

BY: Budget and Taxation Committee

AMENDMENTS TO HOUSE BILL NO. 1361

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Maryland” and substitute “Public”; and in line 3, strike “Trust Fund” and substitute “Bridge to Excellence - Funding”.

On pages 1 through 4, strike in their entirety the lines beginning with line 4 on page 1 through line 6 on page 4, inclusive, and substitute:

“FOR the purpose of requiring the State Lottery Commission to regulate the operation of certain video lottery terminals; requiring the Governor to appoint a member of the State Racing Commission as a liaison to the State Lottery Commission; altering a certain geographic cost of education index grant that reflects regional differences in the cost of education that are due to factors outside the control of local jurisdictions to be a mandatory education funding requirement; requiring the Department of Health and Mental Hygiene to establish certain regional centers and to conduct a certain prevalence study; requiring the Secretary of Health and Mental Hygiene to make certain grants from certain funds; altering the membership of the State Lottery Commission; specifying certain requirements for members of the State Lottery Commission; requiring the Governor to appoint a member of the State Lottery Commission as a liaison to the State Racing Commission; providing that members of the State Lottery Commission may be compensated as provided in the State budget; authorizing the operation of video lottery terminals connected to a certain central computer that allows the State Lottery Commission to monitor a video lottery terminal and that has certain capabilities; prohibiting access to the central computer by certain licensees with a certain exception; providing that only a person with a certain video lottery operation license may offer a video lottery terminal for public use in the State; providing that this Act is statewide

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and exclusive in effect and that certain laws do not apply to video lottery terminals authorized under this Act; requiring the State Lottery Commission to conduct certain investigations and hearings; requiring the State Lottery Commission to adopt certain regulations; requiring the State Lottery Commission to require a certain bond and collect certain fees, civil penalties, and taxes; authorizing the State Lottery Commission to inspect and seize certain equipment, financial information, and records without notice or warrant; requiring certain video lottery terminal manufacturers, video lottery operators, video lottery employees, and other individuals required by the State Lottery Commission to be licensed; providing for the application and licensing process; providing for review of a denial of an application for a certain license by the State Board of Contract Appeals; establishing the misdemeanor of giving false information in an application for a license under this Act or in any supplemental information required by the State Lottery Commission; establishing certain penalties; establishing certain eligibility criteria and disqualifying criteria for a video lottery operation license; requiring a person that contracts with a video lottery operation licensee to meet certain requirements under certain circumstances; requiring certain video lottery operation licensees to maintain certain numbers of live racing days; providing that the license of certain video lottery operation licensees may be revoked if a certain horse racing event or trade names and other items related to the event are transferred out of the State; requiring a certain licensee to permit a certain annual race to be conducted with certain exceptions; requiring certain video lottery operation licensees to submit to the State Lottery Commission certain plans to improve the quality and marketing of horse racing and to spend a certain amount on capital renovation of horse racing facilities each year; requiring the State Racing Commission to monitor the compliance of certain video lottery operation licensees and certain other licensees with certain plans; requiring certain applicants and video lottery operation licensees to comply with certain provisions of law relating to minority business participation; specifying that certain collective bargaining agreements do not negate certain provisions of this Act; requiring a video lottery operation licensee to provide certain health insurance to its employees; authorizing certain applicants for employment to appeal to certain local human relations boards under certain circumstances; providing for the monitoring of certain provisions of this Act by the Governor's Office of Minority Affairs; requiring that a video lottery operation license not issued for locations specified under this Act reverts to the State; requiring a licensee to commence operation of video lottery terminals within a certain time period and authorizing the State Lottery Commission to grant extensions under certain circumstances; providing for the term of a video lottery operation license and for

reapplication for the license at the end of the term; providing for certain eligibility criteria and disqualifying criteria for certain licenses; providing for certain waivers of certain licensing requirements under certain circumstances; providing for certain license terms and renewals; stating the intent of the General Assembly relating to video lottery operation licenses; prohibiting a video lottery operation license from being transferred or pledged as collateral; prohibiting certain video lottery operation licensees from selling or otherwise transferring more than a certain percentage of the legal or beneficial interest unless certain conditions are met; requiring that the transfer of a certain interest in a person that holds a video lottery operation license be approved by the State Lottery Commission; requiring the Department of State Police to conduct certain background investigations in a certain manner; requiring the State Lottery Commission to buy or lease the video lottery terminals, associated equipment, and central computer authorized under this Act; prohibiting more than a certain number of video lottery terminals from being allocated in one county or to licenses held by the same entity; prohibiting an individual or business entity from holding an interest in more than a certain number of video lottery operation licenses under certain circumstances; providing the minimum payout percentage for video lottery terminals and authorizing the State Lottery Commission to adopt certain video lottery terminal payout percentages; providing for the hours of operation of video lottery terminals; prohibiting certain games offered by the State Lottery Commission from being offered for sale in a video lottery facility; prohibiting the State Lottery Commission from issuing certain licenses under certain circumstances; prohibiting a video lottery operation licensee from offering food or beverages at no cost with a certain exception or from offering food and beverages below certain prices; requiring a video lottery operation licensee to ensure that certain individuals are not permitted to play video lottery terminals and are not permitted in certain areas; requiring the State Lottery Commission to adopt certain regulations to reduce or mitigate the effects of problem gambling; authorizing the State Lottery Commission to reprimand a licensee or deny, suspend, or revoke certain licenses under certain circumstances; requiring the Comptroller to collect and distribute certain money in specified ways; establishing a Purse Dedication Account under the authority of the State Racing Commission; providing for a certain distribution from video lottery proceeds to the Purse Dedication Account for horse racing; providing for certain distributions from the Purse Dedication Account for horse racing in a certain manner; establishing the Education Trust Fund; requiring certain distributions from video lottery proceeds to the Education Trust Fund to be used for certain

