2lr1272 CF HB 1166

By: Senator DeGrange

Introduced and read first time: February 3, 2012 Assigned to: Budget and Taxation

Committee Report: Favorable with amendments Senate action: Adopted with floor amendments Read second time: March 17, 2012

CHAPTER _____

1 AN ACT concerning

$\mathbf{2}$

Gaming – Instant Bingo – Electronic Machines <u>– Regulation</u>

3 FOR the purpose of authorizing the operation of certain electronic instant bingo games 4 using electronic machines; providing that the electronic instant bingo machines $\mathbf{5}$ must have been in operation during a certain period or that the machines be in 6 operation under a commercial bingo license on a certain date; prohibiting the 7 operation of more than a certain number of electronic instant bingo machines 8 than were in operation on a certain date; requiring the conduct of the gaming 9 and the operation of certain electronic instant bingo machines to be consistent 10 with certain provisions of law; clarifying that certain slot machines located in 11 certain counties are not subject to certain provisions of law; altering the 12 definition of "slot machine" to include a certain machine, apparatus, or device 13regardless of the manner in which it delivers a game and to exclude certain skills-based amusement devices; clarifying that a certain handheld device is not 14 considered a slot machine; requiring the Office of the Attorney General, the 15State Lottery Commission, the Department of State Police, and local law 16 17enforcement units to construe certain statutory provisions in a certain manner; 18 making a certain decision by the State Lottery Commission a final 19determination as to whether a certain <u>electronic</u> gaming device is legal and 20being operated in a lawful manner; authorizing the State Lottery Commission 21to refer certain matters for enforcement to the Department of State Police under 22certain circumstances; requiring the Commission to certify and regulate the 23operation, ownership, and manufacture of certain electronic gaming devices; 24stating that a gaming device that is not licensed or otherwise operated in compliance with certain provisions of law as of a certain date may not legally 25

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 operate in the State; requiring the Commission to adopt certain regulations $\mathbf{2}$ related to the approval and licensing of certain electronic gaming devices; 3 authorizing the Commission to make certain determinations and charge certain 4 fees; altering the purpose of the Special Fund for Preservation of Cultural Arts $\mathbf{5}$ in Maryland; requiring that the Fund be used to provide certain supplemental 6 grants for operating and programmatic improvements that strengthen cultural 7arts organizations in certain ways; altering the process for transferring certain 8 funds from the Fund; specifying that grants from the Fund are supplemental 9 and may not take the place of certain funding for certain organizations; creating 10 the Calvert County Youth Recreational Opportunities Fund: providing for the 11 purpose, administration, type, contents, expenditures, and investments of the 12Fund; requiring that the Fund be used only for certain projects; specifying that certain money expended from the Fund is not intended to take the place of 13 funding that otherwise would be appropriated for a certain purpose; imposing a 14certain State admissions and amusement tax rate on electronic bingo in Calvert 1516 County; altering the revenue attributable from a certain tax rate distributed to 17a certain special fund; providing for the distribution of certain revenue and 18proceeds to Program Open Space the Calvert County Youth Recreational 19Opportunities Fund, the Boys and Girls Club of the Town of North Beach, and 20certain municipal corporations in certain years; requiring that certain 21admissions and amusement taxes are to be determined on a certain basis; 22providing that certain admissions and amusement taxes may be determined on 23a certain basis; requiring the Commission to certify the compliance with certain 24laws before certain electronic bingo machines may be authorized for use; 25authorizing a certain qualified organization to repair and replace electronic 26bingo machines under certain circumstances; authorizing a certain qualified 27organization that offered instant bingo during a certain time and then was 28required to obtain a commercial license to operate a certain number of instant 29bingo machines under certain circumstances; requiring certain regulations to be 30 at least as stringent as certain requirements; authorizing certain regulations to 31 include certain provisions and requiring that the regulations include certain 32provisions; repealing certain obsolete provisions of law; making a certain 33 technical correction; and generally relating to the operation and regulation of 34electronic instant bingo machines.

