

SENATE BILL 98

C7
SB 132/06 – B&T

71r0772

By: **Senator Klausmeier**
Introduced and read first time: January 22, 2007
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Slot Machines – Ownership and Operation by Eligible Nonprofit**
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
8 applies for a license; and generally relating to slot machine ownership and
9 operation by eligible nonprofit 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 2006 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
20 that:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

4 (2) is a bona fide:

5 (i) fraternal organization;

6 (ii) religious organization; or

7 (iii) war veterans' organization.

8 (b) **[This section applies in:**

9 (1) Caroline County;

10 (2) Cecil County;

11 (3) Dorchester County;

12 (4) Kent County;

13 (5) Queen Anne's County;

14 (6) Somerset County;

15 (7) Talbot County; and

16 (8) Wicomico County.

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

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

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

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

- 1 (iii) owns not more than five slot machines;
- 2 (iv) locates and operates its slot machines at its principal
3 meeting hall in the county in which the eligible organization is located;
- 4 (v) does not locate or operate its slot machines in a private
5 commercial facility;
- 6 (vi) uses:
- 7 1. at least one-half of the proceeds from its slot
8 machines for the benefit of a charity; and
- 9 2. the remainder of the proceeds from its slot machines
10 to further the purposes of the eligible organization;
- 11 (vii) does not use any of the proceeds of the slot machine for the
12 financial benefit of an individual; and
- 13 (viii) reports annually under affidavit to the State Comptroller:
- 14 1. the income of each slot machine; and
- 15 2. the disposition of the income from each slot machine.

16 **[(d)] (C)** An eligible organization may not use or operate a slot machine
17 unless:

- 18 (1) the slot machine is equipped with a tamperproof meter or counter
19 that accurately records gross receipts; and
- 20 (2) the eligible organization keeps an accurate record of the gross
21 receipts and payoffs of the slot machine.

22 **[(e)] (D)** (1) Before an eligible organization may operate a slot machine
23 under this section, the eligible organization shall obtain a license for the slot machine
24 from the sheriff of the county in which the eligible organization plans to locate the slot
25 machine.

26 (2) (i) The county shall:

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

3 2. issue a license sticker to the applicant.

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

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

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

9 (i) is an eligible organization; and

10 (ii) will comply with this section.

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

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

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2007.