
By: **Delegate Edwards**
 Introduced and read first time: January 16, 2006
 Assigned to: Ways and Means

Committee Report: Favorable with amendments
 House action: Adopted
 Read second time: March 27, 2006

CHAPTER_____

1 AN ACT concerning

2 **Garrett County - Paper Gaming and Bingo - Regulation**

3 FOR the purpose of clarifying the identity of certain organizations that may engage in
 4 paper gaming in Garrett County under certain circumstances; repealing certain
 5 prohibitions against conducting or receiving proceeds from a certain number of
 6 gaming events or raffles during a calendar year in which the major prize has a
 7 certain value; repealing a certain penalty provision; authorizing the County
 8 Commissioners to declare that each day a certain violation continues is a
 9 separate offense; clarifying the identity of certain organizations whose members
 10 may conduct and operate bingo games; repealing certain restrictions on the
 11 value of major prizes awarded in bingo games; authorizing the County
 12 Commissioners to adopt regulations that include age restrictions for
 13 participants in any activity involving a gaming event or bingo; and generally
 14 relating to paper gaming and bingo in Garrett County.

15 BY repealing and reenacting, without amendments,
 16 Article - Criminal Law
 17 Section 13-1402(a)
 18 Annotated Code of Maryland
 19 (2002 Volume and 2005 Supplement)

20 BY repealing and reenacting, with amendments,
 21 Article - Criminal Law
 22 Section 13-1403(b) and (f), 13-1404, ~~and~~ 13-1405, and 13-1406
 23 Annotated Code of Maryland
 24 (2002 Volume and 2005 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 13-1402.

5 (a) This subtitle applies only in Garrett County.

6 13-1403.

7 (b) An organization may conduct a gaming event for its own benefit if the
8 organization is:

9 (1) a bona fide:

10 (i) religious organization;

11 (ii) fraternal organization;

12 (iii) civic organization;

13 (iv) war veterans' organization;

14 (v) hospital;

15 (vi) amateur athletic organization;

16 (vii) patriotic organization;

17 (viii) educational organization; or

18 (ix) charitable organization;

19 (2) a county volunteer fire [company] DEPARTMENT or rescue
20 [company] SQUAD; or

21 (3) an auxiliary for a county volunteer fire [company] DEPARTMENT or
22 rescue [company] SQUAD.

23 (f) [(1)] The holder of a gaming permit may award:

24 [(i)] (1) prizes to individuals at a gaming event; and

25 [(ii)] (2) only one major prize at each gaming event.

26 [(2) During each calendar year, the holder of a gaming event:

27 (i) may not conduct or receive the proceeds from more than one
28 gaming event in which the major prize has a value of \$5,000 or more; and

1 (ii) may not conduct or receive the proceeds from more than five
2 raffles in which the major prize has a value of \$5,000 or less.

3 13-1404.

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

5 (i) prizes are awarded; and

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

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

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

10 (b) (1) Subject to paragraphs (2) and (3) of this subsection, a person that is a
11 for profit business or [qualified] AN organization LISTED UNDER § 13-1403(B) OF THIS
12 SUBTITLE may engage in paper gaming if the person obtains a paper gaming license
13 that is issued by the County Commissioners.

14 (2) If the person is a for profit business, the person:

15 (i) shall also hold a Class A, B, C, or D retail alcoholic beverages
16 license; and

17 (ii) may engage in paper gaming only on the premises of the for
18 profit business.

19 (3) [Qualified organizations that do not have an alcoholic beverages
20 license and fire and rescue departments may engage in paper gaming only on the
21 premises of the qualified organization or fire and rescue department.] SUBJECT TO
22 PARAGRAPH (4) OF THIS SUBSECTION, AN ORGANIZATION MAY ENGAGE IN PAPER
23 GAMING IF THE ORGANIZATION:

24 (I) IS LISTED UNDER § 13-1403(B) OF THIS SUBTITLE AND DOES
25 NOT HAVE AN ALCOHOLIC BEVERAGES LICENSE; OR

26 (II) IS A COUNTY VOLUNTEER FIRE DEPARTMENT OR RESCUE
27 SQUAD AND HAS AN ALCOHOLIC BEVERAGES LICENSE.

28 (4) AN ORGANIZATION UNDER PARAGRAPH (3) OF THIS SUBSECTION
29 MAY ENGAGE IN PAPER GAMING ONLY ON ITS PREMISES.

30 (c) A person may sell paper gaming devices to a paper gaming licensee if the
31 person obtains a wholesale vendor's license issued by the County Commissioners.

