

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 133 (Carroll County Delegation)
Ways and Means

Carroll County - Gaming

This bill authorizes the Carroll County Board of License Commissioners to issue a permit to conduct a card game, card tournament, or casino night to a specified list of qualified organizations. An organization may receive up to four permits per year. The bill does not apply to card games conducted at a senior center as authorized by current law. A person who violates the provisions of the bill is guilty of a misdemeanor and, on conviction, subject to a fine of up to \$1,000 and/or imprisonment for up to one year.

Fiscal Summary

State Effect: The criminal penalty provisions of the bill do not have a material impact on State finances or operations.

Local Effect: Carroll County revenues increase minimally from collection of gaming permit licensing fees beginning in FY 2013. The criminal penalty provisions of the bill do not have a material impact on local finances or operations.

Small Business Effect: None.

Analysis

Bill Summary: In Carroll County, an organization must be a bona fide hospital; volunteer fire company; or a religious, fraternal, civic, war veterans', amateur athletic, or charitable organization in order to qualify for a permit. A permit is not transferable. A gaming event (which includes a card game, card tournament, or casino night including card games, dice games, and roulette) may be (1) managed and operated by members of the organization holding the permit; or (2) managed by the members of the organization holding the permit and operated by another organization eligible to receive a permit.

Proceeds from an event may be used only to benefit charity or to further the purpose of the qualified organization and may not personally benefit an individual or group of individuals. Gaming events may not last longer than 24 consecutive hours and are prohibited after 1 a.m. on a Sunday. A permit holder may not:

- exchange wagering tokens for an item of merchandise that is worth more than \$10,000; or
- exchange wagering tokens for money or an item of merchandise having a value that is different from the fair retail market value of the merchandise received for wagering tokens.

An individual that manages, operates, or participates in a gaming event must be at least 18 years old. Only a preset entrance fee for the gaming event may be charged. A participant must receive wagering tokens in exchange for the entrance fee and may purchase additional tokens at a cost not exceeding 100% of the entrance fee. Only wagering tokens, and not cash, may be used for wagering.

Permit holders must submit a specified financial report to the county sheriff's office within 60 days after holding a gaming event. The county may adopt regulations to govern the issuance of permits, establish a permit fee, and for the conduct and management of a gaming event.

In addition to the bill's criminal penalty provisions, a person who violates gaming event law is prohibited from receiving a permit for a period not exceeding five years.

Current Law: Qualified organizations may conduct gaming events in Carroll County if they receive a permit from the county commissioners. For purposes of conducting a gaming event, qualified organizations include bona fide hospitals; volunteer fire companies; and religious, amateur athletic, fraternal, civic, war veterans', and charitable organizations.

Permitted gaming events include raffles, bazaars, carnival games, and other games of entertainment. Card games, dice games, roulette, and casino nights are generally prohibited. However, a senior center site council may conduct a card game in a senior center five days per week, excluding Sunday. The maximum money prize for a session of cards is \$5 and the maximum charge to participate is \$1. All money remaining after prizes are awarded must be distributed to the senior center site council.

Before a qualified organization may conduct bingo in Carroll County, the organization must obtain a permit from the county commissioners. For purposes of conducting bingo, qualified organizations include bona fide volunteer fire companies; senior center site

councils; and religious, educational, fraternal, patriotic, and charitable organizations. Bingo permit applicants are required to pay the fee set by the county, which must be set at a level sufficient to cover the costs of issuing the permit.

Generally, the maximum prize awarded at a bingo event may not exceed \$100 in value. Prizes of up to \$250 are permitted for special bingo games, such as progressive pot games, and up to \$1,000 for bingo jackpots. Under Chapter 404 of 2004, qualified organizations are permitted to hold up to 6 raffles per year where the major prize awarded is greater than \$2,500 or 10 raffles per year where the prize is less than \$2,500.

Chapter 273 of 2007 repealed a restriction that an organization must be located in Carroll County in order to conduct bingo or a gaming event in Carroll County.

Background: The Maryland State Lottery Agency conducted a study of local gaming in Maryland required by Chapter 474 of 2008. The report indicates that casino events are conducted in at least 6 counties, and card games are operated in at least 10 of the 24 counties in Maryland.

Additional Information

Prior Introductions: HB 478 of 2011 received a hearing in the House Ways and Means Committee, but no further action was taken. Its cross file, SB 471 of 2011, received a hearing in the Senate Budget and Taxation Committee, but no further action was taken.

Cross File: SB 661 (Carroll County Senators) - Budget and Taxation.

Information Source(s): Carroll County, Comptroller's Office, Maryland State Lottery Agency, Department of Legislative Services

Fiscal Note History: First Reader - March 12, 2012
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