

# HOUSE BILL 14

C7

8lr4546

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By: **Delegate Pendergrass**

Introduced and read first time: October 29, 2007

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Lottery Agency – Tip Jar Games – Exclusive Authority**

3 FOR the purpose of repealing the authority of certain counties to regulate games that  
4 use tip jars; specifying that the State Lottery Agency has the exclusive  
5 authority to operate games that use tip jars; and generally relating to tip jar  
6 games in the State.

7 BY repealing

8 Article – Criminal Law

9 Section 13–2414 through 13–2439 and the part “Part III. Tip Jars”

10 Annotated Code of Maryland

11 (2002 Volume and 2007 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Criminal Law

14 Section 13–302(a), 13–1301(c), 13–1303(d), 13–1305, 13–1401, 13–1404(a), and  
15 13–2404(c)(2)

16 Annotated Code of Maryland

17 (2002 Volume and 2007 Supplement)

18 BY repealing and reenacting, without amendments,

19 Article – Criminal Law

20 Section 13–302(b), 13–1301(a), 13–1302, 13–1402(a), and 13–2402

21 Annotated Code of Maryland

22 (2002 Volume and 2007 Supplement)

23 BY adding to

24 Article – Criminal Law

25 Section 13–1303(e)

26 Annotated Code of Maryland

27 (2002 Volume and 2007 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,  
2 Article – State Government  
3 Section 9–101(a) and (b)  
4 Annotated Code of Maryland  
5 (2004 Replacement Volume and 2007 Supplement)

6 BY adding to  
7 Article – State Government  
8 Section 9–111.1  
9 Annotated Code of Maryland  
10 (2004 Replacement Volume and 2007 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
12 MARYLAND, That Section(s) 13–2414 through 13–2439 and the part “Part III. Tip  
13 Jars” of Article – Criminal Law of the Annotated Code of Maryland be repealed.

14 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
15 read as follows:

16 **Article – Criminal Law**

17 13–302.

18 (a) (1) In this section, “paper gaming” means a game of chance in which:

19 (i) prizes are awarded; and

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

22 (2) “Paper gaming” includes [tip jar and] punchboard gaming.

23 (3) “Paper gaming” does not include **TIP JAR GAMING AND** bingo.

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

25 13–1301.

26 (a) In this subtitle the following words have the meanings indicated.

27 (c) “Gaming event” includes a:

28 (1) bazaar;

29 (2) carnival;

- 1 (3) raffle; **AND**  
2 [(4) tip jar; and  
3 (5)] (4) punchboard.

4 13–1302.

5 This subtitle applies only in Frederick County.

6 13–1303.

7 (d) [Subtitle] **EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS**  
8 **SECTION, SUBTITLE 2** of this title also regulates any gaming device, including a:

- 9 (1) chance book;  
10 [(2) tip jar;]  
11 [(3)] (2) paddle wheel; and  
12 [(4)] (3) wheel of fortune.

13 **(E) SUBTITLE 2 OF THIS TITLE DOES NOT REGULATE TIP JAR GAMING**  
14 **DEVICES.**

15 13–1305.

16 (a) (1) To operate a [tip jar or] punchboard in the county, an  
17 establishment or proprietor must be licensed to serve food and alcoholic beverages for  
18 consumption on the premises.

19 (2) [The operator of a tip jar shall display conspicuously a gaming  
20 permit issued to the beneficiary of the tip jar under § 13–1304 of this subtitle.

21 (3)] The operator of a punchboard shall display within the  
22 establishment a gaming permit issued to the beneficiary of the punchboard under §  
23 13–1304 of this subtitle.

24 (b) [(1)] A person may operate a [tip jar or] punchboard in the county only  
25 for the benefit of one of the following organizations located in the county:

26 [(i)] (1) a bona fide:

27 [1.] (I) religious organization;

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- 1 [2.] (II) fraternal organization;
- 2 [3.] (III) civic organization;
- 3 [4.] (IV) war veterans' organization;
- 4 [5.] (V) hospital;
- 5 [6.] (VI) amateur athletic organization;
- 6 [7.] (VII) patriotic organization;
- 7 [8.] (VIII) charitable organization; or
- 8 [9.] (IX) educational organization;

9 [(ii)](2) a Frederick County volunteer:

- 10 [1.] (I) fire company;
- 11 [2.] (II) rescue company; or
- 12 [3.] (III) ambulance company; or

13 [(iii)] (3) an auxiliary of a Frederick County volunteer:

- 14 [1.] (I) fire company;
- 15 [2.] (II) rescue company; or
- 16 [3.] (III) ambulance company.

