATIONS.

13 20-406. POWERS AND DUTIES OF DIVISION.

14 (A) THE DIVISION SHALL:

15 (1) INVESTIGATE ANY APPLICANT FOR A LICENSE UNDER THIS TITLE
16 BEFORE A LICENSE IS ISSUED BY THE COMMISSION TO DETERMINE WHETHER THE
17 APPLICANT IS ELIGIBLE FOR A LICENSE;

18 (2) INVESTIGATE ANY ALLEGED VIOLATION OF THIS TITLE OR THE
19 REGULATIONS ADOPTED UNDER THIS TITLE AND ANY ALLEGED VIOLATION OF
20 ARTICLE 27 OF THE CODE OR OTHER LAW RELATING TO GAMBLING ACTIVITIES;

21 (3) INITIATE, PROSECUTE, AND DEFEND ANY PROCEEDING BEFORE
22 THE COMMISSION ARISING UNDER ITEM (2) OF THIS SUBSECTION OR ANY OTHER
23 PROVISION OF THIS TITLE OR THE REGULATIONS ADOPTED UNDER THIS TITLE AND
24 ANY APPEAL FROM ANY SUCH PROCEEDING;

25 (4) PROSECUTE ANY CRIMINAL CASE ARISING OUT OF A VIOLATION OF
26 THIS TITLE OR THE REGULATIONS ADOPTED UNDER THIS TITLE OR ANY VIOLATION
27 OF ARTICLE 27 OF THE CODE OR OTHER LAW RELATING TO GAMBLING ACTIVITIES;

28 (5) CONDUCT CONTINUING REVIEWS OF GAMBLING ACTIVITIES
29 THROUGH ON-SITE OBSERVATION AND OTHER REASONABLE MEANS TO ASSURE
30 COMPLIANCE WITH THIS TITLE OR THE REGULATIONS ADOPTED UNDER THIS TITLE;
31 AND

32 (6) TAKE ANY OTHER ACTION THAT IS NECESSARY TO ASSIST THE
33 COMMISSION IN ENFORCING THE PROVISIONS OF THIS TITLE AND THE
34 REGULATIONS ADOPTED UNDER THIS TITLE.

35 (B) IN CONNECTION WITH ANY ACTION UNDER SUBSECTION (A) OF THIS
36 SECTION, THE DIVISION MAY:

37 (1) INSPECT, EXAMINE, AND AUDIT THE BOOKS, DOCUMENTS, AND
38 RECORDS OF ANY LICENSEE, ANY PERSON LENDING MONEY TO A LICENSEE OR
39 OTHERWISE IN ANY MANNER FINANCING ANY GAMBLING ACTIVITY, OR ANY
40 APPLICANT; AND

21

1 (2) ADMINISTER OATHS AND ISSUE SUBPOENAS FOR THE ATTENDANCE
2 OF WITNESSES TO TESTIFY OR TO PRODUCE BOOKS, RECORDS, DOCUMENTS, OR
3 OTHER EVIDENCE.

4 20-407. CEASE AND DESIST ORDERS.

5 (A) IF THE DIVISION FINDS THAT A LICENSEE UNDER THIS TITLE HAS
6 VIOLATED THIS TITLE OR ANY REGULATION ADOPTED UNDER IT, THE DIVISION
7 MAY REQUEST THAT THE COMMISSION SUMMARILY ISSUE A CEASE AND DESIST
8 ORDER UNDER SUBSECTION (B) OF THIS SECTION.

9 (B) THE COMMISSION MAY SUMMARILY ISSUE A CEASE AND DESIST ORDER
10 TO THE VIOLATOR IF THE COMMISSION:

11 (1) FINDS THAT THE PUBLIC HEALTH, SAFETY, OR WELFARE REQUIRES
12 EMERGENCY ACTION; AND

13 (2) GIVES THE VIOLATOR WRITTEN NOTICE OF THE ORDER, THE
14 REASONS FOR THE ORDER, AND THE RIGHT OF THE VIOLATOR TO REQUEST A
15 HEARING UNDER SUBSECTION (C) OF THIS SECTION.

16 (C) IF THE COMMISSION ISSUES A CEASE AND DESIST ORDER UNDER THIS
17 SECTION, THE PERSON TO WHOM THE ORDER APPLIES MAY REQUEST A HEARING
18 FROM THE COMMISSION UNDER SECTION 20-306(C) OF THIS TITLE.