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purposes; requiring the Governor to provide certain funding for public school construction from the Education Trust Fund for certain fiscal years; providing for the creation of certain local development councils; providing for appointment and membership of certain local development councils; requiring certain counties to develop certain plans to be reviewed by certain local development councils; specifying that a certain percentage of certain local development grants should be used for certain purposes; authorizing the State to pay certain transportation costs; requiring the Department of Transportation to facilitate certain negotiations; requiring a certain transportation plan to be developed by certain counties; authorizing certain fees and providing for a certain distribution from certain fees to the Compulsive Gambling Fund; creating a Compulsive Gambling Fund in the Department of Health and Mental Hygiene; providing for certain disbursements from the Compulsive Gambling Fund for certain purposes; requiring the State Lottery Commission to make a certain annual report by a certain date; prohibiting a licensee for a certain period of time from employing, or entering into a financial relationship with, an individual who was a member of the State Lottery Commission or the Video Lottery Facility Location Commission; exempting certain procurements by the State Lottery Agency from certain requirements; establishing a Video Lottery Facility Location Commission; establishing the membership of the Video Lottery Facility Location Commission; requiring the approval of the Legislative Policy Committee for certain appointments to the Video Lottery Facility Location Commission; establishing certain eligibility requirements for membership on the Video Lottery Facility Location Commission; providing for certain reimbursements and staffing; requiring the Department of Budget and Management to contract with a certain consultant; requiring the Video Lottery Facility Location Commission to establish a certain application fee; prohibiting the Video Lottery Facility Location Commission from awarding more than a certain number of video lottery operation licenses; requiring certain bids for video lottery operation licenses to include certain information and to meet certain requirements; prohibiting the Video Lottery Facility Location Commission from issuing more than two licenses in one county or more than a certain number of video lottery terminals in one county; requiring the Video Lottery Facility Location Commission to consider certain factors; requiring certain initial video lottery operation license fees to be placed in the Education Trust Fund; requiring the State Lottery Commission to make certain determinations and be responsible for certain matters relating to racetrack locations and nonracetrack destination locations; providing for review of a denial of an application for a certain license by the State Board of Contract Appeals; providing for certain appeals to be made directly to the Court of

Appeals of Maryland; allowing the operation of video lottery terminals in a temporary facility under certain circumstances; providing for the construction of certain provisions of this Act; making the provisions of this Act severable; requiring a certain certification entity to conduct certain studies and make certain reports; requiring the Department of Transportation to conduct a certain study and make a certain report by a certain date; providing for the payment of the cost of the study conducted by the Department of Transportation; providing that the costs of certain improvements and the planning, design, and construction of a certain interchange are the sole responsibility of the holder of a certain license and may not be paid from State funds; providing for the staggering of the terms of certain new members of the State Lottery Commission; making certain stylistic changes; providing for the termination of certain provisions of this Act; providing that certain provisions of this Act are contingent on the termination of another Act; defining certain terms; and generally relating to the operation of video lottery terminals at certain locations in the State.”.

AMENDMENT NO. 2

On page 4, after line 6, insert:

“BY adding to

Article - Business Regulation
Section 11-202(g)
Annotated Code of Maryland
(2004 Replacement Volume)”;

strike in their entirety lines 12 through 16, inclusive; strike line 29 in its entirety and substitute:

“Section 9-105 and 9-108(d)”;

and in line 34, strike “9-1A-36” and substitute “9-1A-35”.

On page 5, after line 10, insert:

“BY repealing and reenacting, without amendments,
Article - State Finance and Procurement

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Section 11-203(b)(1) and (2)
Annotated Code of Maryland
(2001 Replacement Volume and 2004 Supplement)".

AMENDMENT NO. 3

On page 5, after line 23, insert:

"Article - Business Regulation

11-202.

(G) THE GOVERNOR SHALL APPOINT ONE MEMBER OF THE COMMISSION TO SERVE AS A LIAISON TO THE STATE LOTTERY COMMISSION ESTABLISHED UNDER TITLE 9 OF THE STATE GOVERNMENT ARTICLE."

On page 7, strike in their entirety lines 10 through 21, inclusive.

On page 8, in line 11, strike "§ 9-1A-33" and substitute "§ 9-1A-32"; in line 14, after "STATE" insert "AND THEIR IMMEDIATE FAMILY MEMBERS"; and in line 23, strike "IN" and substitute "FOR VICTIMS OF".

AMENDMENT NO. 4

On page 9, strike in their entirety lines 13 and 14.

On page 10, after line 22, insert:

"(F) THE GOVERNOR SHALL APPOINT ONE MEMBER OF THE COMMISSION TO SERVE AS A LIAISON TO THE STATE RACING COMMISSION ESTABLISHED UNDER TITLE 11 OF THE BUSINESS REGULATION ARTICLE."

On pages 10 and 11, strike in their entirety the lines beginning with line 23 on page 10 through line 1 on page 11.

On page 11, strike in their entirety lines 3 and 4.

AMENDMENT NO. 5

On page 11, in line 20, strike “THE” and substitute “A”; and in line 29, strike “WHO APPLIES FOR OR WHO” and substitute “THAT APPLIES FOR OR”.

On page 12, in line 34, strike “WHO” and substitute “THAT”.

On page 13, in line 11, after “ASSIGNMENT” insert “OF A PRODUCT DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION”; after line 11, insert:

“(P) “NONRACETRACK DESTINATION LOCATION” MEANS A LOCATION THAT IS NOT A RACETRACK THAT IS ELIGIBLE FOR OR HAS BEEN AWARDED IN THE MANNER PROVIDED BY LAW A VIDEO LOTTERY OPERATION LICENSE.”;

in lines 12, 14, 16, 19, and 22, strike “(P)”, “(Q)”, “(R)”, “(S)”, and “(T)”, respectively, and substitute “(Q)”, “(R)”, “(S)”, “(T)”, and “(U)”, respectively; in line 24, strike “COMMON”; after line 25, insert:

“(V) “RACETRACK LOCATION” MEANS A LOCATION AT A RACETRACK THAT HOLDS A LICENSE FROM THE STATE RACING COMMISSION TO HOLD A RACE MEETING THAT IS ELIGIBLE FOR OR HAS BEEN AWARDED A VIDEO LOTTERY OPERATION LICENSE IN THE MANNER PROVIDED BY LAW.”;

in line 26, after “BETTING” insert “THAT IS”; strike in their entirety lines 28 through 30, inclusive; in lines 26, 31, 33, and 35, strike “(U)”, “(W)”, “(X)”, and “(Y)”, respectively, and substitute “(W)”, “(X)”, “(Y)”, and “(Z)”, respectively; in line 31, strike “WHO” and substitute “THAT”; and in line 33, strike “AT WHICH” and substitute “WHERE”.

On page 14, in line 1, strike “(Z)” and substitute “(AA)”; and in line 31, strike “SHALL” and substitute “MUST”.

On page 16, in line 12, strike “RELATED TO LICENSING”; in line 13, strike “TO” and substitute “IN”; strike beginning with “TO” in line 15 down through “LICENSING” in line 16; in line 26, strike “MAY DEEM” and substitute “CONSIDERS”; and in lines 26 and 27, strike “AND

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PROPER”.

On page 17, strike beginning with “SERVE” in line 1 down through “FOR” in line 2 and substitute “PROVIDE FOR NOTICES OR”; in line 2, after “ACTIONS” insert “TO BE SERVED AS PRESCRIBED”; and in line 31, strike “REGULATING” and substitute “GOVERNING”.

