

Chapter 603

(Senate Bill 864)

AN ACT concerning

Gaming – ~~Instant Bingo~~ – Electronic Machines – Regulation

FOR the purpose of authorizing the operation of certain electronic instant bingo games using electronic machines; providing that the electronic instant bingo machines must have been in operation during a certain period or that the machines be in operation under a commercial bingo license on a certain date; prohibiting the operation of more than a certain number of electronic instant bingo machines than were in operation on a certain date; requiring the conduct of the gaming and the operation of certain electronic instant bingo machines to be consistent with certain provisions of law; clarifying that certain slot machines located in certain counties are not subject to certain provisions of law; altering the definition of “slot machine” to include a certain machine, apparatus, or device regardless 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 considered a slot machine; requiring the Office of the Attorney General, the State Lottery Commission, the Department of State Police, and local law enforcement units to construe certain statutory provisions in a certain manner; making a certain decision by the State Lottery Commission a final determination as to whether a certain electronic gaming device is legal and being operated in a lawful manner; authorizing the State Lottery Commission to refer certain matters for enforcement to the Department of State Police under certain circumstances; requiring the Commission to certify and regulate the operation, ownership, and manufacture of certain electronic gaming devices; specifying that certain provisions of law do not apply to ~~tip jar gaming and paper tip jar gaming where authorized~~; stating 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 operate in the State; requiring the Commission to adopt certain regulations related to the approval and licensing of certain electronic gaming devices; authorizing the Commission to make certain determinations and charge certain fees; altering the purpose of the Special Fund for Preservation of Cultural Arts in Maryland; requiring that the Fund be used to provide certain supplemental grants for operating and programmatic improvements that strengthen cultural arts organizations in certain ways; altering the process for transferring certain funds from the Fund; specifying that grants from the Fund are supplemental and may not take the place of certain funding for certain organizations; creating the Calvert County Youth Recreational Opportunities Fund; providing for the purpose, administration, type, contents, expenditures, and investments of the Fund; 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 funding that otherwise would be appropriated for a certain purpose; imposing a certain State admissions and amusement tax rate on electronic bingo in Calvert County; altering the revenue attributable from a certain tax rate distributed to a certain special fund; providing for the distribution of certain revenue and proceeds to ~~Program Open Space~~ the Calvert County Youth Recreational Opportunities Fund, the Boys and Girls Club of the Town of North Beach, and certain municipal corporations in certain years; requiring that certain admissions and amusement taxes are to be determined on a certain basis; providing that certain admissions and amusement taxes may be determined on a certain basis; requiring the Commission to certify the compliance with certain laws before certain electronic bingo machines may be authorized for use; authorizing a certain qualified organization to repair and replace electronic bingo machines under certain circumstances; authorizing a certain qualified organization that offered instant bingo during a certain time and then was required to obtain a commercial license to operate a certain number of instant bingo machines under certain circumstances; requiring certain regulations to be at least as stringent as certain requirements; authorizing certain regulations to include certain provisions and requiring that the regulations include certain provisions; repealing certain obsolete provisions of law; making a certain technical correction; and generally relating to the operation and regulation of electronic instant bingo machines.

BY repealing and reenacting, with amendments,

Article – Criminal Law

Section 12–113 and ~~12–301(3)~~ 12–301(2) and (3)

Annotated Code of Maryland

(2002 Volume and 2011 Supplement)

BY adding to

Article – Criminal Law

Section 12–301.1 and 12–308

Annotated Code of Maryland

(2002 Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 4–801

Annotated Code of Maryland

(2008 Volume and 2011 Supplement)

BY adding to

Article – Natural Resources

Section 5–1901 to be under the new subtitle “Subtitle 19. Calvert County Youth Recreational Opportunities Fund”

Annotated Code of Maryland

(2005 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 2–202, ~~4–102~~, and 4–105(a–1)
Annotated Code of Maryland
(2010 Replacement Volume and 2011 Supplement)

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

Article – Criminal Law

12–113.

(A) [A] THE OFFICE OF THE ATTORNEY GENERAL, THE STATE 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.

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

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

(2) BEING OPERATED IN A LAWFUL MANNER UNDER THIS 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.

12–301.