19 20-408. WARRANTLESS INSPECTIONS.

20 (A) AT THE DIRECTOR'S REQUEST, AN EMPLOYEE OR AGENT OF THE
21 DIVISION MAY, WITHOUT NOTICE OR WARRANT:

22 (1) INSPECT AND EXAMINE THE PREMISES OF ANY LOCATION WHERE:

23 (I) GAMBLING IS CONDUCTED;

24 (II) GAMBLING EQUIPMENT IS MANUFACTURED, SOLD, RENTED,
25 DISTRIBUTED, DELIVERED, OR SUPPLIED; OR

26 (III) RECORDS OR ANY ACTIVITIES IDENTIFIED IN ITEMS (I) AND (II)
27 OF THIS PARAGRAPH ARE KEPT OR MAINTAINED;

28 (2) INSPECT ALL GAMBLING EQUIPMENT AND SUPPLIES IN, ON, OR
29 ABOUT ANY PREMISES IDENTIFIED IN PARAGRAPH (1) OF THIS SUBSECTION;

30 (3) SUMMARILY SEIZE, REMOVE, AND IMPOUND ANY GAMBLING
31 EQUIPMENT AND SUPPLIES IN, ON, OR ABOUT ANY PREMISES IDENTIFIED IN
32 PARAGRAPH (1) OF THIS SUBSECTION FOR THE PURPOSE OF EXAMINATION AND
33 INSPECTION;

34 (4) INSPECT, EXAMINE, AND AUDIT ANY BOOKS, DOCUMENTS, AND
35 RECORDS IN, ON, OR ABOUT ANY PREMISES IDENTIFIED IN PARAGRAPH (1) OF THIS
36 SUBSECTION;

1 (5) SUMMARILY SEIZE, REMOVE, AND IMPOUND ANY BOOK,
2 DOCUMENTS, RECORD, CASH BOX, OR COUNTING ROOM EQUIPMENT IN, ON, OR
3 ABOUT ANY PREMISES IDENTIFIED IN PARAGRAPH (1) OF THIS SUBSECTION; AND

4 (6) INSPECT THE PERSON AND PERSONAL EFFECTS OF ANY LICENSEE
5 WHILE THAT PERSON IS IN, ON, OR ABOUT ANY PREMISES IDENTIFIED IN
6 PARAGRAPH (1) OF THIS SUBSECTION.

7 (B) THIS SECTION MAY NOT BE CONSTRUED TO LIMIT THE DIVISION'S
8 POWER, OR THE POWER OF ANY EMPLOYEE OR AGENT OF THE DIVISION, TO
9 UNDERTAKE OTHER LAWFUL WARRANTLESS SEARCHES, SEIZURES, AND
10 INSPECTIONS.

11 SUBTITLE 5. MISCELLANEOUS PROVISIONS.

12 20-501. PROHIBITIONS.

13 (A) NOTWITHSTANDING ANY OTHER LAW, A PERSON MAY NOT CONDUCT
14 ANY GAMBLING ACTIVITY UNLESS THE PERSON HAS OBTAINED A GAMBLING
15 LICENSE UNDER THIS TITLE.

16 (B) NOTWITHSTANDING ANY OTHER LAW, A PERSON MAY NOT CONDUCT
17 ANY GAMBLING ACTIVITY IN AN ESTABLISHMENT THAT IS OWNED OR OPERATED
18 BY ANOTHER PERSON UNLESS THE OTHER PERSON HAS OBTAINED A GAMBLING
19 ESTABLISHMENT LICENSE UNDER THIS TITLE.

20 (C) NOTWITHSTANDING ANY OTHER LAW, A PERSON MAY NOT
21 MANUFACTURE ANY GAMBLING EQUIPMENT OR SELL, LEASE, DELIVER,
22 DISTRIBUTE, OR SUPPLY ANY GAMBLING EQUIPMENT TO ANOTHER PERSON UNLESS
23 THE PERSON HAS OBTAINED A VENDOR'S LICENSE UNDER THIS TITLE.

24 (D) A VENDOR MAY NOT RECEIVE PAYMENT FROM A LICENSEE FOR
25 MANUFACTURING, SELLING, LEASING, DELIVERING, DISTRIBUTING, OR SUPPLYING
26 GAMBLING EQUIPMENT THAT EXCEEDS A SPECIFIED PERCENTAGE OF THE
27 GAMBLING PROCEEDS AS ESTABLISHED BY THE COMMISSION BY REGULATION.

