

SENATE BILL 49

C7

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SB 29/1SS07 – B&T

(PRE-FILED)

By: **Senator Klausmeier**

Requested: November 14, 2008

Introduced and read first time: January 14, 2009

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Slot Machines – Ownership and Operation by Eligible Nonprofit**
3 **Organizations**

4 FOR the purpose of making provisions that authorize eligible nonprofit organizations
5 to own or operate slot machines applicable statewide; altering the definition of
6 “eligible organization” to make it applicable to a nonprofit organization that has
7 been located in the State for a certain number of years before the organization
8 applies for a license for a slot machine; and generally relating to slot machine
9 ownership and operation by eligible nonprofit organizations.

10 BY repealing and reenacting, with amendments,
11 Article – Criminal Law
12 Section 12–304
13 Annotated Code of Maryland
14 (2002 Volume and 2008 Supplement)

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

17 **Article – Criminal Law**

18 12–304.

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

20 (1) a nonprofit organization that:

21 (i) has been located in [a county listed in subsection (b) of this
22 section] **THE STATE** for at least 5 years before the organization applies for a license
23 under subsection [(e)] **(D)** of this section; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (ii) is a bona fide:
- 2 1. fraternal organization;
- 3 2. religious organization; or
- 4 3. war veterans' organization; or

5 (2) a nonprofit organization that has been affiliated with a national
6 fraternal organization for less than 5 years and has been located in [a county listed in
7 subsection (b) of this section] **THE STATE** for at least 50 years before the nonprofit
8 organization applies for a license under subsection [(e)] **(D)** of this section.

9 (b) [This section applies in:

- 10 (1) Caroline County;
- 11 (2) Cecil County;
- 12 (3) Dorchester County;
- 13 (4) Kent County;
- 14 (5) Queen Anne's County;
- 15 (6) Somerset County;
- 16 (7) Talbot County; and
- 17 (8) Wicomico 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)] **(D)** of this section for
23 each 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 proceeds from its slot
7 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)] (C) An eligible organization may not use or operate a slot machine
16 unless:

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

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

21 [(e)] (D) (1) Before an eligible organization may operate a slot machine
22 under this section, the eligible organization shall obtain a license for the slot machine
23 from the sheriff of the county in which the eligible organization plans to locate the slot
24 machine.

25 (2) (i) The county shall:

26 1. charge an annual fee of \$50 for each license for a
27 machine; and

28 2. issue a license sticker to the applicant.

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

1 (iii) The proceeds of the annual fee shall be transferred to the
2 general fund of the county.

3 (3) In the application to the sheriff for a license, one of the principal
4 officers of the eligible organization shall certify under affidavit that the organization:

5 (i) is an eligible organization; and

6 (ii) will comply with this section.

7 [(f)] (E) (1) A principal officer of the eligible organization may not
8 intentionally misrepresent a statement of fact on the application.

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

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2009.