## SENATE BILL 959

Introduced by Senators Middleton, Miller, Astle, Conway, Currie, DeGrange, Exum, Forehand, Frosh, Garagiola, Haines, Harrington, Kasemeyer, Kelley, King, Kramer, Lenett, Madaleno, McFadden, Munson, Muse, Peters, Pinsky, Pugh, Raskin, Robey, Rosapepe, and Stoltzfus

Read and Examined by Proofreaders:

Proofreader.
Proofreader.
Sealed with the Great Seal and presented to the Governor, for his approval this
___ day of $\qquad$ at $\qquad$ o'clock, $\qquad$ M.
President.

## CHAPTER

$\qquad$

AN ACT concerning

## Statewide Phase-Outof ElectronicGaming Deviees Slot Machines - Definition

FOR the purpose of prohibiting, on or after a certain date, the purchase, lease, sale, transfer, replacement, licensure, or operation of an electronic gaming deviee in the State; providing certain exeeptions to the probibition; defining a certain term; providing certain penalties; altering certain definitions altering the definition of "slot machine" for purposes of certain provisions of law to include certain machines, apparatuses, or devices that make a certain award to a user through the reading of a game of chance or the delivery of a game of chance; providing that the definition of "slot machine" does not include certain machines, apparatuses, or devices; authorizing the continued use of certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
Underlining indicates amendments to bill.
Strike indicates matter stricken from the bill by amendment or deleted from the law by amendment.
Italics indicate opposite chamber/conference committee amendments.

> instant bingo machines under certain circumstances; providing a certain limitation on the number of slot machines for a certain location; prohibiting the issuance of a commercial bingo license under certain conditions; providing that the State Lottery Agency shall submit a certain report by a certain date; establishing that the enforcement and implementation of this Act may not be stayed under certain circumstances; making this Ant an menerally relating to elening and gen

BY repealing and reenacting, without amendments,
Artiele-Criminal Law
Section 12-101(a) , 12-102, 12-104, 12-111, 12-302, and 13-203
Annotated Code of Maryland
(2002 Volume and 2007 Supplement)
BY repealing and reenacting, with amendments;
Artiele-Criminal Law
Section 12-101(d), 12-301, 12-304(e), and 13-101
Anno Cod Maryland
(2002 Volume and 2007 Supplement)
BY adding to
Article-Griminal Law
Section 12-108.1
Annotated Code of Maryland
(2002 Volume and 2007 Supplement)
BY repealing and reenacting, with amendments,
Article - Criminal Law
Section 12-301 and 13-101
Annotated Code of Maryland
(2002 Replacement Volume and 2007 Supplement)
BY repealing and reenacting, without amendments,
Article - Criminal Law
Section 12-302
Annotated Code of Maryland
(2002 Replacement Volume and 2007 Supplement)

## Preamble

WHEREAS, Although 37 state have outhorized the use of slot manined, Maryland, with the narrow exeption of qualified nomprofit organizations in eight Eastern Shore oun ha long probibited a peron from louting, posing; keping, or operating a mabine; and

WHEREAS, Despite a clear prohibition in State law as to the use of slot machines and similar gaming deviees, the use, posiossion, and operation of electronie
gaming devices and machines has expanded throughout the State on a massive soale under the pretext of bing, tip jars, and other gaming activities without any State authorization, oversight, or regulation; and

WHEREAS, In many instanees the electronic gaming deviees are so similar in appearance and operation toslot machines that the ontention that they are not slot machines is absurd and has caused confusion among the members of the public as well as law enforcement officers who are charged with upholding the State laws probibiting the unauthorized operation of slot machines; and

WHEREAS, When the State legislature granted persons the opportunity to eonduct bingo, instant bingo, or other forms of gambling, the legislature did not contemplate or intend that the games would be played on technologically advanced electronic gaming devices similar in appearance and player operation to slot machines; and

WHEREAS, The General Asombly pas a proped Constitutional Amendment in Nomber 2007 that will be derided by the voters of this State at referendum in November 2008 which would authorize an elecronic vide lottery terminal program strietly limited to five locations in the State with a limited number of manhine and a signifieant majority of the funding alloeated to benefit $\mathrm{K}-12$ and higher eduration in the State; and