- 35 BY repealing and reenacting, with amendments,
- 36 Article Criminal Law
- 37 Section 12–113 and 12–301(3) <u>12–301(2) and (3)</u>
- 38 Annotated Code of Maryland
- 39 (2002 Volume and 2011 Supplement)
- 40 BY adding to
- 41 Article Criminal Law
- 42 Section 12–301.1 and 12–308
- 43 Annotated Code of Maryland
- 44 (2002 Volume and 2011 Supplement)

1	<u>BY repealing and reenacting, with amendments,</u>
2	Article – Economic Development
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- $3 \qquad \underline{Section \ 4-801}$
- 4 <u>Annotated Code of Maryland</u>
- 5 (2008 Volume and 2011 Supplement)

6 <u>BY adding to</u>

- 7 <u>Article Natural Resources</u>
- 8 <u>Section 5–1901 to be under the new subtitle "Subtitle 19. Calvert County Youth</u>
- 9 <u>Recreational Opportunities Fund</u>"
- 10 <u>Annotated Code of Maryland</u>
- 11 (2005 Replacement Volume and 2011 Supplement)
- 12 BY repealing and reenacting, with amendments,
- 13 Article Tax General
- 14 Section 2–202, <u>4–102</u>, and 4–105(a–1)
- 15 Annotated Code of Maryland
- 16 (2010 Replacement Volume and 2011 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 18 MARYLAND, That the Laws of Maryland read as follows:

19

Article – Criminal Law

20 12–113.

(A) [A] THE OFFICE OF THE ATTORNEY GENERAL, <u>THE STATE</u>
 LOTTERY COMMISSION, THE DEPARTMENT OF STATE POLICE, LOCAL LAW
 ENFORCEMENT UNITS, AND THE court shall construe liberally this [title] ARTICLE
 relating to gambling and betting to prevent the activities prohibited.

25 (B) A DECISION BY THE STATE LOTTERY COMMISSION SHALL BE THE 26 FINAL DETERMINATION AS TO WHETHER A GAMING DEVICE BEING OPERATED IN 27 THE STATE IS:

28 (1) A LEGAL GAMING DEVICE OR DEVICE CONSISTENT WITH THE
 29 PROVISIONS OF THIS ARTICLE; AND

30(2) BEING OPERATED IN A LAWFUL MANNER UNDER THIS31 ARTICLE.

(c) IF A LOCAL LAW ENFORCEMENT UNIT FAILS TO PROMPTLY
 ENFORCE A FINAL DETERMINATION MADE UNDER SUBSECTION (B) OF THIS
 SECTION, THE STATE LOTTERY COMMISSION SHALL REFER THE MATTER TO
 THE DEPARTMENT OF STATE POLICE FOR ENFORCEMENT OF THE LAW.

	4 SENATE BILL 864
1	12–301.
2	In this subtitle:
3	(2) <u>"slot machine" includes:</u>
$4 \\ 5 \\ 6$	(i) a machine, apparatus, or device described in item (1) of this section that also sells, delivers, or awards merchandise, money, or some other tangible thing of value; [and]
7 8	(ii) <u>a pinball machine or console machine that pays off in</u> merchandise; AND
9 10 11 12	(III) <u>A MACHINE, APPARATUS, OR DEVICE DESCRIBED IN</u> <u>ITEM (1) OF THIS SECTION, REGARDLESS OF WHETHER THE MACHINE,</u> <u>APPARATUS, OR DEVICE DELIVERS A GAME THROUGH THE INTERNET OR</u> <u>OFFERS INTERNET OR OTHER SERVICES; AND</u>
$\begin{array}{c} 13 \\ 14 \end{array}$	(3) "slot machine" does not include a machine, apparatus, or device that:
15	(i) awards the user only free additional games or plays;
$\begin{array}{c} 16 \\ 17 \end{array}$	(ii) awards the user only noncash merchandise or noncash prizes of minimal value;
18 19 20	(iii) dispenses paper pull tab tip jar tickets or paper pull tab instant bingo tickets that must be opened manually by the user provided that the machine, apparatus, or device does not:
21	1. read the tickets electronically;
22	2. alert the user to a winning or losing ticket; or
23	3. tabulate a player's winnings and losses;
24 25 26 27	(iv) 1. IS A HANDHELD DEVICE THAT displays ONLY facsimiles of bingo cards that [users] AN INDIVIDUAL USES TO mark and monitor [according to] CONTEMPORANEOUSLY TO A LIVE CALL OF BINGO numbers called on the premises by an individual where the user is operating the machine; [and]
$\begin{array}{c} 28\\ 29 \end{array}$	2. does not permit a user to play more than 54 bingo cards at the same time;
$\begin{array}{c} 30\\ 31 \end{array}$	3. DOES NOT RANDOMLY GENERATE ANY NUMBERS; AND

