
By: **Delegates C. Davis, Jennings, and Glassman**

Introduced and read first time: February 7, 2005

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Public Education Bridge to Excellence - Funding - Video Lottery Terminals**

3 FOR the purpose of requiring the State Lottery Commission to regulate the operation
4 of certain video lottery terminals; requiring the Governor to appoint a member
5 of the State Racing Commission as a liaison to the State Lottery Commission;
6 altering the number of members of the State Lottery Commission; specifying
7 certain requirements for members of the State Lottery Commission; requiring
8 the Governor to appoint a member of the State Lottery Commission as a liaison
9 to the State Racing Commission; providing that members of the State Lottery
10 Commission may be compensated as provided in the State budget; providing
11 that this Act is statewide and exclusive in its effect and that certain laws do not
12 apply to video lottery terminals authorized under this Act; authorizing the
13 operation of video lottery terminals connected to a central computer that allows
14 the State Lottery Commission to monitor a video lottery terminal and that has
15 certain capabilities; requiring that all video lottery terminals be connected to
16 the central computer; prohibiting access to the central computer to certain
17 licensees with a certain exception; providing that only a person with a certain
18 video lottery operation license may offer a video lottery terminal for public use
19 in the State; authorizing the State Lottery Commission to conduct certain
20 investigations and hearings; requiring the State Lottery Commission to adopt
21 certain regulations; authorizing the State Lottery Commission to require a
22 certain bond; authorizing the State Lottery Commission to conduct certain
23 inspections and examinations of certain premises, property, and financial
24 information, and records without notice or warrant and to seize or assume
25 physical control of certain property; authorizing the State Lottery Commission
26 to issue a certain number of Class A video lottery operation licenses and a
27 certain number of Class B video lottery operation licenses; establishing a
28 licensing process and certain eligibility criteria for applicants for Class A video
29 lottery operation licenses and Class B video lottery operation licenses; requiring
30 the State Lottery Commission to conduct an auction of Class B video lottery
31 operation licenses and limiting the auction to certain applicants; requiring video
32 lottery operators, video lottery manufacturers, video lottery employees, and
33 certain other persons to be licensed; authorizing the State Lottery Commission
34 to establish certain license fees; requiring applicants for licenses to submit to
35 the State Lottery Commission certain information; requiring certain applicants

1 for licenses and licensees to fulfill certain requirements and supply certain
2 information; requiring business entities that apply for a video lottery operation
3 license to provide certain information to the State Lottery Commission;
4 requiring the State Lottery Commission to deny a video lottery operation license
5 to applicants under certain circumstances; requiring certain applicants for a
6 certain Class B video lottery operation license and certain applicants for a
7 certain Class A video operation license to meet certain requirements; requiring
8 certain video lottery operation licensees to maintain certain numbers of live
9 racing days; providing that the license of certain video lottery operation
10 licensees may be revoked if a certain horse racing event or trade names and
11 other items related to the event are transferred outside the State; requiring a
12 certain licensee to conduct a certain annual race with certain exceptions;
13 requiring certain licensees in consultation with certain organizations to develop
14 and submit to the State Lottery Commission a plan to improve the quality and
15 marketing of horse racing at certain locations; requiring certain plans to include
16 certain information; requiring the State Lottery Commission to submit by a
17 certain time to the Legislative Policy Committee of the General Assembly
18 certain information on the equity owners and prospective equity owners of an
19 applicant for a video lottery operation license; requiring certain applicants and
20 licensees to comply with certain provisions of law relating to minority business
21 participation; specifying that certain collective bargaining agreements do not
22 negate certain provisions of this Act; providing for the monitoring of certain
23 provisions of this Act by the Governor's Office of Minority Affairs; terminating
24 certain provisions of this Act by a certain date; requiring certain applicants to
25 submit to the State Lottery Commission applications and certain application
26 fees by a certain date; providing that video lottery operation licenses not issued
27 for a location revert to the State; requiring certain persons who contract with
28 each other to qualify under certain standards and provisions under this Act;
29 providing for certain license terms and requiring that licensees provide to the
30 State Lottery Commission certain information during the initial term of a video
31 lottery operation license; providing for certain disqualifying criteria for certain
32 licenses; requiring a manufacturer to hold a valid manufacturer license before
33 engaging in certain activities; prohibiting the State Lottery Commission to
34 grant an exemption or waiver of certain licensing requirements, with certain
35 exceptions; authorizing certain licenses to be renewed under certain conditions;
36 stating the intent of the General Assembly relating to video lottery operation
37 licenses; prohibiting a video lottery operation license from being transferred or
38 pledged as collateral; prohibiting certain licensees from selling or otherwise
39 transferring more than a certain percentage of the legal or beneficial interest
40 unless certain conditions are met; specifying with a certain exception that
41 certain licenses are automatically revoked at a certain time; requiring the
42 Department of State Police to conduct certain background investigations in a
43 certain manner; requiring the State Lottery Commission to buy or lease the
44 video lottery terminals, associated equipment, and central computer authorized
45 under this Act; authorizing under certain conditions a video lottery operation
46 licensee to select the types of video lottery terminals that the licensee desires to
47 install; authorizing the State Lottery Commission to authorize a certain number
48 of video lottery terminals for operation under a Class A video lottery operation

1 license at certain locations; specifying with certain exceptions an average
2 annual payout percentage for video lottery terminals; specifying the hours of
3 operation for a video lottery facility; requiring a video lottery operator licensee
4 to be responsible for all marketing, advertising, and promotion for its video
5 lottery operation; prohibiting a video lottery operation licensee from offering
6 food or beverages at no cost with a certain exception or from offering food and
7 beverages below certain prices; requiring the State Lottery Commission to
8 provide by regulation for the establishment of a list of individuals who are to be
9 mandatorily excluded or ejected from a video lottery operation; requiring that
10 certain regulations include certain standards for exclusion or ejection from video
11 lottery operations; authorizing the State Lottery Commission to reprimand a
12 licensee or deny, suspend, or revoke certain licenses under certain
13 circumstances; providing with a certain exception that this Act does not
14 abrogate or limit the authority of the General Assembly from enacting certain
15 statutes; requiring the Comptroller to distribute certain money in a certain
16 manner; requiring the Comptroller to pay from certain proceeds certain costs
17 and make certain payments; establishing a Thoroughbred Purse Dedication
18 Fund and a Standardbred Purse Dedication Fund under the authority of the
19 State Racing Commission; providing for certain distributions from video lottery
20 proceeds to the Thoroughbred Purse Dedication Fund and the Standardbred
21 Purse Dedication Fund; providing for certain distributions from the
22 Thoroughbred Purse Dedication Fund and the Standardbred Purse Dedication
23 Fund for certain types of horse racing; establishing an Education Trust Fund;
24 providing for certain distribution from video lottery proceeds to the Education
25 Trust Fund; requiring that money in the Education Trust Fund be used for
26 certain purposes; specifying that certain local development grants should be
27 used for certain purposes; providing for the creation of certain local development
28 councils; providing for the appointment and membership of certain local
29 development councils; requiring certain counties to develop certain plans to be
30 reviewed by certain local development councils; authorizing the State to pay for
31 the reasonable transportation costs for certain purposes; requiring that a
32 comprehensive transportation plan be developed by certain counties in
33 consultation with certain development councils and be approved by the
34 Department of Transportation; requiring the Department of Transportation to
35 facilitate certain negotiations; requiring the State Lottery Commission to
36 establish a certain annual fee and to distribute revenue from the fee to the
37 Compulsive Gambling Fund; creating a Compulsive Gambling Fund in the
38 Department of Health and Mental Hygiene; providing for certain disbursements
39 from the Compulsive Gambling Fund for certain purposes; requiring the State
40 Lottery Commission to make a certain annual report to the Governor and the
41 General Assembly; making certain procurement made by the State Lottery
42 Agency for a certain purpose exempt from certain provisions of law; making the
43 provisions of this Act severable; requiring that a certain certification entity
44 conduct certain studies and make certain reports; requiring the Department of
45 Transportation to conduct a certain study and make a certain report by a certain
46 date; providing for the staggering of the terms of certain new members of the
47 State Lottery Commission; defining certain terms; providing for the termination
48 of certain provisions of this Act; providing that certain provisions of this Act are

1 contingent on the termination of another Act; and generally relating to the
2 operation of video lottery terminals at certain locations in the State.