WHEREAS, Neither the General Assembly nor the veters have approved measures to authorize expanded electronic gaming in the State; and

WHEREAS, Electronia giaming devies have been inappropriately authorized by loeal governments at a potentially unlimited number of loeations and are being operated in this State with no eentral State oversight or regulation of the reventer and their distribution resulting in tremendous private gain to private perator under the guise of commercial and charitable activity to the detriment of the state; and

WHEREAS, The State Lotery is estimated to yield over $\$ 500,000,000$ for the general support of State government in fiseal yoar 2009 , and a proliferation of electronic gaming deviees without any authorization by the General Assembly will reduce State revenues at a time of great fiseal strain on the State budget; and

WHEREAS, Revenues collected from the State Lotery are esgential to the State budget and for maintaining eritical government services, including funding provided to local governments for K 12 education, teachers' retirement, libraries, aging publie sehol renovation, community eolleges, loenl police aid, and loenl health departments, and to pren ing full funding of loal highway user revenues, and Program-Open Spa fundrio and

WHEREAS, Without central regulation and oversight by the State, the massive, unregulated, and unauthorized expansion of electronic gaming on an ad hoe basis at the local level ereates the opportunity for inappropriate private gain, criminal activity,
and other behavior that is harmful to the public interest and is contrary to the best interests of all of the itizens of the State; now, therefore,

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

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Article - Criminal Law
12-101.
(a) In this a
(d) (1) "Gaming device" means:
(i) a gaming table, exeept a billiard table, at which a game ff ehance is played for money or any other thing or consideration of value; or
(ii) g Same Or devie at whieh money or any other thing or eonsideration of value is bet, wagered, or gambled.
(2) "Gaming deviee" include a paddle wheel, wheel of fortume, chanee book, and bingo.
(3) "GAMHNG DEVIGE" INGUUDES AN EHECTRONIC GANHNG OEVICEUNDER\& 12-108.1 OF THESSUBTHEE:
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$12-102$.
(a) Aperson may not:
(1) bet, wager, or gamble;
(2) make or sell a book or pool on the result of a race, oontest, or eontingeney;
(3) establish, keep, rent, use, or ooupy, or knowingly allow to be established, kept, rented, used, or oupied, all or a part af abuilding, vesel, or place, en land or water, within the State, for the purpeof.
(i) betting, wagering, or gambling; of
(ii) making, selling, or buying booksor pools on the result of a race, contest, or contingency; or
(4) receive, become the depository of, record, register, or forward, or propose, agree, or pretend to forward, money or any other thing or consideration of value, to be bet, wagered, or gambled on the result of a race, eontest, or contingeney.
(b) A person who violates this section is guilty of a misdemeanor and on eonviction is subjec to imprisonment for no les than 6 montho and no exeeding 1 year or a fine of le than $\$ 200$ and moxig $\$ 1,000$ or both.
(e) (1) The provisions of this cubsection apply only in Baltimore City.
(2) A person who violates this section may be charged by a oitation:
(3) A eitation for a violation of this section may be iscued to a person by a police offier authorized to make arrests in Baltimore City if there is probable eause to believe that the person is committing or has commited a violation of this section.
(4) Acitation issued under this subsection shall contain:
(i) the nameand addres of the person eharged;
(ii) the statute allegedly violated;
(iii) the loation, date, and time that the violation oecurred;
(iv) the fine or term of imprisonment that may be imposed;
(v) a notiee stating that prepayment of a fine is not allowed;
(vi) a notiee that the court shall promply send the person eharged a summons to appear for trial; and
(vii) the signature of the police offierringuing the itation:
(5) (i) The police offieer who iscued the eitation shall forward to the appropriate court a of of the eitation.
(ii) The court shall promptly schedule the case for trial and summon the defendant to appear.
(iii) Willful failure of the defendant to respond to the summons is eontempt of court. 12-104.
(a) Aperson may not:
(1) kep a gaming device, or all or a part af a building, vesol, or place, on land or water within the State for the purpose of gambling;
(2) own, rent, or oeupy all or a part a building, vessel, or place and knowingly allow gaming deviee to be kep in the building, vessel, or plaee;
(3) leaseor rent all or a par a building, vessel, or place to used for the purper gambling,
(4) deal at a gaming doviee or in a building, vessel, or place for gambling,
(5) manage a gaming deviee or a building, vessel, or place for gambling; or
(6) have an interest in a gaming deviee or the profits of a gaming deviee.
(b) A person who violate this section is guilty of a misdemeanor and on eonvietion is subjec imprisommen for no less 6 months and no exeeding 1 yer a fin oling $\$ 500$ both.