1 **4**. IS NOT PART OF AN INTEGRATED SYSTEM; $\mathbf{2}$ is used by the State Lottery Commission under Title 9 of the (v) 3 State Government Article; or 4 (vi) if legislation takes effect authorizing the operation of video lottery terminals, is a video lottery terminal as defined in and licensed under that $\mathbf{5}$ legislation; OR 6 7 (VII) IS A SKILLS–BASED AMUSEMENT DEVICE THAT AWARDS PRIZES OF MINIMAL VALUE APPROVED BY THE STATE LOTTERY COMMISSION 8 9 THROUGH REGULATION. 10 12-301.1. 11 IN THIS SUBTITLE, "COMMISSION" MEANS THE STATE LOTTERY (A) 12 COMMISSION. 13 **(B)** (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND CONSISTENT WITH THE PROVISIONS OF THIS TITLE AND TITLE 13 OF THIS 1415ARTICLE, THE COMMISSION SHALL CERTIFY AND REGULATE THE OPERATION, 16 OWNERSHIP, AND MANUFACTURE OF A AN ELECTRONIC GAMING DEVICE 17AUTHORIZED UNDER THIS TITLE. 18 (2) THIS SECTION MAY NOT APPLY TO THE OWNERSHIP OR 19OPERATION OF SLOT MACHINES THAT ARE SUBJECT TO REGULATION BY THE 20COMPTROLLER UNDER § 12–304 OF THIS TITLE. 21**(C)** THE COMMISSION SHALL ADOPT REGULATIONS THAT: 22(1) DEFINE LAWFUL AND UNLAWFUL ELECTRONIC AND 23MECHANICAL EQUIPMENT USED IN CONNECTION WITH GAMING DEVICES THAT 24ARE CONSISTENT WITH THIS TITLE; 25(2) APPROVE AND LICENSE ELECTRONIC GAMING DEVICES 26**AUTHORIZED UNDER STATE LAW;** 27(3) **APPROVE** AND LICENSE **OWNERS**, **OPERATORS**, AND 28MANUFACTURERS OF ELECTRONIC GAMING DEVICES AUTHORIZED UNDER 29STATE LAW: 30 ESTABLISH PROCEDURES FOR THE LICENSE APPLICATION (4) 31AND RENEWAL PROCESSES REQUIRED UNDER THIS SECTION; AND

 $\mathbf{5}$

1 (5) ESTABLISH LICENSE FEES THAT ARE SUFFICIENT TO COVER 2 THE DIRECT AND INDIRECT COSTS OF LICENSURE REQUIRED UNDER THIS 3 SECTION.

4 **(D)**

THE COMMISSION MAY DETERMINE:

5 (1) THAT A COUNTY'S LICENSING AND REGULATORY PROCESS 6 FOR <u>ELECTRONIC</u> GAMING DEVICES IS EQUIVALENT TO THE STATE LICENSING 7 AND REGULATORY PROCESS REQUIRED UNDER THIS SECTION; AND

8 (2) THAT A COUNTY LICENSE FOR OWNING, OPERATING, OR 9 MANUFACTURING <u>A AN ELECTRONIC</u> GAMING DEVICE IN THAT COUNTY IS 10 EQUIVALENT TO A STATE LICENSE.