3 BY adding to

4 Article - Business Regulation
5 Section 11-202(g)
6 Annotated Code of Maryland
7 (2004 Replacement Volume)

8 BY adding to

9 Article - State Government
10 Section 9-1A-01 through 9-1A-34 to be under the new subtitle "Subtitle 1A.
11 Video Lottery Terminals"
12 Annotated Code of Maryland
13 (2004 Replacement Volume)

14 BY repealing and reenacting, with amendments,

15 Article - State Finance and Procurement
16 Section 11-203(a)(1)(xviii) and (xix)
17 Annotated Code of Maryland
18 (2001 Replacement Volume and 2004 Supplement)

19 BY adding to

20 Article - State Finance and Procurement
21 Section 11-203(a)(1)(xx)
22 Annotated Code of Maryland
23 (2001 Replacement Volume and 2004 Supplement)

24 BY repealing and reenacting, with amendments,

25 Article - State Finance and Procurement
26 Section 11-203(b)(3)
27 Annotated Code of Maryland
28 (2001 Replacement Volume and 2004 Supplement)

29 BY repealing and reenacting, with amendments,

30 Article - State Finance and Procurement
31 Section 11-203(b)(2)
32 Annotated Code of Maryland
33 (2001 Replacement Volume and 2004 Supplement)
34 (As enacted by Chapter 402 of the Acts of the General Assembly of 2003)

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

1 **Article - Business Regulation**

2 11-202.

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

6 **Article - State Government**

7 SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

8 9-1A-01.

9 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
10 INDICATED.

11 (B) "APPLICANT" MEANS A PERSON WHO APPLIES FOR ANY LICENSE
12 REQUIRED UNDER THIS SUBTITLE.

13 (C) "ASSOCIATED EQUIPMENT" MEANS HARDWARE LOCATED ON THE
14 LICENSEE'S PREMISES THAT IS CONNECTED TO THE VIDEO LOTTERY SYSTEM FOR
15 THE PURPOSE OF PERFORMING COMMUNICATION, VALIDATION, OR OTHER
16 FUNCTIONS, BUT NOT INCLUDING THE COMMUNICATION FACILITIES OF A
17 REGULATED UTILITY OR THE VIDEO LOTTERY TERMINALS.

18 (D) "AVERAGE ANNUAL PAYOUT PERCENTAGE" MEANS THE AVERAGE
19 ANNUAL PERCENTAGE OF MONEY USED BY PLAYERS TO PLAY A VIDEO LOTTERY
20 TERMINAL THAT IS RETURNED TO PLAYERS OF THAT VIDEO LOTTERY TERMINAL.

21 (E) "BACKGROUND INVESTIGATION" MEANS A SECURITY, CRIMINAL, AND
22 CREDIT INVESTIGATION OF A PERSON WHO APPLIES FOR OR WHO IS GRANTED A
23 LICENSE UNDER THIS SUBTITLE.

24 (F) "CAREER OFFENDER" MEANS A PERSON WHOSE BEHAVIOR IS PURSUED IN
25 AN OCCUPATIONAL MANNER OR CONTEXT FOR THE PURPOSE OF ECONOMIC GAIN
26 AND WHO UTILIZES METHODS THAT ARE DEEMED BY THE COMMISSION AS CRIMINAL
27 VIOLATIONS INIMICAL TO THE INTEREST OF THE STATE.

28 (G) "CAREER OFFENDER CARTEL" MEANS A GROUP OF PERSONS WHO
29 OPERATE TOGETHER AS CAREER OFFENDERS.

30 (H) "CENTRAL COMPUTER" MEANS A CENTRAL SITE COMPUTER PROVIDED TO
31 AND CONTROLLED BY THE COMMISSION TO WHICH VIDEO LOTTERY TERMINALS
32 COMMUNICATE FOR PURPOSES OF:

33 (1) INFORMATION RETRIEVAL; AND

34 (2) PROGRAMS TO ACTIVATE AND DISABLE VIDEO LOTTERY TERMINALS.

1 (I) "COMMISSION" MEANS THE STATE LOTTERY COMMISSION.

2 (J) "CONTROL" MEANS THE AUTHORITY TO DIRECT THE MANAGEMENT AND
3 POLICIES OF AN APPLICANT OR LICENSEE.

4 (K) "COSTS" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE
5 EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS
6 SUBTITLE, INCLUDING:

7 (1) THE COSTS TO ACQUIRE, REPAIR, AND MAINTAIN THE CENTRAL
8 COMPUTER TO THE EXTENT THESE COSTS ARE NOT INCLUDED IN THE COSTS OF
9 LEASING OR PURCHASING THE CENTRAL COMPUTER;

10 (2) THE COSTS OF TESTING AND EXAMINATION OF VIDEO LOTTERY
11 TERMINALS; AND

12 (3) THE COSTS OF PERFORMING BACKGROUND INVESTIGATIONS AND
13 OTHER RELATED ACTIVITIES.

14 (L) "COUNTY" INCLUDES BALTIMORE CITY.

15 (M) "EQUIPMENT COSTS" MEANS THE COSTS OF LEASING OR THE
16 CAPITALIZED COST OF PURCHASING THE VIDEO LOTTERY TERMINALS AND
17 ASSOCIATED EQUIPMENT.

18 (N) "FAMILY" MEANS SPOUSE, PARENTS, GRANDPARENTS, CHILDREN,
19 GRANDCHILDREN, SIBLINGS, UNCLES, AUNTS, NEPHEWS, NIECES, FATHERS-IN-LAW,
20 MOTHERS-IN-LAW, DAUGHTERS-IN-LAW, SONS-IN-LAW, BROTHERS-IN-LAW, OR
21 SISTERS-IN-LAW, WHETHER BY WHOLE BLOOD OR HALF BLOOD, BY MARRIAGE,
22 ADOPTION, OR NATURAL RELATIONSHIP.

23 (O) "LICENSE" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, A
24 LICENSE REQUIRED UNDER THIS SUBTITLE.

25 (P) "LICENSEE" MEANS AN APPLICANT WHO HAS BEEN ISSUED A LICENSE
26 REQUIRED UNDER THIS SUBTITLE.

27 (Q) "MANUFACTURER" MEANS A PERSON:

28 (1) THAT IS ENGAGED IN THE BUSINESS OF DESIGNING, BUILDING,
29 CONSTRUCTING, ASSEMBLING, MANUFACTURING, OR DISTRIBUTING:

30 (I) A CENTRAL COMPUTER;

31 (II) A CENTRAL COMPUTER SOFTWARE SYSTEM;

32 (III) VIDEO LOTTERY TERMINALS;

33 (IV) ASSOCIATED EQUIPMENT;

1 (V) ELECTRONIC COMPUTER COMPONENTS OF VIDEO LOTTERY
2 TERMINALS;

3 (VI) THE RANDOM NUMBER GENERATOR OF VIDEO LOTTERY
4 TERMINALS; OR

5 (VII) THE CABINET IN WHICH A VIDEO LOTTERY TERMINAL IS
6 HOUSED;

7 (2) THAT PRODUCES A PRODUCT THAT IS INTENDED FOR SALE, LEASE,
8 OR OTHER ASSIGNMENT TO THE COMMISSION OR A LICENSEE; AND

9 (3) THAT CONTRACTS WITH THE COMMISSION OR A LICENSEE FOR THE
10 SALE, LEASE, OR OTHER ASSIGNMENT.

11 (R) "OWN" MEANS HAVING A BENEFICIAL OR PROPRIETARY INTEREST OF AT
12 LEAST 10% IN THE PROPERTY OR BUSINESS OF AN APPLICANT OR LICENSEE.

13 (S) "PLAYER" MEANS AN INDIVIDUAL WHO PLAYS A VIDEO LOTTERY
14 TERMINAL AT A VIDEO LOTTERY FACILITY LICENSED BY THE COMMISSION.

15 (T) "PROCEEDS" MEANS THE PART OF THE AMOUNT OF MONEY BET THROUGH
16 VIDEO LOTTERY TERMINALS THAT IS NOT RETURNED TO SUCCESSFUL PLAYERS BUT
17 IS OTHERWISE ALLOCATED UNDER THIS SUBTITLE.

18 (U) "PROGRESSIVE JACKPOT" MEANS A PRIZE THAT INCREASES AS ONE OR
19 MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE JACKPOT
20 SYSTEM.

21 (V) "PROGRESSIVE JACKPOT SYSTEM" MEANS THE CAPABILITY OF THE
22 CENTRAL COMPUTER TO LINK ONE OR MORE VIDEO LOTTERY TERMINALS IN ONE OR
23 MORE LICENSED FACILITIES AND TO OFFER ONE OR MORE COMMON PROGRESSIVE
24 JACKPOTS.

25 (W) "VIDEO LOTTERY" MEANS GAMING OR BETTING CONDUCTED USING A
26 VIDEO LOTTERY TERMINAL.

27 (X) "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE OF A PERSON WHO
28 HOLDS A LICENSE.

29 (Y) "VIDEO LOTTERY FACILITY" MEANS A FACILITY AT WHICH PLAYERS PLAY
30 VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.

