

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE
Revised

House Bill 452

(Prince George's County Delegation)

Ways and Means

Judicial Proceedings

Prince George's County - Charitable Gaming Events – Authorized
PG 310-03

This bill repeals the prohibition against conducting charitable gaming nights in Prince George's County. It authorizes the Prince George's County Department of Environmental Resources to issue a permit for a charitable gaming event to an applicant that meets specified requirements. The Prince George's County Council is authorized to impose a tax of up to 20% of the net proceeds of charitable gaming events to be used for public education purposes.

The bill provides for the application process, establishes a \$150 permit fee for each charitable gaming event, and limits the number of permits that may be authorized to 21 and the number of gaming events that may be held by a group to 4 per month.

The bill provides that the Sheriff will enforce the operation of all gaming events, and the cost of enforcement be paid by each permittee. Also, the bill provides for civil and criminal penalties for violations of the bill.

The bill takes effect June 1, 2003.

Fiscal Summary

State Effect: The bill's penalty provisions are not expected to have a significant effect on State finances or operations.

Local Effect: The amount of any revenue or expenditure increase depends on the numbers of organizations that apply for gaming permits and the proceeds generated from these events. Enforcement costs are to be paid by permittees. Expenditures for education

purposes depend on proceeds from gaming events. The bill's penalty provisions are not expected to have a significant effect on local finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Charitable gaming events are prohibited in Prince George's County.

Background: Authorization for casino nights in Prince George's County terminated on May 25, 1997. Between 1995 and 1997, Prince George's County levied a tax of up to 20% on the gross proceeds of charitable gaming events in the county.

Local Fiscal Effect: Local government revenues and expenditures could increase by an indeterminate amount. The amount of any revenue or expenditure increase depends on the numbers of organizations that apply for gaming permits and the proceeds generated from these events.

Enforcement costs are to be paid by permittees to the Sheriff's Office. Increased education expenditures depend on the proceeds of gaming events.

Prince George's County collected \$4.5 million in fiscal 1996 and \$3.8 million in fiscal 1997 from the tax on gaming night proceeds.

The county Sheriff's Office regulated casino nights through the Casino Enforcement Bureau. The bureau had a budget of approximately \$761,000 in fiscal 1997, which included 17 full-time positions.

Small Business Effect: Charitable organizations would benefit through the reintroduction of charitable gaming events. Casino night revenues totaled approximately \$30 million annually prior to the termination. Charitable gaming events could substantially increase revenues of charitable organizations sponsoring the events.

Additional Information

Prior Introductions: A similar bill was introduced as HB 759 during the 1998 session. It received an unfavorable report from the Senate Judicial Proceedings Committee.

Cross File: None.

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

Fiscal Note History: First Reader - February 10, 2003
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