## 12-108.1.

(A) (1) IN THIS SECTION, "ELECTRONH GAMING DENHG"" MEANS AN ELECTRONIC SLOT MACHIE, VIDEO POKER MACHEL, ELECTRONIC BINGO MACHEL, ELECTPONIC PULLTAB MACHNE, OR SIMHLAR ELECTPONIC MACHNE that:
(I) ON INSERTION OF A COIN, TOKEN, OR SIMHAR OBJEGT OR ON PAYMENT OF ANY CONSIDERATHON, IS AVALLABLETOBE PLAYED; ANG
(\#) Ву THE SKI L OF THE PLAYER, THE APPLICATION OF THE ELEMENT OF CHANCE, OR BY ANY OTHER METHOD, MAY DELNER OR ENTITLE THE PLAYER TO RECEIV CASH, PPEMUMS, MERCHANDISE, TOKENS, PAPER PEGEIPTS PEDEEMABLE FOR CASH, OR ANYTHENGELSE OF VALUE.
(2) "IIECTRONG GAMING DENCE" INGUUDES AN ELECTRONG MAGHINETHAT:
(9) BISPENSES THCKETS VERIFYNG THE NUMBER OF POINFS OR CREDITS THAT THE PLAYER HAS ACCUMULATED- WHEE PLAYING AND THAT MAY BE REDEEMED FOR CASH OR MERCHANOISE; AN
(II) IS EQUIPPED-WITH A KNOCK-OFF SWITCH OR SIMLIAR DENGE THAT RELEASES FREE GAMES OR GREDITS AGCUMULATED TOWARD THE AWARD OF CASH OR MERCHANDISE AND RESETS THE PONF OR CREDIT TOTAF TOZ世R
(3) IF LEGISLATION IS ENACTED AUTHORIZING-COMNEREIAE VIDEO LOTTERY GAMING IN THE STATE, "ELETGRONGGGAMING DENGE" DOES NOT INCLUDE A VIOEO LOTTERY TEDNHNAL AS DETINED IN S 9-1A-01 OF THE state Governiment Article.
(B) (1) EXCEPT AS PROVIEED IN PARAGRAPH (2) OF THIS SUBSECTHO, A PERSON MAY NOT PURCHASE, LEASE, SELL, TPANSFER, REPLAGE, HIENSE, OR OPERATE AN ELEGTHONGG GAMHNG DENIGE IN THE state.
(2) IF A PERSON HAS CONTINUOUSLY OPERATED AN ELECTRONH GAMENG DEMCE AS AN OWNER, LESSOR, LESSEE, HEENSOR, LIGENSEE, OR IN ANY OTHERCAPACITY BEGINNNG:
(1) BEFORE JULY 1, 1998, THE PERSON MAY CONTINUE TO OPEPATE AN ELECTRONG GAMEG DEVGCE THPOUGH THE END-OF JUNE 30, 2009
(II) ON OR AFTERJULY 1, 1998, BUT BEFOREJUI 1,2003 ; THE PERSON MAY CONIINE TO OPERATE AN ELECTRONGGGAMING DENICE

(\#\#) ON OR AFTER JULY 1, 2003, bUT bEFORE MARCH 1, 2008, THE PERSON MAY CONTINUE TO- OPERATE AN ELECTRONIC-GAMING DENICETHROUGHTHE IND OF JUNE $30,2008$.
(C) A PERSON WHO VHOLATES THS SECTION IS CUETY OF A MHSDEMEANOR AND ONCONVIGTIONIS SUBJECT TO:
(1) IF THE PERSON IS AN INDINMUAL, IMPRISONMENT NOT EXCREDING 1 YEAR OR A FINE OF $\$ 1,000$ OR BOTH FOR EACHVIOLATHO OR
(2) I THE PERSON IS AN ORGANIZATION, A FINE NOT EXCEEDING \$1,000 OR LOSS OF PRINLEGES TO CONDUGT A GAMING EVENT NOT EXGEEDING 60 mays or boti for facilvolation.

