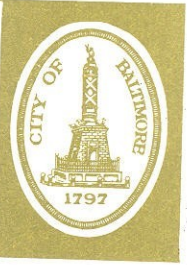


*Andrew Klein*

<b>FROM</b>	NAME & TITLE	Andrew Kleine, Director
	AGENCY NAME & ADDRESS	Bureau of Budget and Management Research (410)396-4941
	SUBJECT	City Council CCB11-0791 Simulated Slot machines

CITY of  
BALTIMORE  
**MEMO**



**TO**

DATE: November 21, 2011

Honorable President and  
Members of the City Council  
C/O Karen Randle  
Room 409, City Hall

This CCB11-0791 Simulated Slot Machine – License Fee and Registration is for the purpose of modifying provisions of quarterly payments and for the providing of the retro-active application of these modifications.

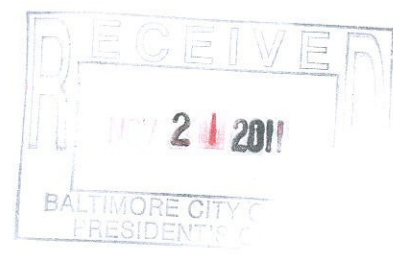
**Analysis**

This bill will allow permit holders to relinquish their registrations and license after the end of any given quarter in the calendar year. Currently, permits may only be purchased on an annual basis and may be paid for up front or in quarterly installments.

The proposed legislation would allow vendors to suspend and renew their licenses and registrations, without penalties, at any quarter, creating cash flow instability and increasing personnel costs for the Bureau of Collections.

Because refunds are not available after the annual fee is paid, it is anticipated that this change would result in close to a 100% switch to quarterly payments by currently annual license payers. This will result in an estimated \$7,500 in overtime for staff to process the additional quarterly payments. There are about 30 vendors currently paying one-time annual license and registration for about 100 simulated slot machines who would potentially change to quarterly payments. This legislation would have the effect of pushing approximately \$119,000 of expected Fiscal 2102 payments into Fiscal 2013.

Finally, because the Director must validate that a simulated slot device is no longer in service, enforcement will increase. Inspectors from the Bureau of Collections will be required to increase the number of visits to establishments, with or without licensed simulated slot machines, in order to verify that unlicensed machines are not operating. It is estimated that the proposed legislation would require at least one additional inspector, at a cost of about \$37,500 per year.



**Fiscal Impact**

The proposed legislation could reduce Fiscal 2012 revenues by about \$119,000 and increase annual Finance Department expenditures by \$45,000.

**Recommendation**

The Department of Finance is opposed to this bill.

Cc: Edward Gallagher

Angela Gibson

William Voorhees

*Visit our website @ [www.baltimorecity.gov](http://www.baltimorecity.gov)*