On page 18, in line 14, strike beginning with “AND” through the second “SUBTITLE”.
AMENDMENT NO. 6

On page 19, in line 22, strike “§ 9-1A-36” and substitute “§ 9-1A-35”; in the same line, after “MAY” insert “NOT”; in the same line, strike “NO”; in the same line, strike “FOUR” and substitute “SEVEN”; strike in their entirety lines 24 through 26, inclusive; in lines 27 and 30, strike “(C)” and “(D)”, respectively, and substitute “(B)” and “(C)”, respectively; in lines 28 and 29, strike “VIDEO LOTTERY” and substitute “RACETRACK LOCATION OR THE NONRACETRACK”; and strike in their entirety lines 37 and 38 and substitute:

“(2) A VIDEO LOTTERY OPERATION LICENSEE AT A RACETRACK LOCATION IN THE STATE MAY NOT HOLD A VIDEO LOTTERY OPERATION LICENSE OR BE AN OWNER OF A BUSINESS ENTITY THAT HOLDS A VIDEO LOTTERY OPERATION LICENSE AT A NONRACETRACK DESTINATION LOCATION IN THE STATE.

“(3) A VIDEO LOTTERY OPERATION LICENSEE AT A NONRACETRACK DESTINATION LOCATION IN THE STATE MAY NOT HOLD A VIDEO LOTTERY OPERATION LICENSE OR BE AN OWNER OF A BUSINESS ENTITY THAT HOLDS A VIDEO LOTTERY OPERATION LICENSE AT A RACETRACK LOCATION IN THE STATE.

“(4) AN INDIVIDUAL OR BUSINESS ENTITY MAY NOT BE AN OWNER OF AN INTEREST IN MORE THAN TWO VIDEO LOTTERY FACILITIES AT RACETRACK LOCATIONS.

“(5) AN INDIVIDUAL OR BUSINESS ENTITY MAY NOT BE AN OWNER OF AN INTEREST IN MORE THAN ONE VIDEO LOTTERY FACILITY AT A NONRACETRACK DESTINATION LOCATION.”.

On page 21, in line 18, strike “OR” and substitute “MAY BE DENIED OR THE”; and in line

37, strike “QUALIFICATION CRITERIA” and substitute “QUALIFICATIONS”.

On page 24, in lines 4 and 5, in each instance, after “SUBSIDIARY” insert “OF A COMPANY”; in line 22, strike “APPLICATION” and substitute “APPLICANT”; in lines 23, 27, 30, and 34, in each instance, after “APPLICANT” insert a comma; and in lines 24, 28, and 35, in each instance, after “LICENSE” insert a comma.

On page 25, in lines 1, 6, 12, 18, and 23, in each instance, after “APPLICANT” insert a comma; in lines 2, 7, 13, 20, and 24, in each instance, after “LICENSE” insert a comma; in line 3, strike “HOWEVER” and substitute “PROVIDED THAT”; in line 14, strike the first “OR” and substitute a comma; and in the same line, after “CARTEL” insert a comma.

AMENDMENT NO. 7

On pages 25 through 27, strike in their entirety the lines beginning with line 31 on page 25 through line 19 on page 27, inclusive, and substitute:

“9-1A-09.

(A) THIS SECTION DOES NOT APPLY TO A VIDEO LOTTERY OPERATION LICENSE FOR A FACILITY THAT IS A NONRACETRACK DESTINATION LOCATION.

(B) A RACETRACK LOCATION SHALL MAINTAIN, AS A CONDITION OF LICENSURE, AT LEAST THE SAME NUMBER OF LIVE RACING DAYS AS WERE AUTHORIZED BY THE STATE RACING COMMISSION FOR THAT LOCATION IN 2004 UNLESS THE LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR OTHER CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE.

(C) (1) IF A VIDEO LOTTERY OPERATION LICENSE HAS BEEN ISSUED FOR A RACETRACK LOCATION AT THE PIMLICO RACE COURSE OR LAUREL PARK, THE VIDEO LOTTERY OPERATION LICENSE FOR THE LOCATION SHALL BE REVOKED IF THE NAME, COMMON LAW AND STATUTORY COPYRIGHTS, SERVICE MARKS, TRADEMARKS, TRADE NAMES, OR HORSE RACING EVENTS THAT ARE ASSOCIATED WITH THE PREAKNESS STAKES OR THE WOODLAWN VASE ARE TRANSFERRED TO A

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LOCATION OUTSIDE THE STATE.

(2) AS AN ADDITIONAL CONDITION OF A VIDEO LOTTERY OPERATION LICENSE, A LICENSEE DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION SHALL BE REQUIRED TO:

(I) PROMOTE AND CONDUCT THE PREAKNESS STAKES AT THE PIMLICO RACE COURSE EACH YEAR; OR

(II) IF THE PIMLICO RACE COURSE NO LONGER EXISTS, THE PREAKNESS STAKES RACE IS PREVENTED FROM BEING CONDUCTED AT THE PIMLICO RACE COURSE, OR THE STATE RACING COMMISSION, UNDER § 11-513 OF THE BUSINESS REGULATION ARTICLE, DEEMS AN EMERGENCY EXISTS, PROMOTE AND CONDUCT THE PREAKNESS STAKES RACE EACH YEAR AT ANOTHER TRACK LOCATED IN THE STATE THAT IS APPROVED BY THE STATE RACING COMMISSION.

(D) IF A LICENSEE HAS BEEN ISSUED A VIDEO LOTTERY LICENSE FOR A RACETRACK LOCATION AT LAUREL PARK, THE LICENSEE SHALL PERMIT THE EVENT KNOWN AS THE MARYLAND MILLION TO BE RUN ANNUALLY AT LAUREL PARK UNLESS:

(1) THE LICENSEE IS PREVENTED FROM DOING SO BY WEATHER, ACTS OF GOD, OR OTHER CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE; OR

(2) THE LICENSEE AND THE MARYLAND MILLION LLC AGREE TO ANOTHER LOCATION THAT IS APPROVED BY THE STATE RACING COMMISSION.

(E) (1) AS A CONDITION OF CONTINUED LICENSURE, EACH LICENSEE SHALL DEVELOP AND SUBMIT TO THE COMMISSION A MULTIYEAR PLAN TO IMPROVE THE QUALITY AND MARKETING OF HORSE RACING AT THE LOCATION WHERE THE LICENSE IS GRANTED.

