

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE
Revised

House Bill 980
Ways and Means

(Harford County Delegation)

Budget and Taxation

Harford County - Casino Events

This bill authorizes eligible veterans' organizations, volunteer fire companies, religious organizations, and other specified organizations to hold casino events. Casino events involve a card game, dice game, or roulette. The bill prohibits permit holders from conducting more than four casino events per year and requires a separate permit for each casino event.

The bill takes effect July 1, 2010.

Fiscal Summary

State Effect: None.

Local Effect: Harford County revenues increase minimally from collection of casino event licensing fees. County administrative and law enforcement expenditures may also increase minimally.

Small Business Effect: None.

Analysis

Bill Summary: Eligible organizations must submit an application to the sheriff stating the purpose for which the proceeds of the casino event will be used and pay the permit fee that the sheriff determines. A casino event may be held only between 4:00 p.m. and 1:00 a.m. and only in a structure or at a location that is owned, leased, or occupied by the permit holder. A casino event may include bingo, instant bingo, a raffle, a paddle wheel, or a 50/50 raffle, but a casino event may not consist exclusively of only a game on this list.

An individual may bet no more than \$10 on any game conducted during the event. A permit holder may award prizes of money or merchandise; no prize value limit is established by the bill.

A casino event must be managed and operated personally by members of the organization conducting the event without outside assistance. A member of the organization may not receive proceeds from the casino event for personal use and may not receive compensation for managing the event or operating a game during the event. Proceeds may not be paid to or received by a person other than the permit holder. A qualified organization may rent or purchase equipment and supplies needed to conduct a casino event, but may not enter an agreement to share casino event profits. After deducting costs incurred from conducting the event, proceeds must be used only for the purposes of the organization.

Within 30 days after a casino event, the permit holder must submit a specified financial report to the sheriff. The permit holder must keep all financial records from the event for at least two years after the event. The sheriff or the State's Attorney may require the permit holder to produce the financial records. The sheriff may deny a permit to an applicant failing to file a required report from a previous event or is late in filing federal or State tax reports.

The sheriff must adopt regulations regarding casino events. A person who violates this law is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding one year and/or a fine not exceeding \$1,000.

Current Law: In Harford County, four classes of organizations can obtain a license to conduct certain types of gaming: particular religious groups; State and nationally chartered veterans' organizations; volunteer fire companies; and specified nonprofit, charitable organizations. Subject to specified limitations, a political committee may conduct a fundraiser entailing a gaming event or 50/50 game.

The Harford County Sheriff charges the following license fees: \$5 for a bingo license; \$10 for a paddle wheel license; \$10 for a raffle license; and \$15 for a members-only instant bingo license. The licensee must submit a specified report within 15 days after the licensed gaming activity.

Prize money for a bingo game may not exceed \$500 or \$1,000 for a jackpot. Prize money for a members-only instant bingo game may not exceed \$500. Prize money for a raffle may not exceed \$10,000 if the sponsoring organization has not held a raffle for prize money exceeding \$1,000 in the current calendar year; otherwise the limit is \$1,000. Prize money for a paddle wheel game may not exceed \$10 and prize money for a game of 50/50 may not exceed \$500.

Background: Each county is responsible for regulating gaming activities conducted by civic and charitable organizations. There is no statewide reporting of gaming activities by civic and charitable organizations, except for the slot machines operated on the Eastern Shore. Gaming licensees may use the proceeds of gaming activities for the benefit of their own organizations, but do not need to share them with other organizations. However, slot machine operators must use at least one-half of the proceeds from slot machines to benefit a charity.

The Maryland State Lottery Agency conducted a study of local gaming in Maryland required by Chapter 474 of 2008. The report indicates that casino events are conducted in at least 6 counties, and card games are operated in at least 10 of the 24 counties in Maryland.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Harford County, Comptroller's Office, Maryland State Lottery Agency, Department of Legislative Services

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Analysis by: Scott P. Gates

Direct Inquiries to:
(410) 946-5510
(301) 970-5510