

Chapter 9

(House Bill 325)

AN ACT concerning

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

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

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

BY repealing and reenacting, with amendments,
Article – Criminal Law
Section 12–304(c)
Annotated Code of Maryland
(2002 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

12–304.

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

(1) a nonprofit organization that:

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

(ii) is a bona fide:

1. fraternal organization;

2. religious organization; or
3. war veterans' organization; or

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

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

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

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

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

(iii) owns not more than five slot machines;

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

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

(vi) uses:

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

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

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

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

1. the income of each slot machine; and

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

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

Approved by the Governor, April 10, 2012.