(2) EACH PLAN SHALL INCLUDE:

(I) GOALS, INDICATORS, AND TIME LINES FOR SPECIFIC ACTIONS THAT WILL BE TAKEN BY THE LICENSEE TO IMPROVE THE QUALITY AND MARKETING OF THE HORSE RACING INDUSTRY IN MARYLAND; AND

(II) A MASTER PLAN FOR CAPITAL IMPROVEMENTS THAT REFLECTS, AT A MINIMUM:

1. COMMITMENTS THAT HAVE BEEN MADE TO THE STATE RACING COMMISSION; AND

2. AN ONGOING INVESTMENT IN CAPITAL MAINTENANCE AND IMPROVEMENTS IN THE HORSE RACING FACILITIES OF AT LEAST \$1,000,000 ANNUALLY.

(3) (I) HOLDERS OF A LICENSE ISSUED BY THE RACING COMMISSION THAT RECEIVE A SHARE OF THE PROCEEDS UNDER THIS SUBTITLE SHALL JOINTLY DEVELOP A MULTIYEAR PLAN TO IMPROVE THE QUALITY AND MARKETING OF THE HORSE RACING INDUSTRY IN MARYLAND.

(II) THE JOINT PLAN SHALL INCLUDE GOALS, INDICATORS, AND TIME LINES FOR SPECIFIC ACTIONS THAT WILL BE TAKEN BY THE THOROUGHBRED AND HARNESS RACING INDUSTRIES TO IMPROVE THE QUALITY AND MARKETING OF THE HORSE RACING INDUSTRY IN MARYLAND, INCLUDING JOINT MARKETING EFFORTS.

(F) AS A PART OF THE CAPITAL MAINTENANCE AND IMPROVEMENT ITEMS IN THE PLAN SUBMITTED UNDER SUBSECTION (E) OF THIS SECTION, THE LICENSEE SHALL INCLUDE ANY IMPROVEMENTS NECESSARY TO ENSURE THAT THE CONDITION OF ANY PART OF THE RACETRACK FACILITY WHERE INDIVIDUALS RESIDE IS SATISFACTORY FOR HUMAN HABITATION AND MEETS MINIMUM HOUSING AND SANITATION STANDARDS IN THE COUNTY WHERE THE FACILITY IS LOCATED.

(G) IF A VIDEO LOTTERY OPERATION LICENSE HAS BEEN ISSUED FOR A RACETRACK LOCATION AT THE PIMLICO RACE COURSE, IN THE PLAN SUBMITTED

BY A LICENSEE AT THE PIMLICO RACE COURSE UNDER SUBSECTION (E) OF THIS SECTION, ONE OF THE CAPITAL MAINTENANCE AND IMPROVEMENT ITEMS IN THE PLAN SHALL BE THE CREATION OF A PREMIER CLASSIC RACETRACK AND MUSEUM AS A PART OF THE PIMLICO RACE COURSE.

(H) THE PLANS REQUIRED UNDER SUBSECTION (E) OF THIS SECTION ALSO SHALL BE PROVIDED TO THE STATE RACING COMMISSION AND TO THE LEGISLATIVE POLICY COMMITTEE OF THE GENERAL ASSEMBLY.”.

AMENDMENT NO. 8

On page 27, in line 21, after “CONSTRUCTION” insert “OF FACILITIES”; after line 34, insert:

“(4) NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR AGREEMENTS, AN APPLICANT OR LICENSEE SHALL GIVE A PREFERENCE TO HIRING QUALIFIED EMPLOYEES FROM THE COMMUNITIES WITHIN 10 MILES OF THE VIDEO LOTTERY FACILITY.”;

in lines 35 and 39, strike “(4)” and “(5)”, respectively, and substitute “(5)” and “(6) (I)”, respectively; in line 36, strike “THEY HAVE” and substitute “THE APPLICANT HAS”; and after line 41, insert:

“(II) IF THE LICENSEE IS A RACETRACK LOCATION, THE LICENSEE SHALL PROVIDE HEALTH INSURANCE COVERAGE TO ALL EMPLOYEES OF THE RACETRACK, INCLUDING THE EMPLOYEES ON THE BACKSTRETCH OF THE RACETRACK.”.

On page 28, in line 14, strike “2007” and substitute “2008”; in line 19, strike “(1)”; in the same line, strike “PARAGRAPH (2) OF THIS SUBSECTION” and substitute “SUBSECTION (C) OF THIS SECTION”; in line 23, strike “(2) (I)” and substitute “(C) (1)”; in line 26, strike “PARAGRAPH (1) OF THIS SUBSECTION” and substitute “SUBSECTION (B) OF THIS SECTION”; in line 29, strike “(II)” and substitute “(2)”; in lines 29 and 30, strike “ONE EXTENSION” and substitute “TWO EXTENSIONS”; in the same line, strike “PARAGRAPH” and substitute “SUBSECTION”; in line 31, strike “(3)” and substitute “(D)”; and in line 32, strike “THIS

SUBSECTION” and substitute “SUBSECTIONS (B) and (C) OF THIS SECTION”.

On pages 28 and 29, strike in their entirety the lines beginning with line 34 on page 28 through line 3 on page 29, inclusive.

AMENDMENT NO. 9

On page 34, strike in their entirety lines 32 through 38, inclusive, and substitute:

“9-1A-22.

(A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED UNDER § 9-1A-35 OF THIS SUBTITLE MAY AWARD UP TO 15,500 VIDEO LOTTERY TERMINALS FOR OPERATION AT VIDEO LOTTERY FACILITIES IN THE STATE.

(B) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL AWARD THE NUMBER OF VIDEO LOTTERY TERMINALS TO VIDEO LOTTERY OPERATION LICENSEES AS PROVIDED IN THIS SECTION AND § 9-1A-35 OF THIS SUBTITLE.

(C) (1) BEGINNING 3 YEARS AFTER THE OPERATION OF VIDEO LOTTERY TERMINALS AT RACETRACK AND NONRACETRACK DESTINATION LOCATIONS AND EVERY 3 YEARS THEREAFTER, IF ALL OF THE VIDEO LOTTERY TERMINALS AUTHORIZED UNDER THIS SUBTITLE ARE NOT ALLOCATED OR HAVE BEEN ALLOCATED BUT ARE NOT IN REGULAR OPERATION, THE STATE LOTTERY COMMISSION MAY ALLOCATE OR REALLOCATE VIDEO LOTTERY TERMINALS TO VIDEO LOTTERY OPERATION LICENSEES IN A MANNER THAT ENSURES THAT THE HIGHEST POTENTIAL REVENUES ARE ACHIEVED.

(2) IN DETERMINING THE HIGHEST POTENTIAL REVENUE TO BE ACHIEVED BY ADDITIONAL VIDEO LOTTERY TERMINALS AT EACH POTENTIAL LOCATION, THE STATE LOTTERY COMMISSION SHALL CONSIDER THE MARKET PERFORMANCE OF THE EXISTING VIDEO LOTTERY TERMINALS AT EACH LOCATION.

