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By: **Washington County Delegation**  
Introduced and read first time: February 13, 1998  
Assigned to: Judiciary

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Committee Report: Favorable  
House action: Adopted  
Read second time: March 23, 1998

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Washington County Gaming Commission - Tip Jar Regulation**

3 FOR the purpose of altering certain eligibility criteria for membership on the  
4 Washington County Gaming Commission; authorizing a member of the  
5 Commission to serve for a certain number of terms; providing for certain  
6 procedures for obtaining criminal history records checks; altering the  
7 requirements for certain organizations to contribute certain amounts to certain  
8 charitable purposes; authorizing a certain county agency to deny a license under  
9 certain circumstances; authorizing the County Commissioners of Washington  
10 County to delegate certain hearing authority to the Office of Administrative  
11 Hearings; providing for the conditions of delegation and judicial review of the  
12 hearing authority; authorizing the County Commissioners to impose a fine  
13 under certain conditions; clarifying the applicability of certain criminal  
14 penalties; and generally relating to the Washington County Gaming  
15 Commission and regulating of tip jars in Washington County.

16 BY repealing and reenacting, with amendments,  
17 Article 27 - Crimes and Punishments  
18 Section 255C(c), (e), (q), (t), (u), and (v)  
19 Annotated Code of Maryland  
20 (1996 Replacement Volume and 1997 Supplement)

21 BY repealing and reenacting, without amendments,  
22 Article 27 - Crimes and Punishments  
23 Section 255C(s)  
24 Annotated Code of Maryland  
25 (1996 Replacement Volume and 1997 Supplement)

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

3 **Article 27 - Crimes and Punishments**

4 255C.

5 (c) (1) The Commission consists of seven members appointed as follows:

6 (i) Three members appointed by the Board;

7 (ii) One member appointed by the Chairman of the Washington  
8 County House of Delegates Delegation, with the concurrence of the County's House  
9 Delegation;

10 (iii) One member appointed by the State Senators whose districts  
11 are within or include part of Washington County;

12 (iv) One member from Washington County to represent  
13 restaurants, taverns, and the alcoholic beverages industry in the County, appointed  
14 by the Washington County House and Senate Delegations; and

15 (v) One member from the Washington County Clubs Association,  
16 appointed by the Washington County House and Senate Delegations.

17 (2) A member of the Commission appointed under paragraph (1)(i), (ii),  
18 or (iii) of this subsection may not:

19 (i) Hold a tip jar license or a wholesaler's license;

20 (ii) Be employed by a person who holds a tip jar license or a  
21 wholesaler's license;

22 (iii) Hold any ownership interest in or receive any direct benefit  
23 from the holder of a tip jar license or a wholesaler's license; or

24 (iv) Serve on any board of directors or as an officer of any  
25 organization that [is qualified under § 501(c)(3) of the Internal Revenue Code]

26 APPLIES FOR FUNDS FROM THE COMMISSION.

27 (3) IF AN ORGANIZATION, THAT HAS ON ITS BOARD OF DIRECTORS OR AS  
28 AN OFFICER A MEMBER OF THE COMMISSION, APPLIES FOR FUNDS FROM THE  
29 COMMISSION DURING THE MEMBER'S TERM, THE MEMBER OF THE COMMISSION MAY  
30 NO LONGER SERVE ON THE COMMISSION AND A NEW MEMBER SHALL BE APPOINTED  
31 TO COMPLETE THE TERM.

32 [(3)] (4) A member of the Commission shall be a resident of Washington  
33 County.

1            [(4)]    (5)    The term of a member of the Commission is 2 years and begins  
2 on July 1.

3            [(5)]    (6)    A member of the Commission may not be reappointed within 5  
4 years after completion of [a full 2-year term] TWO 2-YEAR TERMS.

5            [(6)]    (7)    The terms of members of the Commission are staggered as  
6 required by the terms in effect for members of the Commission on July 1, 1995.

7            [(7)]    (8)    At the end of a term, a member continues to serve until a  
8 successor is appointed.

9            [(8)]    (9)    A member who is appointed after a term has begun serves only  
10 for the rest of the term and until a successor is appointed.

11           [(9)]    (10)   A member of the commission:

12                    (i)    May not receive compensation; but

13                    (ii)   May be entitled to reimbursement for expenses, in accordance  
14 with a policy of the Board.

15    (e)    (1)    The Board shall adopt regulations to carry out this section.

16            (2)    The County agency may recommend to the Board regulations or  
17 guidelines concerning the administration of this section.

18            (3)    By regulation, the Board:

19                    (i)    May require an applicant for a tip jar license or a wholesaler's  
20 license or any individual involved in the operation of a tip jar to be fingerprinted; and

21                    (ii)   May direct the County agency to obtain a criminal records check  
22 from the Criminal Justice Information System Central Repository of the Department  
23 of Public Safety and Correctional Services.

