

# HOUSE BILL 147

C7  
HB 780/08 – W&M

9lr1420

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By: **Harford County Delegation**

Introduced and read first time: January 23, 2009

Assigned to: Ways and Means

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## 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 providing for the payment of the cost of the audit; requiring the firm by a  
8 certain date to provide a copy of a certain portion of the audit to the County  
9 Sheriff; and generally relating to slot machines in Harford 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 2008 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:

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

12                    (2)    **IN HARFORD COUNTY, A BONA FIDE WAR VETERANS'**  
 13 **ORGANIZATION THAT HAS BEEN LOCATED IN THE COUNTY FOR AT LEAST 5**  
 14 **YEARS BEFORE THE ORGANIZATION APPLIES FOR A LICENSE UNDER**  
 15 **SUBSECTION (E) OF THIS SECTION.**

16                    (b)    This section applies in:

17                    (1)    Caroline County;

18                    (2)    Cecil County;

19                    (3)    Dorchester County;

20                    (4)    **HARFORD COUNTY;**

21                    [(4)] (5)    Kent County;

22                    [(5)] (6)    Queen Anne's County;

23                    [(6)] (7)    Somerset County;

24                    [(7)] (8)    Talbot County; and

25                    [(8)] (9)    Wicomico County.

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

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

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

5                   (ii) owns each slot machine that the eligible organization  
6 operates;

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

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

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

12                  (vi) uses:

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

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

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

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

20                           1. the income of each slot machine; and

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

22           (3) (I) **THIS PARAGRAPH APPLIES ONLY TO HARFORD**  
23 **COUNTY.**

24                   (II) **1. A WAR VETERANS' ORGANIZATION THAT OWNS**  
25 **AND OPERATES A SLOT MACHINE SHALL ENGAGE AN INDEPENDENT CERTIFIED**  
26 **PUBLIC ACCOUNTING FIRM TO CONDUCT AN ANNUAL AUDIT IN ACCORDANCE**  
27 **WITH GOVERNMENT AUDITING STANDARDS TO EXPRESS AN OPINION ON THE**  
28 **FAIR PRESENTATION OF THE FINANCIAL STATEMENTS OF THE WAR VETERANS'**  
29 **ORGANIZATION.**

30                           **2. THE WAR VETERANS' ORGANIZATION SHALL PAY**  
31 **THE COST OF THE ANNUAL AUDIT FROM THE REMAINDER OF THE PROCEEDS OF**

1 THE SLOT MACHINE THAT ARE TO BE USED TO FURTHER THE PURPOSES OF THE  
2 WAR VETERANS' ORGANIZATION.

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

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

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

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

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

15 (2) (i) The county shall:

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

18 2. issue a license sticker to the applicant.

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

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

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

24 (i) is an eligible organization; and

25 (ii) will comply with this section.

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

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

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
31 July 1, 2009.