(D) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION AND THE

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STATE LOTTERY COMMISSION MAY NOT ALLOCATE VIDEO LOTTERY TERMINALS IN A MANNER THAT RESULTS IN MORE THAN 7,500 VIDEO LOTTERY TERMINALS BEING LOCATED IN ANY COUNTY IN THE STATE.

(E) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION AND THE STATE LOTTERY COMMISSION MAY NOT ALLOCATE VIDEO LOTTERY TERMINALS IN A MANNER THAT RESULTS IN MORE THAN:

(1) 5,000 VIDEO LOTTERY TERMINALS BEING ALLOCATED FOR OPERATION UNDER ONE VIDEO LOTTERY OPERATION LICENSE; OR

(2) 6,000 VIDEO LOTTERY TERMINALS BEING ALLOCATED FOR OPERATION UNDER ONE OR MORE VIDEO LOTTERY OPERATION LICENSES HELD BY THE SAME INDIVIDUAL OR BUSINESS ENTITY.”.

AMENDMENT NO. 10

On page 35, in line 16, after “MAY” insert “NOT”.

On page 38, in lines 18 and 23, in each instance, strike “UNDER § 9-1A-27 OF” and substitute “IN”.

On pages 38 through 40, strike in their entirety the lines beginning with line 33 on page 38 through line 6 on page 40, inclusive, and substitute:

“(B) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT EACH VIDEO LOTTERY FACILITY:

(1) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, THE PERCENTAGE STATED IN THE ACCEPTED BID TO THE VIDEO LOTTERY OPERATION LICENSEE;

(2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, 5% IN A LOCAL DEVELOPMENT GRANT TO THE COUNTY IN WHICH A VIDEO LOTTERY FACILITY IS LOCATED, SUBJECT TO A REQUIREMENT THAT IF A VIDEO LOTTERY FACILITY OPERATION LICENSE IS ISSUED TO A RACETRACK

LOCATION AT LAUREL PARK, THE LOCAL DEVELOPMENT GRANT SHALL BE DISTRIBUTED IN THE FOLLOWING MANNER:

(I) 73% TO ANNE ARUNDEL COUNTY;

(II) 17% TO HOWARD COUNTY; AND

(III) 10% TO THE CITY OF LAUREL;

(3) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION, 5.1% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE; AND

(II) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, 5.8% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE; AND

(4) THE REMAINDER TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-29 OF THIS SUBTITLE.

(C) IF THE COSTS OF THE STATE LOTTERY AGENCY UNDER THIS SECTION ARE LESS THAN 5% IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION, OR LESS THAN 4.3% IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION, AND EACH YEAR THEREAFTER, ANY AMOUNT NOT DISTRIBUTED TO THE STATE LOTTERY AGENCY SHALL BE DIVIDED EQUALLY AND PAID TO:

(1) THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-29 OF THIS SUBTITLE; AND

(2) THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE.”.

AMENDMENT NO. 11

On page 40, strike in their entirety lines 24 through 31, inclusive, and substitute:

“(C) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (D) AND (E) OF THIS SECTION, THE STATE RACING COMMISSION SHALL ALLOCATE A PERCENTAGE OF THE FUNDS IN THE ACCOUNT EACH YEAR TO THE THOROUGHBRED INDUSTRY AND TO THE STANDARD BRED INDUSTRY BASED ON THE PERCENTAGE OF THE TOTAL WAGERING ON LIVE RACING AT RACETRACKS IN THE STATE THAT CAN BE ATTRIBUTED TO EACH INDUSTRY DURING THE PRIOR CALENDAR YEAR.”;

and in line 34, strike “85%” and substitute “89%”.

On page 41, in lines 1 and 6, in each instance, strike “15%” and substitute “11%”; in line 4, strike “85%” and substitute “89%”; strike in their entirety lines 7 through 9, inclusive; in line 10, strike “(G)” and substitute “(F)”; and strike in their entirety lines 13 through 16, inclusive, and substitute:

“(G) (1) AS DIRECTED BY THE STATE RACING COMMISSION, \$125,000 FROM THE FUNDS UNDER SUBSECTION (E)(1) OF THIS SECTION SHALL GO TO THE MARYLAND HORSEMEN’S ASSISTANCE FUND, INC., ESTABLISHED UNDER § 11-909 OF THE BUSINESS REGULATION ARTICLE, AND \$125,000 FROM THE FUNDS UNDER SUBSECTION (F)(1) OF THIS SECTION SHALL GO TO THE MARYLAND STANDARD BRED HORSEMEN’S ASSISTANCE FUND, INC., ESTABLISHED UNDER § 11-909 OF THE BUSINESS REGULATION ARTICLE.

(2) THE AMOUNTS ALLOCATED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE USED TO PROVIDE HEALTH BENEFITS FOR JOCKEYS AND HARNESS RACING DRIVERS IN THE STATE.

(3) WITH THE ADVICE OF THE STATE RACING COMMISSION, FUNDS FOR HEALTH BENEFITS FOR JOCKEYS AND HARNESS RACING DRIVERS SHALL BE DISTRIBUTED BY THE HORSEMEN’S ASSISTANCE FUNDS BASED ON:

(I) NEED;

(II) DOCUMENTED MARYLAND RESIDENCY; AND

(III) NUMBER OF RACES RIDDEN OR DRIVEN PER YEAR ON MARYLAND TRACKS.”.

On pages 41 and 42, strike in their entirety the lines beginning with line 17 on page 41 through line 34 on page 42, inclusive.

AMENDMENT NO. 12

On page 43, in line 1, strike “9-1A-30.” and substitute “9-1A-29.”; and strike in their entirety lines 12 through 28, inclusive, and substitute:

“(C) MONEY IN THE EDUCATION TRUST FUND SHALL BE USED TO:

(1) OFFSET THE TOTAL FUNDING REQUIRED TO PROVIDE AN ADEQUATE EDUCATION FOR CHILDREN ATTENDING PUBLIC SCHOOLS IN THE STATE IN PREKINDERGARTEN THROUGH GRADE 12, THROUGH IMPLEMENTATION OF THE PROGRAMS COMMONLY KNOWN AS THE BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS, FIRST ENACTED BY CHAPTER 288 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2002, INCLUDING THE FUNDING FOR REGIONAL DIFFERENCES IN THE COST OF EDUCATION UNDER § 5-202(F) OF THE EDUCATION ARTICLE; AND

(2) PROVIDE FUNDS TO CONSTRUCT PUBLIC SCHOOL BUILDINGS AND PUBLIC SCHOOL CAPITAL IMPROVEMENTS IN ACCORDANCE WITH §§ 5-301 THROUGH 5-303 OF THE EDUCATION ARTICLE.

