

Department of Legislative Services  
Maryland General Assembly  
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 572

(Senator Stoltzfus)

Judicial Proceedings

Ways and Means

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Worcester County - Gaming - Bingo

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This bill increases the temporary license fee for specified bingo events in Worcester County to \$25 in addition to \$5 for each day bingo is conducted. The maximum admission fee for a bingo event increases to \$5, the maximum prize value for a bingo game increases to \$200, and the maximum jackpot increases to \$5,000. “Winner take all” games without a prize limit are also authorized. The bill repeals a prohibition against conducting bingo outside the election district in which the main office, headquarters, or usual meeting place of the applicant for a license is located. Prohibitions against conducting bingo on a Sunday and specified forms of advertising for bingo are also repealed under the bill.

The bill takes effect July 1, 2009.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Worcester County revenues will increase minimally due to increased bingo license fees and 3% of any additional revenues collected from gross bingo receipts. Expenditures are not affected.

**Small Business Effect:** None.

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Analysis

**Current Law:** A nonprofit organization or municipal corporation that intends to conduct bingo must obtain annual or temporary licenses from the Worcester County Bingo Board.

Applicants intending to conduct more than 15 days of bingo per year pay \$100 for an annual license and temporary licensees intending to conduct 15 or fewer days of bingo per year pay a fee of \$3 for each day bingo is to be conducted. A license may not be issued to an applicant to conduct bingo outside the election district in which the main office, headquarters, or usual meeting place of the applicant is located. The admission charge to play bingo may not exceed \$1. The value of a prize for a bingo game may not exceed \$50. A jackpot prize may not exceed \$1,000.

Bingo may not be conducted on Sundays. Advertising for a bingo event is limited to a posting on specified bulletin boards within the election district where the event will occur and one sign, not exceeding 36 square feet, posted on or adjacent to the premises where bingo will be conducted.

**Background:** Each county is responsible for regulating gaming activities conducted by civic and charitable organizations. There is no statewide reporting of gaming activities by civic and charitable organizations, except for the slot machines operated on the Eastern Shore. Gaming licensees may use the proceeds of gaming activities for the benefit of their own organizations, but do not need to share them with other organizations. However, slot machine operators must use at least one-half of the proceeds from slot machines to benefit a charity.

In Worcester County, each licensee must pay the county 3% of the gross receipts derived from bingo each day that bingo is conducted. Nonprofit organizations may retain up to one-half of the proceeds derived from a bingo event. The remaining proceeds are distributed for educational or charitable purposes. If bingo is conducted in a municipality of the county, the county must pay one-third of the 3% received to the municipality for general purposes. Worcester County collected \$13,562 in bingo license fees in fiscal 2008.

All 24 Maryland counties, including Baltimore City, allow bingo events to be conducted by qualifying organizations.

**Additional Comments:** Worcester County advises that the annual license fee charged to conduct bingo is \$250 and that the temporary license fee charged is \$25 for each day of bingo conducted. Both of these fee amounts exceed what is authorized under current law and under the bill. The county further advises that license applicants intending to conduct 10 or more days of bingo in a year pay the annual license fee to conduct bingo events; under current law and the bill only license applicants intending to conduct bingo for more than 15 days per year are subject to the annual license fee.

## **Additional Information**

**Prior Introductions:** HB 1149 of 2008 as passed by the House is similar. The bill received a hearing before the Senate Judicial Proceedings Committee but no further action was taken in the Senate.

**Cross File:** HB 773 (Delegates Conway and Mathias) - Ways and Means.

**Information Source(s):** Worcester County, State Lottery Agency, Department of Legislative Services

**Fiscal Note History:** First Reader - February 24, 2009  
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