

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 764
Ways and Means

(Anne Arundel County Delegation)

Rules

Anne Arundel County - Charitable Gaming

This bill authorizes the Anne Arundel County Department of Inspections and Permits to issue a permit to conduct a card game, card tournament, or casino event to a specified list of qualified organizations. An organization may receive one permit per year.

Fiscal Summary

State Effect: The bill has no material impact on drawing gaming revenues away from casinos because the bill does not allow charitable gaming events to award cash prizes.

Local Effect: Anne Arundel County revenues increase minimally from the collection of gaming permit licensing fees beginning in FY 2017. County administrative and law enforcement expenditures may also increase minimally beginning in FY 2017.

Small Business Effect: None.

Analysis

Bill Summary: In Anne Arundel County, a qualifying organization must be a bona fide amateur athletic organization that is an accredited nonprofit, chamber of commerce, hospital foundation, parent-teacher association or organization for a school in the county, charitable nonprofit foundation that provides support to military personnel and families of military personnel, charitable nonprofit organization that provides vocational training for developmentally disabled individuals, volunteer fire company, or war veterans' organization and the organization must have been located in the county for at least three years prior to applying for a permit. A permit is not transferable. A gaming event, which includes a card game, card tournament, or casino event 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. An operator of a gaming event may not receive compensation and must be at least 18 years old.

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 are only authorized during specified hours. A permit holder may not exchange wagering tokens for:

- an item of merchandise that is worth more than \$5,000;
- 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 who participates in a gaming event must be at least 21 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 may serve or sell alcoholic beverages at the gaming event if the holder is issued the proper alcoholic beverages license by the Anne Arundel County Board of License Commissioners. Permit holders must submit a specified financial report and specified information about certain prize winners to the Anne Arundel County Department of Inspections and Permits within 60 days after holding a gaming event. The Anne Arundel County Executive may adopt regulations to govern the issuance of permits and for the conduct and management of a gaming event. The Anne Arundel County Council may adopt regulations to govern permit fees. An organization that violates these provisions is prohibited from receiving a permit for five years.

Current Law/Background: Qualified organizations may conduct a gaming event, including a bazaar, carnival, raffle, chance book, paddle wheel, wheel of fortune, and any other gaming device in Anne Arundel County. For purposes of conducting a gaming event, qualified organizations include volunteer fire companies and bona fide religious, fraternal, civic, war veterans', and charitable organizations. Each organization conducting a gaming event must submit a specified report to the Anne Arundel County Department of Inspections and Permits. A bona fide religious, fraternal, or charitable organization, or a specified volunteer fire company may conduct bingo for the benefit of charity in the county or to further the purpose of the organization. Card games, dice games, and roulette are prohibited.

Baltimore, Carroll, Frederick, and Howard counties are authorized to provide similar gaming event permits.

Additional Information

Prior Introductions: None.

Cross File: SB 521 (Anne Arundel County Senators) - Budget and Taxation.

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

Fiscal Note History: First Reader - February 26, 2016
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