(D) THE GOVERNOR SHALL INCLUDE IN THE BUDGET FOR FISCAL YEAR 2007 AND EACH FISCAL YEAR THEREAFTER THROUGH FISCAL YEAR 2014, \$150,000,000 FROM THE EDUCATION TRUST FUND FOR THE FUNDING OF PUBLIC SCHOOL CONSTRUCTION AND CAPITAL IMPROVEMENTS ON A PAY-AS-YOU-GO BASIS.”.

AMENDMENT NO. 13

(Over)

On pages 43 through 45, strike in their entirety the lines beginning with line 32 on page 43 through line 27 on page 45, inclusive, and substitute:

“9-1A-30.

(A) LOCAL DEVELOPMENT GRANTS PROVIDED UNDER § 9-1A-27 OF THIS SUBTITLE SHALL BE USED FOR IMPROVEMENTS IN THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY OPERATION FACILITIES AND MAY BE USED FOR THE FOLLOWING PURPOSES:

(1) INFRASTRUCTURE IMPROVEMENTS;

(2) FACILITIES;

(3) PUBLIC SAFETY;

(4) SANITATION;

(5) ECONOMIC AND COMMUNITY DEVELOPMENT, INCLUDING HOUSING; AND

(6) OTHER PUBLIC SERVICES AND IMPROVEMENTS TO BENEFIT THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY FACILITIES.

(B) (1) A LOCAL DEVELOPMENT COUNCIL SHALL BE ESTABLISHED IN EACH GEOGRAPHIC AREA WHERE A VIDEO LOTTERY FACILITY IS LOCATED.

(2) A LOCAL DEVELOPMENT COUNCIL SHALL CONSIST OF THE FOLLOWING 15 MEMBERS APPOINTED BY THE CHIEF EXECUTIVE OF THE COUNTY IN WHICH THE LOCAL DEVELOPMENT COUNCIL IS LOCATED, IN CONSULTATION WITH THE SENATORS AND DELEGATES WHO REPRESENT THE COMMUNITIES SURROUNDING THE FACILITY AND THE RESPECTIVE COUNTY COUNCILS, CITY COUNCILS, OR COUNTY COMMISSIONERS:

(I) ONE SENATOR WHO REPRESENTS THE DISTRICT WHERE THE FACILITY IS LOCATED;

(II) TWO DELEGATES WHO REPRESENT THE DISTRICTS WHERE THE COMMUNITIES SURROUNDING THE FACILITY ARE LOCATED;

(III) ONE REPRESENTATIVE OF THE VIDEO LOTTERY OPERATION LICENSEE;

(IV) SEVEN RESIDENTS OF THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE FACILITY; AND

(V) FOUR REPRESENTATIVES OF BUSINESSES OR INSTITUTIONS LOCATED IN IMMEDIATE PROXIMITY TO THE FACILITY.

(C) (1) PRIOR TO ANY EXPENDITURE OF LOCAL DEVELOPMENT GRANT FUNDS PROVIDED UNDER § 9-1A-27 OF THIS SUBTITLE, A COUNTY SHALL DEVELOP A MULTIYEAR PLAN FOR THE EXPENDITURE OF THE LOCAL DEVELOPMENT GRANT FUNDS FOR SERVICES AND IMPROVEMENTS CONSISTENT WITH SUBSECTION (A) OF THIS SECTION.

(2) A COUNTY SHALL CONSULT WITH THE LOCAL DEVELOPMENT COUNCIL ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION IN DEVELOPING THE PLAN REQUIRED UNDER THIS SUBSECTION.

(3) A COUNTY SHALL SUBMIT THE PLAN TO THE LOCAL DEVELOPMENT COUNCIL FOR REVIEW AND COMMENT BEFORE ADOPTING THE PLAN OR EXPENDING ANY GRANT FUNDS.

(4) THE LOCAL DEVELOPMENT COUNCIL SHALL ADVISE THE COUNTY ON THE IMPACT OF THE FACILITY ON THE COMMUNITIES AND THE NEEDS AND PRIORITIES OF THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE FACILITY.

(5) (I) A LOCAL DEVELOPMENT COUNCIL SHALL HAVE 45 DAYS TO REVIEW, COMMENT, AND MAKE RECOMMENDATIONS ON THE PLAN REQUIRED UNDER THIS SUBSECTION.

(II) UPON THE REQUEST OF A LOCAL DEVELOPMENT COUNCIL, THE COUNTY SHALL HOLD A PUBLIC HEARING ON THE PLAN.

(6) A COUNTY SHALL MAKE BEST EFFORTS TO ACCOMMODATE THE RECOMMENDATIONS OF THE LOCAL DEVELOPMENT COUNCIL AND ANY TESTIMONY PRESENTED AT THE HEARING BEFORE ADOPTING THE PLAN REQUIRED UNDER THIS SUBSECTION.

(D) A VIDEO LOTTERY OPERATION LICENSEE SHALL PROVIDE TO THE LOCAL DEVELOPMENT COUNCIL A MASTER PLAN FOR THE DEVELOPMENT OF THE SITE ON WHICH THE VIDEO LOTTERY FACILITY WILL BE LOCATED.

(E) (1) IN THIS SUBSECTION, "ELIGIBLE CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION" MEANS A FINANCIAL INSTITUTION CERTIFIED BY THE UNITED STATES DEPARTMENT OF THE TREASURY AS A CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION THAT HAS:

(I) INVESTED IN SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE STATE FOR AT LEAST A 5-YEAR PERIOD; AND

(II) AT LEAST 75% OF ITS ENTIRE INVESTMENT PORTFOLIO IN EQUITY AND NEAR EQUITY TYPES OF INVESTMENTS MADE FOR THE PURPOSE OF CREATING AND RETAINING JOBS IN ECONOMICALLY DISTRESSED COMMUNITIES IN THE STATE.

(2) SUBJECT TO THE PROVISIONS OF PARAGRAPH (3) OF THIS SUBSECTION, A COUNTY THAT RECEIVES A LOCAL DEVELOPMENT GRANT UNDER THIS SUBTITLE SHALL ALLOCATE AT LEAST 20% OF THE LOCAL DEVELOPMENT GRANT FUNDS EACH YEAR TO THE COUNTY'S ECONOMIC DEVELOPMENT OFFICE FOR INVESTMENTS IN ELIGIBLE CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL

INSTITUTIONS.

