

# SENATE BILL 10

C7

EMERGENCY BILL  
(PRE-FILED)

2lr0732

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By: **Senators Colburn and Mathias**

Requested: October 17, 2011

Introduced and read first time: January 11, 2012

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Slot Machines for Nonprofit Organizations on the Eastern Shore – Uses of**  
3 **Proceeds**

4 FOR the purpose of altering a provision so as to require that one-half of the net after  
5 payout proceeds from slot machines operated by certain nonprofit organizations  
6 in counties on the Eastern Shore must benefit charities; making this Act an  
7 emergency measure; and generally relating to slot machines for nonprofit  
8 organizations in certain counties.

9 BY repealing and reenacting, without amendments,  
10 Article – Criminal Law  
11 Section 12–304(a)  
12 Annotated Code of Maryland  
13 (2002 Volume and 2011 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – Criminal Law  
16 Section 12–304(c)  
17 Annotated Code of Maryland  
18 (2002 Volume and 2011 Supplement)

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

21 **Article – Criminal Law**

22 12–304.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) a nonprofit organization that:

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

5 (ii) is a bona fide:

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

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

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

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

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

19 (ii) owns each slot machine that the eligible organization  
20 operates;

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

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

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

26 (vi) uses:

27 1. at least one-half of the [gross] **NET AFTER PAYOUT**  
28 proceeds from its slot machines for the benefit of a charity; and

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

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

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

4                           1.     the income of each slot machine; and

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

6           SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency  
7 measure, is necessary for the immediate preservation of the public health or safety,  
8 has been passed by a ye and nay vote supported by three-fifths of all the members  
9 elected to each of the two Houses of the General Assembly, and shall take effect from  
10 the date it is enacted.