

# HOUSE BILL 1166

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2lr3026  
CF SB 864

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By: **Delegate Love**

Introduced and read first time: February 10, 2012

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: April 2, 2012

Returned to second reading: April 2, 2012

House action: Adopted with floor amendments

Read second time: April 2, 2012

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Gaming – ~~Instant Bingo~~ – Electronic Machines – Regulation**

3 FOR the purpose of authorizing the operation of certain electronic instant bingo games  
4 using electronic machines; providing that the electronic instant bingo machines  
5 must have been in operation during a certain period or that the machines be in  
6 operation under a commercial bingo license on a certain date; prohibiting the  
7 operation of more than a certain number of electronic instant bingo machines  
8 than were in operation on a certain date; requiring the conduct of the gaming  
9 and the operation of certain electronic instant bingo machines to be consistent  
10 with certain provisions of law; clarifying that certain slot machines located in  
11 certain counties are not subject to certain provisions of law; altering the  
12 definition of “slot machine” to include a certain machine, apparatus, or device  
13 regardless of the manner in which it delivers a game and to exclude certain  
14 skills-based amusement devices; clarifying that a certain handheld device is not  
15 considered a slot machine; requiring the Office of the Attorney General, the  
16 State Lottery Commission, the Department of State Police, and local law  
17 enforcement units to construe certain statutory provisions in a certain manner;  
18 making a certain decision by the State Lottery Commission a final  
19 determination as to whether a certain electronic gaming device is legal and  
20 being operated in a lawful manner; authorizing the State Lottery Commission  
21 to refer certain matters for enforcement to the Department of State Police under  
22 certain circumstances; requiring the Commission to certify and regulate the

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 operation, ownership, and manufacture of certain electronic gaming devices;  
 2 stating that a gaming device that is not licensed or otherwise operated in  
 3 compliance with certain provisions of law as of a certain date may not legally  
 4 operate in the State; requiring the Commission to adopt certain regulations  
 5 related to the approval and licensing of certain electronic gaming devices;  
 6 specifying that certain provisions of law do not apply to ~~tip jar gaming and~~  
 7 paper tip jar gaming where authorized; authorizing the Commission to make  
 8 certain determinations and charge certain fees; altering the purpose of the  
 9 Special Fund for Preservation of Cultural Arts in Maryland; requiring that the  
 10 Fund be used to provide certain supplemental grants for operating and  
 11 programmatic improvements that strengthen cultural arts organizations in  
 12 certain ways; altering the process for transferring certain funds from the Fund;  
 13 specifying that grants from the Fund are supplemental and may not take the  
 14 place of certain funding for certain organizations; creating the Calvert County  
 15 Youth Recreational Opportunities Fund; providing for the purpose,  
 16 administration, type, contents, expenditures, and investments of the Fund;  
 17 requiring that the Fund be used only for certain projects; specifying that certain  
 18 money expended from the Fund is not intended to take the place of funding that  
 19 otherwise would be appropriated for a certain purpose; imposing a certain State  
 20 admissions and amusement tax rate on electronic bingo in Calvert County;  
 21 altering the revenue attributable from a certain tax rate distributed to a certain  
 22 special fund; providing for the distribution of certain revenue and proceeds to  
 23 ~~Program Open Space~~ the Calvert County Youth Recreational Opportunities  
 24 Fund, the Boys and Girls Club of the Town of North Beach, and certain  
 25 municipal corporations in certain years; requiring that certain admissions and  
 26 amusement taxes are to be determined on a certain basis; providing that certain  
 27 admissions and amusement taxes may be determined on a certain basis;  
 28 requiring the Commission to certify the compliance with certain laws before  
 29 certain electronic bingo machines may be authorized for use; authorizing a  
 30 certain qualified organization to repair and replace electronic bingo machines  
 31 under certain circumstances; authorizing a certain qualified organization that  
 32 offered instant bingo during a certain time and then was required to obtain a  
 33 commercial license to operate a certain number of instant bingo machines under  
 34 certain circumstances; requiring certain regulations to be at least as stringent  
 35 as certain requirements; authorizing certain regulations to include certain  
 36 provisions and requiring that the regulations include certain provisions;  
 37 repealing certain obsolete provisions of law; making a certain technical  
 38 correction; and generally relating to the operation and regulation of electronic  
 39 instant bingo machines.

