

SENATE BILL 696

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C7

2003 Regular Session
3r2566
CF 3r2340

By: **Senator Hafer**

Introduced and read first time: February 18, 2003

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Allegany County - Paper Gaming - Regulation**

3 FOR the purpose of establishing in Allegany County a licensing procedure for certain
4 profit businesses and qualified organizations to engage in paper gaming and for
5 persons to sell paper gaming devices to paper gaming licensees; establishing
6 certain licensing requirements; exempting certain organizations from a certain
7 licensing requirement; requiring the Board of License Commissioners to set
8 certain annual fees under certain circumstances; requiring wholesale vendor
9 licensees to report certain information at certain times to the Board of License
10 Commissioners; requiring certain retail alcoholic beverages licensees to obtain
11 and display certain stamps; requiring the Board of License Commissioners to
12 ensure that a certain procedure regarding the sale of paper gaming devices is
13 followed; authorizing the Board of License Commissioners to suspend or revoke
14 certain licenses under certain circumstances; authorizing the Board of County
15 Commissioners to impose certain taxes; establishing a Special Gaming Fund;
16 specifying the nature, use, and contents of the Fund; requiring that the Board of
17 County Commissioners annually make certain payments and allocations from
18 the Fund; defining certain terms; and generally relating to paper gaming in
19 Allegany County.

20 BY repealing and reenacting, without amendments,
21 Article - Criminal Law
22 Section 13-201(a) and (c) and 13-301
23 Annotated Code of Maryland
24 (2002 Volume)

25 BY adding to
26 Article - Criminal Law
27 Section 13-302
28 Annotated Code of Maryland
29 (2002 Volume)

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

1

Article - Criminal Law

2 13-201.

3 (a) In this subtitle the following words have the meanings indicated.

4 (c) "Qualified organization" means:

5 (1) a volunteer fire company; or

6 (2) a bona fide:

7 (i) religious organization;

8 (ii) fraternal organization;

9 (iii) civic organization;

10 (iv) war veterans' organization; or

11 (v) charitable organization.

12 13-301.

13 Subtitle 2 of this title applies in Allegany County.

14 13-302.

15 (A) (1) IN THIS SECTION, "PAPER GAMING" MEANS A GAME OF CHANCE IN
16 WHICH:

17 (I) PRIZES ARE AWARDED; AND

18 (II) THE DEVICES USED TO PLAY THE GAME ARE CONSTRUCTED
19 OUT OF PAPER OR CARDBOARD.

20 (2) "PAPER GAMING" INCLUDES TIP JAR AND PUNCHBOARD GAMING.

21 (3) "PAPER GAMING" DOES NOT INCLUDE BINGO.

22 (B) THIS SECTION APPLIES ONLY IN ALLEGANY COUNTY.

23 (C) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, A
24 PERSON THAT IS A FOR PROFIT BUSINESS OR QUALIFIED ORGANIZATION MAY
25 ENGAGE IN PAPER GAMING IF THE PERSON OBTAINS A PAPER GAMING LICENSE
26 THAT IS ISSUED BY THE BOARD OF LICENSE COMMISSIONERS WITH THE APPROVAL
27 OF THE BOARD OF COUNTY COMMISSIONERS.28 (2) IF THE PERSON IS A FOR PROFIT BUSINESS, THE PERSON SHALL
29 ALSO HOLD A CLASS A, C, OR D RETAIL ALCOHOLIC BEVERAGES LICENSE ALLOWING
30 ON-PREMISES CONSUMPTION.

1 (3) QUALIFIED ORGANIZATIONS THAT DO NOT HAVE AN ALCOHOLIC
2 BEVERAGES LICENSE AND FIRE AND RESCUE DEPARTMENTS MAY ENGAGE IN PAPER
3 GAMING WITHOUT OBTAINING A PAPER GAMING LICENSE.

4 (D) A PERSON MAY SELL PAPER GAMING DEVICES TO A PAPER GAMING
5 LICENSEE IF THE PERSON OBTAINS A WHOLESALE VENDOR'S LICENSE ISSUED BY
6 THE BOARD OF LICENSE COMMISSIONERS WITH THE APPROVAL OF THE BOARD OF
7 COUNTY COMMISSIONERS.

8 (E) THE BOARD OF LICENSE COMMISSIONERS SHALL SET ANNUAL FEES FOR A
9 PAPER GAMING LICENSE AND A WHOLESALE VENDOR'S LICENSE.