In this subtitle:

(2) “slot machine” includes:

(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]

(ii) a pinball machine or console machine that pays off in merchandise; AND

(III) A MACHINE, APPARATUS, OR DEVICE DESCRIBED IN ITEM (1) OF THIS SECTION, REGARDLESS OF WHETHER THE MACHINE, APPARATUS, OR DEVICE DELIVERS A GAME THROUGH THE INTERNET OR OFFERS INTERNET OR OTHER SERVICES; AND

(3) “slot machine” does not include a machine, apparatus, or device that:

(i) awards the user only free additional games or plays;

(ii) awards the user only noncash merchandise or noncash prizes of minimal value;

(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:

1. read the tickets electronically;

2. alert the user to a winning or losing ticket; or

3. tabulate a player’s winnings and losses;

(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]

2. does not permit a user to play more than 54 bingo cards at the same time;

3. DOES NOT RANDOMLY GENERATE ANY NUMBERS;

AND

4. IS NOT PART OF AN INTEGRATED SYSTEM;

(v) is used by the State Lottery Commission under Title 9 of the State Government Article; ~~or~~

(vi) if legislation takes effect authorizing the operation of video lottery terminals, is a video lottery terminal as defined in and licensed under that legislation; **OR**

(VII) IS A SKILLS-BASED AMUSEMENT DEVICE THAT AWARDS PRIZES OF MINIMAL VALUE APPROVED BY THE STATE LOTTERY COMMISSION THROUGH REGULATION.

12-301.1.

(A) IN THIS SUBTITLE, "COMMISSION" MEANS THE STATE LOTTERY COMMISSION.

(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND CONSISTENT WITH THE PROVISIONS OF THIS TITLE AND TITLE 13 OF THIS ARTICLE, THE COMMISSION SHALL CERTIFY AND REGULATE THE OPERATION, OWNERSHIP, AND MANUFACTURE OF ~~A~~ AN ELECTRONIC GAMING DEVICE AUTHORIZED UNDER THIS TITLE.

(2) THIS SECTION ~~MAY~~ DOES NOT APPLY TO:

(I) THE OWNERSHIP OR OPERATION OF SLOT MACHINES THAT ARE SUBJECT TO REGULATION BY THE COMPTROLLER UNDER § 12-304 OF THIS TITLE; AND

(II) ~~TIP JAR GAMING OR PAPER TIP JAR GAMING WHERE AUTHORIZED.~~

(C) THE COMMISSION SHALL ADOPT REGULATIONS THAT:

(1) DEFINE LAWFUL AND UNLAWFUL ELECTRONIC AND MECHANICAL EQUIPMENT USED IN CONNECTION WITH GAMING DEVICES THAT ARE CONSISTENT WITH THIS TITLE;

(2) APPROVE AND LICENSE ELECTRONIC GAMING DEVICES AUTHORIZED UNDER STATE LAW;

(3) APPROVE AND LICENSE OWNERS, OPERATORS, AND MANUFACTURERS OF ELECTRONIC GAMING DEVICES AUTHORIZED UNDER STATE LAW;

(4) ESTABLISH PROCEDURES FOR THE LICENSE APPLICATION AND RENEWAL PROCESSES REQUIRED UNDER THIS SECTION; AND

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

(D) THE COMMISSION MAY DETERMINE:

(1) THAT A COUNTY'S LICENSING AND REGULATORY PROCESS FOR ELECTRONIC GAMING DEVICES IS EQUIVALENT TO THE STATE LICENSING AND REGULATORY PROCESS REQUIRED UNDER THIS SECTION; AND

(2) THAT A COUNTY LICENSE FOR OWNING, OPERATING, OR MANUFACTURING ~~A~~ AN ELECTRONIC GAMING DEVICE IN THAT COUNTY IS EQUIVALENT TO A STATE LICENSE.

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

12-308.

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

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

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

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

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

Article – Economic Development

4-801.

(a) In this section, "Fund" means the Special Fund for Preservation of Cultural Arts in Maryland.

(b) There is a Special Fund for Preservation of Cultural Arts in Maryland.

(c) The purpose of the Fund is to provide [emergency] SUPPLEMENTAL grants to cultural arts organizations[, including museums, or similar entities] in the State THAT QUALIFY FOR GENERAL OPERATING SUPPORT GRANTS FROM THE MARYLAND STATE ARTS COUNCIL.

(d) The Secretary of Business and Economic Development shall administer the Fund.

(e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(f) The Fund consists of:

(1) revenue distributed to the Fund under [§ 2-202(1)(ii)] § 2-202(A)(1)(II) of the Tax – General Article; and

(2) any other money from any other source accepted for the benefit of the Fund.

(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.

[(2) For fiscal year 2011:

(i) \$450,000 from the Fund shall be used to provide a grant to the Baltimore Symphony Orchestra; and

(ii) \$50,000 from the Fund shall be used to provide a grant to the National Philharmonic.]

(h) (1) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(2) Any investment earnings of the Fund shall be credited to the General Fund of the State.

(i) For each appropriation to the Fund, the Governor may:

(1) include the funds in the State budget subject to appropriation by the General Assembly; or

(2) transfer the funds by budget amendment from the Fund to the expenditure account of the [Department of Business and Economic Development only after the proposed budget amendment has been:

(i) submitted to the Senate Budget and Taxation Committee and the House Appropriations Committee of the General Assembly; and

(ii) approved by the Legislative Policy Committee] MARYLAND STATE ARTS COUNCIL.