40 BY repealing and reenacting, with amendments,  
 41 Article – Criminal Law  
 42 Section 12–113 and ~~12–301(3)~~ 12–301(2) and (3)  
 43 Annotated Code of Maryland  
 44 (2002 Volume and 2011 Supplement)

45 BY adding to

1 Article – Criminal Law  
2 Section 12–301.1 and 12–308  
3 Annotated Code of Maryland  
4 (2002 Volume and 2011 Supplement)

5 BY repealing and reenacting, with amendments,  
6 Article – Economic Development  
7 Section 4–801  
8 Annotated Code of Maryland  
9 (2008 Volume and 2011 Supplement)

10 BY adding to  
11 Article – Natural Resources  
12 Section 5–1901 to be under the new subtitle “Subtitle 19. Calvert County Youth  
13 Recreational Opportunities Fund”  
14 Annotated Code of Maryland  
15 (2005 Replacement Volume and 2011 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article – Tax – General  
18 Section 2–202, 4–102, and 4–105(a–1)  
19 Annotated Code of Maryland  
20 (2010 Replacement Volume and 2011 Supplement)

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

23 **Article – Criminal Law**

24 12–113.

25 (A) [A] THE OFFICE OF THE ATTORNEY GENERAL, THE STATE  
26 LOTTERY COMMISSION, THE DEPARTMENT OF STATE POLICE, LOCAL LAW  
27 ENFORCEMENT UNITS, AND THE court shall construe liberally this ~~title~~ ~~ARTICLE~~  
28 relating to gambling and betting to prevent the activities prohibited.

29 (B) A DECISION BY THE STATE LOTTERY COMMISSION SHALL BE THE  
30 FINAL DETERMINATION AS TO WHETHER A GAMING DEVICE BEING OPERATED IN  
31 THE STATE IS:

32 (1) A LEGAL GAMING DEVICE OR DEVICE CONSISTENT WITH THE  
33 PROVISIONS OF THIS ARTICLE; AND

34 (2) BEING OPERATED IN A LAWFUL MANNER UNDER THIS  
35 ARTICLE.

1           **(C) IF A LOCAL LAW ENFORCEMENT UNIT FAILS TO PROMPTLY**  
 2 **ENFORCE A FINAL DETERMINATION MADE UNDER SUBSECTION (B) OF THIS**  
 3 **SECTION, THE STATE LOTTERY COMMISSION SHALL REFER THE MATTER TO**  
 4 **THE DEPARTMENT OF STATE POLICE FOR ENFORCEMENT OF THE LAW.**

5 12-301.

6           In this subtitle:

7           (2)   “slot machine” includes:

8                       (i)   a machine, apparatus, or device described in item (1) of this  
 9 section that also sells, delivers, or awards merchandise, money, or some other tangible  
 10 thing of value; [and]

11                      (ii)   a pinball machine or console machine that pays off in  
 12 merchandise; AND

13                      **(III) A MACHINE, APPARATUS, OR DEVICE DESCRIBED IN**  
 14 **ITEM (1) OF THIS SECTION, REGARDLESS OF WHETHER THE MACHINE,**  
 15 **APPARATUS, OR DEVICE DELIVERS A GAME THROUGH THE INTERNET OR**  
 16 **OFFERS INTERNET OR OTHER SERVICES; AND**

17           (3)   “slot machine” does not include a machine, apparatus, or device  
 18 that:

19                      (i)   awards the user only free additional games or plays;

20                      (ii)   awards the user only noncash merchandise or noncash  
 21 prizes of minimal value;

22                      (iii)   dispenses paper pull tab tip jar tickets or paper pull tab  
 23 instant bingo tickets that must be opened manually by the user provided that the  
 24 machine, apparatus, or device does not:

25                                      1.   read the tickets electronically;

26                                      2.   alert the user to a winning or losing ticket; or