11 (E) A <u>AN ELECTRONIC</u> GAMING DEVICE THAT IS NOT LICENSED OR 12 OTHERWISE OPERATED IN COMPLIANCE WITH THE PROVISIONS OF THIS 13 SECTION AS OF <u>JULY 1, 2012</u> <u>JANUARY 1, 2013</u>, IS AN ILLEGAL <u>GAMBLING</u> 14 <u>GAMING</u> DEVICE THAT MAY NOT LEGALLY OPERATE IN THE STATE.

15 **12–308.**

16 NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS SUBTITLE, AN 17 ENTITY LICENSED TO OFFER INSTANT BINGO UNDER A COMMERCIAL BINGO 18 LICENSE ON JULY 1, 2007, OR BY A QUALIFIED ORGANIZATION AS DEFINED IN § 19 13–201 OF THIS ARTICLE ON THE PREMISES OF THE QUALIFIED ORGANIZATION 20 MAY CONTINUE TO OPERATE A GAME OF INSTANT BINGO IN THE SAME MANNER 21 USING ELECTRONIC MACHINES, PROVIDED THAT:

22(1)(I)THE MACHINES WERE IN OPERATION FOR A 1-YEAR23PERIOD ENDING DECEMBER 31, 2007; OR

24(II) THE MACHINES WERE IN OPERATION UNDER A25COMMERCIAL BINGO LICENSE ON DECEMBER 31, 2007;

26(2)THE ENTITY DOES NOT OPERATE MORE THAN THE NUMBER OF27ELECTRONIC MACHINES IN OPERATION ON FEBRUARY 28, 2008; AND

28(3) THE CONDUCT OF THE GAMING AND OPERATION OF THE29MACHINES ARE CONSISTENT WITH ALL OTHER PROVISIONS OF THIS ARTICLE.

30

<u> Article – Economic Development</u>

31 <u>4–801.</u>

$rac{1}{2}$	(a) In this section, "Fund" means the Special Fund for Preservation of <u>Cultural Arts in Maryland.</u>
3	(b) <u>There is a Special Fund for Preservation of Cultural Arts in Maryland.</u>
4 5 6 7	(c) <u>The purpose of the Fund is to provide [emergency] SUPPLEMENTAL</u> grants to cultural arts organizations[, including museums, or similar entities] in the <u>State THAT QUALIFY FOR GENERAL OPERATING SUPPORT GRANTS FROM THE</u> <u>MARYLAND STATE ARTS COUNCIL.</u>
$\frac{8}{9}$	(d) <u>The Secretary of Business and Economic Development shall administer</u> <u>the Fund.</u>
10 11	(e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.
$\begin{array}{c} 12\\ 13 \end{array}$	(2) <u>The State Treasurer shall hold the Fund separately, and the</u> <u>Comptroller shall account for the Fund.</u>
14	(f) The Fund consists of:
$\begin{array}{c} 15\\ 16 \end{array}$	(1) revenue distributed to the Fund under [§ 2–202(1)(ii)] § 2–202(A)(1)(II) of the Tax – General Article; and
17 18	(2) any other money from any other source accepted for the benefit of the Fund.
19 20 21 22 23 24 25	(g) [(1) Subject to paragraph (2) of this subsection, the Fund may be used only for preventing the closure, termination, or financial distress of] THE FUND SHALL BE USED TO PROVIDE SUPPLEMENTAL GRANTS FOR OPERATING AND PROGRAMMATIC IMPROVEMENTS THAT STRENGTHEN THE ORGANIZATIONAL CAPACITY AND FINANCIAL STABILITY OF cultural arts organizations[, including museums, or similar entities] in the State THAT QUALIFY FOR GENERAL OPERATING SUPPORT GRANTS FROM THE MARYLAND STATE ARTS COUNCIL.
26	(2) For fiscal year 2011:
27 28	(i) \$450,000 from the Fund shall be used to provide a grant to the Baltimore Symphony Orchestra; and
29 30	(ii) <u>\$50,000 from the Fund shall be used to provide a grant to</u> the National Philharmonic.]
$\frac{31}{32}$	(h) (1) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

