

# SENATE BILL 314

C7

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CF HB 175

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By: **Senators Brinkley and Young**

Introduced and read first time: January 23, 2013

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Frederick County – Slot Machines for Nonprofit Organizations**

3 FOR the purpose of adding Frederick County to the list of counties in which certain  
4 nonprofit fraternal, religious, and war veterans' organizations may own and  
5 operate a certain number of slot machines under certain circumstances; and  
6 generally relating to slot machines in Frederick County.

7 BY repealing and reenacting, with amendments,  
8 Article – Criminal Law  
9 Section 12–304  
10 Annotated Code of Maryland  
11 (2012 Replacement Volume and 2012 Supplement)

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

14 **Article – Criminal Law**

15 12–304.

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

17 (1) a nonprofit organization that:

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

21 (ii) is a bona fide:

22 1. fraternal organization;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

7           (b)     This section applies in:

- 8                           (1)     Caroline County;
- 9                           (2)     Cecil County;
- 10                          (3)     Dorchester County;
- 11                          **(4)     FREDERICK COUNTY;**
- 12                          [[4] **(5)**     Kent County;
- 13                          [[5] **(6)**     Queen Anne's County;
- 14                          [[6] **(7)**     Somerset County;
- 15                          [[7] **(8)**     Talbot County;
- 16                          [[8] **(9)**     Wicomico County; and
- 17                          [[9] **(10)**    Worcester County.

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

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

- 22                                   (i)     obtains a license under subsection (e) of this section for each  
23 slot machine;
- 24                                   (ii)    owns each slot machine that the eligible organization  
25 operates;
- 26                                   (iii)  owns not more than five slot machines;

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

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

5 (vi) uses:

6 1. at least one-half of the net after payout proceeds from  
7 its slot machines for the benefit of a charity; and

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

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

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

13 1. the income of each slot machine; and

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

15 (d) An eligible organization may not use or operate a slot machine unless:

16 (1) the slot machine is equipped with a tamperproof meter or counter  
17 that accurately records gross receipts; and

18 (2) the eligible organization keeps an accurate record of the gross  
19 receipts and payoffs of the slot machine.

20 (e) (1) (i) The State Comptroller shall regulate the operation of slot  
21 machines under this section.

22 (ii) The State Comptroller may adopt regulations to implement  
23 the requirements of this section, including requiring audits of the annual reports  
24 submitted to the State Comptroller under subsection (c)(2)(viii) of this section.

25 (2) Before an eligible organization may operate a slot machine under  
26 this section, the eligible organization shall obtain a license for the slot machine from  
27 the State Comptroller.

28 (3) (i) The State Comptroller shall:

29 1. charge an annual fee for each license for a machine;

30 and

1                               2.     issue a license sticker to the applicant.

2                               (ii)    The applicant shall place the sticker on the slot machine.

3                               (iii)  The State Comptroller shall set the amount of the annual  
4 fee so that the total proceeds of the annual fee equal an amount directly related to  
5 administrative costs of the State Comptroller to regulate the operation of slot  
6 machines under this section.

7                               (4)    In the application to the State Comptroller for a license, one of the  
8 principal officers of the eligible organization shall certify under affidavit that the  
9 organization:

10                              (i)     is an eligible organization; and

11                              (ii)    will comply with this section.

12                              (f)    (1)    A principal officer of the eligible organization may not intentionally  
13 misrepresent a statement of fact on the application.

14                              (2)    A person who violates this subsection is guilty of perjury and on  
15 conviction is subject to the penalty provided under Title 9, Subtitle 1 of this article.

16                              (g)    The Comptroller may not issue a license for a slot machine to an eligible  
17 organization located in Ocean City that is located east of South and North Baltimore  
18 Avenues.

19                              SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 June 1, 2013.