

Department of Legislative Services  
 Maryland General Assembly  
 2003 Session

FISCAL AND POLICY NOTE

House Bill 281 (Delegate Hixson, *et al.*)  
 Ways and Means

Local Gaming Accountability Act of 2003

This bill requires an organization that is qualified to conduct a gaming event to submit a report under affidavit every six months to the State Lottery Agency and the Attorney General. The report is required to contain an accounting of all income raised by each gaming event since the last report that the organization has conducted and the disposition of that income. The Attorney General may prohibit a county from allowing an organization to conduct a gaming event for up to one year if the organization fails to comply with the requirements of the bill.

Fiscal Summary

**State Effect:** General fund expenditure increase of approximately \$105,700 in FY 2004. Future years reflect annualization and inflation.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	105,700	134,900	142,400	150,600	159,400
Net Effect	(\$105,700)	(\$134,900)	(\$142,400)	(\$150,600)	(\$159,400)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** Minimal impact on local government expenditures.

**Small Business Effect:** None.

Analysis

**Current Law:** The Criminal Law Article defines a gaming event as a carnival, bazaar, or raffle. Qualified organizations are: (1) a volunteer fire company; or (2) a bona fide

religious organization; fraternal organization; civic organization; war veterans' organization; or charitable organization.

**State Fiscal Effect:** The bill requires the Attorney General to determine reporting requirements for the local organizations that conduct gaming events and as well as to monitor compliance with these requirements. Local organizations are required to file reports every six months.

As a result, general fund expenditures could increase by an estimated \$105,700 in fiscal 2004, which accounts for the bill's October 1, 2003 effective date. This estimate reflects the cost of hiring one auditor and one paralegal to determine reporting requirements and monitor reporting compliance. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Future year expenditures reflect: (1) full salaries with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Montgomery County, Prince George's County, Caroline County, Calvert County, Howard County, Maryland State Lottery Agency, Baltimore City, Office of the Attorney General, Department of Legislative Services

**Fiscal Note History:** First Reader - February 19, 2003  
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