

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 1275
Ways and Means

(Howard County Delegation)

Howard County - Casino Events - Authorized Ho. Co. 4-11

This bill authorizes the Howard County Department of Inspections, Licenses, and Permits to issue a permit to conduct a casino event to a specified list of qualified organizations. A casino event includes card games and roulette. An organization may receive up to one permit per month for a card game and one permit per year for roulette.

Fiscal Summary

State Effect: None.

Local Effect: Howard County revenues increase minimally from collection of gaming permit licensing fees beginning in FY 2012. County administrative and law enforcement expenditures may also increase minimally beginning in FY 2012.

Small Business Effect: None.

Analysis

Bill Summary: In Howard County, an organization must be a bona fide volunteer fire company or war veterans' organization in order to qualify for a permit. A permit holder of a casino event (which includes a card game and roulette) must ensure that (1) the casino event is managed by members of the organization holding the permit; (2) an individual does not benefit financially from holding the casino event or receive any of the casino event proceeds for personal use; (3) a parent, subsidiary, or affiliate organization has not sponsored a card game within one month or a roulette casino event within the last year; and (4) the casino event is conducted between 4 p.m. and 1 a.m.

A permit holder may not:

- offer or award cumulative money prizes in excess of \$5,000;
- allow a player to bet more than \$10 in tokens in one game within the month for a card game or year for roulette;
- exchange wagering tokens for an item of merchandise that is worth more than \$1,000; or
- exchange wagering tokens for money or an item of merchandise having a value that is different from the fair retail market value of the merchandise received for wagering tokens.

Permit holders must submit a specified financial report to the Department of Inspections, Licenses, and Permits within 60 days after holding a gaming event. Before submitting this information, a permit holder is required to submit the report to the county police department for review. The Department of Inspections, Licenses, and Permits is required to adopt regulations to govern the issuance of permits, establish a permit fee, and for the conduct and management of a gaming event.

On recommendation of the Department of Inspections, Licenses, and Permits, the County Executive of Howard County is required to forward to the county council a recommendation for the amount of permit fee to be charged for each casino event. The county council is required to adopt by resolution the amount of the permit fee.

Current Law: Qualified organizations may conduct certain gaming events in Howard County. Card games, dice games, and roulette are generally prohibited. For the purposes of conducting an gaming event using a paddle wheel, wheel of fortune, chance book, bingo, or any other gaming device except a card game, dice game, and roulette, qualified organizations include a volunteer fire company or a bona fide religious, fraternal, civic, war veterans', and charitable organizations.

For purposes of conducting bingo, qualified organizations include volunteer fire companies and bona fide religious, educational, fraternal, patriotic, and charitable organizations. Bingo must be conducted in order to benefit charity in the county or to further the purposes of the organization.

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 (except Worcester County). 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 Maryland 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: Howard County revenues may increase minimally from license fees beginning in fiscal 2012. The Howard County Department of Inspections, Licenses, and Permits reports that if this bill passes, the department would recommend a fee of \$200 per permit which it anticipates will cover the cost of processing the application, issuing the permit and enforcement. County administrative and law enforcement expenditures may also increase minimally beginning in fiscal 2012.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Howard County, Maryland State Lottery Agency, Department of Legislative Services

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ncs/rhh

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