

HOUSE BILL 416

C7

2lr2380
CF 2lr2378

By: **Allegany County Delegation and Garrett County Delegation**

Introduced and read first time: February 1, 2012

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Allegany and Garrett Counties – Slot Machines for Nonprofit Organizations**

3 FOR the purpose of adding Allegany County and Garrett County to the list of counties
4 in which certain nonprofit fraternal, religious, and war veterans' organizations
5 may own and operate a certain number of slot machines under certain
6 circumstances; and generally relating to slot machines in Allegany County and
7 Garrett County.

8 BY repealing and reenacting, with amendments,
9 Article – Criminal Law
10 Section 12–304
11 Annotated Code of Maryland
12 (2002 Volume and 2011 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article – Criminal Law**

16 12–304.

17 (a) In this section, “eligible organization” means:

18 (1) a nonprofit organization that:

19 (i) has been located in a county listed in subsection (b) of this
20 section for at least 5 years before the organization applies for a license under
21 subsection (e) of this section; and

22 (ii) is a bona fide:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 1. fraternal organization;
- 2 2. religious organization; or
- 3 3. war veterans' organization; or

4 (2) a nonprofit organization that has been affiliated with a national
5 fraternal organization for less than 5 years and has been located in a county listed in
6 subsection (b) of this section for at least 50 years before the nonprofit organization
7 applies for a license under subsection (e) of this section.

8 (b) This section applies in:

9 **(1) ALLEGANY COUNTY;**

10 ~~[(1)]~~ **(2)** Caroline County;

11 ~~[(2)]~~ **(3)** Cecil County;

12 ~~[(3)]~~ **(4)** Dorchester County;

13 ~~[(4)]~~ **(5) GARRETT COUNTY;**

14 **(6)** Kent County;

15 ~~[(5)]~~ **(7)** Queen Anne's County;

16 ~~[(6)]~~ **(8)** Somerset County;

17 ~~[(7)]~~ **(9)** Talbot County;

18 ~~[(8)]~~ **(10)** Wicomico County; and

19 ~~[(9)]~~ **(11)** Worcester County.

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

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

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

26 (ii) owns each slot machine that the eligible organization
27 operates;

- 1 (iii) owns not more than five slot machines;
- 2 (iv) locates and operates its slot machines at its principal
3 meeting hall in the county in which the eligible organization is located;
- 4 (v) does not locate or operate its slot machines in a private
5 commercial facility;
- 6 (vi) uses:
- 7 1. at least one-half of the gross proceeds from its slot
8 machines for the benefit of a charity; and
- 9 2. the remainder of the proceeds from its slot machines
10 to further the purposes of the eligible organization;
- 11 (vii) does not use any of the proceeds of the slot machine for the
12 financial benefit of an individual; and
- 13 (viii) reports annually under affidavit to the State Comptroller:
- 14 1. the income of each slot machine; and
- 15 2. the disposition of the income from each slot machine.
- 16 (d) An eligible organization may not use or operate a slot machine unless:
- 17 (1) the slot machine is equipped with a tamperproof meter or counter
18 that accurately records gross receipts; and
- 19 (2) the eligible organization keeps an accurate record of the gross
20 receipts and payoffs of the slot machine.
- 21 (e) (1) (i) The State Comptroller shall regulate the operation of slot
22 machines under this section.
- 23 (ii) The State Comptroller may adopt regulations to implement
24 the requirements of this section, including requiring audits of the annual reports
25 submitted to the State Comptroller under subsection (c)(2)(viii) of this section.
- 26 (2) Before an eligible organization may operate a slot machine under
27 this section, the eligible organization shall obtain a license for the slot machine from
28 the State Comptroller.
- 29 (3) (i) The State Comptroller shall:

1 1. charge an annual fee for each license for a machine;
2 and

3 2. issue a license sticker to the applicant.

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

5 (iii) The State Comptroller shall set the amount of the annual
6 fee so that the total proceeds of the annual fee equal an amount directly related to
7 administrative costs of the State Comptroller to regulate the operation of slot
8 machines under this section.

9 (4) In the application to the State Comptroller for a license, one of the
10 principal officers of the eligible organization shall certify under affidavit that the
11 organization:

12 (i) is an eligible organization; and

13 (ii) will comply with this section.

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

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

18 (g) The Comptroller may not issue a license for a slot machine to an eligible
19 organization located in Ocean City that is located east of South and North Baltimore
20 Avenues.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2012.