	8 SENATE BILL 864						
$\frac{1}{2}$	(2) <u>Any investment earnings of the Fund shall be credited to the</u> <u>General Fund of the State.</u>						
3	(i) For each appropriation to the Fund, the Governor may:						
4 5	(1) include the funds in the State budget subject to appropriation by the General Assembly; or						
6 7 8	(2) <u>transfer the funds by budget amendment from the Fund to the</u> <u>expenditure account of the [Department of Business and Economic Development only</u> <u>after the proposed budget amendment has been:</u>						
9 10	(i) <u>submitted to the Senate Budget and Taxation Committee</u> and the House Appropriations Committee of the General Assembly; and						
$\frac{11}{12}$	(ii) approved by the Legislative Policy Committee] MARYLAND STATE ARTS COUNCIL.						
$13 \\ 14 \\ 15 \\ 16 \\ 17$	(j) [Money expended] SUPPLEMENTAL GRANTS MADE from the Fund [for cultural arts organizations, including museums, or other similar entities is] ARE supplemental to and [is not intended to] MAY NOT take the place of funding that otherwise would be appropriated for [those] QUALIFYING organizations [or similar entities].						
18 19 20	<u>Article – Natural Resources</u> <u>Subtitle 19. Calvert County Youth Recreational Opportunities</u> <u>Fund.</u>						
21	<u>5–1901.</u>						
22 23	(A) IN THIS SECTION, "FUND" MEANS THE CALVERT COUNTY YOUTH RECREATIONAL OPPORTUNITIES FUND.						
$\begin{array}{c} 24 \\ 25 \end{array}$	(B) <u>There is a Calvert County Youth Recreational</u> <u>Opportunities Fund.</u>						
26 27	(C) <u>The purpose of the Fund is to increase youth</u> <u>recreational opportunities in Calvert County.</u>						
28	(D) THE SECRETARY SHALL ADMINISTER THE FUND.						
29 30	(E) (1) <u>The Fund is a special, nonlapsing fund that is not</u> subject to § 7-302 of the State Finance and Procurement Article.						

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9	<u>2-202(b)(</u> 1	<u>I)(II) (I</u>	<u>F INE</u>		GEL	NERAL A	NIICLI	<u>C,</u>					
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(1) except as provided in fsubsection Subsection (b) AND (C) of this section, from the revenue from the State admissions and amusement tax on electronic bingo and electronic tip jars under § 4–102(d) of this article:

