
By: **Senator Klausmeier**

Introduced and read first time: January 17, 2006

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming - Slot Machines - Ownership and Operation by Eligible**
3 **Organizations**

4 FOR the purpose of making provisions that authorize eligible organizations to own or
5 operate slot machines applicable statewide; altering the definition of "eligible
6 organization" to make it applicable to a nonprofit organization that has been
7 located in the State for a certain number of years before the organization applies
8 for a license; and generally relating to slot machine ownership and operation by
9 eligible organizations.

10 BY repealing and reenacting, with amendments,

11 Article - Criminal Law

12 Section 12-304

13 Annotated Code of Maryland

14 (2002 Volume and 2005 Supplement)

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

17 **Article - Criminal Law**

18 12-304.

19 (a) In this section, "eligible organization" means a nonprofit organization that:

20 (1) has been located in [a county listed in subsection (b) of this section]
21 THE STATE for at least 5 years before the organization applies for a license under
22 subsection (e) of this section; and

23 (2) is a bona fide:

24 (i) fraternal organization;

25 (ii) religious organization; or

26 (iii) war veterans' organization.

1 (b) [This section applies in:

2 (1) Caroline County;

3 (2) Cecil County;

4 (3) Dorchester County;

5 (4) Kent County;

6 (5) Queen Anne's County;

7 (6) Somerset County;

8 (7) Talbot County; and

9 (8) Wicomico County.

10 (c)] (1) In this subsection, a console or set of affixed slot machines is not an
11 individual slot machine.

12 (2) Notwithstanding any other provision of this subtitle, an eligible
13 organization may own and operate a slot machine if the eligible organization:

14 (i) obtains a license under subsection [(e)] (D) of this section for
15 each slot machine;

16 (ii) owns each slot machine that the eligible organization operates;

17 (iii) owns not more than five slot machines;

18 (iv) locates and operates its slot machines at its principal meeting
19 hall in the county in which the eligible organization is located;

20 (v) does not locate or operate its slot machines in a private
21 commercial facility;

22 (vi) uses:

23 1. at least one-half of the proceeds from its slot machines for
24 the benefit of a charity; and

25 2. the remainder of the proceeds from its slot machines to
26 further the purposes of the eligible organization;

27 (vii) does not use any of the proceeds of the slot machine for the
28 financial benefit of an individual; and

29 (viii) reports annually under affidavit to the State Comptroller:

30 1. the income of each slot machine; and

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1 2. the disposition of the income from each slot machine.

2 [(d)] (C) An eligible organization may not use or operate a slot machine
3 unless:

4 (1) the slot machine is equipped with a tamperproof meter or counter
5 that accurately records gross receipts; and

6 (2) the eligible organization keeps an accurate record of the gross
7 receipts and payoffs of the slot machine.

8 [(e)] (D) (1) Before an eligible organization may operate a slot machine
9 under this section, the eligible organization shall obtain a license for the slot machine
10 from the sheriff of the county in which the eligible organization plans to locate the
11 slot machine.

12 (2) (i) The county shall:

13 1. charge an annual fee of \$50 for each license for a machine;
14 and

15 2. issue a license sticker to the applicant.

16 (ii) The applicant shall place the sticker on the slot machine.

17 (iii) The proceeds of the annual fee shall be transferred to the
18 general fund of the county.

19 (3) In the application to the sheriff for a license, one of the principal
20 officers of the eligible organization shall certify under affidavit that the organization:

21 (i) is an eligible organization; and

22 (ii) will comply with this section.

23 [(f)] (E) (1) A principal officer of the eligible organization may not
24 intentionally misrepresent a statement of fact on the application.

25 (2) A person who violates this subsection is guilty of perjury and on
26 conviction is subject to the penalty provided under Title 9, Subtitle 1 of this article.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2006.