31 (Z) "VIDEO LOTTERY OPERATION LICENSE" MEANS A LICENSE ISSUED TO A
32 HORSE RACETRACK THAT ALLOWS PLAYERS TO OPERATE VIDEO LOTTERY
33 TERMINALS.

34 (AA) (1) "VIDEO LOTTERY TERMINAL" MEANS ANY MACHINE OR OTHER
35 DEVICE THAT, ON INSERTION OF A BILL, COIN, TOKEN, VOUCHER, TICKET, COUPON,
36 OR SIMILAR ITEM, OR ON PAYMENT OF ANY CONSIDERATION:

1 (I) IS AVAILABLE TO PLAY OR SIMULATE THE PLAY OF ANY GAME
2 OF CHANCE IN WHICH THE RESULTS, INCLUDING THE OPTIONS AVAILABLE TO THE
3 PLAYER, ARE RANDOMLY AND IMMEDIATELY DETERMINED BY THE MACHINE OR
4 OTHER DEVICE; AND

5 (II) BY THE ELEMENT OF CHANCE, MAY DELIVER OR ENTITLE THE
6 PLAYER WHO OPERATES THE MACHINE OR DEVICE TO RECEIVE CASH, PREMIUMS,
7 MERCHANDISE, TOKENS, OR ANYTHING OF VALUE, WHETHER THE PAYOUT IS MADE
8 AUTOMATICALLY FROM THE DEVICE OR IN ANY OTHER MANNER.

9 (2) "VIDEO LOTTERY TERMINAL" INCLUDES A MACHINE OR DEVICE:

10 (I) THAT DOES NOT DIRECTLY DISPENSE MONEY, TOKENS, OR
11 ANYTHING OF VALUE TO WINNING PLAYERS; AND

12 (II) AS DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION,
13 THAT USES AN ELECTRONIC CREDIT SYSTEM MAKING THE DEPOSIT OF BILLS, COINS,
14 OR TOKENS UNNECESSARY.

15 (3) "VIDEO LOTTERY TERMINAL" DOES NOT INCLUDE AN AUTHORIZED
16 SLOT MACHINE OPERATED BY AN ELIGIBLE ORGANIZATION UNDER TITLE 12,
17 SUBTITLE 3 OF THE CRIMINAL LAW ARTICLE.

18 9-1A-02.

19 (A) THIS SUBTITLE IS STATEWIDE AND EXCLUSIVE IN ITS EFFECT.

20 (B) THE COMMISSION SHALL REGULATE THE OPERATION OF VIDEO LOTTERY
21 TERMINALS IN ACCORDANCE WITH THIS SUBTITLE.

22 (C) (1) THIS SUBTITLE AUTHORIZES THE OPERATION OF VIDEO LOTTERY
23 TERMINALS CONNECTED TO A CENTRAL COMPUTER THAT ALLOWS THE COMMISSION
24 TO MONITOR A VIDEO LOTTERY TERMINAL.

25 (2) (I) THE COMMISSION SHALL PROVIDE AND OPERATE A SINGLE
26 CENTRAL COMPUTER.

27 (II) ALL LICENSED VIDEO LOTTERY TERMINALS SHALL BE
28 CONNECTED TO THE CENTRAL COMPUTER.

29 (3) THE CENTRAL COMPUTER SHALL BE CAPABLE OF:

30 (I) CONFORMING TO THE PROTOCOLS OF THE VIDEO LOTTERY
31 TERMINALS LEASED OR PURCHASED BY THE COMMISSION UNDER THIS SUBTITLE;

32 (II) CONTINUOUSLY MONITORING, RETRIEVING, AND AUDITING
33 THE OPERATIONS, FINANCIAL DATA, AND PROGRAM INFORMATION OF ALL VIDEO
34 LOTTERY TERMINALS;

35 (III) ALLOWING THE COMMISSION TO ACCOUNT FOR ALL MONEY
36 INSERTED IN AND PAYOUTS MADE FROM ANY VIDEO LOTTERY TERMINAL;

1 (IV) DISABLING FROM OPERATION OR PLAY ANY VIDEO LOTTERY
2 TERMINAL THAT COMMISSION DEEMS NECESSARY TO CARRY OUT THE PROVISIONS
3 OF THIS SUBTITLE; AND

4 (V) SUPPORTING A PROGRESSIVE JACKPOT SYSTEM CAPABLE OF
5 OPERATING ONE OR MORE PROGRESSIVE JACKPOTS.

6 (4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
7 PARAGRAPH, THE COMMISSION MAY NOT ALLOW A VIDEO LOTTERY OPERATION
8 LICENSEE TO HAVE ACCESS TO THE CENTRAL COMPUTER SYSTEM OR INFORMATION
9 FROM THE CENTRAL COMPUTER SYSTEM.

10 (II) AS LONG AS THE ACCESS DOES NOT IN ANY WAY AFFECT THE
11 INTEGRITY OR SECURITY OF THE CENTRAL COMPUTER SYSTEM, THE COMMISSION
12 MAY ALLOW A VIDEO LOTTERY OPERATION LICENSEE TO HAVE ACCESS TO
13 INFORMATION FROM THE CENTRAL COMPUTER THAT ALLOWS THE LICENSEE TO
14 OPERATE A PLAYER TRACKING SYSTEM OR OBTAIN OTHER INFORMATION
15 PERTINENT TO THE LEGITIMATE OPERATION OF A VIDEO LOTTERY FACILITY.

16 (D) ONLY A PERSON WITH A VIDEO LOTTERY OPERATION LICENSE ISSUED BY
17 THE COMMISSION MAY OFFER A VIDEO LOTTERY TERMINAL FOR PUBLIC USE IN THE
18 STATE UNDER THIS SUBTITLE.

19 9-1A-03.

20 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ANY
21 ADDITIONAL FORMS OR EXPANSION OF COMMERCIAL GAMING OTHER THAN AS
22 EXPRESSLY PROVIDED IN THIS SUBTITLE ARE PROHIBITED.

23 (B) THIS SECTION DOES NOT APPLY TO:

24 (1) LOTTERIES CONDUCTED UNDER SUBTITLE 1 OF THIS TITLE;

25 (2) WAGERING ON HORSE RACING CONDUCTED UNDER TITLE 11 OF THE
26 BUSINESS REGULATION ARTICLE;

27 (3) THE OPERATION OF SLOT MACHINES AS PROVIDED UNDER TITLES 12
28 AND 13 OF THE CRIMINAL LAW ARTICLE; OR

29 (4) GAMING CONDUCTED BY A BONA FIDE FRATERNAL, CIVIC, WAR
30 VETERAN, RELIGIOUS OR CHARITABLE ORGANIZATION, VOLUNTEER FIRE COMPANY,
31 OR SUBSTANTIALLY SIMILAR ORGANIZATION UNDER TITLES 12 AND 13 OF THE
32 CRIMINAL LAW ARTICLE.

33 9-1A-04.

34 (A) THE COMMISSION SHALL:

1 (1) HEAR AND DECIDE, PROMPTLY AND IN REASONABLE ORDER,
2 LICENSE APPLICATIONS AND CAUSES AFFECTING THE GRANTING, SUSPENSION,
3 REVOCATION, OR RENEWAL OF LICENSES UNDER THIS SUBTITLE;

4 (2) AFTER A HEARING, SUSPEND OR REVOKE AS APPLICABLE THE
5 LICENSE OF A LICENSEE WHO HAS A LICENSE SUSPENDED OR REVOKED IN
6 ANOTHER STATE;

7 (3) CONDUCT HEARINGS CONCERNING CIVIL VIOLATIONS OF THIS
8 SUBTITLE OR REGULATIONS ISSUED UNDER THIS SUBTITLE;

9 (4) COLLECT APPLICATION, LICENSE, AND OTHER FEES TO COVER THE
10 ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED TO LICENSING;

11 (5) DEPOSIT APPLICATION, LICENSE, AND OTHER FEES TO A BANK
12 ACCOUNT THAT THE STATE TREASURER DESIGNATES TO THE CREDIT OF THE STATE
13 LOTTERY FUND TO COVER THE ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED
14 TO LICENSING;

15 (6) LEVY AND COLLECT CIVIL PENALTIES FOR CIVIL VIOLATIONS OF
16 THE PROVISIONS OF THIS SUBTITLE OR REGULATIONS ISSUED UNDER THIS
17 SUBTITLE;

18 (7) BE PRESENT AT A VIDEO LOTTERY OPERATION THROUGH ITS
19 EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO
20 LOTTERY TERMINAL FOR THE PURPOSE OF CERTIFYING REVENUE FROM THE VIDEO
21 LOTTERY TERMINALS, RECEIVING COMPLAINTS FROM THE PUBLIC, AND
22 CONDUCTING ANY OTHER INVESTIGATION INTO THE OPERATION OF THE VIDEO
23 LOTTERY TERMINALS AND THE MAINTENANCE OF THE VIDEO LOTTERY TERMINALS
24 AND ASSOCIATED EQUIPMENT AS THE COMMISSION MAY DEEM NECESSARY AND
25 PROPER; AND

26 (8) REVIEW AND RULE ON ANY COMPLAINT BY A LICENSEE REGARDING
27 ANY INVESTIGATIVE PROCEDURES OF THE COMMISSION THAT ARE UNNECESSARILY
28 DISRUPTIVE OF VIDEO LOTTERY OPERATIONS.