## 12-111.

If a law enforeement offieer has a reason to suspect gaming device is kept unlawfilly a plaee, the law enforeemen offieer shall:
(1) visit the place; and
(2) eharge all person who violate a law that prohibite gambling.

12-301.

In this subtitle:
(1) "slot machine" means a machine, apparatus, or device that:
(i) operates or can be made to operate by inserting, depositing, or placing with another person money, a token, or another object; and
(ii) through the element of chance, THE READING OF A GAME OF CHANCE, THE DELIVERY OF A GAME OF CHANCE, or any other outcome unpredictable by the user, awards the user:

1. money, a token, or other object that represents or that can be converted into money; or
2. the right to receive money, a token, or another object that represents and can be converted into money; and
(2) "slot machine" includes:
(i) a machine, apparatus, or device described in item (1) of this section that also sells, delivers, or awards merchandise, money, or some other tangible thing of value; $\ddagger$ and $\ddagger$
(ii) a pinball machine or console machine that pays off in merchandise; AND
(H) AN ELEGTRONHG GAMHNG OEVIGE UNOER § 12-108.1- OF THESTHEE-
(3) "SLOT MACHINE" DOES NOT INCLUDE A MACHINE,

## APPARATUS, OR DEVICE THAT:

(I) AWARDS THE USER ONLY FREE ADDITIONAL GAMES OR PLAYS;
(II) AWARDS THE USER ONLY NONCASH MERCHANDISE OR NONCASH PRIZES OF MINIMAL VALUE;
(III) DISPENSES PAPER PULL TAB TIP JAR TICKETS OR PAPER PULL TAB INSTANT BINGO TICKETS THAT MUST BE OPENED MANUALLY BY THE USER PROVIDED THAT THE MACHINE, APPARATUS, OR DEVICE DOES NOT:

1. READ THE TICKETS ELECTRONICALLY;
2. ALERT THE USER TO A WINNING OR LOSING TICKET; OR
3. TABULATE A PLAYER'S WINNINGS AND LOSSES;
(IV) 1. DISPLAYS FACSIMILES OF BINGO CARDS THAT USERS MARK AND MONITOR AS NUMBERE ARE GAELED BY AN INDNDUUE EOGATED ON THE PRENESES ACCORDING TO NUMBERS CALLED ON THE PREMISES BY AN INDIVIDUAL WHERE THE USER IS OPERATING THE MACHINE; AND
4. DOES NOT PERMIT A USER TO PLAY MORE THAN 54 BINGO CARDS AT THE SAME TIME;
(V) IS USED BY THE STATE LOTTERY COMMISSION UNDER TITLE 9 OF THE STATE GOVERNMENT ARTICLE; OR
(VI) IF LEGISLATION TAKES EFFECT AUTHORIZING THE OPERATION OF VIDEO LOTTERY TERMINALS, IS A VIDEO LOTTERY TERMINAL AS DEFINED IN AND LICENSED UNDER THAT LEGISLATION.

12-302.
(a) Except as allowed under §§ 12-304 through 12-306 of this subtitle, a person may not locate, possess, keep, or operate a slot machine in the State as an owner, lessor, lessee, licensor, licensee, or in any other capacity.
(b) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 1 year or a fine of $\$ 1,000$ or both for each violation.

13-101.
(A) Activities conducted under this title are allowed notwithstanding the provisions of Title 12, Subtitles 1 and 2 of this article.
(B) A COUNTY MAY NOT ISSUE A COMMERCIAL BINGO LICENSE UNDER THIS TITLE OR UNDER ANY PUBLIC LOCAL LAW TO AN ENTITY THAT WAS NOT LICENSED TO CONDUCT COMMERCIAL BINGO ON OR BEFORE JUNE 30, 2008.