$\frac{1}{2}$	(i) the revenue attributable to a tax rate of 20% to the General Fund of the State; and
$3 \\ 4 \\ 5$	 (ii) the revenue attributable to a tax rate [in excess of 20%] OF 5% to the Special Fund for Preservation of Cultural Arts in Maryland, as provided in § 4–801 of the Economic Development Article; and
6	(2) the remaining admissions and amusement tax revenue:
7 8	(i) to the Maryland Stadium Authority, county, or municipal corporation that is the source of the revenue; or
9 10	(ii) if the Maryland Stadium Authority and also a county or municipal corporation tax a reduced charge or free admission:
11	1. 80% of that revenue to the Authority; and
12	2. 20% to the county or municipal corporation.
$13 \\ 14 \\ 15 \\ 16$	(B) FROM THE REVENUE FROM THE STATE ADMISSIONS AND AMUSEMENT TAX ON ELECTRONIC BINGO AND ELECTRONIC TIP JARS IN CALVERT COUNTY UNDER § 4–102(D) OF THIS ARTICLE, THE COMPTROLLER SHALL DISTRIBUTE:
17 18	(1) FOR FISCAL YEAR 2013, THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 8%:
19 20	(I) \$100,000 TO THE BOYS AND GIRLS CLUB OF THE TOWN OF NORTH BEACH; AND
21 22 23 24 25 26 27	(II) THE REMAINDER TO PROGRAM OPEN SPACE UNDER TITLE 5, SUBTITLE 9 <u>THE CALVERT COUNTY YOUTH RECREATIONAL</u> <u>OPPORTUNITIES FUND UNDER TITLE 5, SUBTITLE 19</u> OF THE NATURAL RESOURCES ARTICLE THAT MAY ONLY BE USED FOR A LOCAL OPEN SPACE PROJECT APPROVED BY THE SECRETARY OF THE DEPARTMENT OF NATURAL RESOURCES THAT INCREASES YOUTH RECREATIONAL OPPORTUNITIES IN THE COUNTY; AND
28	(2) FOR FISCAL YEARS 2014 THROUGH 2016, FROM:
29	(I) THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 1.5%:
30 31	1. \$100,000 TO THE BOYS AND GIRLS CLUB OF THE TOWN OF NORTH BEACH; AND

$egin{array}{c} 1 \ 2 \end{array}$	BEACH;	<u>2.</u> <u>THE</u>	REMAINDER	TO THE	TOWN OF	<u>North</u>
$\frac{3}{4}$	<u>(II)</u> <u>to the Town of Ches</u>		<u>NUE ATTRIBU'</u> EACH; AND	<u>FABLE TO .</u>	A TAX RATE	COF 2.5%
5 6 7	<u>(III)</u> <u>THE CALVERT COUNTY</u> TITLE 5, SUBTITLE 19 (YOUTH R		Opportu	NITIES FUN	
8 9	(2) (3) THEREAFTER <u>, FROM</u> :	FOR FISCA	AL YEAR 2014	<u>2017</u> AND	EACH FISC	CAL YEAR
10 11	(I) 3% <u>1.5%</u> :	FROM THE	C REVENUE AT	FRIBUTABI	LE TO A TAX	RATE OF
$\begin{array}{c} 12\\ 13 \end{array}$	TOWN OF NORTH BEAC	•),000 TO THE]	BOYS AND	GIRLS CLU	B OF THE
$\begin{array}{c} 14 \\ 15 \end{array}$	BEACH; AND	2. THE	REMAINDER	το τηε	TOWN OF	NORTH
$\frac{16}{17}$	(II) <u>2.5%</u> to the Town of		NUE ATTRIBU KE BEACH <u>; AN</u>		A TAX RAT	E OF 5%
$18 \\ 19 \\ 20 \\ 21$	<u>(III)</u> <u>THE CALVERT COUNTY</u> <u>RENEWAL PROJECTS TH</u> PUBLIC SCHOOL CONST	BOARD OF TAT MAY NO		FOR SCHO	OL RENOVA	FION AND
21 22 23			e distributed in	-accordance	with subsec	tion (a)(1)
$\begin{array}{c} 24 \\ 25 \end{array}$	(1) for fie of the State;	cal year 20	10 only, shall b	e distribute	d to the Gen	eral Fund
26	(2) for fis	cal year 201	1 only, shall be	distributed	as follows:	
$\begin{array}{c} 27 \\ 28 \end{array}$	(i) Arts in Maryland, as prov		o the Special F -801 of the Econ			
$\begin{array}{c} 29\\ 30 \end{array}$	(ii) subsection (c) of this secti) a special func	d, to be use	ed only as p	rovided in
31	(iii)	the balance	to the General	Fund of the	State; and	

