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

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 27, 2004

CHAPTER _____

1 AN ACT concerning

2 **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 a paper gaming licensee from having on its~~
14 ~~premises a paper gaming device that does not display a gaming sticker;~~
15 ~~prohibiting the Board of County Commissioners from imposing a certain paper~~
16 ~~gaming tax on certain qualified organizations and fire and rescue departments~~
17 ~~if the qualified organizations and fire and rescue departments buy certain paper~~
18 ~~gaming devices from licensed wholesale vendors; authorizing the Board of~~
19 ~~County Commissioners to authorize certain inspectors to enter the premises of~~
20 ~~certain qualified organizations to ensure compliance with certain provisions of~~
21 ~~law; and generally relating to paper gaming in Allegany County.~~

22 BY repealing and reenacting, with amendments,
23 Article - Criminal Law
24 Section 13-302
25 Annotated Code of Maryland
26 (2002 Volume and 2003 Supplement)

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

3 **Article - Criminal Law**

4 13-302.

5 (a) (1) In this section, "paper gaming" means a game of chance in which:

6 (i) prizes are awarded; and

7 (ii) the devices used to play the game are constructed out of paper
8 or cardboard.

9 (2) "Paper gaming" includes tip jar and punchboard gaming.

10 (3) "Paper gaming" does not include bingo.

11 (b) This section applies only in Allegany County.

12 (c) (1) Subject to paragraphs (2) and (3) of this subsection, a person that is a
13 for profit business or qualified organization may engage in paper gaming if the person
14 obtains a paper gaming license that is issued by the Board of County Commissioners.

15 (2) If the person is a for profit business, the person shall also hold a
16 Class A, C, or D retail alcoholic beverages license [allowing on-premises
17 consumption].

18 (3) Qualified organizations that do not have an alcoholic beverages
19 license and fire and rescue departments may engage in paper gaming without
20 obtaining a paper gaming license ~~IF THE QUALIFIED ORGANIZATIONS AND THE FIRE
21 AND RESCUE DEPARTMENTS BUY PAPER GAMING DEVICES ONLY FROM WHOLESALE
22 VENDORS LICENSED BY THE BOARD OF COUNTY COMMISSIONERS.~~

23 (d) A person may sell paper gaming devices to a paper gaming licensee if the
24 person obtains a wholesale vendor's license issued by the Board of County
25 Commissioners.

26 (e) The Board of County Commissioners shall set annual fees for a paper
27 gaming license and a wholesale vendor's license.

28 (f) [Quarterly]MONTHLY, wholesale vendor licensees shall provide a list to
29 the Board of County Commissioners of all customers to whom they sell paper gaming
30 products and the total number of products sold to each customer.

31 (G) A PAPER GAMING LICENSEE MAY NOT HAVE ON ITS PREMISES A PAPER
32 GAMING DEVICE THAT DOES NOT DISPLAY A GAMING STICKER.

1 [(g) A retail alcoholic beverages licensee who holds a paper gaming license
2 shall obtain without charge from the Board of County Commissioners a stamp to be
3 displayed with the alcoholic beverages license.]

4 ~~{(h)}~~ ~~(G)~~ The Board of County Commissioners shall ensure that each retail
5 alcoholic beverages licensee who holds a paper gaming license sells to the public the
6 same serial-numbered paper gaming devices that are listed on the bill of sale from
7 the wholesale vendor licensee.

8 ~~{(i)}~~ ~~(H)~~ (1) The Board of County Commissioners may impose the following
9 paper gaming taxes:

10 [(1)] (I) on licensees that are qualified organizations, 10% of gross
11 profits minus the costs of paper gaming products; and

12 [(2)] (II) on licensees that are for profit businesses, 40% of gross profits
13 minus the costs of paper gaming products.

14 (2) THE BOARD OF COUNTY COMMISSIONERS MAY NOT IMPOSE A PAPER
15 GAMING TAX ON QUALIFIED ORGANIZATIONS THAT DO NOT HAVE AN ALCOHOLIC
16 BEVERAGES LICENSE OR FIRE AND RESCUE DEPARTMENTS THAT BUY PAPER
17 GAMING DEVICES FROM A LICENSED WHOLESALE VENDOR.

18 ~~{(j)}~~ ~~(J)~~ (1) In this subsection, "Fund" means the Special Gaming Fund.

19 (2) The Board of County Commissioners may establish a Special Gaming
20 Fund.

21 (3) The Fund is a special continuing, nonlapsing fund.

22 (4) The Fund may be used only to benefit fire and rescue departments
23 and to pay for specified school costs.

24 (5) (i) The Fund consists of:

25 1. revenue derived from the taxation of gross profits from tip
26 jar sales; and

27 2. subject to subparagraph (ii) of this paragraph, money
28 received from other sources.

29 (ii) Money from the General Fund of the State or county, including
30 any federal money, may not be transferred by budget amendment or otherwise to the
31 Fund.

32 (6) The Fund shall be invested and reinvested in the same manner as
33 other county funds.

34 (7) Annually the Board of County Commissioners shall:

1 (i) pay from the Fund all administrative costs of carrying out this
2 section, including the hiring of additional necessary personnel; and

3 (ii) allocate the remaining money in the Fund as follows:

4 1. at least 25% but not more than 35% to fire and rescue
5 departments; and

6 2. the balance to pay for school construction, school supplies,
7 and other nonmaintenance of effort costs.

8 ~~{(k)}~~ ~~(K)~~ The Board of County Commissioners may adopt rules and regulations
9 to administer and enforce this section.

10 ~~{(l)}~~ ~~(K)~~ The Board of County Commissioners may:

11 (1) hire one or more inspectors; and

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

15 ~~{(m)}~~ ~~(L)~~ The Board of County Commissioners may adopt an ordinance or
16 resolution declaring that a violation of this section or a rule or regulation adopted
17 under this section is:

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

19 (2) a misdemeanor punishable by a term of imprisonment not exceeding
20 30 days or a fine not exceeding \$1,000 or both.

21 ~~{(n)}~~ ~~(M)~~ After a hearing, if the Board of County Commissioners or a designee
22 of the Board finds that a paper gaming licensee, a wholesale vendor licensee, or an
23 agent of a licensee has violated this section or a rule or regulation adopted under this
24 section, the Board may suspend or revoke the license in addition to any fine or
25 penalty imposed under subsection ~~{(m)}~~ ~~(L)~~ of this section.

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