27                                      3.   tabulate a player’s winnings and losses;

28                      (iv)   1.   **IS A HANDHELD DEVICE THAT** displays **ONLY**  
 29 **facsimiles of bingo cards that [users] AN INDIVIDUAL USES TO** mark and monitor  
 30 **[according to] CONTEMPORANEOUSLY TO A LIVE CALL OF BINGO** numbers called  
 31 **on the premises by an individual where the user is operating the machine; [and]**



1           (2) APPROVE AND LICENSE ELECTRONIC GAMING DEVICES  
2 AUTHORIZED UNDER STATE LAW;

3           (3) APPROVE AND LICENSE OWNERS, OPERATORS, AND  
4 MANUFACTURERS OF ELECTRONIC GAMING DEVICES AUTHORIZED UNDER  
5 STATE LAW;

6           (4) ESTABLISH PROCEDURES FOR THE LICENSE APPLICATION  
7 AND RENEWAL PROCESSES REQUIRED UNDER THIS SECTION; AND

8           (5) ESTABLISH LICENSE FEES THAT ARE SUFFICIENT TO COVER  
9 THE DIRECT AND INDIRECT COSTS OF LICENSURE REQUIRED UNDER THIS  
10 SECTION.

11           (D) THE COMMISSION MAY DETERMINE:

12           (1) THAT A COUNTY'S LICENSING AND REGULATORY PROCESS  
13 FOR ELECTRONIC GAMING DEVICES IS EQUIVALENT TO THE STATE LICENSING  
14 AND REGULATORY PROCESS REQUIRED UNDER THIS SECTION; AND

15           (2) THAT A COUNTY LICENSE FOR OWNING, OPERATING, OR  
16 MANUFACTURING ~~A~~ AN ELECTRONIC GAMING DEVICE IN THAT COUNTY IS  
17 EQUIVALENT TO A STATE LICENSE.

18           (E) ~~A~~ AN ELECTRONIC GAMING DEVICE THAT IS NOT LICENSED OR  
19 OTHERWISE OPERATED IN COMPLIANCE WITH THE PROVISIONS OF THIS  
20 SECTION AS OF ~~JULY 1, 2012~~ JANUARY 1, 2013, IS AN ILLEGAL ~~GAMBLING~~  
21 GAMING DEVICE THAT MAY NOT LEGALLY OPERATE IN THE STATE.

22 12-308.

23           NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS SUBTITLE, AN  
24 ENTITY LICENSED TO OFFER INSTANT BINGO UNDER A COMMERCIAL BINGO  
25 LICENSE ON JULY 1, 2007, OR BY A QUALIFIED ORGANIZATION AS DEFINED IN §  
26 13-201 OF THIS ARTICLE ON THE PREMISES OF THE QUALIFIED ORGANIZATION  
27 MAY CONTINUE TO OPERATE A GAME OF INSTANT BINGO IN THE SAME MANNER  
28 USING ELECTRONIC MACHINES, PROVIDED THAT:

29           (1) (I) THE MACHINES WERE IN OPERATION FOR A 1-YEAR  
30 PERIOD ENDING DECEMBER 31, 2007; OR

31           (II) THE MACHINES WERE IN OPERATION UNDER A  
32 COMMERCIAL BINGO LICENSE ON DECEMBER 31, 2007;



1            [(2) For fiscal year 2011:

2                            (i) \$450,000 from the Fund shall be used to provide a grant to  
3 the Baltimore Symphony Orchestra; and

4                            (ii) \$50,000 from the Fund shall be used to provide a grant to  
5 the National Philharmonic.]

6            (h) (1) The State Treasurer shall invest the money of the Fund in the  
7 same manner as other State money may be invested.

8                            (2) Any investment earnings of the Fund shall be credited to the  
9 General Fund of the State.

