

HOUSE BILL 1230

C7

7lr2479

By: **Delegates Mosby, B. Barnes, Buckel, Fisher, and Hornberger**

Introduced and read first time: February 10, 2017

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Instant Ticket Lottery Machines – Fraternal Organizations**

3 FOR the purpose of authorizing fraternal organizations as eligible recipients of a license
4 issued by the Director of the State Lottery and Gaming Control Agency that allows
5 the operation in certain counties of a certain number of instant ticket lottery
6 machines under certain conditions; defining a certain term; and generally relating
7 to the operation of instant ticket lottery machines in the State.

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 2016 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) **(1)** In this section[,] **THE FOLLOWING WORDS HAVE THE MEANINGS**
18 **INDICATED.**

19 **(2) (I) “FRATERNAL ORGANIZATION” MEANS ANY ORGANIZATION**
20 **THAT:**

21 **1. IS CONDUCTED SOLELY FOR THE BENEFIT OF ITS**
22 **MEMBERS AND ITS BENEFICIARIES;**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (iv) Kent County;
- 2 (v) Queen Anne's County;
- 3 (vi) Somerset County;
- 4 (vii) Talbot County;
- 5 (viii) Wicomico County; and
- 6 (ix) Worcester County.

7 (2) (i) Subject to subparagraph (ii) of this paragraph, the Director may
8 issue a license under this subtitle for not more than five instant ticket lottery machines to
9 an applicant that is a veterans' **OR FRATERNAL** organization.

10 (ii) A veterans' **OR FRATERNAL** organization that is issued a license
11 under this subsection shall locate and operate its instant ticket lottery machines at its
12 principal meeting hall in the county in which the veterans' **OR FRATERNAL** organization
13 is located.

14 (3) After deduction of any commission and validation prize payout as
15 provided under § 9–117 of this subtitle, a veterans' **OR FRATERNAL** organization issued a
16 license under this subsection shall credit the remaining receipts from the sale of tickets
17 from instant ticket lottery machines to the State Lottery Fund established under § 9–118
18 of this subtitle.

19 (4) (i) Subject to subparagraph (ii) of this paragraph, a veterans' **OR**
20 **FRATERNAL** organization issued a license under this subsection shall purchase or lease
21 the instant ticket lottery machines to be used by the veterans' **OR FRATERNAL**
22 organization.

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

26 (5) The Director may adopt regulations to implement the provisions of this
27 subsection that included restricting the location of instant ticket lottery machines in areas
28 of a veterans' **OR FRATERNAL** organization's public meeting hall that is accessible to the
29 public.

30 (6) The State Lottery and Gaming Control Agency shall ensure that the
31 element of chance in the conduct of the gaming through the instant ticket lottery machines
32 established under this subsection is consistent with the holding in the case of Chesapeake
33 Amusements Inc. v. Riddle, 363 Md. 16 (2001), in that the element of chance must be wholly
34 within the pre-printed instant lottery ticket, and that player enhancements in an instant

1 ticket lottery machine may not affect the element of chance being wholly within the
2 pre-printed instant lottery ticket.

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

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

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

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

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
9 1, 2017.