(3) THE FUNDS PROVIDED TO ELIGIBLE CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS UNDER THIS SUBSECTION SHALL BE USED TO PROVIDE INVESTMENT CAPITAL AND LOANS TO SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE COUNTY WITH SPECIFIC FOCUS ON ECONOMICALLY DISTRESSED COMMUNITIES IN THE COUNTY AND COMMUNITIES SURROUNDING THE VIDEO LOTTERY FACILITY.”.

AMENDMENT NO. 14

On page 45, in line 28, strike “9-1A-32.” and substitute “9-1A-31.”; and in lines 35 and 36, strike “§ 9-1A-31” and substitute “§ 9-1A-30”.

On page 46, in line 6, strike “A” and substitute “THE”; in line 10, strike “9-1A-33.” and substitute “9-1A-32.”; and in line 12, strike “\$700” and substitute “\$390”.

On page 47, in lines 3 and 11, strike “9-1A-34.” and “9-1A-35.”, respectively, and substitute “9-1A-33.” and “9-1A-34.”, respectively; in line 29, strike “AND” and substitute “OR”; strike beginning with “, EXCEPT” in line 32 down through “APPLY” in line 34; and after line 34, insert:

“(b) (1) The following provisions of this Division II apply to each procurement enumerated in subsection (a) of this section:

(i) § 11-205 of this subtitle (“Fraud in procurement”);

(ii) § 12-204 of this article (“Board approval for designated contracts”);

(iii) Title 12, Subtitle 2 of this article (“Supervision of Capital Expenditures and Real Property Leases”);

(iv) § 13-219 of this article (“Required clauses - Nondiscrimination clause”);

(Over)

- (v) § 13-221 of this article (“Disclosures to Secretary of State”);
- (vi) Title 16 of this article (“Debarment of Contractors”); and
- (vii) Title 17 of this article (“Special Provisions - State and Local Subdivisions”).

(2) Except for procurement under subsection (a)(1)(i) and (xii) and (2)(i) and (vi) of this section, the provisions of Title 14, Subtitle 3 of this article (“Minority business participation”) shall apply to each procurement enumerated in subsection (a) of this section.”.

AMENDMENT NO. 15

On page 48, in line 2, strike “9-1A-36.” and substitute “9-1A-35.”; in line 4, after “(1)” insert “(I)”; in line 5, strike “SEVEN” and substitute “NINE”; after line 5, insert:

“(II) APPOINTMENTS TO THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL BE SUBJECT TO THE APPROVAL OF THE LEGISLATIVE POLICY COMMITTEE.”;

in lines 7 and 9, in each instance, strike the semicolon and substitute a period; in line 10, strike “TWO” and substitute “FIVE”; in line 11, strike “; AND” and substitute a period; strike in their entirety lines 12 and 13; strike in their entirety lines 17 and 18 and substitute:

“(4) THE MEMBERS OF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL CHOOSE A CHAIRMAN FROM AMONG THE MEMBERS.”;

strike line 20 in its entirety; and in lines 21, 22, and 23, strike “(2)”, “(3)”, and “(4)”, respectively, and substitute “(1)”, “(2)”, and “(3)”, respectively.

On page 49, in line 25, strike “LEGISLATIVE SERVICES” and substitute “BUDGET AND MANAGEMENT”.

On pages 49 and 50, strike in their entirety the lines beginning with line 30 on page 49 through line 30 on page 50 and substitute:

“(F) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD MORE THAN A TOTAL OF SEVEN VIDEO LOTTERY OPERATION LICENSES.

(2) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL AWARD LICENSES TO QUALIFIED BIDDERS THROUGH A COMPETITIVE PROCESS CONSISTENT WITH THE PROCESS ESTABLISHED FOR COMPETITIVE SEALED BIDS UNDER TITLE 13 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(3) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD UP TO FOUR VIDEO LOTTERY OPERATION LICENSES TO RACETRACK LOCATIONS.

(4) (I) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD UP TO THREE VIDEO LOTTERY OPERATION LICENSES TO NONRACETRACK DESTINATION LOCATIONS.

(II) A NONRACETRACK DESTINATION LOCATION UNDER THIS SECTION MAY NOT BE LOCATED ON THE SITE OF ANY RACETRACK IN THE STATE EXISTING ON JULY 1, 2004.

(5) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD MORE THAN:

(I) TWO VIDEO LOTTERY OPERATION LICENSES IN ONE COUNTY; AND

(II) A TOTAL OF 7,500 VIDEO LOTTERY TERMINALS FOR OPERATION UNDER VIDEO LOTTERY OPERATION LICENSES IN ONE COUNTY.

(G) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL SET AN APPLICATION FEE TO BE SUBMITTED BY BIDDERS FOR A VIDEO LOTTERY OPERATION LICENSE THAT IS SUFFICIENT TO COVER THE COSTS ASSOCIATED WITH

CONSIDERATION OF THE BID AND QUALIFICATION OF THE BIDDER BY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION AND THE STATE LOTTERY COMMISSION.

(H) (1) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION LICENSE UNDER THIS SECTION:

(I) SHALL BE SUBMITTED BY OCTOBER 1, 2005;

(II) SHALL INCLUDE THE INFORMATION NECESSARY FOR APPLICATION FOR A VIDEO LOTTERY OPERATION LICENSE AS REQUIRED BY THIS SUBTITLE;

(III) SHALL INCLUDE AN APPLICATION FEE ESTABLISHED BY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION FOR THE PURPOSE OF COVERING EXPENSES THAT WILL BE INCURRED BY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION IN CONSIDERING A BID;

(IV) SHALL INCLUDE PROOF THAT FUNDS ARE AVAILABLE TO PAY THE INITIAL LICENSE FEE ESTABLISHED UNDER SUBSECTION (L) OF THIS SECTION IF A VIDEO LOTTERY FACILITY LICENSE IS AWARDED; AND

(V) EXCEPT FOR A RACETRACK LOCATION, MAY NOT OFFER A PERCENTAGE SHARE FOR THE APPLICANT THAT EXCEEDS 30% OF THE GROSS PROCEEDS FROM VIDEO LOTTERY TERMINALS.

(2) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION LICENSE AT A RACETRACK LOCATION MAY NOT OFFER A PERCENTAGE SHARE FOR THE APPLICANT THAT EXCEEDS 36% OF THE GROSS PROCEEDS FROM VIDEO LOTTERY TERMINALS.

(3) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION LICENSE UNDER THIS SECTION SHALL PROVIDE FOR AT LEAST \$15,000,000 IN DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS FOR

EACH 500 VIDEO LOTTERY TERMINALS CONTAINED IN THE PROPOSED BID THAT SHALL BE PRORATED BASED ON THE EXACT NUMBER OF VIDEO LOTTERY TERMINALS CONTAINED IN THE BID.”.