10            (i) For each appropriation to the Fund, the Governor may:

11                            (1) include the funds in the State budget subject to appropriation by  
12 the General Assembly; or

13                            (2) transfer the funds by budget amendment from the Fund to the  
14 expenditure account of the [Department of Business and Economic Development only  
15 after the proposed budget amendment has been:

16                            (i) submitted to the Senate Budget and Taxation Committee  
17 and the House Appropriations Committee of the General Assembly; and

18                            (ii) approved by the Legislative Policy Committee] **MARYLAND**  
19 **STATE ARTS COUNCIL.**

20            (j) [Money expended] **SUPPLEMENTAL GRANTS MADE** from the Fund [for  
21 cultural arts organizations, including museums, or other similar entities is] **ARE**  
22 supplemental to and [is not intended to] **MAY NOT** take the place of funding that  
23 otherwise would be appropriated for [those] **QUALIFYING** organizations [or similar  
24 entities].

25                            **Article – Natural Resources**

26            **SUBTITLE 19. CALVERT COUNTY YOUTH RECREATIONAL OPPORTUNITIES**  
27 **FUND.**

28            **5–1901.**

29            **(A) IN THIS SECTION, “FUND” MEANS THE CALVERT COUNTY YOUTH**  
30 **RECREATIONAL OPPORTUNITIES FUND.**



1       **(B) THERE IS A CALVERT COUNTY YOUTH RECREATIONAL**  
2 **OPPORTUNITIES FUND.**

3       **(C) THE PURPOSE OF THE FUND IS TO INCREASE YOUTH**  
4 **RECREATIONAL OPPORTUNITIES IN CALVERT COUNTY.**

5       **(D) THE SECRETARY SHALL ADMINISTER THE FUND.**

6       **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
7 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

8       **(2) THE STATE TREASURER SHALL HOLD THE FUND**  
9 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

10       **(F) THE FUND CONSISTS OF:**

11       **(1) REVENUE DISTRIBUTED TO THE FUND UNDER §**  
12 **2-202(B)(1)(II) OF THE TAX – GENERAL ARTICLE;**

13       **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**  
14 **AND**

15       **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED**  
16 **FOR THE BENEFIT OF THE FUND.**

17       **(G) THE FUND MAY BE USED ONLY FOR PROJECTS THAT ARE APPROVED**  
18 **BY THE SECRETARY TO ADVANCE YOUTH RECREATIONAL OPPORTUNITIES IN**  
19 **CALVERT COUNTY AND THAT RECEIVE CONTRIBUTIONS FROM THE COUNTY FOR**  
20 **THE PROJECTS.**

21       **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**  
22 **FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

23       **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE**  
24 **CREDITED TO THE GENERAL FUND OF THE STATE.**

25       **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN**  
26 **ACCORDANCE WITH THE STATE BUDGET.**

27       **(J) MONEY EXPENDED FROM THE FUND FOR YOUTH RECREATIONAL**  
28 **OPPORTUNITIES IN CALVERT COUNTY IS SUPPLEMENTAL TO AND IS NOT**  
29 **INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE**  
30 **APPROPRIATED FOR YOUTH RECREATIONAL OPPORTUNITIES IN CALVERT**  
31 **COUNTY.**

1 **Article – Tax – General**

2 2–202.

3 (a) After making the distribution required under § 2–201 of this subtitle,  
4 within 20 days after the end of each quarter, the Comptroller shall distribute:

5 (1) except as provided in ~~[subsection] SUBSECTIONS~~ (b) ~~AND (C)~~ of  
6 this section, from the revenue from the State admissions and amusement tax on  
7 electronic bingo and electronic tip jars under § 4–102(d) of this article:

8 (i) the revenue attributable to a tax rate of 20% to the General  
9 Fund of the State; and

10 (ii) the revenue attributable to a tax rate [in excess of 20%] OF  
11 5% to the Special Fund for Preservation of Cultural Arts in Maryland, as provided in §  
12 4–801 of the Economic Development Article; and

13 (2) the remaining admissions and amusement tax revenue:

14 (i) to the Maryland Stadium Authority, county, or municipal  
15 corporation that is the source of the revenue; or

16 (ii) if the Maryland Stadium Authority and also a county or  
17 municipal corporation tax a reduced charge or free admission:

18 1. 80% of that revenue to the Authority; and

19 2. 20% to the county or municipal corporation.