29 (B) THE COMMISSION MAY:

30 (1) ISSUE SUBPOENAS TO COMPEL THE ATTENDANCE OF WITNESSES AT
31 ANY PLACE WITHIN THE STATE IN THE COURSE OF ANY INVESTIGATION OR HEARING
32 CONDUCTED UNDER THIS SUBTITLE;

33 (2) ADMINISTER OATHS AND REQUIRE TESTIMONY UNDER OATH
34 BEFORE THE COMMISSION IN THE COURSE OF ANY INVESTIGATION OR HEARING
35 CONDUCTED UNDER THIS SUBTITLE;

36 (3) SERVE OR CAUSE TO BE SERVED ITS PROCESS OR NOTICES IN A
37 MANNER PROVIDED FOR SERVICE OF PROCESS IN CIVIL ACTIONS UNDER THE
38 MARYLAND RULES; AND

1 (4) PROPOUND WRITTEN INTERROGATORIES.

2 (C) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE COMMISSION
3 SHALL CONDUCT A HEARING IN THE SAME MANNER AS SPECIFIED IN TITLE 10,
4 SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

5 (D) THE COMMISSION SHALL ADOPT REGULATIONS THAT INCLUDE THE
6 FOLLOWING SPECIFIC PROVISIONS IN ACCORDANCE WITH THIS SUBTITLE:

7 (1) ESTABLISHING THE METHODS AND FORMS OF APPLICATION THAT
8 AN APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE SHALL FOLLOW
9 AND COMPLETE BEFORE CONSIDERATION OF THE APPLICATION BY THE
10 COMMISSION;

11 (2) ESTABLISHING THE METHODS, PROCEDURES, AND FORM FOR
12 DELIVERY OF INFORMATION FROM AN APPLICANT OR LICENSEE CONCERNING ANY
13 PERSON'S FAMILY, HABITS, CHARACTER, ASSOCIATES, CRIMINAL RECORD, BUSINESS
14 ACTIVITIES, AND FINANCIAL AFFAIRS;

15 (3) ESTABLISHING THE PROCEDURES FOR THE FINGERPRINTING OF AN
16 APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE OR OTHER
17 METHODS OF IDENTIFICATION THAT MAY BE NECESSARY IN THE JUDGMENT OF THE
18 COMMISSION TO ACCOMPLISH EFFECTIVE ENFORCEMENT OF THE PROVISIONS OF
19 THIS SUBTITLE;

20 (4) ESTABLISHING THE MANNER AND PROCEDURE OF HEARINGS
21 CONDUCTED BY THE COMMISSION;

22 (5) ESTABLISHING THE MANNER AND METHOD OF COLLECTION OF
23 TAXES, FEES, AND CIVIL PENALTIES;

24 (6) DEFINING AND LIMITING THE AREAS OF OPERATION FOR VIDEO
25 LOTTERY TERMINALS, RULES OF VIDEO LOTTERY TERMINALS, ODDS FOR VIDEO
26 LOTTERY TERMINALS, AND THE METHOD OF OPERATION OF THE VIDEO LOTTERY
27 TERMINALS;

28 (7) REGULATING THE PRACTICE AND PROCEDURES FOR NEGOTIABLE
29 TRANSACTIONS INVOLVING PLAYERS, INCLUDING LIMITATIONS ON THE
30 CIRCUMSTANCES AND AMOUNTS OF NEGOTIABLE TRANSACTIONS AND THE
31 ESTABLISHMENT OF FORMS AND PROCEDURES FOR NEGOTIABLE INSTRUMENT
32 TRANSACTIONS, REDEMPTIONS, AND CONSOLIDATIONS;

33 (8) PRESCRIBING THE GROUNDS AND PROCEDURES FOR REPRIMANDS
34 OF LICENSEES OR THE REVOCATION OR SUSPENSION OF LICENSES ISSUED UNDER
35 THIS SUBTITLE;

36 (9) GOVERNING THE MANUFACTURE, DISTRIBUTION, SALE, AND
37 SERVICING OF VIDEO LOTTERY TERMINALS;

1 (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF
2 MANAGEMENT CONTROLS;

3 (11) PROVIDING FOR MINIMUM UNIFORM STANDARDS OF ACCOUNTANCY
4 METHODS, PROCEDURES, AND FORMS AS ARE NECESSARY TO ASSURE CONSISTENCY,
5 COMPARABILITY, AND EFFECTIVE DISCLOSURE OF ALL FINANCIAL INFORMATION,
6 INCLUDING PERCENTAGES OF PROFIT FOR VIDEO LOTTERY TERMINALS;

7 (12) ESTABLISHING PERIODIC FINANCIAL REPORTS AND THE FORM OF
8 THE REPORTS, INCLUDING AN ANNUAL AUDIT PREPARED BY A CERTIFIED PUBLIC
9 ACCOUNTANT LICENSED TO DO BUSINESS IN THE STATE, DISCLOSING WHETHER
10 THE ACCOUNTS, RECORDS, AND CONTROL PROCEDURES EXAMINED ARE
11 MAINTAINED BY THE VIDEO LOTTERY OPERATION LICENSEE AS REQUIRED BY THIS
12 SUBTITLE AND THE REGULATIONS THAT SHALL BE ISSUED UNDER THIS SUBTITLE;

13 (13) REQUIRING LICENSEES UNDER THIS SUBTITLE TO DEMONSTRATE
14 AND MAINTAIN FINANCIAL VIABILITY;

15 (14) ENSURING THAT THE OPERATION OF VIDEO LOTTERY TERMINALS
16 AND VIDEO LOTTERY FACILITIES IS CONDUCTED LEGALLY;

17 (15) ESTABLISHING AN AUCTION UNDER WHICH APPLICANTS ARE
18 CERTIFIED TO BE ELIGIBLE TO APPLY FOR A CLASS B VIDEO LOTTERY FACILITY
19 LICENSE; AND

20 (16) OTHERWISE CARRYING OUT THE PROVISIONS OF THIS SUBTITLE.

21 (E) (1) THE COMMISSION MAY BY REGULATION REQUIRE AN APPLICANT OR
22 LICENSEE TO FILE A BOND FOR THE BENEFIT OF THE STATE FOR THE FAITHFUL
23 PERFORMANCE OF THE REQUIREMENTS IMPOSED BY THIS SUBTITLE AND ANY
24 REGULATIONS ISSUED UNDER THIS SUBTITLE.

25 (2) IF THE COMMISSION REQUIRES A BOND UNDER PARAGRAPH (1) OF
26 THIS SUBSECTION, AN APPLICANT OR LICENSEE SHALL OBTAIN AND SUBMIT
27 SATISFACTORY PROOF OF THE BOND TO THE COMMISSION BEFORE A LICENSE IS
28 ISSUED OR REISSUED.

29 (3) THE BONDS FURNISHED MAY BE APPLIED BY THE COMMISSION TO
30 THE PAYMENT OF AN UNPAID LIABILITY OF THE LICENSEE.

31 (F) (1) THE COMMISSION SHALL PROMPTLY AND THOROUGHLY
32 INVESTIGATE ALL APPLICATIONS AND ENFORCE THIS SUBTITLE AND REGULATIONS
33 THAT ARE ADOPTED UNDER THIS SUBTITLE.

