

Department of Legislative Services
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 938

(Carroll County Senators)

Judicial Proceedings

Carroll County - Gaming

This bill authorizes the Carroll County Commissioners to issue a permit to conduct a card game, card tournament, or casino night to a specified list of qualified organizations. An organization may conduct no more than four gaming contests per year in the county. The bill does not apply to card games conducted at a senior center as authorized by current law.

The bill takes effect July 1, 2010.

Fiscal Summary

State Effect: None.

Local Effect: Carroll County expenditures will increase by a minimal amount to verify that organizations qualify for a permit, issue permits, and regulate games. Revenues increase minimally as a result of a nominal permit fee.

Small Business Effect: None.

Analysis

Bill Summary: In Carroll County, an organization must be a bona fide hospital; volunteer fire company; or a religious, fraternal, civic, war veterans', amateur athletic, or charitable organization in order to qualify for a permit. A permit is not transferable. A gaming contest (which includes a card game, card tournament, or casino night) must be managed and operated only by members of the organization holding the permit.

Proceeds from a gaming contest 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 contests may not last longer than 24 consecutive hours and are prohibited after 1 a.m. on a Sunday. A permit holder may not:

- exchange wagering tokens for an item of merchandise that is worth more than \$10,000; or
- exchange merchandise received for wagering tokens for 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 that manages, operates, or participates in a gaming event must be at least 18 years old. Only a preset entrance fee for the gaming contest 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 50% of the entrance fee. Only wagering tokens, and not cash, may be used for wagering.

Permit holders must submit a specified financial report to the county sheriff's office within 60 days after holding a gaming contest. The county may adopt regulations to govern the issuance of permits, establish a permit fee, and for the conduct and management of a gaming contest.

A person who violates gaming contest 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. Further, the violator is to be prohibited from receiving a permit for a period not exceeding five years.

Current Law: Qualified organizations may conduct gaming events in Carroll County if they receive a permit from the county commissioners. For purposes of conducting a gaming event, qualified organizations include bona fide hospitals; volunteer fire companies; and religious, amateur athletic, fraternal, civic, war veterans', and charitable organizations. Permitted gaming events include raffles, bazaars, carnival games, and other games of entertainment. Card games, dice games, roulette, and casino nights are generally prohibited. However, a senior center site council may conduct a card game in a senior center five days per week, excluding Sunday. The maximum money prize for a session of cards is \$5 and the maximum charge to participate is \$1. All money remaining after prizes are awarded must be distributed to the senior center site council.

Before a qualified organization may conduct bingo in Carroll County, the organization must obtain a permit from the county commissioners. For purposes of conducting bingo, qualified organizations include bona fide volunteer fire companies; senior center site

councils; and religious, educational, fraternal, patriotic, and charitable organizations. Bingo permit applicants are required to pay the fee set by the county, which must be set at a level sufficient to cover the costs of issuing the permit.

Generally, the maximum prize awarded at a bingo event may not exceed \$100 in value. Prizes of up to \$250 are permitted for special bingo games, such as progressive pot games, and up to \$1,000 for bingo jackpots. Under Chapter 404 of 2004, qualified organizations are permitted to hold up to 6 raffles per year where the major prize awarded is greater than \$2,500 or 10 raffles per year where the prize is less than \$2,500.

Chapter 273 of 2007 repealed a restriction that an organization must be located in Carroll County in order to conduct bingo or a gaming event in Carroll County.

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.

Local Fiscal Effect: Carroll County advises that permit fees will be nominal and thus revenues increase minimally. However, Carroll County advises that it does not anticipate that issuance of permits will have a material effect on county finances.

Additional Information

Prior Introductions: None. However, SB 869 and HB 1432 of 2009 were similar. SB 869 received a hearing before the Senate Judicial Proceedings Committee. HB 1432 received a hearing before the House Ways and Means Committee. No further action was taken on either bill.

Cross File: HB 1108 (Carroll County Delegation) - Ways and Means.

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

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mpc/rhh

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