By: **Allegany County Delegation** Introduced and read first time: February 12, 2004 Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

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Allegany County - Paper Gaming - Licensing and Taxing

3 FOR the purpose of repealing a certain restriction on certain alcoholic beverages

4 licenses held by for profit businesses that engage in paper gaming in Allegany

- 5 County; exempting certain qualified organizations and fire and rescue
- 6 departments from obtaining a paper gaming license if certain qualified
- 7 organizations and fire and rescue departments buy certain paper gaming
- 8 devices only from certain licensed wholesale vendors; altering the time frame in
- 9 which a wholesale vendor licensee must provide a certain list to the Board of
- 10 County Commissioners of Allegany County to be monthly; repealing the
- 11 requirement obligating a retail alcoholic beverages licensee who holds a paper
- 12 gaming license to obtain a certain stamp from the Board of County
- 13 Commissioners; prohibiting the Board of County Commissioners from imposing
- 14 a certain paper gaming tax on certain qualified organizations and fire and
- 15 rescue departments if the qualified organizations and fire and rescue
- 16 departments buy certain paper gaming devices from licensed wholesale vendors;
- 17 authorizing the Board of County Commissioners to authorize certain inspectors
- 18 to enter the premises of certain qualified organizations to ensure compliance
- 19 with certain provisions of law; and generally relating to paper gaming in
- 20 Allegany County.

21 BY repealing and reenacting, with amendments,

- 22 Article Criminal Law
- 23 Section 13-302
- 24 Annotated Code of Maryland
- 25 (2002 Volume and 2003 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

27 MARYLAND, That the Laws of Maryland read as follows:

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Article - Criminal Law

- 29 13-302.
- 30 (a) (1) In this section, "paper gaming" means a game of chance in which:

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2				HOUSE BILL 1011					
1			(i)	prizes are awarded; and					
2 3	or cardboard.		(ii)	the devices used to play the game are constructed out of paper					
4	4 (2) "Paper gaming" includes tip jar and punchboard gaming.								
5	((3)	"Paper gaming" does not include bingo.						
6	(b) 7	This sec	ection applies only in Allegany County.						
	for profit busin	(c) (1) Subject to paragraphs (2) and (3) of this subsection, a person that is a for profit business or qualified organization may engage in paper gaming if the person obtains a paper gaming license that is issued by the Board of County Commissioners.							
	 (2) If the person is a for profit business, the person shall also hold a Class A, C, or D retail alcoholic beverages license [allowing on-premises consumption]. 								
15 16	 (3) Qualified organizations that do not have an alcoholic beverages license and fire and rescue departments may engage in paper gaming without obtaining a paper gaming license IF THE QUALIFIED ORGANIZATIONS AND THE FIRE AND RESCUE DEPARTMENTS BUY PAPER GAMING DEVICES ONLY FROM WHOLESALE VENDORS LICENSED BY THE BOARD OF COUNTY COMMISSIONERS. 								
	8 (d) A person may sell paper gaming devices to a paper gaming licensee if the 9 person obtains a wholesale vendor's license issued by the Board of County 0 Commissioners.								
21 22	(e) The Board of County Commissioners shall set annual fees for a paper gaming license and a wholesale vendor's license.								
	(f) [Quarterly] MONTHLY, wholesale vendor licensees shall provide a list to the Board of County Commissioners of all customers to whom they sell paper gaming products and the total number of products sold to each customer.								
	6 [(g) A retail alcoholic beverages licensee who holds a paper gaming license 7 shall obtain without charge from the Board of County Commissioners a stamp to be 8 displayed with the alcoholic beverages license.]								
31	[(h)] (G) The Board of County Commissioners shall ensure that each retail alcoholic beverages licensee who holds a paper gaming license sells to the public the same serial-numbered paper gaming devices that are listed on the bill of sale from the wholesale vendor licensee.								
33 34	3 [(i)] (paper gaming	(H) taxes:	(1)	The Board of County Commissioners may impose the following					
35 36		(1)] the cost	(I) s of pape	on licensees that are qualified organizations, 10% of gross er gaming products; and					

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1 2	minus the co	[(2)] osts of pa	(II) per gamii		es that are for profit businesses, 40% of gross profits					
5	 3 (2) THE BOARD OF COUNTY COMMISSIONERS MAY NOT IMPOSE A PAPER 4 GAMING TAX ON QUALIFIED ORGANIZATIONS THAT DO NOT HAVE AN ALCOHOLIC 5 BEVERAGES LICENSE OR FIRE AND RESCUE DEPARTMENTS THAT BUY PAPER 6 GAMING DEVICES FROM A LICENSED WHOLESALE VENDOR. 									
7	[(j)]	(I)	(1)	In this subse	section, "Fund" means the Special Gaming Fund.					
8 9	Fund.	(2)	The Board of County Commissioners may establish a Special Gaming							
10		(3)	The Fur	The Fund is a special continuing, nonlapsing fund.						
11 12	11 (4) The Fund may be used only to benefit fire and rescue departments 12 and to pay for specified school costs.									
13		(5)	(i)	The Fund co	consists of:					
14 15	jar sales; an	d		1. rev	evenue derived from the taxation of gross profits from tip					
16 17	162.subject to subparagraph (ii) of this paragraph, money17 received from other sources.									
	18 (ii) Money from the General Fund of the State or county, including 19 any federal money, may not be transferred by budget amendment or otherwise to the 20 Fund.									
21 22	other county	(6) y funds.	The Fund shall be invested and reinvested in the same manner as							
23		(7)	Annuall	y the Board o	d of County Commissioners shall:					
24 25	4 (i) pay from the Fund all administrative costs of carrying out this 5 section, including the hiring of additional necessary personnel; and									
26			(ii)	allocate the	e remaining money in the Fund as follows:					
27 28	departments	s; and		1. at 1	t least 25% but not more than 35% to fire and rescue					
29 30	29 2. the balance to pay for school construction, school supplies, 30 and other nonmaintenance of effort costs.									
31 32	31 [(k)] (J) The Board of County Commissioners may adopt rules and regulations 32 to administer and enforce this section.									

33 [(l)] (K) The Board of County Commissioners may:

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1 (1) hire one or more inspectors; and

2 (2) authorize each inspector to enter the premises of a licensee OR A
3 QUALIFIED ORGANIZATION to ensure compliance with this section or a rule or
4 regulation adopted under this section.

5 [(m)] (L) The Board of County Commissioners may adopt an ordinance or 6 resolution declaring that a violation of this section or a rule or regulation adopted 7 under this section is:

8 (1) a civil infraction under Article 25B, § 13C of the Code; or

9 (2) a misdemeanor punishable by a term of imprisonment not exceeding 10 30 days or a fine not exceeding \$1,000 or both.

11 [(n)] (M) After a hearing, if the Board of County Commissioners or a designee

12 of the Board finds that a paper gaming licensee, a wholesale vendor licensee, or an

13 agent of a licensee has violated this section or a rule or regulation adopted under this14 section, the Board may suspend or revoke the license in addition to any fine or

15 penalty imposed under subsection [(m)] (L) of this section.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 17 June 1, 2004.

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