34 (2) THE COMMISSION AND ITS EMPLOYEES AND AGENTS SHALL HAVE
35 THE AUTHORITY, WITHOUT NOTICE AND WITHOUT WARRANT, TO:

36 (I) INSPECT AND EXAMINE ALL PREMISES IN WHICH VIDEO
37 LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE CONDUCTED OR IN WHICH ANY
38 AUTHORIZED VIDEO LOTTERY TERMINAL, ASSOCIATED EQUIPMENT, OR CENTRAL

1 COMPUTER IS DESIGNED, BUILT, CONSTRUCTED, ASSEMBLED, MANUFACTURED,
2 SOLD, DISTRIBUTED, OR SERVICED, OR IN WHICH RECORDS OF THOSE ACTIVITIES
3 ARE PREPARED OR MAINTAINED;

4 (II) INSPECT ANY VIDEO LOTTERY TERMINAL, ASSOCIATED
5 EQUIPMENT, OR CENTRAL COMPUTER IN, ABOUT, ON, OR AROUND THOSE PREMISES;

6 (III) SEIZE SUMMARILY AND REMOVE FROM THOSE PREMISES AND
7 IMPOUND, OR ASSUME PHYSICAL CONTROL OF, ANY VIDEO LOTTERY TERMINAL,
8 ASSOCIATED EQUIPMENT, OR CENTRAL COMPUTER FOR THE PURPOSES OF
9 EXAMINATION AND INSPECTION;

10 (IV) INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND
11 DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY OPERATIONS, INCLUDING
12 THE FINANCIAL RECORDS OF A PARENT CORPORATION, SUBSIDIARY CORPORATION,
13 OR SIMILAR BUSINESS ENTITY;

14 (V) REQUIRE A LICENSEE TO AUTHORIZE ANY OTHER PERSON
15 HAVING FINANCIAL RECORDS RELATING TO THE LICENSEE TO PROVIDE THOSE
16 RECORDS TO THE COMMISSION; AND

17 (VI) SEIZE, IMPOUND, OR ASSUME PHYSICAL CONTROL OF BOOKS,
18 RECORDS, LEDGERS, CASH BOXES AND THEIR CONTENTS, A COUNTING ROOM OR ITS
19 EQUIPMENT, OR OTHER PHYSICAL OBJECTS RELATING TO VIDEO LOTTERY
20 OPERATIONS.

21 9-1A-05.

22 (A) (1) THE COMMISSION MAY ISSUE NO MORE THAN SIX CLASS A VIDEO
23 LOTTERY OPERATION LICENSES.

24 (2) THE FOLLOWING PERSONS MAY SUBMIT AN APPLICATION FOR A
25 CLASS A VIDEO LOTTERY OPERATION LICENSE:

26 (I) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT
27 LAUREL PARK IN ANNE ARUNDEL COUNTY;

28 (II) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING FOR
29 THE PIMLICO RACE COURSE IN BALTIMORE CITY;

30 (III) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING FOR
31 THE ROSECROFT RACEWAY IN PRINCE GEORGE'S COUNTY;

32 (IV) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING FOR
33 A HORSE RACECOURSE IN WORCESTER COUNTY;

34 (V) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT
35 THE HORSE RACECOURSE IN ALLEGANY COUNTY; AND

1 (VI) THE HOLDER OF A LICENSE TO HOLD A RACING MEETING FOR A
2 RACEWAY UNDER TITLE 11, SUBTITLE 6 OF THE BUSINESS REGULATION ARTICLE.

3 (3) THE COMMISSION MAY ISSUE ONLY A CLASS A VIDEO LOTTERY
4 OPERATION LICENSE:

5 (I) TO AN APPLICANT WHO IS THE HOLDER OF A LICENSE TO HOLD
6 A RACE MEETING DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION;

7 (II) TO A HOLDER OF A LICENSE TO HOLD A RACE MEETING WHO
8 PROVIDES THE SIMULCAST SIGNAL OF ITS RACES TO ALL HOLDERS OF A CLASS B
9 VIDEO LOTTERY OPERATION LICENSE UNDER THE SAME TERMS AND CONDITIONS AS
10 SUCH SIGNAL IS MADE AVAILABLE TO OTHER COMMERCIAL RECIPIENTS; AND

11 (III) ON THE AFFIRMATIVE VOTE OF THE LOCAL GOVERNING BODY
12 OF THE COUNTY IN WHICH THE HORSE RACETRACK IS LOCATED.

13 (B) (1) THE COMMISSION MAY ISSUE NO MORE THAN FOUR CLASS B VIDEO
14 LOTTERY OPERATION LICENSES.

15 (2) THE FOLLOWING PERSONS MAY SUBMIT AN APPLICATION FOR A
16 VIDEO LOTTERY OPERATION LICENSE:

17 (I) AN APPLICANT WHO HAS RECEIVED THE APPROVAL OF THE
18 LOCAL GOVERNING BODY OF THE COUNTY IN WHICH THE APPLICANT PROPOSES TO
19 LOCATE A VIDEO LOTTERY FACILITY;

20 (II) AN APPLICANT WHO AGREES TO ACCEPT AND PRESENT TO THE
21 PUBLIC, IN A MANNER APPROVED BY THE COMMISSION, THE SIMULCAST SIGNAL OF
22 RACES HELD BY A HOLDER OF A CLASS A VIDEO LOTTERY OPERATION LICENSE
23 UNDER THE TERMS AND CONDITIONS AGREED ON BY THE LICENSEES; AND

24 (III) THE CERTIFIED WINNER OF THE AUCTION TO LOCATE A
25 FACILITY IN THE COUNTY PROPOSED AS A LOCATION FOR A VIDEO LOTTERY
26 FACILITY.

27 (3) MORE THAN TWO LICENSES OF ANY CLASS MAY NOT BE ISSUED IN
28 ANY COUNTY.

29 9-1A-06.

30 (A) THE COMMISSION SHALL CONDUCT AN AUCTION OF CLASS B VIDEO
31 LOTTERY OPERATION LICENSES.

32 (B) THE AUCTION SHALL BE LIMITED TO APPLICANTS THAT:

33 (1) SUPPLY ALL INFORMATION REQUIRED TO BE SUBMITTED BY AN
34 APPLICANT FOR A CLASS A LICENSE UNDER THIS SUBTITLE;

35 (2) SUBMIT A SPECIFIC PROPOSED LOCATION AT WHICH THE FACILITY
36 IS TO BE SITUATED; AND

1 (3) SUBMIT A FINANCIAL PLAN INDICATING:

2 (I) THE SOURCE AND AMOUNT OF FUNDS THAT REASONABLY MAY
3 BE REQUIRED TO CONSTRUCT AND OPERATE THE PROPOSED FACILITY; AND

4 (II) ANY REVENUE SHARING, LICENSING, OR OTHER AGREEMENT
5 TO PAY ANY AMOUNT OF MONEY TO A PERSON NOT LICENSED UNDER THIS
6 SUBTITLE, INCLUDING A COUNTY OR LOCAL GOVERNMENT.

7 9-1A-07.

8 (A) THE FOLLOWING PERSONS SHALL BE LICENSED UNDER THIS SUBTITLE:

9 (1) A VIDEO LOTTERY OPERATOR;

10 (2) A MANUFACTURER;

11 (3) A PERSON NOT LICENSED UNDER ITEM (1) OR (2) OF THIS
12 SUBSECTION WHO MANAGES, OPERATES, SUPPLIES, PROVIDES SECURITY FOR, OR
13 PROVIDES SERVICE, MAINTENANCE, OR REPAIRS FOR VIDEO LOTTERY TERMINALS;
14 AND

15 (4) A VIDEO LOTTERY EMPLOYEE.

16 (B) THE COMMISSION MAY BY REGULATION REQUIRE A PERSON WHO
17 CONTRACTS WITH A LICENSEE AND THE PERSON'S EMPLOYEES TO OBTAIN A
18 LICENSE UNDER THIS SUBTITLE IF THE COMMISSION DETERMINES THAT THE
19 LICENSING REQUIREMENTS ARE NECESSARY IN ORDER TO PROTECT THE PUBLIC
20 INTEREST AND ACCOMPLISH THE POLICIES ESTABLISHED BY THIS SUBTITLE.

21 (C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
22 UNLESS AN INDIVIDUAL HOLDS A VALID LICENSE ISSUED UNDER THIS SUBTITLE,
23 THE INDIVIDUAL MAY NOT BE EMPLOYED BY A LICENSEE AS A VIDEO LOTTERY
24 EMPLOYEE.

25 (2) THE COMMISSION BY REGULATION MAY EXEMPT CATEGORIES OF
26 VIDEO LOTTERY EMPLOYEES WHO ARE NOT DIRECTLY INVOLVED IN THE VIDEO
27 LOTTERY OPERATIONS FROM THE REQUIREMENT UNDER PARAGRAPH (1) OF THIS
28 SUBSECTION IF THE COMMISSION DETERMINES THAT THE REQUIREMENT IS NOT
29 NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE
30 POLICIES ESTABLISHED UNDER THIS SUBTITLE.

31 9-1A-08.

32 (A) (1) THIS SUBSECTION DOES NOT APPLY TO LICENSE FEES FOR A VIDEO
33 LOTTERY OPERATION LICENSE.

34 (2) THE COMMISSION MAY BY REGULATION ESTABLISH FEES FOR
35 LICENSES UNDER THIS SUBTITLE.

1 (3) IF THE COMMISSION ESTABLISHES A FEE FOR A LICENSE, AN
2 APPLICANT SHALL SUBMIT THE FEE WITH THE APPLICATION.

