

SENATE BILL 558

C7
SB 1023/20 – SRU

1lr1294
CF 1lr2423

By: **Carroll County Senators**

Introduced and read first time: January 26, 2021

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Carroll County – Instant Ticket Lottery Machines**

3 FOR the purpose of adding certain fraternal and sororal organizations in Carroll County to
4 the list of organizations in certain counties that may be licensed to operate a certain
5 number of instant ticket lottery machines; making conforming changes; altering a
6 certain definition; and generally relating to the operation of instant ticket lottery
7 machines in Carroll County.

8 BY repealing and reenacting, with amendments,
9 Article – State Government
10 Section 9–112
11 Annotated Code of Maryland
12 (2014 Replacement Volume and 2020 Supplement)

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

15 **Article – State Government**

16 9–112.

17 (a) In this section, [“veterans”] “**ELIGIBLE** organization” means:

18 **(1)** an organization that is tax exempt and organized as a veterans’
19 organization under § 501(c)(19) or § 501(c)(4) of the Internal Revenue Code; **OR**

20 **(2)** **A FRATERNAL OR SORORAL ORGANIZATION IN CARROLL COUNTY**
21 **THAT:**

22 **(I) 1. IS CONDUCTED SOLELY FOR THE BENEFIT OF ITS**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **MEMBERS AND BENEFICIARIES;**

2 **2. IS OPERATED ON A LODGE SYSTEM WITH A**
3 **RITUALISTIC ACTIVITY; AND**

4 **3. HAS A REPRESENTATIVE FORM OF GOVERNMENT; AND**

5 **(II) IS NOT:**

6 **1. A HIGH SCHOOL OR COLLEGE FRATERNITY OR**
7 **SORORITY; OR**

8 **2. ANY OTHER ORGANIZATION THE MEMBERSHIP OF**
9 **WHICH IS RESTRICTED WHOLLY OR LARGELY TO STUDENTS OR GRADUATES OF AN**
10 **EDUCATIONAL INSTITUTION OR A PROFESSIONAL SCHOOL.**

11 (b) Except as provided in subsection (d) of this section, in accordance with the
12 regulations of the Agency and this subtitle, the Director shall issue licenses to the persons
13 and governmental units that will best serve the public convenience and promote the sale of
14 State lottery tickets or shares.

15 (c) Before issuing a license to an applicant, the Director shall consider such
16 factors as:

17 (1) the financial responsibility and security of the applicant and the
18 business or activity of the applicant;

19 (2) the accessibility of the place of business or activity to the public;

20 (3) the sufficiency of existing licenses to serve the public convenience; and

21 (4) the volume of expected sales.

22 (d) (1) This subsection does not apply in:

23 (i) Caroline County;

24 (ii) Cecil County;

25 (iii) Dorchester County;

26 (iv) Kent County;

27 (v) Queen Anne's County;

28 (vi) Somerset County;

1 (vii) Talbot County;

2 (viii) Wicomico County; and

3 (ix) Worcester County.

4 (2) (i) Subject to subparagraph (ii) of this paragraph, the Director may
5 issue a license under this subtitle for not more than five instant ticket lottery machines to
6 an applicant that is [a veterans'] AN ELIGIBLE organization.

7 (ii) [A veterans'] AN ELIGIBLE organization that is issued a license
8 under this subsection shall locate and operate its instant ticket lottery machines at its
9 principal meeting hall in the county in which the [veterans'] ELIGIBLE organization is
10 located.

11 (3) After deduction of any commission and validation prize payout as
12 provided under § 9–117 of this subtitle, [a veterans'] AN ELIGIBLE organization issued a
13 license under this subsection shall credit the remaining receipts from the sale of tickets
14 from instant ticket lottery machines to the State Lottery Fund established under § 9–118
15 of this subtitle.

16 (4) (i) Subject to subparagraph (ii) of this paragraph, [a veterans'] AN
17 ELIGIBLE organization issued a license under this subsection shall purchase or lease the
18 instant ticket lottery machines to be used by the [veterans'] ELIGIBLE organization.

19 (ii) An ELIGIBLE organization may not use receipts from the sale of
20 tickets from instant ticket lottery machines that would otherwise be credited to the State
21 Lottery Fund for the costs of purchasing or leasing instant ticket lottery machines.

22 (5) The Director may adopt regulations to implement the provisions of this
23 subsection that include restricting the location of instant ticket lottery machines in areas
24 of [a veterans'] AN ELIGIBLE organization's public meeting hall that is accessible to the
25 public.

26 (6) The Agency shall ensure that the element of chance in the conduct of
27 the gaming through the instant ticket lottery machines established under this subsection
28 is consistent with the holding in the case of Chesapeake Amusements Inc. v. Riddle, 363
29 Md. 16 (2001), in that the element of chance must be wholly within the pre-printed instant
30 lottery ticket, and that player enhancements in an instant ticket lottery machine may not
31 affect the element of chance being wholly within the pre-printed instant lottery ticket.

32 (e) The Director may not issue a license to:

33 (1) a person or governmental unit to engage in business primarily as a
34 licensed agent; or

1 (2) an individual who is under the age of 21 years.

2 (f) The Commission may hear and decide an appeal of a denial of a license.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2021.