17 [(2) The beneficiary of a tip jar may not hold more than three permits  
18 to operate tip jars or punchboards outside of the beneficiary's premises.]

19 (c) (1) The beneficiary of a [tip jar or] punchboard must receive at least  
20 70% of the gross proceeds of the [tip jar or] punchboard after paying winning players  
21 and reimbursing the operator for operating expenses.

22 (2) For each [tip jar or] punchboard operated, the operator shall  
23 submit to the county agency that issued the gaming permit monthly reports detailing:

- 24 (i) gross proceeds;
- 25 (ii) prizes;

1 (iii) expenses; and

2 (iv) the amount paid to the beneficiary.

3 (d) The [tip jar or] punchboard shall be purchased from a distributor that:

4 (1) has an office in the county;

5 (2) is licensed by the county agency that issues gaming event permits;  
6 and

7 (3) keeps the records that the county commissioners require.

8 (e) A person who keeps records about [tip jars or] punchboards shall make  
9 those records available for inspection and copying by a law enforcement unit or by the  
10 county agency that issues the gaming event permit.

11 13–1401.

12 (a) In this subtitle the following words have the meanings indicated.

13 (b) “County Commissioners” means the Board of County Commissioners of  
14 Garrett County.

15 (c) “Gaming event” includes a bazaar, carnival, raffle, [tip jar,] punchboard,  
16 and any other event at which a gaming device is operated.

17 (d) (1) “Gaming device” means:

18 (i) except for a billiard table, a gaming table at which a game of  
19 chance is played for money or any other thing or consideration of value; or

20 (ii) a game or device at which money or any other thing or  
21 consideration of value is bet, wagered, or gambled.

22 (2) “Gaming device” includes a paddle wheel, wheel of fortune, and  
23 chance book.

24 (3) **“GAMING DEVICE” DOES NOT INCLUDE A TIP JAR.**

25 13–1402.

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

27 13–1404.

28 (a) (1) In this section, “paper gaming” means a game of chance in which:

- 1 (i) prizes are awarded; and
- 2 (ii) the devices used to play the game are constructed out of  
3 paper or cardboard.
- 4 (2) "Paper gaming" includes [tip jar and] punchboard gaming.
- 5 (3) "Paper gaming" does not include **TIP JAR GAMING AND** bingo.  
6 13-2402.

7 This subtitle applies only in Washington County.

8 13-2404.

- 9 (c) (2) Tip jars are regulated under [Part III of this subtitle] § **9-111.1**  
10 **OF THE STATE GOVERNMENT ARTICLE.**

11 **Article - State Government**

12 9-101.

- 13 (a) In this subtitle the following words have the meanings indicated.
- 14 (b) "Agency" means the State Lottery Agency.

15 **9-111.1.**

16 **THE AGENCY HAS THE EXCLUSIVE AUTHORITY TO OPERATE GAMES THAT**  
17 **USE:**

18 (1) **A TIP JAR, FROM WHICH, FOR CONSIDERATION, A NUMBER,**  
19 **SERIES OF NUMBERS, OR OTHER SYMBOL IS OBTAINED BY SELECTION OF A**  
20 **SEALED PIECE OF PAPER THAT MAY ENTITLE THE PURCHASER TO A PAYOFF IN**  
21 **MONEY OR OTHERWISE, EITHER ON RECEIPT OR AS THE RESULT OF A**  
22 **SUBSEQUENT ANNOUNCEMENT OF A WINNING NUMBER, SERIES OF NUMBERS,**  
23 **OR OTHER SYMBOL; OR**

24 (2) **ANY OTHER DEVICE COMMONLY RECOGNIZED AS A TIP JAR.**

25 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 October 1, 2008.