28 (E) A VENDOR MAY NOT SELL, LEASE, DELIVER, DISTRIBUTE, OR SUPPLY ANY
29 GAMBLING EQUIPMENT TO ANY PERSON UNLESS THE VENDOR HAS EXECUTED A
30 WRITTEN CONTRACT TO SELL, LEASE, DELIVER, DISTRIBUTE, OR SUPPLY SUCH
31 EQUIPMENT.

32 (F) A VENDOR MAY NOT SELL, LEASE, DELIVER, DISTRIBUTE, OR SUPPLY
33 GAMBLING EQUIPMENT TO A PERSON WHO IS NOT LICENSED TO CONDUCT
34 GAMBLING ACTIVITIES OR AS A GAMBLING ESTABLISHMENT UNDER THIS TITLE.

35 (G) EXCEPT AS OTHERWISE AUTHORIZED BY LAW, A PERSON MAY NOT GIVE
36 ANYTHING OF VALUE TO A LICENSEE OR ANY AGENT, EMPLOYEE, OR PERSONNEL
37 OF THE LICENSEE, INCLUDING A VOLUNTEER, FOR THE PURPOSE OF INDUCING THE
38 LICENSEE OR THE AGENT, EMPLOYEE, OR PERSONNEL TO TAKE OR NOT TAKE ANY
39 PARTICULAR ACTION IN CONNECTION WITH ANY GAMBLING ACTIVITY.

1 (H) EXCEPT AS OTHERWISE AUTHORIZED BY LAW, A LICENSEE OR ANY
2 AGENT, EMPLOYEE, OR PERSONNEL, INCLUDING A VOLUNTEER, OF A LICENSEE
3 MAY NOT ACCEPT ANYTHING OF VALUE THAT IS GIVEN FOR THE PURPOSE OF
4 INDUCING THE LICENSEE OR THE AGENT, EMPLOYEE, OR PERSONNEL TO TAKE OR
5 NOT TAKE ANY PARTICULAR ACTION IN CONNECTION WITH ANY GAMBLING
6 ACTIVITY.

7 20-502. AUDITS OF GAMBLING ESTABLISHMENTS.

8 (A) A PERSON, AS A CONDITION OF LICENSURE UNDER THIS TITLE, SHALL
9 ALLOW AN AUTHORIZED LAW ENFORCEMENT OFFICER, A MEMBER OF THE
10 COMMISSION, THE EXECUTIVE DIRECTOR, THE DIRECTOR OF THE DIVISION, OR
11 ANY MEMBER OF THE STAFF OF THE COMMISSION OR DIVISION, UPON THE
12 PRESENTATION OF PROPER CREDENTIALS BY THE APPROPRIATE PERSON, TO
13 ENTER THE PREMISES DURING BUSINESS HOURS TO INSPECT:

14 (1) ANY RECORD OR OTHER DOCUMENT REQUIRED TO BE KEPT UNDER
15 THIS TITLE OR ANY REGULATION ADOPTED UNDER THIS TITLE; OR

16 (2) ANY GAMBLING EQUIPMENT.

17 (B) IF THE COMMISSION FINDS THAT THE RECORDS OR ACCOUNTS OF ANY
18 LICENSEE ARE INADEQUATE OR INADEQUATELY KEPT OR POSTED, THE
19 COMMISSION MAY EMPLOY EXPERTS TO REWRITE, POST, OR BALANCE THEM AT THE
20 EXPENSE OF THE LICENSEE.

21 (C) (1) THE EXPENSES INCURRED IN ANY EXAMINATION, AUDIT, OR
22 INVESTIGATION OF AN APPLICANT OR LICENSEE UNDER THIS TITLE SHALL BE PAID
23 BY THE LICENSEE OR APPLICANT, WITHIN 30 DAYS AFTER THE EXAMINATION,
24 AUDIT, OR INVESTIGATION.