20 **(B) FROM THE REVENUE FROM THE STATE ADMISSIONS AND**  
21 **AMUSEMENT TAX ON ELECTRONIC BINGO AND ELECTRONIC TIP JARS IN**  
22 **CALVERT COUNTY UNDER § 4–102(D) OF THIS ARTICLE, THE COMPTROLLER**  
23 **SHALL DISTRIBUTE:**

24 **(1) FOR FISCAL YEAR 2013, THE REVENUE ATTRIBUTABLE TO A**  
25 **TAX RATE OF 8%:**

26 **(I) \$100,000 TO THE BOYS AND GIRLS CLUB OF THE TOWN**  
27 **OF NORTH BEACH; AND**

28 **(II) THE REMAINDER TO ~~PROGRAM OPEN SPACE UNDER~~**  
29 **~~TITLE 5, SUBTITLE 9 THE CALVERT COUNTY YOUTH RECREATIONAL~~**  
30 **~~OPPORTUNITIES FUND UNDER TITLE 5, SUBTITLE 19 OF THE NATURAL~~**  
31 **~~RESOURCES ARTICLE THAT MAY ONLY BE USED FOR A LOCAL OPEN SPACE~~**

1 PROJECT APPROVED BY THE SECRETARY OF ~~THE DEPARTMENT OF~~ NATURAL  
 2 RESOURCES THAT INCREASES YOUTH RECREATIONAL OPPORTUNITIES IN THE  
 3 COUNTY; ~~AND~~

4 (2) FOR FISCAL YEARS 2014 THROUGH 2016, FROM:

5 (I) THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 1.5%:

6 1. \$100,000 TO THE BOYS AND GIRLS CLUB OF THE  
 7 TOWN OF NORTH BEACH; AND

8 2. THE REMAINDER TO THE TOWN OF NORTH  
 9 BEACH;

10 (II) THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 2.5%  
 11 TO THE TOWN OF CHESAPEAKE BEACH; AND

12 (III) THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 4% TO  
 13 THE CALVERT COUNTY YOUTH RECREATIONAL OPPORTUNITIES FUND UNDER  
 14 TITLE 5, SUBTITLE 19 OF THE NATURAL RESOURCES ARTICLE; AND

15 ~~(2)~~ (3) FOR FISCAL YEAR ~~2014~~ 2017 AND EACH FISCAL YEAR  
 16 THEREAFTER, FROM:

17 (I) ~~FROM~~ THE REVENUE ATTRIBUTABLE TO A TAX RATE OF  
 18 ~~3%~~ 1.5%:

19 1. \$100,000 TO THE BOYS AND GIRLS CLUB OF THE  
 20 TOWN OF NORTH BEACH; AND

21 2. THE REMAINDER TO THE TOWN OF NORTH  
 22 BEACH; ~~AND~~

23 (II) THE REVENUE ATTRIBUTABLE TO A TAX RATE OF ~~5%~~  
 24 2.5% TO THE TOWN OF CHESAPEAKE BEACH; AND

25 (III) THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 4% TO  
 26 THE CALVERT COUNTY BOARD OF EDUCATION FOR SCHOOL RENOVATION AND  
 27 RENEWAL PROJECTS THAT MAY NOT BE USED TO SUPPLANT COUNTY FUNDS FOR  
 28 PUBLIC SCHOOL CONSTRUCTION.

29 ~~(b)(c)~~ The revenue to be distributed in accordance with subsection (a)(1)  
 30 of this section:

1           ~~(1) for fiscal year 2010 only, shall be distributed to the General Fund~~  
2 ~~of the State;~~

3           ~~(2) for fiscal year 2011 only, shall be distributed as follows:~~

4                   ~~(i) \$500,000 to the Special Fund for Preservation of Cultural~~  
5 ~~Arts in Maryland, as provided in § 4-801 of the Economic Development Article;~~

6                   ~~(ii) \$500,000 to a special fund, to be used only as provided in~~  
7 ~~subsection (c) of this section; and~~