3 (B) AN APPLICANT FOR A LICENSE SHALL SUBMIT TO THE COMMISSION AN
4 APPLICATION:

5 (1) IN THE FORM THAT THE COMMISSION REQUIRES; AND

6 (2) ON OR BEFORE THE DATE SET BY THE COMMISSION.

7 (C) (1) APPLICANTS AND LICENSEES SHALL HAVE THE AFFIRMATIVE
8 RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE
9 APPLICANT'S QUALIFICATIONS.

10 (2) APPLICANTS AND LICENSEES SHALL PROVIDE INFORMATION
11 REQUIRED BY THIS SUBTITLE AND SATISFY REQUESTS FOR INFORMATION RELATING
12 TO QUALIFICATIONS IN THE FORM SPECIFIED BY THE COMMISSION.

13 (3) APPLICANTS AND LICENSEES SHALL CONSENT TO INSPECTIONS,
14 SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR REGULATIONS
15 ISSUED UNDER THIS SUBTITLE.

16 (4) (I) AN APPLICANT AND A LICENSEE SHALL HAVE THE
17 CONTINUING DUTY TO:

18 1. PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY
19 THE COMMISSION; AND

20 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR
21 HEARING CONDUCTED BY THE COMMISSION.

22 (II) ON ISSUANCE OF A FORMAL REQUEST TO ANSWER OR
23 PRODUCE INFORMATION, EVIDENCE, OR TESTIMONY, IF AN APPLICANT OR LICENSEE
24 REFUSES TO COMPLY, THE APPLICATION OR LICENSE OF THE PERSON MAY BE
25 DENIED, SUSPENDED, OR REVOKED BY THE COMMISSION.

26 (5) (I) IF THE APPLICANT IS AN INDIVIDUAL, THE APPLICANT SHALL
27 BE PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND
28 INVESTIGATION PURPOSES.

29 (II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE COMMISSION
30 BY REGULATION MAY ESTABLISH THE CATEGORIES OF INDIVIDUALS WHO SHALL BE
31 PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND INVESTIGATION
32 PURPOSES.

33 (6) (I) APPLICANTS AND LICENSEES SHALL HAVE A DUTY TO INFORM
34 THE COMMISSION OF AN ACT OR OMISSION THAT THE PERSON KNOWS OR SHOULD
35 KNOW CONSTITUTES A VIOLATION OF THIS SUBTITLE OR THE REGULATIONS ISSUED
36 UNDER THIS SUBTITLE.

1 (II) APPLICANTS AND LICENSEES MAY NOT DISCRIMINATE
2 AGAINST A PERSON WHO IN GOOD FAITH INFORMS THE COMMISSION OF AN ACT OR
3 OMISSION THAT THE PERSON BELIEVES CONSTITUTES A VIOLATION OF THIS
4 SUBTITLE OR THE REGULATIONS ISSUED UNDER THIS SUBTITLE.

5 (7) APPLICANTS AND LICENSEES SHALL PRODUCE INFORMATION,
6 DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING
7 QUALIFICATION CRITERIA BY CLEAR AND CONVINCING EVIDENCE:

8 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY
9 OF THE APPLICANT OR LICENSEE;

10 (II) THE INTEGRITY OF ANY FINANCIAL BACKERS, INVESTORS,
11 MORTGAGEES, BONDHOLDERS, AND HOLDERS OF OTHER EVIDENCES OF
12 INDEBTEDNESS THAT BEAR A RELATION TO THE APPLICATION;

13 (III) THE APPLICANT'S OR LICENSEE'S GOOD CHARACTER, HONESTY,
14 AND INTEGRITY; AND

15 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE
16 APPLICANT OR LICENSEE.

17 (D) ON THE FILING OF AN APPLICATION FOR ANY LICENSE REQUIRED UNDER
18 THIS SUBTITLE AND ANY SUPPLEMENTAL INFORMATION REQUIRED BY THE
19 COMMISSION, THE COMMISSION SHALL:

20 (1) REFER THE APPLICATION TO THE DEPARTMENT OF STATE POLICE
21 TO CONDUCT A BACKGROUND INVESTIGATION UNDER § 9-1A-21 OF THIS SUBTITLE
22 ON THE QUALIFICATIONS OF THE APPLICANT AND ANY PERSON WHO IS REQUIRED
23 TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE; AND

24 (2) IF THE APPLICANT IS APPLYING FOR A VIDEO LOTTERY OPERATION
25 LICENSE, CONDUCT A HEARING ON THE QUALIFICATIONS OF THE APPLICANT AND
26 ANY PERSON WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A
27 CONDITION OF A LICENSE.

28 (E) (1) AFTER RECEIVING THE RESULTS OF THE BACKGROUND
29 INVESTIGATION AND CONDUCTING ANY HEARING REQUIRED UNDER THIS SUBTITLE,
30 THE COMMISSION MAY EITHER GRANT A LICENSE TO AN APPLICANT WHOM THE
31 COMMISSION DETERMINES TO BE QUALIFIED OR DENY THE LICENSE TO AN
32 APPLICANT WHOM THE COMMISSION DETERMINES TO BE NOT QUALIFIED OR
33 DISQUALIFIED.

34 (2) IF AN APPLICATION FOR A LICENSE IS DENIED, THE COMMISSION
35 SHALL PREPARE AND FILE AN ORDER DENYING THE LICENSE WITH A STATEMENT OF
36 THE REASONS FOR THE DENIAL, INCLUDING THE SPECIFIC FINDINGS OF FACT.

37 (F) IF SATISFIED THAT AN APPLICANT IS QUALIFIED TO RECEIVE A LICENSE,
38 AND ON TENDER OF ALL REQUIRED APPLICATION, LICENSE, AND OTHER FEES AND

1 TAXES, AND ANY BOND REQUIRED UNDER § 9-1A-04(E) OF THIS SUBTITLE, THE
2 COMMISSION SHALL ISSUE A LICENSE FOR A TERM OF 1 YEAR.

3 9-1A-09.

4 (A) IN ADDITION TO OTHER INFORMATION REQUIRED BY THIS SUBTITLE, A
5 BUSINESS ENTITY APPLYING FOR A VIDEO LOTTERY OPERATION LICENSE SHALL
6 PROVIDE THE FOLLOWING INFORMATION:

7 (1) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF ALL
8 BUSINESSES OPERATED BY THE BUSINESS ENTITY;

9 (2) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL HISTORIES
10 OF OFFICERS, DIRECTORS, PARTNERS, AND PRINCIPAL EMPLOYEES OF THE
11 BUSINESS ENTITY;

12 (3) THE NAMES OF ALL HOLDING, INTERMEDIARY, AND SUBSIDIARY
13 COMPANIES OR OTHER SIMILAR BUSINESS ENTITIES OF THE BUSINESS ENTITY;

14 (4) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF ALL
15 BUSINESSES OPERATED BY THE BUSINESS ENTITY'S HOLDING, INTERMEDIARY, AND
16 SUBSIDIARY COMPANIES OR OTHER SIMILAR BUSINESS ENTITIES;

17 (5) THE RIGHTS AND PRIVILEGES ACQUIRED BY THE HOLDERS OF
18 DIFFERENT CLASSES OF AUTHORIZED SECURITIES, PARTNERSHIP INTERESTS, OR
19 OTHER SIMILAR OWNERSHIP INTERESTS OF THE BUSINESS ENTITY AND ITS
20 HOLDING, INTERMEDIARY, AND SUBSIDIARY COMPANIES OR OTHER SIMILAR
21 BUSINESS ENTITIES;

22 (6) THE TERMS ON WHICH THE SECURITIES, PARTNERSHIP INTERESTS,
23 OR OTHER SIMILAR OWNERSHIP INTERESTS HAVE BEEN OR ARE TO BE OFFERED;

24 (7) THE TERMS AND CONDITIONS OF ALL OUTSTANDING LOANS,
25 MORTGAGES, TRUST DEEDS, PLEDGES, OR OTHER INDEBTEDNESS OR SECURITY
26 DEVICES UTILIZED BY THE BUSINESS ENTITY;

27 (8) THE EXTENT OF THE EQUITY SECURITY HOLDING IN THE BUSINESS
28 ENTITY OF THE OFFICERS, DIRECTORS, PARTNERS, AND UNDERWRITERS AND THEIR
29 REMUNERATION IN THE FORM OF SALARY, WAGES, FEES, OR OTHERWISE;

30 (9) THE NAMES OF PERSONS OTHER THAN DIRECTORS AND OFFICERS
31 WHO OCCUPY POSITIONS SPECIFIED BY THE COMMISSION OR WHOSE
32 COMPENSATION EXCEEDS AN AMOUNT DETERMINED BY THE COMMISSION;

33 (10) THE NAMES OF PERSONS WHO OWN OR CONTROL THE BUSINESS
34 ENTITY;

35 (11) A DESCRIPTION OF ALL BONUS AND PROFIT SHARING
36 ARRANGEMENTS;

1 (12) COPIES OF MANAGEMENT AND SERVICE CONTRACTS; AND

2 (13) A LISTING OF STOCK OPTIONS.