25 (2) EACH LICENSEE OR APPLICANT THAT IS EXAMINED, AUDITED, OR
26 INVESTIGATED UNDER THIS TITLE SHALL, WITHIN 30 DAYS AFTER THE
27 EXAMINATION, AUDIT, OR INVESTIGATION, PAY TO THE COMMISSION REASONABLE
28 TRAVEL EXPENSES AND PER DIEM LABOR EXPENSES ASSESSED BY THE COMMISSION
29 IN ACCORDANCE WITH REGULATIONS ADOPTED UNDER THIS TITLE.

30 (3) A DETAILED ACCOUNT OF THE EXPENSES INCURRED UNDER
31 PARAGRAPH (1) OF THIS SUBSECTION SHALL BE PRESENTED BY THE COMMISSION TO
32 THE LICENSEE OR APPLICANT AT THE TIME THAT THE COMMISSION REQUESTS
33 PAYMENT.

34 (4) A PERSON MAY NOT PAY AND AN INVESTIGATOR, EXAMINER, OR
35 AUDITOR MAY NOT ACCEPT ANY ADDITIONAL EMOLUMENT IN CONNECTION WITH
36 ANY EXAMINATION, AUDIT, OR INVESTIGATION UNDER THIS TITLE.

37 20-503. REPORTS AND STUDIES.

38 (A) (1) THE COMMISSION SHALL CONDUCT A STUDY OF THE TYPES OF
39 GAMBLING ACTIVITIES THAT ARE CONDUCTED IN THE STATE, INCLUDING LOTTERY
40 GAMES AND HORSE RACING, THAT HAVE BEEN OR MAY BE AUTHORIZED BY THE
41 STATE LOTTERY AGENCY.

24

1 (2) IN CONDUCTING ITS STUDY, THE COMMISSION SHALL REVIEW AND
2 EVALUATE:

3 (I) THE TYPES OF GAMBLING ACTIVITIES THAT ARE AUTHORIZED
4 UNDER STATE, COUNTY, AND MUNICIPAL LAW;

5 (II) THE EXTENT TO WHICH AUTHORIZED GAMBLING ACTIVITIES
6 ARE REGULATED OR NOT REGULATED AT THE STATE, COUNTY, OR MUNICIPAL
7 LEVELS;

8 (III) THE NEED FOR CHANGES TO ANY STATE, COUNTY, OR
9 MUNICIPAL LAW IN ORDER TO PROTECT THE PUBLIC HEALTH, SAFETY AND
10 WELFARE OR TO ACHIEVE THE GOALS OF UNIFORMITY, CONSISTENCY, AND
11 CLARITY;

12 (IV) THE FEASIBILITY AND ADVISABILITY OF STATE REGULATION
13 OF ALL COMMERCIAL AND NONCOMMERCIAL GAMBLING ACTIVITIES THROUGH
14 STATE PREEMPTION OF ALL LOCAL LAWS RELATING TO SUCH ACTIVITIES;

15 (V) WHETHER GAMBLING ACTIVITIES SHOULD BE EXPANDED OR
16 RESTRICTED THROUGHOUT THE STATE OR IN ANY PARTICULAR COUNTY OR
17 MUNICIPALITY;

18 (VI) THE NEED TO DEVELOP OR FUND EDUCATIONAL,
19 PREVENTIVE, AND TREATMENT PROGRAMS RELATING TO GAMBLING;

20 (VII) RELEVANT DATA ABOUT THE SOCIOLOGICAL,
21 PSYCHOLOGICAL, AND ECONOMIC IMPACT OF GAMBLING ACTIVITIES ON THE
22 CITIZENS OF THE STATE, INCLUDING COMPULSIVE GAMBLING, CRIMINAL ACTIVITY,
23 AND OTHER PROBLEMS AND CONCERNS ASSOCIATED WITH GAMBLING; AND

24 (VIII) ANY OTHER MATTER THE COMMISSION CONSIDERS
25 APPROPRIATE.

26 (B) (1) IN CONDUCTING ITS STUDY, THE COMMISSION MAY CONSULT WITH
27 THE FOLLOWING AGENCIES:

28 (I) THE DEPARTMENT OF LEGISLATIVE REFERENCE;

29 (II) THE DEPARTMENT OF FISCAL SERVICES;

30 (III) THE ATTORNEY GENERAL;

31 (IV) THE DEPARTMENT OF BUSINESS AND ECONOMIC
32 DEVELOPMENT;

33 (V) THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION;

34 (VI) THE DEPARTMENT OF STATE POLICE;

35 (VII) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE;

36 (VIII) THE SECRETARY OF STATE;

37 (IX) THE STATE LOTTERY AGENCY;

25

1 (X) THE MARYLAND RACING COMMISSION; AND

2 (XI) ANY COUNTY OR MUNICIPAL AGENCY.