On page 50, in line 31, strike “(J)” and substitute “(I)”; and in line 32, strike “EVALUATE” and substitute “CONSIDER”.

On page 51, strike in their entirety lines 3 and 4 and substitute:

“(III) THE ABILITY TO ATTRACT OUT-OF-STATE GAMING PARTICIPANTS;”;

after line 7, insert:

“(V) THE PROPOSED FACILITY CAPITAL CONSTRUCTION PLANS AND COMPETITIVENESS OF THE PROPOSED FACILITY;”;

in line 8, strike “(V)” and substitute “(VI)”; after line 9, insert:

“(VII) THE AMOUNT OF THE INITIAL LICENSE FEE TO BE PAID; AND”;

in line 10, strike “(VI)” and substitute “(VIII)”; strike beginning with “; AND” in line 12 down through “CREATED” in line 15; in line 19, strike “ANTICIPATED WAGES AND BENEFITS FOR” and substitute “NUMBER OF”; strike in their entirety lines 23 through 31, inclusive, and substitute:

“(4) THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 15% BASED ON LOCATION SITING FACTORS INCLUDING:

(I) THE EXISTING TRANSPORTATION INFRASTRUCTURE SURROUNDING THE PROPOSED FACILITY LOCATION;

(Over)

(II) EXCEPT FOR A RACETRACK LOCATION, THE PROXIMITY OF THE PROPOSED FACILITY LOCATION TO INTERSTATE 95, U.S. ROUTE 50, AND OTHER PARTS OF THE INTERSTATE HIGHWAY SYSTEM;

(III) THE NEED FOR ADDITIONAL PUBLIC INFRASTRUCTURE EXPENDITURES AT THE PROPOSED FACILITY; AND

(IV) THE NEGATIVE IMPACT, IF ANY, OF THE LOCATION ON A RESIDENTIAL COMMUNITY.

(J) (1) A PERSON THAT IS AWARDED A VIDEO LOTTERY OPERATION LICENSE UNDER THIS SECTION SHALL PAY AN INITIAL LICENSE FEE PRIOR TO THE ISSUANCE OF THE LICENSE THAT IS EQUAL TO \$3,000,000 PER 500 VIDEO LOTTERY TERMINALS AWARDED TO THE LICENSEE THAT SHALL BE PRORATED BASED ON THE EXACT NUMBER OF VIDEO LOTTERY TERMINALS AWARDED BY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION.

(2) ALL INITIAL LICENSE FEES SUBMITTED UNDER THIS SUBTITLE SHALL ACCRUE TO THE EDUCATION TRUST FUND UNDER § 9-1A-29 OF THIS SUBTITLE.”;

and in line 33, strike “WHO” and substitute “THAT”.

On page 52, in line 3, strike “WHO” and substitute “THAT”; in line 10, after “DETERMINATION” insert “AS TO”; in line 15, after “(N)” insert “(1)”; after line 19, insert:

“(2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AN APPEAL OF A DECISION OF THE STATE BOARD OF CONTRACT APPEALS UNDER THIS SUBSECTION SHALL BE MADE DIRECTLY TO THE COURT OF APPEALS OF MARYLAND.

(O) (1) NOTHING IN THIS SECTION MAY BE CONSTRUED TO PROHIBIT A VIDEO LOTTERY OPERATION LICENSEE THAT IS AWARDED A LICENSE AT A RACETRACK LOCATION FROM BEGINNING VIDEO LOTTERY TERMINAL OPERATIONS IN A TEMPORARY FACILITY THAT MEETS THE MINIMUM REQUIREMENTS

ESTABLISHED IN REGULATIONS ADOPTED BY THE STATE LOTTERY COMMISSION.

(2) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OF THIS SUBSECTION, A VIDEO LOTTERY OPERATION LICENSEE AT A RACETRACK LOCATION SHALL BE FULLY OPERATIONAL IN A PERMANENT FACILITY NO LATER THAN 2 YEARS AFTER THE ISSUANCE OF THE VIDEO LOTTERY OPERATION LICENSE.”;

in line 20, strike “(O)” and substitute “(P)”; and in line 21, strike “FOUR” and substitute “SEVEN”.

AMENDMENT NO. 16

On page 52, in line 34, strike “AND” and substitute “OR”.

On page 53, in line 4, strike “AND” and substitute “OR”; in lines 12 and 13, in each instance, strike the comma; strike beginning with “educational” in line 15 down through “renovation” in line 16 and substitute “public education”; in line 20, strike “the bill” and substitute “this Act”; in line 33, strike “December 15, 2005” and substitute “December 1, 2006”; in line 34, strike “2006” and substitute “2007”; in line 35, strike “2007” and substitute “2008”; in line 37, strike “2008” and substitute “2009”; after line 37, insert:

“SECTION 8. AND BE IT FURTHER ENACTED, That, if a license is issued for a location at the Pimlico Race Course, the Department of Transportation shall study the impact of the increased traffic resulting from any proposed operation of video lottery terminals at Pimlico Race Course, including the need for an interchange on Jones Falls Expressway between Northern Parkway and Interstate 695. The Department of Transportation shall provide a final report on the study required under this section to the General Assembly, in accordance with § 2-1246 of the State Government Article, within 6 months after the issuance of the license for a location at the Pimlico Race Course. The cost of the study undertaken by the Department of Transportation under this section shall be paid by the holder of the license issued for a location at the Pimlico Race Course. Notwithstanding § 9-1A-31 of the State Government Article, as enacted by Section 1 of this Act, the costs of any improvements to the streets and roads in the neighborhoods surrounding Pimlico Race Course and for the planning, design, and construction of an interchange on the Jones Falls Expressway between Northern Parkway and Interstate 695 that are recommended in the study or are needed to facilitate access to Pimlico Race Course and mitigate the increased traffic resulting from any proposed

(Over)

operation of video lottery terminals at Pimlico Race Course are the sole responsibility of the holder of the license issued for a location at the Pimlico Race Course, and may not be paid from any State money, including money from the Transportation Trust Fund or highway user revenues allocated to the counties.”;

in line 38, strike “8.” and substitute “9.”; and in line 42, strike “2006” and substitute “2007”.

On page 54, in lines 1 and 2, strike “2007” and “2008”, respectively, and substitute “2008” and “2009”, respectively; strike in their entirety lines 3 through 28, inclusive; in line 29, strike “11.” and substitute “10.”; in line 30, strike “5” and substitute “2”; and in lines 31 and 33, in each instance, strike “fourth” and substitute “seventh”.

On page 55, in lines 3 and 9, strike “12.” and “13.”, respectively, and substitute “11.” and “12.”, respectively; in line 10, strike “11” and “12”, respectively, and substitute “10” and “11”, respectively.