10 (F) QUARTERLY, WHOLESALE VENDOR LICENSEES SHALL PROVIDE A LIST TO
11 THE BOARD OF LICENSE COMMISSIONERS OF ALL CUSTOMERS TO WHOM THEY SELL
12 PAPER GAMING PRODUCTS AND THE TOTAL NUMBER OF PRODUCTS SOLD TO EACH
13 CUSTOMER.

14 (G) A RETAIL ALCOHOLIC BEVERAGES LICENSEE WHO HOLDS A PAPER
15 GAMING LICENSE SHALL OBTAIN WITHOUT CHARGE FROM THE BOARD OF LICENSE
16 COMMISSIONERS A STAMP TO BE DISPLAYED WITH THE ALCOHOLIC BEVERAGES
17 LICENSE.

18 (H) THE BOARD OF LICENSE COMMISSIONERS SHALL ENSURE THAT EACH
19 RETAIL ALCOHOLIC BEVERAGES LICENSEE WHO HOLDS A PAPER GAMING LICENSE
20 SELLS TO THE PUBLIC THE SAME SERIAL-NUMBERED PAPER GAMING DEVICES THAT
21 ARE LISTED ON THE BILL OF SALE FROM THE WHOLESALE VENDOR LICENSEE.

22 (I) AFTER A HEARING, IF THE BOARD OF LICENSE COMMISSIONERS FINDS
23 THAT A PAPER GAMING LICENSEE, A WHOLESALE VENDOR LICENSEE, OR AN AGENT
24 OF A LICENSEE HAS VIOLATED THIS SECTION, THE BOARD OF LICENSE
25 COMMISSIONERS MAY REVOKE OR SUSPEND THE LICENSE.

26 (J) THE BOARD OF COUNTY COMMISSIONERS MAY IMPOSE THE FOLLOWING
27 PAPER GAMING TAXES:

28 (1) ON LICENSEES THAT ARE QUALIFIED ORGANIZATIONS, 10% OF
29 GROSS PROFITS MINUS THE COSTS OF PAPER GAMING PRODUCTS; AND

30 (2) ON LICENSEES THAT ARE FOR PROFIT BUSINESSES, 40% OF GROSS
31 PROFITS MINUS THE COSTS OF PAPER GAMING PRODUCTS.

32 (K) (1) IN THIS SUBSECTION, "FUND" MEANS THE SPECIAL GAMING FUND.

33 (2) THE BOARD OF COUNTY COMMISSIONERS MAY ESTABLISH A
34 SPECIAL GAMING FUND.

35 (3) THE FUND IS A SPECIAL CONTINUING, NONLAPSING FUND.

36 (4) THE FUND MAY BE USED ONLY TO BENEFIT FIRE AND RESCUE
37 DEPARTMENTS AND TO PAY FOR SPECIFIED SCHOOL COSTS.

1 (5) (I) THE FUND CONSISTS OF:

2 1. REVENUE DERIVED FROM THE TAXATION OF GROSS
3 PROFITS FROM TIP JAR SALES; AND

4 2. SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,
5 MONEY RECEIVED FROM OTHER SOURCES.

6 (II) MONEY FROM THE GENERAL FUND OF THE STATE OR COUNTY,
7 INCLUDING ANY FEDERAL MONEY, MAY NOT BE TRANSFERRED BY BUDGET
8 AMENDMENT OR OTHERWISE TO THE FUND.

9 (6) THE FUND SHALL BE INVESTED AND REINVESTED IN THE SAME
10 MANNER AS OTHER COUNTY FUNDS.

11 (7) ANNUALLY THE BOARD OF COUNTY COMMISSIONERS SHALL:

12 (I) PAY FROM THE FUND ALL ADMINISTRATIVE COSTS OF
13 CARRYING OUT THIS SECTION, INCLUDING THE HIRING OF ADDITIONAL NECESSARY
14 PERSONNEL; AND

15 (II) ALLOCATE THE REMAINING MONEY IN THE FUND AS FOLLOWS:

16 1. AT LEAST 25% BUT NOT MORE THAN 35% TO FIRE AND
17 RESCUE DEPARTMENTS; AND

18 2. THE BALANCE TO PAY FOR SCHOOL CONSTRUCTION,
19 SCHOOL SUPPLIES, AND OTHER NONMAINTENANCE OF EFFORT COSTS.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 2003.