

HOUSE BILL 780

C7

8lr2177

By: **Harford County Delegation**

Introduced and read first time: February 4, 2008

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Harford County – War Veterans’ Organizations – Slot Machines**

3 FOR the purpose of authorizing war veterans’ organizations in Harford County to own
4 and operate a certain number of slot machines for certain purposes and under
5 certain circumstances; requiring a certain war veterans’ organization to engage
6 an independent certified public accounting firm to conduct a certain audit;
7 requiring the firm by a certain date to provide a copy of a certain portion of the
8 audit to the County Sheriff; and generally relating to slot machines in Harford
9 County.

10 BY repealing and reenacting, with amendments,
11 Article – Criminal Law
12 Section 12–304
13 Annotated Code of Maryland
14 (2002 Volume and 2007 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:

20 (1) **IN CAROLINE COUNTY, CECIL COUNTY, DORCHESTER**
21 **COUNTY, KENT COUNTY, QUEEN ANNE’S COUNTY, SOMERSET COUNTY,**
22 **TALBOT COUNTY, AND WICOMICO COUNTY:**

23 [(1)] (I) a nonprofit organization that:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

4 [(ii)] 2. is a bona fide:

5 [1.] A. fraternal organization;

6 [2.] B. religious organization; or

7 [3.] C. war veterans' organization; or

8 [(2)] (II) **EXCEPT IN HARFORD COUNTY**, a nonprofit organization
 9 that has been affiliated with a national fraternal organization for less than 5 years
 10 and has been located in a county listed in subsection (b) of this section for at least 50
 11 years before the nonprofit organization applies for a license under subsection (e) of this
 12 section; **AND**

13 (2) **IN HARFORD COUNTY, A BONA FIDE WAR VETERANS'**
 14 **ORGANIZATION.**

15 (b) This section applies in:

16 (1) Caroline County;

17 (2) Cecil County;

18 (3) Dorchester County;

19 (4) **HARFORD COUNTY;**

20 [(4)] (5) Kent County;

21 [(5)] (6) Queen Anne's County;

22 [(6)] (7) Somerset County;

23 [(7)] (8) Talbot County; and

24 [(8)] (9) Wicomico County.

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

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

1 (i) obtains a license under subsection (e) of this section for each
2 slot machine;

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

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

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

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

10 (vi) uses:

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

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

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

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

18 1. the income of each slot machine; and

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

20 **(3) (I) THIS SUBSECTION APPLIES ONLY TO HARFORD**
21 **COUNTY.**

22 **(II) A WAR VETERANS' ORGANIZATION THAT OWNS AND**
23 **OPERATES A SLOT MACHINE ANNUALLY SHALL ENGAGE AN INDEPENDENT**
24 **CERTIFIED PUBLIC ACCOUNTING FIRM TO CONDUCT AN AUDIT IN ACCORDANCE**
25 **WITH GOVERNMENT AUDITING STANDARDS TO EXPRESS AN OPINION ON THE**
26 **FAIR PRESENTATION OF THE FINANCIAL STATEMENTS OF THE WAR VETERANS'**
27 **ORGANIZATION.**

28 **(III) BY NOVEMBER 1 AFTER THE CLOSE OF EACH FISCAL**
29 **YEAR, THE FIRM SHALL PROVIDE A COPY OF THE AUDIT REPORT AS IT RELATES**
30 **TO SLOT MACHINE REVENUE TO THE HARFORD COUNTY SHERIFF'S OFFICE.**

1 (d) An eligible organization may not use or operate a slot machine unless:

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

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

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

10 (2) (i) The county shall:

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

13 2. issue a license sticker to the applicant.

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

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

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

19 (i) is an eligible organization; and

20 (ii) will comply with this section.

21 (f) (1) A principal officer of the eligible organization may not intentionally
22 misrepresent a statement of fact on the application.

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

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2008.