

Department of Legislative Services  
Maryland General Assembly  
2014 Session

FISCAL AND POLICY NOTE

House Bill 1385  
Ways and Means

(Washington County Delegation)

Budget and Taxation

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Washington County Gaming Commission - Membership - Conflict of Interest

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This bill repeals the requirement that a member of the Washington County Gaming Commission must immediately stop serving on the commission if the member serves on the board of directors or as an officer of an organization applying for funds from the commission. Instead, the Washington County Gaming Commission must adopt conflict of interest regulations applicable to members of the commission.

The bill takes effect July 1, 2014.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** None. The change is procedural in nature and does not directly affect Washington County finances.

**Small Business Effect:** None.

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Analysis

**Current Law:** The Washington County Gaming Commission consists of seven members. Three members must be appointed by the county commissioners; one member must be appointed by the Washington County Senators; one member must be appointed by the Washington County Delegates; one member must be from the Washington County Clubs Association, appointed by the Washington County Senate and House delegations; and one member must be a representative of the alcoholic beverages, restaurant, and tavern industries in the county, appointed by the Washington County

Senate and House delegations. All members must be Washington County residents, are appointed for a two-year term, and can be appointed for two consecutive terms.

Members of the Washington County Gaming Commission may not hold a tip jar license or wholesaler's license or be employed by someone who holds those licenses. Additionally, members may not hold an ownership interest in or receive a direct benefit from a person who holds a tip jar license or wholesaler's license. A member of the Washington County Gaming Commission must immediately stop serving on the commission if the member serves on the board of directors or as an officer of an organization applying for funds from the Washington County Gaming Commission.

A member of the Washington County Gaming Commission may not receive compensation but is entitled to reimbursement for expenses, in accordance with a policy of the county commissioners.

**Background:** The Washington County Gaming Commission allocates funding awards from the Washington County Gaming Fund. Subject to an agreement with the county, the Washington County Gaming Commission may use money from the fund to reimburse the county for costs associated with regulating tip jar operations in the county. After any reimbursement to the county, the Washington County Gaming Commission distributes half of the remaining funds to the Washington County Volunteer Fire and Rescue Association and the other half to charitable organizations in the county. The grant allocation decisions made by the Washington County Gaming Commission are at their sole discretion and are final. Each organization requesting funding must be a valid 501(c)(3) charitable organization and be in good standing with the State Department of Assessments and Taxation.

In fiscal 2013, the Washington County Gaming Commission received 119 applications requesting \$2.5 million in funding. The Washington County Gaming Commission distributed \$1.9 million to 99 local charitable organizations and the Washington County Volunteer Fire and Rescue Association.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None designated; however, SB 465 (Senator Shank, *et al.* – Budget and Taxation) is identical.

**Information Source(s):** Washington County, Comptroller's Office, Maryland State Lottery and Gaming Control Agency, Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2014  
mc/jrb

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