3 (2) IF REQUESTED BY THE COMMISSION, THE AGENCIES LISTED IN
4 PARAGRAPH (1) OF THIS SUBSECTION SHALL ASSIST THE COMMISSION IN
5 CONDUCTING ITS STUDY.

6 (C) THE COMMISSION SHALL SUBMIT FINDINGS AND RECOMMENDATIONS ON
7 EACH OF THE ITEMS LISTED IN SUBSECTION (A)(2) OF THIS SECTION TO THE
8 GOVERNOR AND, SUBJECT TO THE PROVISIONS OF § 2-1312 OF THE STATE
9 GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY BY JANUARY 1, 1998 AND,
10 THEREAFTER, BY JANUARY 1 OF EACH YEAR.

11 (D) THE DIVISION SHALL PREPARE AND SUBMIT AN ANNUAL REPORT TO THE
12 GOVERNOR AND, SUBJECT TO THE PROVISIONS OF § 2-1312 OF THE STATE
13 GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY BY JANUARY 1 OF EACH YEAR
14 ON ALL MATTERS RELATING TO THE DIVISION'S DUTIES AND RESPONSIBILITIES
15 UNDER THIS TITLE.

16 (E) THE GOVERNOR OR THE GENERAL ASSEMBLY MAY REQUIRE THAT
17 OTHER REPORTS FROM THE COMMISSION OR DIVISION BE SUBMITTED ON A MORE
18 FREQUENT BASIS ON ANY MATTER RELATING TO THIS TITLE.

19 (F) THE REPORTS MADE UNDER THIS SECTION ARE PUBLIC RECORDS.

20 20-504. PUBLIC HEARINGS.

21 THE COMMISSION MAY CONDUCT PUBLIC HEARINGS FOR THE PURPOSE OF
22 GATHERING INFORMATION ON ANY ISSUE PERTAINING TO GAMBLING ACTIVITIES
23 IN THE STATE.

24 20-505. MARYLAND GAMBLING CONTROL COMMISSION FUND.

25 (A) THERE IS A MARYLAND GAMBLING CONTROL COMMISSION FUND.

26 (B) ALL FEES COLLECTED UNDER THIS TITLE SHALL BE PAID INTO THE
27 MARYLAND GAMBLING CONTROL COMMISSION FUND.

28 (C) THE MARYLAND GAMBLING CONTROL COMMISSION FUND IS A SPECIAL
29 CONTINUING, NONLAPSING FUND.

30 (D) SUBJECT TO THE APPROPRIATION PROCESS IN THE STATE BUDGET, THE
31 COMMISSION SHALL USE THE FUND FOR THE EXPENSES INCURRED UNDER THIS
32 TITLE.

33 (E) THE STATE TREASURER SHALL HOLD AND THE STATE COMPTROLLER
34 SHALL ACCOUNT FOR THE FUND.

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

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

26

1 20-506. COOPERATION WITH OTHER AGENCIES.

2 (A) STATE AND LOCAL LAW ENFORCEMENT AGENCIES SHALL COOPERATE
3 WITH THE COMMISSION AND DIVISION TO ENFORCE THIS TITLE AND THE
4 REGULATIONS ADOPTED UNDER THIS TITLE.

5 (B) THE COMMISSION OR DIVISION MAY REQUEST THAT THE SECRETARY OF
6 STATE POLICE ASSIGN LAW ENFORCEMENT OFFICERS TO ENFORCE THIS TITLE AND
7 REGULATIONS ADOPTED UNDER THIS TITLE OR OTHERWISE PREVENT
8 UNAUTHORIZED GAMBLING ACTIVITIES.

9 (C) THE COMMISSION AND DIVISION SHALL PROVIDE EACH OTHER WITH
10 ACCESS TO DOCUMENTS AND OTHER INFORMATION WITHIN THE CUSTODY OF EACH
11 AGENCY RELATING TO ANY LICENSEE OR APPLICANT.