for fiscal year 2012 only, shall be distributed as follows: (3)1 $\mathbf{2}$ (i) \$500,000 to a special fund, to be used only as provided in 3 subsection (c) of this section: and the balance to the General Fund of the State. (iii) 4 For fiscal year 2011, the Comptroller shall pay from (1)(i) $\mathbf{5}$ **f(c) (D)** 6 the special fund established under subsection (b)(2)(ii) of this section a grant to the 7 local jurisdictions where the electronic bingo machines or electronic tip jar machines 8 that are the source of the revenue are located, to be used by the local jurisdictions only 9 for one-time capital expenditures. 10 A grant under this paragraph shall be paid to a municipal (iii) 11 corporation if the machines are located in a municipal corporation or to a county if the 12machines are not located in a municipal corporation. 13 (iii) The grants under this paragraph shall be paid to each local iurisdiction in proportion to the amount of tax revenue derived from machines in each 14jurisdiction. 1516 (2) For fiscal year 2012, the special fund established under subsection (b)(3)(i) of this section may be used only as follows: 1718 (i) \$150,000 as an appropriation to the State Archives, to be used only for the operating costs associated with the development and implementation 19of the State House Master Plan as approved by the State House Trust; 2021 \$50,000 as a grant to be paid by the Comptroller to the (iii) 22Maryland Humanities Council; and 23impact grants to be paid by the Comptroller in the local (iii) jurisdictions where the electronic bingo machines or electronic tip jar machines are 24located. as follows: 2526\$150,000 in Anne Arundel County to the Anne 1 27Arundel County Volunteer Firefighters Association for capital expenditures and 28replacement of equipment; and \$150,000 in Calvert County as follows: 292

30A.\$125,000 to be divided equally between the Town of31Chesapeake Beach and the Town of North Beach, to be used only for one-time capital32expenditures: and

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12

$\frac{1}{2}$	B. \$25,000 to the Beach Trolley Association of Chesapeake Beach and North Beach.
3	<u>4–102.</u>
4	(A) IN THIS SECTION, "NET PROCEEDS" MEANS THE TOTAL RECEIPTS
5	FROM THE OPERATION OF AN ELECTRONIC BINGO MACHINE OR ELECTRONIC
6	TIP JAR MACHINE LESS THE AMOUNT OF MONEY WINNINGS OR PRIZES PAID OUT
° 7	TO PLAYERS.
8	[(a)](B) <u>A county may impose, by resolution, a tax on:</u>
9 10	(1) the gross receipts derived from any admissions and amusement charge in that county; and
$\frac{11}{12}$	(2) <u>an admission in that county for a reduced charge or at no charge to</u> <u>a place if there is a charge for other admissions to the place.</u>
$\begin{array}{c} 13\\14 \end{array}$	[(b)](C) <u>A municipal corporation may impose, by ordinance or resolution, a</u> <u>tax on:</u>
1516	(1) the gross receipts derived from any admission and amusement charge in that municipal corporation; and
17 18	(2) an admission in that municipal corporation for a reduced charge or at no charge to a place if there is a charge for other admissions to the place.
19	[(c)](D) The Stadium Authority may impose a tax on:
$\begin{array}{c} 20\\ 21 \end{array}$	(1) the gross receipts derived from any admissions and amusement charge for an admission to a facility owned or leased by the Stadium Authority; and
22	(2) an admission for a reduced charge or at no charge to a facility
23	owned or leased by the Stadium Authority if there is a charge for other admissions to
24	the facility.
25	[(d)](E) [(1) In this subsection, "net proceeds" means the total receipts
26	from the operation of an electronic bingo machine or electronic tip jar machine less the
27	amount of money winnings or prizes paid out to players.
28	(2)] <u>A State tax is imposed on the net proceeds derived from any charge</u>
29	for the operation of an electronic bingo machine permitted under a commercial bingo
$\frac{30}{31}$	license or an electronic tip jar machine authorized under Title 13 of the Criminal Law Article that is operated for commercial purposes.
υL	<u>AT HOLE HIAT IS OPERATED FOR COMMENCIAL PULPOSES.</u>

1(F)(1)THE STATE AND LOCAL ADMISSIONS AND AMUSEMENT TAXES2APPLICABLE TO ELECTRONIC INSTANT BINGO SHALL BE DETERMINED ON A3TAX-INCLUDED OR SEPARATELY STATED BASIS.