(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].

Article – Natural Resources

SUBTITLE 19. CALVERT COUNTY YOUTH RECREATIONAL OPPORTUNITIES FUND.

5-1901.

(A) IN THIS SECTION, “FUND” MEANS THE CALVERT COUNTY YOUTH RECREATIONAL OPPORTUNITIES FUND.

(B) THERE IS A CALVERT COUNTY YOUTH RECREATIONAL OPPORTUNITIES FUND.

(C) THE PURPOSE OF THE FUND IS TO INCREASE YOUTH RECREATIONAL OPPORTUNITIES IN CALVERT COUNTY.

(D) THE SECRETARY SHALL ADMINISTER THE FUND.

(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(F) THE FUND CONSISTS OF:

(1) REVENUE DISTRIBUTED TO THE FUND UNDER § 2-202(B)(1)(II) OF THE TAX – GENERAL ARTICLE;

(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;
AND

(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(G) THE FUND MAY BE USED ONLY FOR PROJECTS THAT ARE APPROVED BY THE SECRETARY TO ADVANCE YOUTH RECREATIONAL OPPORTUNITIES IN CALVERT COUNTY AND THAT RECEIVE CONTRIBUTIONS FROM THE COUNTY FOR THE PROJECTS.

(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

(J) MONEY EXPENDED FROM THE FUND FOR YOUTH RECREATIONAL OPPORTUNITIES IN CALVERT COUNTY IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR YOUTH RECREATIONAL OPPORTUNITIES IN CALVERT COUNTY.

Article – Tax – General

2-202.

(a) After making the distribution required under § 2-201 of this subtitle, within 20 days after the end of each quarter, the Comptroller shall distribute:

(1) except as provided in ~~subsection~~ **SUBSECTIONS** (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:

(i) the revenue attributable to a tax rate of 20% to the General Fund of the State; and

(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

(2) the remaining admissions and amusement tax revenue:

(i) to the Maryland Stadium Authority, county, or municipal corporation that is the source of the revenue; or

(ii) if the Maryland Stadium Authority and also a county or municipal corporation tax a reduced charge or free admission:

1. 80% of that revenue to the Authority; and
2. 20% to the county or municipal corporation.

(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:

(1) FOR FISCAL YEAR 2013, THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 8%:

(I) \$100,000 TO THE BOYS AND GIRLS CLUB OF THE TOWN OF NORTH BEACH; AND

(II) THE REMAINDER TO ~~PROGRAM OPEN SPACE UNDER TITLE 5, SUBTITLE 9~~ THE CALVERT COUNTY YOUTH RECREATIONAL OPPORTUNITIES FUND UNDER TITLE 5, SUBTITLE 19 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~~

(2) FOR FISCAL YEARS 2014 THROUGH 2016, FROM:

(I) THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 1.5%:

1. \$100,000 TO THE BOYS AND GIRLS CLUB OF THE TOWN OF NORTH BEACH; AND

2. THE REMAINDER TO THE TOWN OF NORTH BEACH;

(II) THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 2.5% TO THE TOWN OF CHESAPEAKE BEACH; AND

(III) THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 4% TO THE CALVERT COUNTY YOUTH RECREATIONAL OPPORTUNITIES FUND UNDER TITLE 5, SUBTITLE 19 OF THE NATURAL RESOURCES ARTICLE; AND

~~(2)~~ (3) FOR FISCAL YEAR 2014 2017 AND EACH FISCAL YEAR THEREAFTER, FROM:

(I) FROM THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 3% 1.5%:

1. \$100,000 TO THE BOYS AND GIRLS CLUB OF THE TOWN OF NORTH BEACH; AND

2. THE REMAINDER TO THE TOWN OF NORTH BEACH; AND

(II) THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 5% 2.5% TO THE TOWN OF CHESAPEAKE BEACH; AND

(III) THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 4% TO THE CALVERT COUNTY BOARD OF EDUCATION FOR SCHOOL RENOVATION AND RENEWAL PROJECTS THAT MAY NOT BE USED TO SUPPLANT COUNTY FUNDS FOR PUBLIC SCHOOL CONSTRUCTION.

