

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

Senate Bill 838

(Senator Dyson)

Judicial Proceedings

**St. Mary's County - Video Gaming Devices - Attorney General to Seek
Declaratory Judgment**

This bill requires the Attorney General to institute a declaratory judgment proceeding on behalf of the General Assembly and the Secretary of State in the Circuit Court of St. Mary's County regarding the legality of video gaming devices that are currently operating in the county. The bill permits, subject to specified requirements, the intervention of interested parties, and provides that the Court of Appeals has jurisdiction to review any judgment or determination by the circuit court. The costs of the proceeding are to be paid by the State with the approval of the Board of Public Works.

Fiscal Summary

State Effect: Minimal general fund expenditures for expert witness fees and other litigation costs. Any increase in the workload for the Judiciary or the Office of the Attorney General could be handled with existing resources.

Local Effect: Any increase in the workload for the circuit court for St. Mary's County can be handled with existing resources. The authorization for the Attorney General to seek a declaratory judgment would not directly impact St. Mary's County operations or finances.

Small Business Effect: None.

Analysis

Bill Summary: The bill requires the Attorney General to institute a declaratory judgment proceeding to address the video gaming devices that are currently operating in St. Mary's County. Specifically, the declaratory judgment is to determine:

- if the video gaming devices currently operated by for-profit or nonprofit organizations are to be considered slot machines under the current law;
- if the video gaming devices are considered slot machines, would a for-profit organization that locates, possesses, keeps, or operates the devices be in violation of current law that generally prohibits the possession and operation of slot machines; and
- if the video gaming devices are considered slot machines, would a for-profit organization be entitled to establish a nonprofit organization in order to locate, possess, keep, or operate a slot machine in St. Mary's County?

Current Law: Article V, § 3 of the Maryland Constitution authorizes the General Assembly to direct the Attorney General to initiate a civil action in any court in the State.

Subject to specified exceptions, a person is prohibited from locating, possessing, keeping, or operating a slot machine in the State. Slot machines are defined as a machine, apparatus, or device that: (1) operates or can be made to operate by inserting, depositing, or placing with another person money, a token, or another object; and (2) through the element of chance or any other outcome unpredictable by the user, awards the user money, a token, or another object that can be converted into money or the right to receive money or such objects. A violator is guilty of a misdemeanor and subject to maximum penalties of imprisonment for one year and/or a fine of \$1,000.

Qualified organizations in St. Mary's County are permitted to operate a gaming device if an individual or group of individuals does not benefit financially from the operation of the gaming device or receive from the operation of the gaming device any proceeds for personal use or benefit. Qualified organizations are defined as a volunteer fire company or a bona fide religious, fraternal, civic, war veterans', or charitable organization. A "slot machine" is specifically excluded from the definition of a gaming device.

Background: The bill is intended to determine the validity of the estimated 1,000 video gaming devices operating in bars and restaurants within St. Mary's County.

State Fiscal Effect: Minimal general fund expenditures relating to litigation costs and expert fees. This assumes the State's assumption of costs under the bill does not include paying the attorneys' fees for any other party. Any increase in the workload for the Judiciary or the Office of the Attorney General could be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts), Office of the Attorney General, Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2008
mcp/jr

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