

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**

House Bill 612 (Prince George's County Delegation)  
Judiciary

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**Prince George's County - Gaming Machines - Nonprofit Organizations**  
**PG 325-97**

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This bill changes the name of slot machines to gaming machines, and adds Prince George's County to the list of counties in which eligible nonprofit organizations may own and operate gaming machines. In Prince George's County, volunteer fire, rescue, or emergency medical services organizations and nationally chartered war veterans' organizations located in the county for at least five years are eligible to apply for a gaming machine license, and may have up to 15 gaming machines. Of the proceeds from the gaming machines, 25% is distributed to the State's general fund, 25% is intended to supplement education funding in the county (or, in municipalities, 15% for education and 10% for the municipality's general fund), and the remainder may be used to further the purposes of the licensees. These organizations are required to report to the Comptroller quarterly, rather than annually, on the amount and disposition of the proceeds.

This bill is effective July 1, 1997.

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**Fiscal Summary**

**State Effect:** General fund revenues could increase an indeterminate amount. Expenditures would not be affected.

**Local Effect:** Local revenues could increase an indeterminate amount. Expenditures would not be affected.

**Small Business Effect:** Potential meaningful effect on small businesses. Authorizing the operation of gaming machines could increase the revenue of eligible nonprofit organizations. Small businesses could benefit to the extent they provide supporting services for such gaming.

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## Fiscal Analysis

**State Revenues:** The number of organizations in Prince George's County who would be eligible for, apply for, and receive gaming machine permits is not known. The bill does not specify the times during which the machines may or may not be operated. Thus, the fiscal impact of this bill cannot be reliably estimated at this time.

However, 16 organizations currently are authorized to hold casino nights. Assuming that these organizations all apply for and receive gaming machine permits, a maximum of 240 gaming machines would be in operation. If the average win per machine per seven-hour day is \$125 and the machines are operated three days per week, gross proceeds would total \$4.7 million. General fund revenues would therefore increase by 25% of this amount, or \$1.2 million in fiscal 1998.

**Local Revenues:** For the above-stated reasons, the revenues generated by this bill cannot be reliably estimated at this time. Using the above illustration, however, local revenues could increase by \$1.2 million in fiscal 1998. Much of these funds would be used for educational purposes in the county (the bill does not specify whether the funds are to be distributed to the Board of Education or the county government), but some would be distributed to the general funds of municipalities. The distribution of local revenues depends on the proportion of machines located in municipalities.

Revenues will also increase for licensing fees, which would be \$50 per machine. If 240 machines are licensed, revenues would increase by \$12,000 annually.

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**Information Source(s):** Prince George's County, Department of Fiscal Services

**Fiscal Note History:** First Reader - February 26, 1997

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Analysis by: David F. Roose

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710