~~(b) (c) The revenue to be distributed in accordance with subsection (a)(1) of this section:~~

~~(1) for fiscal year 2010 only, shall be distributed to the General Fund of the State;~~

~~(2) for fiscal year 2011 only, shall be distributed as follows:~~

~~(i) \$500,000 to the Special Fund for Preservation of Cultural Arts in Maryland, as provided in § 4-801 of the Economic Development Article;~~

~~(ii) \$500,000 to a special fund, to be used only as provided in subsection (c) of this section; and~~

~~(iii) the balance to the General Fund of the State; and~~

~~(3) for fiscal year 2012 only, shall be distributed as follows:~~

~~(i) \$500,000 to a special fund, to be used only as provided in subsection (c) of this section; and~~

~~(ii) the balance to the General Fund of the State.~~

~~[(c)] (D) (1) (i) For fiscal year 2011, the Comptroller shall pay from the special fund established under subsection (b)(2)(ii) of this section a grant to the local jurisdictions where the electronic bingo machines or electronic tip jar machines that are the source of the revenue are located, to be used by the local jurisdictions only for one-time capital expenditures.~~

~~(ii) A grant under this paragraph shall be paid to a municipal corporation if the machines are located in a municipal corporation or to a county if the machines are not located in a municipal corporation.~~

~~(iii) The grants under this paragraph shall be paid to each local jurisdiction in proportion to the amount of tax revenue derived from machines in each jurisdiction.~~

~~(2) For fiscal year 2012, the special fund established under subsection (b)(3)(i) of this section may be used only as follows:~~

~~(i) \$150,000 as an appropriation to the State Archives, to be used only for the operating costs associated with the development and implementation of the State House Master Plan as approved by the State House Trust;~~

~~(ii) \$50,000 as a grant to be paid by the Comptroller to the Maryland Humanities Council; and~~

~~(iii) impact grants to be paid by the Comptroller in the local jurisdictions where the electronic bingo machines or electronic tip jar machines are located, as follows:~~

~~1. \$150,000 in Anne Arundel County to the Anne Arundel County Volunteer Firefighters Association for capital expenditures and replacement of equipment; and~~

~~2. \$150,000 in Calvert County as follows:~~

~~A. \$125,000 to be divided equally between the Town of Chesapeake Beach and the Town of North Beach, to be used only for one-time capital expenditures; and~~

~~B. \$25,000 to the Beach Trolley Association of Chesapeake Beach and North Beach.~~

4-102.

(A) IN THIS SECTION, "NET PROCEEDS" MEANS THE TOTAL RECEIPTS FROM THE OPERATION OF AN ELECTRONIC BINGO MACHINE OR ELECTRONIC TIP JAR MACHINE LESS THE AMOUNT OF MONEY WINNINGS OR PRIZES PAID OUT TO PLAYERS.

[(a)](B) A county may impose, by resolution, a tax on:

(1) the gross receipts derived from any admissions and amusement charge in that county; and

(2) an admission in that county for a reduced charge or at no charge to a place if there is a charge for other admissions to the place.

[(b)](C) A municipal corporation may impose, by ordinance or resolution, a tax on:

(1) the gross receipts derived from any admission and amusement charge in that municipal corporation; and

(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.

[(c)](D) The Stadium Authority may impose a tax on:

(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

(2) an admission for a reduced charge or at no charge to a facility owned or leased by the Stadium Authority if there is a charge for other admissions to the facility.

[(d)](E) [(1) In this subsection, "net proceeds" means the total receipts from the operation of an electronic bingo machine or electronic tip jar machine less the amount of money winnings or prizes paid out to players.

(2)] A State tax is imposed on the net proceeds derived from any charge for the operation of an electronic bingo machine permitted under a commercial bingo

license or an electronic tip jar machine authorized under Title 13 of the Criminal Law Article that is operated for commercial purposes.

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

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

4-105.

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

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

[(2)] (3) If net proceeds subject to the State admissions and amusement tax imposed on electronic bingo or electronic tip jars under § 4-102(d) of this subtitle are also subject to an admissions and amusement tax imposed by a county 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.

SECTION 3. AND BE IT FURTHER ENACTED, That, a licensee or organization that is authorized under State law to own or operate electronic bingo

machines for use after July 1, 2012, may repair and replace the authorized electronic bingo machines provided that the machines operate in the same manner as those in 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.

SECTION 4. AND BE IT FURTHER ENACTED, That a qualified organization as defined in § 13-201 of the Criminal Law Article that offered instant bingo for a 1-year period as of December 31, 2007, and then was required by local regulation to obtain a commercial license may operate up to 10 electronic instant bingo machines as long as the qualified organization complies with the requirements of this Act and pays any applicable license taxes.

SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That, regulations adopted 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 requirements set forth in Article 11, Title 2, Subtitle 2 of the Anne Arundel County Code as of June 1, 2012.

SECTION ~~5~~ 6. AND BE IT FURTHER ENACTED, That, regulations adopted by the State Lottery Commission under Section 1 of this Act:

(1) may include provisions that regulate the repair and replacement of electronic bingo machines authorized under Section 3 of this Act; and

(2) shall include provisions providing for the legal operation of amusement games licensed by Baltimore City and Baltimore County.

SECTION ~~6~~ 7. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2012.

Approved by the Governor, May 22, 2012.