
By: **Delegates Franchot, Anderson, Barkley, Barve, Benson, Bobo, Bronrott, Brown, Burns, Cane, Carter, V. Clagett, Doory, Dumais, Feldman, Gaines, Goldwater, Griffith, Gutierrez, Heller, Hixson, Hubbard, James, Jones, Kaiser, Kelley, Kirk, Lawton, Lee, Madaleno, Mandel, Marriott, McIntosh, Menes, Montgomery, Murray, Myers, Nathan-Pulliam, Niemann, Paige, Parker, Patterson, Quinter, Ramirez, Rosenberg, Ross, Simmons, Stern, F. Turner, V. Turner, and Vaughn**

Introduced and read first time: February 10, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Illegal Gaming Enforcement Act of 2006**

3 FOR the purpose of requiring the Comptroller to submit an annual report to the
4 General Assembly about illegal operation in the State of slot machines,
5 including certain video gaming devices; requiring that the report contain
6 information about efforts the Comptroller has taken to eliminate the illegal
7 operation of slot machines, an estimate of certain uncollected tax revenue,
8 certain information concerning certain audits, a breakdown by county of certain
9 information, and a certain plan to collect certain tax revenue and enforce State
10 law regarding slot machines; requiring the Comptroller to report to the General
11 Assembly on or before a certain date concerning illegal operation of slot
12 machines in other states; defining a certain term; and generally relating to the
13 illegal operation of slot machines.

14 BY repealing and reenacting, without amendments,
15 Article - Criminal Law
16 Section 12-302
17 Annotated Code of Maryland
18 (2002 Volume and 2005 Supplement)

19 BY adding to
20 Article - Criminal Law
21 Section 12-302.1
22 Annotated Code of Maryland
23 (2002 Volume and 2005 Supplement)

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

1 **Article - Criminal Law**

2 12-302.

3 (a) Except as allowed under §§ 12-304 through 12-306 of this subtitle, a
4 person may not locate, possess, keep, or operate a slot machine in the State as an
5 owner, lessor, lessee, licensor, licensee, or in any other capacity.

6 (b) A person who violates this section is guilty of a misdemeanor and on
7 conviction is subject to imprisonment not exceeding 1 year or a fine of \$1,000 or both
8 for each violation.

9 12-302.1.

10 (A) IN THIS SECTION, "SLOT MACHINE" INCLUDES A VIDEO GAMING DEVICE
11 THAT IS LOCATED IN A BAR, RESTAURANT, GASOLINE STATION, OR OTHER
12 ESTABLISHMENT, WITH PAYOUTS AWARDED TO WINNING PLAYERS BY THE VIDEO
13 GAMING DEVICE OR BY AN INDIVIDUAL IN THE ESTABLISHMENT.

14 (B) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE COMPTROLLER SHALL
15 SUBMIT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE
16 GOVERNMENT ARTICLE, A REPORT THAT INCLUDES, AT A MINIMUM, THE
17 FOLLOWING INFORMATION CONCERNING THE MOST RECENTLY COMPLETED FISCAL
18 YEAR ENDING JUNE 30:

19 (1) EFFORTS THAT THE COMPTROLLER HAS TAKEN TO ELIMINATE THE
20 ILLEGAL OPERATION OF SLOT MACHINES;

21 (2) INFORMATION CONCERNING AUDITS MADE OF VENDING
22 COMPANIES THAT SELL, LEASE, LEND, OR OTHERWISE TRANSFER SLOT MACHINES
23 TO INDIVIDUALS WHO AGREE TO HAVE THE SLOT MACHINES INSTALLED IN THEIR
24 ESTABLISHMENTS, INCLUDING:

25 (I) THE NUMBER OF AUDITS CONDUCTED;

26 (II) THE NUMBER OF AUDITORS ASSIGNED TO CONDUCT THE
27 AUDITS; AND

28 (III) THE RESULTS OF THE AUDITS, INCLUDING THE NUMBER AND
29 AMOUNT OF TAX LIENS FILED AGAINST THE VENDING COMPANIES;

30 (3) AN ESTIMATE OF HOW MUCH THE STATE HAS LOST IN
31 UNCOLLECTED TAX REVENUE BECAUSE OF UNDERREPORTED BUSINESS INCOME
32 FROM SLOT MACHINES;

33 (4) A BREAKDOWN BY COUNTY OF:

34 (I) THE NUMBER OF LICENSES OR PERMITS ISSUED FOR SLOT
35 MACHINES AND THE NAMES AND ADDRESSES OF THE HOLDERS OF THE LICENSES OR
36 PERMITS;

1 (II) THE NUMBER OF LEGAL AND AN ESTIMATED NUMBER OF
2 ILLEGAL SLOT MACHINES IN OPERATION; AND

3 (III) THE AMOUNT OF REVENUE COLLECTED IN ADMISSION AND
4 AMUSEMENT, INCOME, AND OTHER TAXES ASSOCIATED WITH SLOT MACHINES, AND
5 AN ESTIMATED AMOUNT THAT REMAINS UNCOLLECTED; AND

6 (5) A PLAN SETTING FORTH WAYS TO COLLECT UNCOLLECTED TAX
7 REVENUE AND ENFORCE STATE LAW REGARDING THE ILLEGAL OPERATION OF SLOT
8 MACHINES.

9 SECTION 2. AND BE IT FURTHER ENACTED, That the Comptroller shall
10 study the problem of the illegal operation of slot machines in other states and the
11 efforts those states are taking to address the problem. The Comptroller shall provide
12 a final report on the study required under this Section to the General Assembly in
13 accordance with § 2-1246 of the State Government Article on or before December 1,
14 2006.

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2006.