8                   ~~(iii) the balance to the General Fund of the State; and~~

9           ~~(3) for fiscal year 2012 only, shall be distributed as follows:~~

10                   ~~(i) \$500,000 to a special fund, to be used only as provided in~~  
11 ~~subsection (c) of this section; and~~

12                   ~~(ii) the balance to the General Fund of the State.~~

13           ~~[(c)] (D) (1) (i) For fiscal year 2011, the Comptroller shall pay from~~  
14 ~~the special fund established under subsection (b)(2)(ii) of this section a grant to the~~  
15 ~~local jurisdictions where the electronic bingo machines or electronic tip jar machines~~  
16 ~~that are the source of the revenue are located, to be used by the local jurisdictions only~~  
17 ~~for one-time capital expenditures.~~

18                   ~~(ii) A grant under this paragraph shall be paid to a municipal~~  
19 ~~corporation if the machines are located in a municipal corporation or to a county if the~~  
20 ~~machines are not located in a municipal corporation.~~

21                   ~~(iii) The grants under this paragraph shall be paid to each local~~  
22 ~~jurisdiction in proportion to the amount of tax revenue derived from machines in each~~  
23 ~~jurisdiction.~~

24           ~~(2) For fiscal year 2012, the special fund established under subsection~~  
25 ~~(b)(3)(i) of this section may be used only as follows:~~

26                   ~~(i) \$150,000 as an appropriation to the State Archives, to be~~  
27 ~~used only for the operating costs associated with the development and implementation~~  
28 ~~of the State House Master Plan as approved by the State House Trust;~~

29                   ~~(ii) \$50,000 as a grant to be paid by the Comptroller to the~~  
30 ~~Maryland Humanities Council; and~~

31                   ~~(iii) impact grants to be paid by the Comptroller in the local~~  
32 ~~jurisdictions where the electronic bingo machines or electronic tip jar machines are~~  
33 ~~located, as follows:~~

~~1. \$150,000 in Anne Arundel County to the Anne Arundel County Volunteer Firefighters Association for capital expenditures and replacement of equipment; and~~

~~2. \$150,000 in Calvert County as follows:~~

~~A. \$125,000 to be divided equally between the Town of Chesapeake Beach and the Town of North Beach, to be used only for one-time capital expenditures; and~~

~~B. \$25,000 to the Beach Trolley Association of Chesapeake Beach and North Beach.~~

~~4-102.~~

**(A) IN THIS SECTION, "NET PROCEEDS" MEANS THE TOTAL RECEIPTS FROM THE OPERATION OF AN ELECTRONIC BINGO MACHINE OR ELECTRONIC TIP JAR MACHINE LESS THE AMOUNT OF MONEY WINNINGS OR PRIZES PAID OUT TO PLAYERS.**

**[(a)] (B) A county may impose, by resolution, a tax on:**

(1) the gross receipts derived from any admissions and amusement charge in that county; and

(2) an admission in that county for a reduced charge or at no charge to a place if there is a charge for other admissions to the place.

**[(b)] (C) A municipal corporation may impose, by ordinance or resolution, a tax on:**

(1) the gross receipts derived from any admission and amusement charge in that municipal corporation; and

(2) an admission in that municipal corporation for a reduced charge or at no charge to a place if there is a charge for other admissions to the place.

**[(c)] (D) The Stadium Authority may impose a tax on:**

(1) the gross receipts derived from any admissions and amusement charge for an admission to a facility owned or leased by the Stadium Authority; and

(2) an admission for a reduced charge or at no charge to a facility owned or leased by the Stadium Authority if there is a charge for other admissions to the facility.

1            ~~[(d)] (E)~~    ~~[(1)]~~    In this subsection, “net proceeds” means the total receipts  
2 from the operation of an electronic bingo machine or electronic tip jar machine less the  
3 amount of money winnings or prizes paid out to players.

4            ~~(2)]~~    A State tax is imposed on the net proceeds derived from any charge  
5 for the operation of an electronic bingo machine permitted under a commercial bingo  
6 license or an electronic tip jar machine authorized under Title 13 of the Criminal Law  
7 Article that is operated for commercial purposes.

