

Finance / Simulated Slot Machines / Rules and Regulations

Adopted by authority of Article 15, Section 2-17 of Baltimore City Code as last amended by Ordinance 10-356 on August 10, 2010

1. **Effective** January 1, 2011, simulated slot machines will be subject to a Registration Tax.
2. **Definitions-** An amusement device is any electronic or mechanical device that is designed to provide amusement or entertainment and for which a fee is charged to operate or use. A simulated slot machine is defined as any amusement device equipped with a knock-off device that enables an owner or custodian of the device to remove free plays or other game credits accumulated by a winning player.
3. **Admissions and Amusement Tax Exemption-** Effective January 1, 2011, all simulated slot machines are exempt from Admissions and Amusement tax. All other amusement devices shall continue to be subject to the Admissions and Amusement tax, and all associated requirements of the tax.
4. **Effective** January 1, 2011, all owners of more than five simulated slot machines must apply for an annual master license. All simulated slot machines are exempt from payment of annual amusement device license fees.
5. **License Fee Due-** For calendar year 2011, the annual master license fee is due no later than January 31st of the calendar year for the license. For calendar year 2012 and each subsequent year, this fee is due no later than January 1st of the calendar year.
6. **Registration Tax Due-** For calendar year, 2011, this tax is due no later than January 31st, 2011. For calendar year 2012 and each subsequent year, this tax is due no later than January 1st of the calendar year.
 - a. A quarterly payment plan for the payment of registration taxes is available for any simulated slot machine owner that wishes to make payments in this fashion. Payments made through this plan shall be subject to a service charge of \$48.
 - b. Anyone who wishes to enroll in quarterly registration tax payment must submit their application, along with their first quarter payment, to the Baltimore City Bureau of Revenue Collections License Unit no later than January 31st, 2011.

c. Anyone who enrolls in quarterly payment of registration taxes may elect to include payment of the master license fee related to the devices for which the registration tax is paid into their payment plan, if applicable.

d. The following table provides an example of the due dates for Calendar year 2011 for those that elect to enroll in quarterly payments:

2011 Registration Tax Quarterly Payment Plan Schedule

Quarter	Tax Reporting Period	Tax Due on or Before
1	January 1 st -March 31 st	January 31st
2	April 1 st -June 30	April 1st
3	July 1 st -September 30th	July 1st
4	October 1 st -December 31st	October 1st

7. Penalties –Penalties for failure to comply with Baltimore City Ordinance 10-343 and these Rules and Regulations include the following:

a. Late payments will be subject to:

- 1) 10% penalty of the amount of tax due and,
- 2) 1% per month interest charge for each month or fraction thereof that the tax is overdue.

b. Additional penalties may be assessed including:

- 1) A person who violates any provision of this law, rule or regulation may be found guilty of a misdemeanor and on conviction, subjected to a fine of not more than \$1,000 or to imprisonment of not more than 12 months or both.

8. Bounty Program- The City shall offer a bounty program to reward persons who report machines being operated without the required licenses and/or registration.

- a. **Eligibility-** Any person that reports information, in writing, that leads to the successful collection of fines and penalties for operating a simulated slot machine without a proper license and registration shall be eligible to receive 25% of those fines and penalties.
- b. Tips may be reported to the Bureau of Revenue Collections via email to: baltimorecitycollections@baltimorecity.gov, or in writing to the Chief of Revenue Collections at 200 N. Holliday St, Baltimore MD 21202
- c. Only one reward per case shall be offered. In the event that more than one person reports the illegal operation of a simulated slot machine at the same location, the person whose tip has the earliest email timestamp or postmark shall receive the reward.
- d. The Chief of Revenue Collections has the final authority in determining eligibility for a reward.
- e. No rewards shall be made until delinquent fines and penalties are successfully recovered by the City.
- f. All rewards are contingent upon appropriation of funds as approved by the Board of Estimates.

APPROVED FOR FORM AND LEGAL SUFFICIENCY:

Elena DiPietro, Chief Solicitor

Date

APPROVED BY THE DIRECTOR OF FINANCE:

Edward J. Gallagher, Director of Finance

Date