

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 101

(Senator Waugh)

Budget and Taxation

Ways and Means

St. Mary's County - Licensing and Operation of Amusement Devices - Repeal

This bill repeals provisions of the Public Local Laws of St. Mary's County relating to licensing and operating requirements for amusement devices in St. Mary's County.

Fiscal Summary

State Effect: None. The bill only affects local government operations.

Local Effect: St. Mary's County finances are not materially affected.

Small Business Effect: None.

Analysis

Bill Summary: This bill repeals provisions of the Public Local Laws of St. Mary's County relating to licensing and operating requirements for amusement devices in St. Mary's County. Under the Public Local Laws of St. Mary's County, mechanical or electrical amusement devices which require the insertion of a coin or token for their operation and which offer an award to the operator based in whole or in part upon chance or skill must be licensed by whoever owns or operates the premises where the amusement devices are maintained. Any bona fide charitable or veterans organization and any bona fide company may own and operate up to 5 devices without paying a license fee if all of the proceeds are used exclusively for the benefit of the organization or company and the devices are maintained in specified areas. Any bona fide religious or volunteer firemen's organization may operate up to 10 devices on not more than two dates in any calendar year without a license at any carnival or social where the proceeds are devoted to the organization. The County Commissioners of St. Mary's County may impose a gross

receipts tax on the total income of these devices and impose a \$50 annual license fee for each machine, both of which must be distributed to the general fund of St. Mary's County. The county commissioners are authorized to establish specified regulations relating to the licensing and taxing of these machines. Licenses must be suspended or revoked, as specified, if a licensee permits a person under 16 years of age to operate a licensed machine or device.

Current Law: In St. Mary's County, a qualified organization may conduct a gaming event (carnival, bazaar, or raffle) and operate a gaming device (a paddle wheel, wheel of fortune, chance book, bingo, Nevada card, and a stamp machine) for the exclusive benefit of a qualified organization if an individual or group of individuals does not benefit financially from doing so or from any of its proceeds. Qualified organizations include a volunteer fire company or bona fide religious, fraternal, civic, war veterans', or charitable organization. A gaming event and a gaming device must be managed personally through the members of the qualified organization. If a qualified organization uses a gaming device on a daily basis, the organization may not operate or keep on the premises more than five gaming devices.

A skills-based amusement device that awards prizes of a minimal value, as approved by State Lottery and Gaming Control Commission (SLGCC) regulation, is not a slot machine.

SLGCC must certify and regulate the operation, ownership, and manufacture of certain electronic gaming devices and determine whether such devices are legal and lawfully operated. If SLGCC does not make a determination that a county's licensing and regulatory process for electronic gaming devices is equivalent to the State process or that a county license for owning, operating, or manufacturing an electronic gaming device in that county is equivalent to a State license, then the regulations and licensing requirements of SLGCC supersede the application of any county fees or regulations and licensing requirements for electronic gaming or any requirement of a county license for owning, operating, or manufacturing an electronic gaming device. SLGCC does not currently collect fees associated with amusement devices.

Additional Information

Prior Introductions: None.

Cross File: HB 194 (St. Mary's County Delegation) – Ways and Means.

Information Source(s): St. Mary's County; Comptroller's Office; Maryland State Lottery and Gaming Control Agency; Department of Legislative Services

Fiscal Note History: First Reader - January 30, 2017
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