

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 845 (Prince George's County Delegation)

Judiciary

**Prince George's County - Charitable Gaming - Casino Nights
PG 310-99**

This bill restores casino nights in Prince George's County under substantially the same conditions as existed before. The county may issue up to 21 permits to operate casino nights and must establish permit fees so as to cover the cost of administering the permits. In addition, the county must impose a levy of up to 20% of gross receipts from gaming activities at casino nights. The monies from the levy must be used for general purposes.

An entity must have a permit in order to conduct casino nights. The bill specifies the circumstances under which a permit application may be rejected and the reporting requirements for entities that obtain a permit. The proceeds from casino nights may be used only for volunteer fire departments, charitable, patriotic, educational, fraternal, religious, and civic purposes. An entity is subject to civil and/or criminal penalties for violating specified provisions of the bill.

Fiscal Summary

State Effect: None. The civil and criminal penalty provisions of this bill are not expected to significantly affect State finances or operations.

Local Effect: Indeterminate increase in revenues for Prince George's County from the gross receipts levy. No net increase in expenditures for Prince George's County; any increase in administrative expenditures would be offset with permit fee revenues.

Small Business Effect: Minimal.

Fiscal Analysis

Bill Summary: An application for a casino night permit may not be considered prima facie

evidence that the applicant is entitled to the permit. The applicant must demonstrate that a casino night permit is necessary for the accommodation of the general public. The county may reject an application if: (1) the information provided in the application is false or misleading; or (2) the operation of the casino night is not necessary for the accommodation of the general public or the operation will be a detriment to the community.

Each entity operating a casino night must report to the Comptroller of the Treasury, the County Executive and the County Council of Prince George's County, and the Prince George's County House and Senate Delegations: (1) the total gross receipts from gaming activities at casino nights for the past 12 months; and (2) the total expenses related to conducting casino nights during the same period, including the name and Social Security number of each individual who receives gratuities for assisting with casino nights. The report must be prepared by July 1 each year.

The bill prohibits a person from paying an individual a salary or compensation for assistance with conducting casino nights unless the payment is in the form of a gratuity.

Local Effect: Casino nights were authorized in Prince George's County until May 1997. According to Prince George's County, in 1996 approximately \$4.5 million was generated from the 20% levy on gross receipts of casino nights and about \$500,000 was collected in administrative fees. If collections remain substantially the same as previously, county revenues could increase by \$3.75 million in fiscal 2000 (\$3.34 million in gross receipts levy and \$375,000 in administrative fees), which reflects the October 1999 effective date, and by \$5.0 million annually thereafter. The actual increase will depend on the number of casino night permits issued and the number of customers who patronize casino nights.

Administrative fees will be established so as to offset the expenditures associated with issuing and administering the permits.

The civil and criminal penalty provisions of this bill are not expected to significantly affect local finances or operations.

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

Fiscal Note History: First Reader -March 3, 1999

dmm/jr

Analysis by: Lina Walker

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 946-5510

(301) 970-5510