8            **(F) (1) THE STATE AND LOCAL ADMISSIONS AND AMUSEMENT TAXES**  
9 **APPLICABLE TO ELECTRONIC INSTANT BINGO SHALL BE DETERMINED ON A**  
10 **TAX-INCLUDED OR SEPARATELY STATED BASIS.**

11            **(2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,**  
12 **OTHER STATE AND LOCAL ADMISSIONS AND AMUSEMENT TAXES APPLIED**  
13 **UNDER THIS SECTION MAY BE DETERMINED ON A TAX-INCLUDED OR**  
14 **SEPARATELY STATED BASIS.**

15    4-105.

16            (a-1) (1)    Except as provided in [paragraph] **PARAGRAPHS (2) AND (3)** of  
17 this subsection, the rate of the State admissions and amusement tax imposed on  
18 electronic bingo or electronic tip jars under § 4-102(d) of this subtitle is 30% of the net  
19 proceeds subject to the tax.

20            **(2) THE RATE OF THE STATE ADMISSIONS AND AMUSEMENT TAX**  
21 **IMPOSED ON ELECTRONIC BINGO OR ELECTRONIC TIP JARS IN CALVERT**  
22 **COUNTY UNDER § 4-102(D) OF THIS SUBTITLE IS 33% OF THE NET PROCEEDS**  
23 **SUBJECT TO THE TAX.**

24            **[(2)] (3)**    If net proceeds subject to the State admissions and  
25 amusement tax imposed on electronic bingo or electronic tip jars under § 4-102(d) of  
26 this subtitle are also subject to an admissions and amusement tax imposed by a county  
27 or a municipal corporation under this subtitle:

28                    (i)    the rate of the State tax may not exceed a rate that, when  
29 combined with the rate of any county or municipal corporation tax, will exceed 35% of  
30 the net proceeds; and

31                    (ii)    the rate of any county or municipal corporation admissions  
32 and amusement tax that is applicable to net proceeds derived from electronic bingo or  
33 electronic tip jars may not exceed the rate of the admissions and amusement tax  
34 imposed by the county or municipal corporation as of January 1, 2009.

1 SECTION 2. AND BE IT FURTHER ENACTED, That, prior to an electronic  
2 bingo machine being authorized for use after ~~July 1, 2012~~ January 1, 2013, the State  
3 Lottery Commission shall certify that the electronic bingo machine complies with all  
4 applicable State laws as of the effective date of this Act.

5 SECTION 3. AND BE IT FURTHER ENACTED, That, a licensee or  
6 organization that is authorized under State law to own or operate electronic bingo  
7 machines for use after July 1, 2012, may repair and replace the authorized electronic  
8 bingo machines provided that the machines operate in the same manner as those in  
9 operation by the same organization as of February 28, 2008, and that the organization  
10 does not operate more than the number of electronic bingo machines in operation as of  
11 February 28, 2008.

12 SECTION 4. AND BE IT FURTHER ENACTED, That a qualified organization  
13 as defined in § 13-201 of the Criminal Law Article that offered instant bingo for a  
14 1-year period as of December 31, 2007, and then was required by local regulation to  
15 obtain a commercial license may operate up to 10 electronic instant bingo machines as  
16 long as the qualified organization complies with the requirements of this Act and pays  
17 any applicable license taxes.

18 SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That, regulations adopted  
19 by the State Lottery Commission as required under Section 1 of this Act pertaining to  
20 the operation of electronic bingo machines shall be at least as stringent as the  
21 requirements set forth in Article 11, Title 2, Subtitle 2 of the Anne Arundel County  
22 Code as of June 1, 2012.

23 SECTION ~~5~~ 6. AND BE IT FURTHER ENACTED, That, regulations adopted  
24 by the State Lottery Commission under Section 1 of this Act;

25 (1) may include provisions that regulate the repair and replacement of  
26 electronic bingo machines authorized under Section 3 of this Act; and

27 (2) shall include provisions providing for the legal operation of  
28 amusement games licensed by Baltimore City and Baltimore County.

29 SECTION ~~6~~ 7. AND BE IT FURTHER ENACTED, That this Act shall take  
30 effect July 1, 2012.