3 (B) IF A BUSINESS ENTITY THAT APPLIES FOR A VIDEO LOTTERY OPERATION
4 LICENSE IS A SUBSIDIARY OR IF A BUSINESS ENTITY HOLDING A VIDEO LOTTERY
5 OPERATION LICENSE IS TO BECOME A SUBSIDIARY, EACH HOLDING COMPANY AND
6 EACH INTERMEDIARY COMPANY WITH RESPECT TO THE BUSINESS ENTITY, AS A
7 CONDITION OF THE ACQUISITION OR RETENTION BY THE SUBSIDIARY OF A VIDEO
8 LOTTERY OPERATION LICENSE SHALL:

9 (1) QUALIFY TO DO BUSINESS IN THE STATE; OR

10 (2) FURNISH THE COMMISSION WITH THE INFORMATION REQUIRED
11 UNDER SUBSECTION (A) OF THIS SECTION AND OTHER INFORMATION THAT THE
12 COMMISSION MAY REQUIRE.

13 (C) AN INDIVIDUAL APPLYING FOR A VIDEO LOTTERY OPERATION LICENSE
14 SHALL PROVIDE, TO THE EXTENT APPLICABLE TO AN INDIVIDUAL, THE
15 INFORMATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION IN THE FORM
16 REQUIRED BY THE COMMISSION.

17 (D) THE COMMISSION SHALL DENY A VIDEO LOTTERY OPERATION LICENSE
18 TO AN APPLICANT WHO IS DISQUALIFIED ON THE BASIS OF ANY OF THE FOLLOWING
19 CRITERIA:

20 (1) FAILURE OF THE APPLICANT TO PROVE BY CLEAR AND CONVINCING
21 EVIDENCE THAT THE APPLICANT AND EACH PERSON WHO OWNS OR CONTROLS THE
22 APPLICANT IS QUALIFIED UNDER THE PROVISIONS OF THIS SUBTITLE;

23 (2) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
24 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO PROVIDE
25 INFORMATION, DOCUMENTATION, AND ASSURANCES REQUIRED BY THIS SUBTITLE
26 OR REQUESTED BY THE COMMISSION;

27 (3) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
28 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO REVEAL ANY
29 FACT MATERIAL TO QUALIFICATION;

30 (4) SUBMISSION, BY THE APPLICANT OR ANY PERSON REQUIRED TO BE
31 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE, OF INFORMATION
32 THAT IS UNTRUE OR MISLEADING AS TO A MATERIAL FACT CONCERNING THE
33 QUALIFICATION CRITERIA;

34 (5) CONVICTION OF THE APPLICANT OR OF ANY PERSON REQUIRED TO
35 BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE OF AN
36 OFFENSE UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN
37 THE UNITED STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE
38 OR A GAMBLING OFFENSE;

1 (6) CURRENT PROSECUTION OF THE APPLICANT OR A PERSON WHO IS
2 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
3 FOR AN OFFENSE DESCRIBED UNDER ITEM (5) OF THIS PARAGRAPH; HOWEVER, AT
4 THE REQUEST OF THE APPLICANT, THE COMMISSION MAY DEFER DECISION ON THE
5 APPLICATION DURING THE PENDENCY OF THE CHARGE;

6 (7) PURSUIT BY THE APPLICANT OR A PERSON WHO IS REQUIRED TO BE
7 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE OF ECONOMIC
8 GAIN IN AN OCCUPATIONAL MANNER OR CONTEXT THAT IS IN VIOLATION OF THE
9 LAWS OF THE STATE, IF THE PURSUIT CREATES A REASONABLE BELIEF THAT
10 PARTICIPATION OF THE APPLICANT IN VIDEO LOTTERY OPERATIONS WOULD BE
11 INIMICAL TO THE POLICIES OF THIS SUBTITLE;

12 (8) IDENTIFICATION OF THE APPLICANT OR A PERSON WHO IS
13 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
14 AS A CAREER OFFENDER OR A MEMBER OF A CAREER OFFENDER CARTEL OR AN
15 ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER
16 THAT CREATES A REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS
17 TO BE INIMICAL TO THE POLICIES OF THIS SUBTITLE;

18 (9) COMMISSION OF AN ACT BY THE APPLICANT OR A PERSON WHO IS
19 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
20 THAT WOULD CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (5) OF THIS
21 PARAGRAPH, EVEN IF THE ACT HAS NOT BEEN OR MAY NOT BE PROSECUTED UNDER
22 THE CRIMINAL LAWS OF THE STATE;

23 (10) CONTUMACIOUS DEFIANCE BY THE APPLICANT OR A PERSON WHO IS
24 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
25 OF A LEGISLATIVE INVESTIGATORY BODY OR OTHER OFFICIAL INVESTIGATORY
26 BODY OF THE UNITED STATES OR A JURISDICTION WITHIN THE UNITED STATES
27 WHEN THE BODY IS ENGAGED IN THE INVESTIGATION OF CRIMES RELATING TO
28 GAMBLING, OFFICIAL CORRUPTION, OR ORGANIZED CRIME ACTIVITY; AND

29 (11) ANY OTHER REASON ESTABLISHED IN REGULATIONS OF THE
30 COMMISSION AS A REASON FOR DENYING A LICENSE.

31 (E) IN ADDITION TO MEETING OTHER REQUIREMENTS UNDER THIS SUBTITLE,
32 AN APPLICANT FOR A CLASS B VIDEO LOTTERY OPERATION LICENSE AND AN
33 APPLICANT FOR A CLASS A VIDEO LOTTERY OPERATION LICENSE AT LAUREL PARK IN
34 ANNE ARUNDEL COUNTY, PIMLICO RACE COURSE IN BALTIMORE CITY OR
35 ROSECROFT RACEWAY IN PRINCE GEORGE'S COUNTY, BY CLEAR AND CONVINCING
36 EVIDENCE, SHALL MEET THE FOLLOWING REQUIREMENTS:

37 (1) THE CONSTRUCTION PROJECT AT THE TRACK LOCATION FOR THE
38 APPLICANT'S VIDEO LOTTERY FACILITY SHALL COST AT LEAST \$150,000,000 IN DIRECT
39 INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS; AND

40 (2) (I) THE APPLICANT SHALL PROVIDE THE EQUIVALENT OF AT
41 LEAST 500 ADDITIONAL FULL-TIME POSITIONS AT THE LOCATION OF THE VIDEO
42 LOTTERY FACILITY; AND

1 (II) THE POSITIONS CREATED UNDER THIS ITEM SHALL COMPLY
2 WITH ANY LOCAL LAW, ORDINANCE, OR REGULATION REGARDING PAYMENT OF A
3 LIVING WAGE OR OTHER REQUIREMENT RELATING TO EMPLOYMENT IN THE
4 COUNTY WHERE THE VIDEO LOTTERY FACILITY WILL BE LOCATED.

5 (F) OTHER APPLICANTS FOR A CLASS A VIDEO LOTTERY OPERATION LICENSE
6 FOR A HORSE RACECOURSE SHALL MEET THE FOLLOWING REQUIREMENTS BY
7 CLEAR AND CONVINCING EVIDENCE:

8 (1) THE CONSTRUCTION PROJECT AT THE TRACK LOCATION FOR THE
9 APPLICANT'S VIDEO LOTTERY FACILITY SHALL COST AT LEAST \$10,000,000 IN DIRECT
10 INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS; AND

11 (2) (I) THE APPLICANT SHALL PROVIDE THE EQUIVALENT OF AT
12 LEAST 150 ADDITIONAL FULL-TIME POSITIONS AT THE LOCATION OF THE VIDEO
13 LOTTERY FACILITY; AND

14 (II) THE POSITIONS CREATED UNDER THIS ITEM SHALL COMPLY
15 WITH ANY LOCAL LAW, ORDINANCE, OR REGULATION REGARDING PAYMENT OF A
16 LIVING WAGE OR OTHER REQUIREMENTS RELATING TO EMPLOYMENT IN ALLEGANY
17 COUNTY.

18 9-1A-10.

19 (A) AS A CONDITION OF LICENSURE, A CLASS A VIDEO LOTTERY OPERATION
20 LICENSEE SHALL MAINTAIN AT LEAST THE FOLLOWING LIVE RACING DAYS FOR
21 HORSE RACING:

22 (1) 220 DAYS FOR THE COMBINED LICENSEES AT LAUREL PARK AND
23 PIMLICO RACE COURSE;

24 (2) 180 DAYS FOR A LICENSEE AT ROSECROFT RACEWAY; AND

25 (3) 21 DAYS FOR A LICENSEE AT ANY OTHER HORSE RACECOURSE.

