

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 869

(Senators Brinkley and Kittleman)

Judicial Proceedings

Carroll County - Gaming

This bill authorizes the Carroll County Commissioners to issue a permit to conduct a card game or casino night to a specified list of qualifying organizations. The bill does not apply to card games conducted at a senior center as authorized by current law.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: None.

Local Effect: Carroll County expenditures will increase by a minimal amount to verify that organizations qualify for a permit and to issue permits. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: In Carroll County, an organization must be a bona fide hospital; volunteer fire company; or a religious, fraternal, civic, war veterans', amateur athletic, or charitable organization in order to qualify for a permit. Before issuing a permit, the county commissioners must determine that an organization qualifies for a permit. A permit is not transferable and must state that the card game or casino night shall be managed and operated only by members of the organization holding the permit.

An individual or group of individuals may not benefit financially, or receive proceeds from the card game or casino night for personal use or benefit. Card games and casino nights are prohibited after 1 a.m. on a Sunday. A permit holder may not:

- award a money prize greater than \$10 per card game;
- allow a player to bet more than \$10 in any one game;
- exchange tokens used in wagering for an item of merchandise that is worth more than \$10,000; and
- exchange tokens used for wagering for money or an item of merchandise having a value that is different from the fair market retail value of the item of merchandise that was received for the tokens.

Current Law: Qualified organizations may conduct gaming events in Carroll County if they receive a permit from the county commissioners. For purposes of conducting a gaming event, qualified organizations include bona fide hospitals; volunteer fire companies; and religious, amateur athletic, fraternal, civic, war veterans', and charitable organizations. Permitted gaming events include raffles, bazaars, carnival games, and other games of entertainment. Card games, dice games, roulette, and casino nights are generally prohibited. However, a senior center site council may conduct a card game in a senior center five days per week, excluding Sunday. The maximum money prize for a session of cards is \$5 and the maximum charge to participate is \$1. All money remaining after prizes are awarded must be distributed to the senior center site council.

Before a qualified organization may conduct bingo in Carroll County, the organization must obtain a permit from the county commissioners. For purposes of conducting bingo, qualified organizations include bona fide volunteer fire companies; senior center site councils; and religious, educational, fraternal, patriotic, and charitable organizations. Bingo permit applicants are required to pay the fee set by the county, which must be set at a level sufficient to cover the costs of issuing the permit.

Generally, the maximum prize awarded at a bingo event may not exceed \$100 in value. Prizes of up to \$250 are permitted for special bingo games, such as progressive pot games, and up to \$1,000 for bingo jackpots. Under Chapter 404 of 2004, qualified organizations are permitted to hold up to 6 raffles per year where the major prize awarded is greater than \$2,500, or 10 raffles per year where the prize is less than \$2,500.

Chapter 273 of 2007 repealed a restriction that an organization must be located in Carroll County in order to conduct bingo or a gaming event in Carroll County.

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.

The State Lottery Agency conducted a study of local gaming in Maryland required by Chapter 474 of 2008. The report indicates that casino events are conducted in at least 6 counties, and card games are operated in at least 10 of the 24 counties in Maryland.

Local Fiscal Effect: Carroll County advises that if a permit fee is established, it will be nominal and thus revenues may increase minimally. However, Carroll County advises that it does not anticipate that issuance of permits will have a material effect on county finances. Legislative Services notes that the bill does not authorize the county to charge a permit fee for a card game or casino night. Aside from the prohibition against conducting a card game or casino night for most Sunday hours, no limit is established on the number of permits that may be issued to an organization.

Additional Information

Prior Introductions: None.

Cross File: HB 1432 is identified as a cross file, but the bills are not identical.

Information Source(s): Carroll County, Comptroller's Office, State Lottery Agency, Department of Legislative Services

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mcp/rhh

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