12 (D) (1) THE COMMISSION AND DIVISION SHALL HAVE ACCESS TO ANY
13 RECORDS OR OTHER INFORMATION WITHIN THE CUSTODY OF THE FOLLOWING
14 AGENCIES RELATING TO ANY LICENSEE, APPLICANT, OR OTHER MATTER RELATING
15 TO GAMBLING ACTIVITIES:

16 (I) THE OFFICE OF THE SECRETARY OF STATE;

17 (II) THE DEPARTMENT OF ASSESSMENTS AND TAXATION;

18 (III) THE COMPTROLLER OF THE TREASURY;

19 (IV) THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION;

20 AND

21 (V) ANY COUNTY OR MUNICIPAL AGENCY.

22 (2) THE AGENCIES LISTED IN PARAGRAPH (1) OF THIS SUBSECTION
23 SHALL COOPERATE WITH THE COMMISSION AND DIVISION IN IMPLEMENTING THE
24 PROVISIONS OF THIS TITLE AND THE REGULATIONS ADOPTED UNDER THIS TITLE.

25 SUBTITLE 6. PENALTIES.

26 20-601. PENALTIES.

27 (A) A PERSON WHO VIOLATES ANY PROVISION OF THIS TITLE IS GUILTY OF A
28 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$25,000
29 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.

30 (B) AT THE INITIATIVE OF THE DIVISION AND IN ACCORDANCE WITH ANY
31 APPLICABLE PROCEDURES ESTABLISHED UNDER ARTICLE 27 OF THE CODE, A
32 PERSON SHALL FORFEIT ANY GAMBLING EQUIPMENT TO THE STATE IF:

33 (1) THE PERSON OWNS, OPERATES, SELLS, LEASES, SUPPLIES, DELIVERS,
34 OR DISTRIBUTES THE EQUIPMENT WITHOUT OBTAINING ANY LICENSE REQUIRED
35 BY THIS TITLE, ARTICLE 27 OF THE CODE, OR ANY OTHER LAW; OR

36 (2) THE PERSON OWNS, OPERATES, SELLS, LEASES, SUPPLIES, DELIVERS,
37 OR DISTRIBUTES THE EQUIPMENT IN VIOLATION OF ANY PROVISION OF THIS TITLE
38 OR THE REGULATIONS ADOPTED UNDER THIS TITLE.

27

1 (C) EACH VIOLATION OF THIS TITLE IS A SEPARATE OFFENSE.

2 SUBTITLE 7. SHORT TITLE.

3 20-701. SHORT TITLE.

4 THIS TITLE MAY BE CITED AS THE MARYLAND GAMBLING CONTROL ACT.

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

7 (1) 2 members on July 1, 2000;

8 (2) 2 members on July 1, 1999; and

9 (3) 1 member on July 1, 1998.

10 SECTION 3. AND BE IT FURTHER ENACTED, That the Maryland Gambling
11 Control Commission, as soon as possible after its formation and organization, shall
12 develop a workable, efficient, and clearly understandable plan to ensure that all persons
13 who are required to be licensed by the Commission under the provisions of this Act shall
14 be licensed by July 1, 1998.

15 SECTION 4. AND BE IT FURTHER ENACTED, That any person who is
16 authorized to conduct gambling activities, own or operate a gambling establishment, or
17 act as a vendor under Article 27 of the Code on or before the effective date of this Act is
18 not required to obtain a license as required by Article 41, § 20-501 of the Code as
19 provided in this Act until July 1, 1998, but shall be subject to all other provisions of this
20 Act, including all restrictions and requirements that apply to licensees under this Act.

21 SECTION 5. AND BE IT FURTHER ENACTED, That if any provision of this Act
22 conflicts with or duplicates the powers and duties of the Secretary of State under Title 6
23 (Charitable Organizations) of the Business Regulation Article, or any other provision of
24 that title, the Secretary of State and the Maryland Gambling Control Commission shall,
25 by January 1, 1998, develop legislation, in consultation with the Department of Legislative
26 Reference, to resolve the conflicts or duplication of powers, authority, or any other
27 provisions of law affecting the Secretary of State and the Commission.

28 SECTION 6. AND BE IT FURTHER ENACTED, That the catch lines inserted
29 after each section designation in Section 1 of this Act are not law and may not be
30 considered to have been enacted as part of this Act.

31 SECTION 7. AND BE IT FURTHER ENACTED, That, subject to Section 4 of
32 this Act, this Act shall take effect July 1, 1997.