12-304.
(e) (1) In this subsection, a console or set of affixed slot machines is not an individual slot maehine.
 NOTWHPHSTANOING any other provision of this cubtitle, an eligible organization may own and a a a
(i) obtains a license under subsection (e) of this section for eaeh slot machine;
(ii) owns each slet machine that the eligible organization -
(iii) ounc more than five monines:
(iv) leates and operates its slot machines at its primeipal meeting hall in the county in which the eligible organization is loented,
(v) does not locate or operate its slot machines in a private eommercial facility;
(vi)

1 . at least one half of the proed from its slot machines for the benefit of acharity; and
Z. the remainder of the proceds from its slot machines to futher the pur of the ligibleorganization;
(vii) does not use any of the proceds of the slot machine for the financial benefit of an individual; and
(viii) reports annually under affidavit to the State Comptroller:
$1=$ the incomeof ach slot machine; and
z. the disporition of the ineome from ach slo machine: 13-101.
(A) [Activitie] EXGEPT AS OTHERWMSE PROVMED-IN SUBSECTHON (B) OF THIS SEGTON, AGTIFIES conducted under this title are allowed no with tanding the provision of Title 12 , Sublitles 1 and 2 of this artiele-
(B) THE OPERATION OF AN ELEGTRONIC GAMING DENICE IN ANY AGTINTY CONDUGTED UNDER TUS TTIUE IS SUBJEGT TO § $\mathbf{1 2 - 1 0 8 . 1}$ OF THIS ARTICLE:

13-203.

This title and Title 12 of this article do not probibit a qualified organization from conducting a gaming vent for the oxclusive benefit of a qualified organization if an individual or group of individuals does not:
(1) benefit financially from the gaming event under this subtitle; or
(2) subtitle for personal us or benefit.

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding the provisions of Section 1 of this Act, an entity licensed to offer instant bingo under a commercial bingo license as of July 1, 2007, or by a qualified organization as defined in § 13-201 of this article on the premises of the qualified organization may continue to operate a game of instant bingo in the same manner using electronic machines until Jave July 1, 2009, provided that:
(a) he min haven a 1 for pind 31, 2007: the machines have been in operation for a 1-year period ending December 31, 2007;
(b) (b) he machines operate using preprinted rolls of paper pull tab tickets that icule pull table a predermined order the entity does not operate more than the number of electronic machines operated as of February 28, 2008; and
(c) (c) the conduct of the gaming and operation of the machines is consistent with all other provisions of the Criminal Law Article with the holdimg in the Che Amusements Ine. v. Riddle, 363 Md. 16(2001).

SECTION 3. AND BE IT FURTHER ENACTED, That:
(a) The State Lottery Agency shall prepare a report that:
(1) outlines the current statutory and regulatory provisions governing gaming activities in local jurisdictions;
(2) provides information on the prevalence of gaming activities in local jurisdictions;
(3) analyzes the financial impact of gaming activities for:
(i) the entities or organizations conducting the activities;

## (ii) the local jurisdictions; and

(iii) any other entities or organizations that may benefit financially from such activities;
(4) examines the impact of gaming activities in local jurisdictions on other gaming activities regulated by the State, including the State Lottery and horse racing; and
(5) makes recommendations as to how the State may exercise additional or improved oversight of gaming activities.
(b) The State Lottery Agency shall submit the report required under subsection (a) of this section to the Governor and, subject to § 2-1246 of the State Government Article, to the Senate Budget and Taxation Committee and the House Committee on Ways and Means on or before December 15, 2008.

SECTION 2: 4. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, if any action is brought for declaratory, injunctive, or other relief to challenge the legality of any provision of this Act or any amendment made by this Act, the enforcement and implementation of this Act may not be stayed pending the disposition of the action.

SECTION 룬 4. 5. AND BE IT FURTHER ENACTED, That this Act is an emergeney measure, is necesony for the immediate preservation of the public health or safey, has been passed by a yea and nay vote supported by three-fiftho $f$ all the members elected to each of the wo House of the General Assembly, and shall take effer from thall take effect July 1, 2008.

Approved:

Governor.

President of the Senate.