32 (d) The County Commissioners shall set annual fees for a paper gaming
33 license and a wholesale vendor's license.

1 (e) Not later than the fifteenth of each month, wholesale vendor licensees
2 shall provide to the County Commissioners a list for the previous month of all
3 customers to whom they sold paper gaming products and the total number of products
4 sold to each customer.

5 (f) A paper gaming licensee may not have on its premises a paper gaming
6 device that does not display a gaming sticker issued by the county.

7 (g) The County Commissioners shall ensure that each licensee who conducts
8 [a] paper gaming [license] UNDER A PAPER GAMING LICENSE sells to the public the
9 same serial-numbered paper gaming devices that are listed on the bill of sale from
10 the wholesale vendor licensee.

11 (h) The County Commissioners may impose the following paper gaming taxes:

12 (1) on licensees that are qualified organizations, 10% of gross profits
13 minus the costs of paper gaming products; and

14 (2) on licensees that are for profit businesses, 40% of gross profits minus
15 the costs of paper gaming products.

16 (i) (1) In this subsection, "Fund" means the Special Gaming Fund.

17 (2) The County Commissioners shall establish a Special Gaming Fund.

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

19 (4) The Fund shall be used only to benefit fire and rescue services.

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

21 1. revenue derived from the taxation of gross profits from tip
22 jar sales; and

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

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

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

30 (7) Annually the County Commissioners shall:

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

33 (ii) allocate the remaining money in the Fund to fire and rescue
34 services.

1 (j) The County Commissioners may adopt rules and regulations to administer
2 and enforce this section.

3 (k) The County Commissioners may:

4 (1) hire or designate one or more inspectors; and

5 (2) authorize each inspector to enter the premises of a licensee to ensure
6 compliance with this section or a rule or regulation adopted under this section.

7 (l) The County Commissioners may adopt an ordinance or resolution
8 declaring that:

9 (1) a violation of this section or a rule or regulation adopted under this
10 section is[:

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

12 (2)] a misdemeanor punishable by a term of imprisonment not exceeding
13 30 days or a fine not exceeding \$1,000 or both; AND

14 (2) EACH DAY THAT A VIOLATION CONTINUES IS A SEPARATE OFFENSE.

15 (m) After a hearing, if the County Commissioners or a designee of the Board
16 finds that a paper gaming licensee, a wholesale vendor licensee, or an agent of a
17 licensee has violated this section or a rule or regulation adopted under this section,
18 the Board may suspend or revoke the license in addition to any fine or penalty
19 imposed under THIS subsection [(m) of this section].

20 13-1405.

21 (a) A person authorized to conduct bingo under subsection (b) of this section
22 shall obtain a bingo permit from the county agency designated by the County
23 Commissioners to issue a bingo permit.

24 (b) An organization may conduct bingo for its own benefit or to benefit charity
25 in the county if the organization is a legal resident of the county and is:

26 (1) a bona fide:

27 (i) religious organization;

28 (ii) fraternal organization;

29 (iii) civic organization;

30 (iv) war veterans' organization;

31 (v) hospital;

32 (vi) amateur athletic organization;

- 1 (vii) patriotic organization;
- 2 (viii) educational organization; or
- 3 (ix) charitable organization;
- 4 (2) a county volunteer[:
- 5 (i)] fire [company] DEPARTMENT[;] or
- 6 [(ii)] rescue [company] SQUAD; or
- 7 (3) an auxiliary for a county volunteer[:
- 8 (i)] fire [company] DEPARTMENT[;] or
- 9 [(ii)] rescue [company] SQUAD.

10 (c) A person who is not a legal resident of the county may not conduct bingo.

11 (d) To qualify for a bingo permit, a person shall meet the requirements set by
12 the county.

13 (e) Only members of [a qualifying] AN organization LISTED UNDER
14 SUBSECTION (B) OF THIS SECTION may conduct and operate bingo games.

15 (f) ~~A person who conducts bingo may not offer or award:~~

16 ~~(1) a prize or award with a fair market value exceeding \$5,000; or~~

17 ~~(2) a money prize exceeding \$5,000.~~

18 13-406.

19 The County Commissioners may adopt rules and regulations to carry out this
20 subtitle, INCLUDING AGE RESTRICTIONS FOR PARTICIPANTS IN ANY ACTIVITY
21 INVOLVING A GAMING EVENT OR BINGO.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 ~~October~~ July 1, 2006.