24            (4)    (I)    IF THE BOARD DIRECTS THE COUNTY AGENCY TO OBTAIN  
25 CRIMINAL HISTORY RECORDS CHECKS, THE COUNTY AGENCY SHALL APPLY TO THE  
26 CRIMINAL JUSTICE INFORMATION SYSTEM CENTRAL REPOSITORY OF THE  
27 DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES FOR A STATE  
28 CRIMINAL HISTORY RECORDS CHECK FOR EACH APPLICANT FOR A TIP JAR LICENSE  
29 OR A WHOLESALER'S LICENSE OR ANY INDIVIDUAL INVOLVED IN THE OPERATION OF  
30 A TIP JAR.

31                    (II)   THE CRIMINAL JUSTICE INFORMATION SYSTEM CENTRAL  
32 REPOSITORY SHALL PROVIDE THE REQUESTED INFORMATION IN ACCORDANCE WITH  
33 §§ 742 THROUGH 755 OF THIS ARTICLE.

34                    (III) AS PART OF THE APPLICATION FOR A CRIMINAL HISTORY  
35 RECORDS CHECK, THE COUNTY AGENCY SHALL SUBMIT TO THE CRIMINAL JUSTICE  
36 INFORMATION SYSTEM CENTRAL REPOSITORY:



1 (iii) The direct contributions under subparagraph (ii)2 of this  
2 paragraph:

3 1. May include up to 5% of the gross profits earned during  
4 the applicable period as in kind contributions, including contributions of free food,  
5 beverages, and other goods and free rentals of space, materials, and equipment; and

6 2. Shall be contributed in accordance with guidelines  
7 established by the Board by regulation after receiving input from the Washington  
8 County Clubs Association and holding a public hearing.

9 (iv)] (II) If an organization that is subject to this subsection does  
10 not contribute in a year the full amount required under subparagraph (i) of this  
11 paragraph, the organization in the next year shall deposit, with a financial institution  
12 that the Commission designates and to the credit of the Fund, the balance of the  
13 amount required to be contributed.

14 (5) The Board shall establish the time, method of deposit, and other  
15 procedures necessary to carry out paragraphs (3) and (4) of this subsection.

16 (6) The Commission may use money in the Fund to reimburse the Board  
17 for the costs to the County for administering this section in accordance with a written  
18 agreement between the Board and the Commission.

19 (7) Each year, after the reimbursement under paragraph (6) of this  
20 subsection, the Commission shall distribute:

21 (i) 60 percent of the moneys deposited in the Fund to bona fide  
22 charitable organizations in the County, subject to any restrictions that the Board may  
23 adopt by regulation; and

24 (ii) 40 percent of the moneys deposited in the Fund to the  
25 Washington County Volunteer Fire and Rescue Association.

26 (8) The Board may not reduce the total of its appropriations to nonprofit  
27 organizations in the County budget below the total appropriation to nonprofit  
28 organizations that is in the budget for the 1996 Fiscal Year.

29 (s) (1) Subject to subsection (u) of this section, the County agency may deny  
30 a tip jar license or a wholesaler's license to an applicant or discipline a holder of a  
31 license in accordance with this subsection.

32 (2) If the County agency finds that a person has violated this section, the  
33 person is subject to:

34 (i) For a first offense, denial or suspension of the person's tip jar  
35 license or wholesaler's license and a civil fine not exceeding \$1,500; and

36 (ii) For a subsequent offense:



1 (III) JUDICIAL REVIEW OF DISPUTED ISSUES OF FACT SHALL BE  
2 CONFINED TO THE RECORD FOR JUDICIAL REVIEW, UNLESS THE FINES EXCEED  
3 \$5,000 IN WHICH CASE JUDICIAL REVIEW SHALL BE DE NOVO.

4 [(4)] (5) If, after notice is given, the person against whom the action is  
5 contemplated:

6 (I) [does] DOES not appear, nevertheless the Board may hear and  
7 determine the matter; OR

8 (II) DOES NOT REQUEST A HEARING, THE BOARD MAY DEEM THAT  
9 THE MATTER HAS BEEN HEARD AND MAY IMPOSE A FINE.

10 (v) (1) A person who does not hold a wholesaler's license may not sell or  
11 wholesale for profit a tip jar packet.

12 (2) A person who does not hold a tip jar license may not offer to another  
13 person a chance from a tip jar or otherwise operate a tip jar.

14 (3) A person who holds a tip jar license may not:

15 (i) Allow an individual under the age of 18 years to play a tip jar;  
16 or

17 (ii) Operate a tip jar on property owned by the Washington County  
18 School Board.

19 (4) [Except for a violation under subsection (r)(5) of this section, a] A  
20 person who violates this [section] SUBSECTION is guilty of a misdemeanor and on  
21 conviction is subject to a fine not exceeding:

22 (i) For a first offense, \$5,000; and

23 (ii) For a subsequent offense, \$10,000.

24 (5) Each sale or offer of a chance from a tip jar is considered a separate  
25 offense.

26 (6) If a person convicted under this section has a liquor license, the  
27 County agency shall recommend to the Board of License Commissioners that the  
28 person's liquor license be suspended for not less than 15 days.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 July 1, 1998.