4 (2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, 5 OTHER STATE AND LOCAL ADMISSIONS AND AMUSEMENT TAXES APPLIED 6 UNDER THIS SECTION MAY BE DETERMINED ON A TAX-INCLUDED OR 7 SEPARATELY STATED BASIS.

8 4–105.

9 (a-1) (1) Except as provided in [paragraph] **PARAGRAPHS** (2) **AND** (3) of 10 this subsection, the rate of the State admissions and amusement tax imposed on 11 electronic bingo or electronic tip jars under § 4–102(d) of this subtitle is 30% of the net 12 proceeds subject to the tax.

13 (2) THE RATE OF THE STATE ADMISSIONS AND AMUSEMENT TAX 14 IMPOSED ON ELECTRONIC BINGO OR ELECTRONIC TIP JARS IN CALVERT 15 COUNTY UNDER § 4–102(D) OF THIS SUBTITLE IS 33% OF THE NET PROCEEDS 16 SUBJECT TO THE TAX.

17 [(2)] (3) If net proceeds subject to the State admissions and 18 amusement tax imposed on electronic bingo or electronic tip jars under § 4–102(d) of 19 this subtitle are also subject to an admissions and amusement tax imposed by a county 20 or a municipal corporation under this subtitle:

(i) the rate of the State tax may not exceed a rate that, when
combined with the rate of any county or municipal corporation tax, will exceed 35% of
the net proceeds; and

(ii) the rate of any county or municipal corporation admissions
and amusement tax that is applicable to net proceeds derived from electronic bingo or
electronic tip jars may not exceed the rate of the admissions and amusement tax
imposed by the county or municipal corporation as of January 1, 2009.

SECTION 2. AND BE IT FURTHER ENACTED, That, prior to an electronic bingo machine being authorized for use after July 1, 2012 January 1, 2013, the State Lottery Commission shall certify that the electronic bingo machine complies with all applicable State laws as of the effective date of this Act.

32 SECTION 3. AND BE IT FURTHER ENACTED, That, a licensee or 33 organization that is authorized under State law to own or operate electronic bingo 34 machines for use after July 1, 2012, may repair and replace the authorized electronic 35 bingo machines provided that the machines operate in the same manner as those in 36 operation by the same organization as of February 28, 2008, and that the organization

does not operate more than the number of electronic bingo machines in operation as of
 February 28, 2008.

3 SECTION 4. AND BE IT FURTHER ENACTED, That a gualified organization as defined in § 13–201 of the Criminal Law Article that offered instant bingo for a 4 1-year period as of December 31, 2007, and then was required by local regulation to $\mathbf{5}$ obtain a commercial license may operate up to 10 electronic instant bingo machines as 6 7long as the qualified organization complies with the requirements of this Act and pays 8 any applicable license taxes. 9 SECTION 4. 5. AND BE IT FURTHER ENACTED, That, regulations adopted 10 by the State Lottery Commission as required under Section 1 of this Act pertaining to the operation of electronic bingo machines shall be at least as stringent as the 11 12requirements set forth in Article 11, Title 2, Subtitle 2 of the Anne Arundel County 13Code as of June 1, 2012. 14SECTION 5. 6. AND BE IT FURTHER ENACTED, That, regulations adopted 15by the State Lottery Commission under Section 1 of this Act: 16(1)may include provisions that regulate the repair and replacement of 17electronic bingo machines authorized under Section 3 of this Act; and 18 shall include provisions providing for the legal operation of (2)19amusement games licensed by Baltimore City and Baltimore County. 20SECTION 6. 7. AND BE IT FURTHER ENACTED, That this Act shall take 21effect July 1, 2012.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.