26 (B) (1) IF CLASS A VIDEO LOTTERY OPERATION LICENSES HAVE BEEN
27 ISSUED FOR THE PIMLICO RACE COURSE AND LAUREL PARK, THE VIDEO LOTTERY
28 OPERATION LICENSES FOR EACH LOCATION SHALL BE REVOKED IF THE NAME,
29 COMMON LAW AND STATUTORY COPYRIGHTS, SERVICE MARKS, TRADEMARKS,
30 TRADE NAMES, OR HORSE RACING EVENTS THAT ARE ASSOCIATED WITH THE
31 PREAKNESS STAKES OR THE WOODLAWN VASE ARE TRANSFERRED TO A LOCATION
32 OUTSIDE OF THE STATE.

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

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

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

7 (C) (1) AS A CONDITION OF CONTINUED LICENSURE, EACH LICENSEE
8 DESCRIBED IN SUBSECTION (A) OF THIS SECTION, IN CONSULTATION WITH THE
9 ORGANIZATION REPRESENTING A MAJORITY OF THE OWNERS AND TRAINERS FOR
10 THE BREED THAT RACES AT THE LICENSEE'S TRACK, THE ORGANIZATION
11 REPRESENTING A MAJORITY OF THE BREEDERS FOR THE BREED THAT RACES AT THE
12 LICENSEE'S TRACK, THE DEPARTMENT OF AGRICULTURE, AND THE DEPARTMENT OF
13 BUSINESS AND ECONOMIC DEVELOPMENT, SHALL DEVELOP AND SUBMIT TO THE
14 COMMISSION A MULTIYEAR PLAN TO IMPROVE THE QUALITY AND MARKETING OF
15 HORSE RACING AT THE LOCATION WHERE THE LICENSE IS GRANTED.

16 (2) EACH PLAN SHALL INCLUDE:

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

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

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

24 2. AT LAUREL PARK IN ANNE ARUNDEL COUNTY, PIMLICO
25 RACE COURSE IN BALTIMORE CITY AND ROSECROFT RACEWAY IN PRINCE GEORGE'S
26 COUNTY, AN ONGOING INVESTMENT IN CAPITAL MAINTENANCE AND
27 IMPROVEMENTS IN THE HORSE RACING FACILITIES OF AT LEAST \$4,000,000
28 ANNUALLY; AND

29 3. AT OTHER LOCATIONS TO WHICH A CLASS A VIDEO
30 LOTTERY OPERATION LICENSE HAS BEEN ISSUED, AN ONGOING INVESTMENT IN
31 CAPITAL MAINTENANCE AND IMPROVEMENTS IN THE HORSE RACING FACILITIES OF
32 AT LEAST \$1,150,000 ANNUALLY.

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

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

1 (D) THE PLANS REQUIRED UNDER SUBSECTION (C) OF THIS SECTION SHALL
2 ALSO BE PROVIDED TO THE STATE RACING COMMISSION AND TO THE LEGISLATIVE
3 POLICY COMMITTEE OF THE GENERAL ASSEMBLY.

4 9-1A-11.

5 (A) (1) THE COMMISSION SHALL SUBMIT TO THE LEGISLATIVE POLICY
6 COMMITTEE OF THE GENERAL ASSEMBLY THE NAMES OF AND BACKGROUND
7 INFORMATION ON THE EQUITY OWNERS AND PROSPECTIVE EQUITY OWNERS OF AN
8 APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE.

9 (2) THE INFORMATION REQUIRED UNDER THIS SUBSECTION SHALL BE
10 PROVIDED TO THE LEGISLATIVE POLICY COMMITTEE OF THE GENERAL ASSEMBLY
11 AT LEAST 30 DAYS BEFORE A VIDEO LOTTERY OPERATION LICENSE IS GRANTED.

12 (B) (1) FOR THE CONSTRUCTION OF FACILITIES AND PROCUREMENT
13 RELATED TO THE OPERATION OF VIDEO LOTTERY TERMINALS, THE APPLICANT OR
14 LICENSEE SHALL AT A MINIMUM MEET THE SAME REQUIREMENTS OF A
15 DESIGNATED UNIT FOR MINORITY BUSINESS PARTICIPATION AS DESCRIBED UNDER
16 TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

17 (2) IF THE COUNTY IN WHICH A VIDEO LOTTERY FACILITY WILL BE
18 LOCATED HAS HIGHER MINORITY BUSINESS PARTICIPATION REQUIREMENTS THAN
19 THE STATE AS DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, THE APPLICANT
20 SHALL MEET THE COUNTY'S MINORITY BUSINESS PARTICIPATION REQUIREMENTS
21 TO THE EXTENT POSSIBLE.

22 (3) A COLLECTIVE BARGAINING AGREEMENT OR AGREEMENTS,
23 INCLUDING A PROJECT LABOR AGREEMENT OR A NEUTRALITY AGREEMENT,
24 ENTERED INTO BY AN APPLICANT OR LICENSEE MAY NOT NEGATE THE
25 REQUIREMENTS OF THIS SUBSECTION.

26 (4) NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR
27 AGREEMENTS, AN APPLICANT OR LICENSEE SHALL GIVE A PREFERENCE TO HIRING
28 QUALIFIED EMPLOYEES FROM THE COMMUNITIES IN CLOSE PROXIMITY TO THE
29 VIDEO LOTTERY FACILITY.

30 (C) (1) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY
31 OPERATION LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A
32 CONDITION OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

33 (2) THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS SHALL MONITOR A
34 LICENSEE'S COMPLIANCE WITH THIS SECTION.

35 (3) THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS SHALL REPORT TO
36 THE COMMISSION AT LEAST EVERY 6 MONTHS ON THE COMPLIANCE OF LICENSEES
37 WITH THIS SECTION.

1 (4) IF THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS REPORTS THAT A
2 LICENSEE IS NOT IN COMPLIANCE WITH THIS SECTION, THE COMMISSION SHALL
3 TAKE IMMEDIATE ACTION TO ENSURE THE COMPLIANCE OF THE LICENSEE.

4 (D) THE PROVISIONS OF THIS SECTION AND ANY REGULATIONS ADOPTED
5 UNDER THIS SECTION SHALL BE OF NO EFFECT AND MAY NOT BE ENFORCED ON OR
6 AFTER JULY 1, 2008.

7 9-1A-12.

8 (A) (1) THIS SUBSECTION DOES NOT APPLY IN ALLEGANY COUNTY.

9 (2) ON OR BEFORE OCTOBER 1, 2005, AN APPLICANT FOR A CLASS A
10 VIDEO LOTTERY OPERATION LICENSE, SHALL SUBMIT TO THE COMMISSION AN
11 APPLICATION AS PROVIDED IN THIS SUBTITLE AND A \$5,000,000 APPLICATION FEE.

12 (3) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE
13 COMMISSION MAY NOT ACCEPT ANY APPLICATIONS FOR VIDEO LOTTERY OPERATION
14 LICENSES OR APPLICATION FEES AFTER OCTOBER 1, 2005.

15 (B) (1) THIS SUBSECTION APPLIES ONLY IN ALLEGANY COUNTY.

16 (2) ON OR BEFORE OCTOBER 1, 2007, AN APPLICANT FOR A CLASS A
17 VIDEO LOTTERY OPERATION LICENSE THAT IS A HORSE RACECOURSE SHALL SUBMIT
18 TO THE COMMISSION AN APPLICATION AS PROVIDED IN THIS SUBTITLE AND A
19 \$1,500,000 APPLICATION FEE.

20 (3) THE COMMISSION MAY NOT ACCEPT AN APPLICATION FOR A VIDEO
21 LOTTERY OPERATION LICENSE OR AN APPLICATION FEE FROM A HORSE
22 RACECOURSE AFTER OCTOBER 1, 2007.

23 (C) ON OR BEFORE OCTOBER 1, 2007, AN APPLICANT FOR A CLASS B VIDEO
24 LOTTERY OPERATION LICENSE SHALL SUBMIT TO THE COMMISSION AN
25 APPLICATION AS PROVIDED IN THIS SUBTITLE AND A \$5,000,000 APPLICATION FEE.

26 (D) ANY VIDEO LOTTERY OPERATION LICENSES NOT ISSUED FOR A LOCATION
27 AUTHORIZED UNDER THIS SUBTITLE SHALL AUTOMATICALLY REVERT TO THE
28 STATE.

29 9-1A-13.

30 IF A VIDEO LOTTERY OPERATION LICENSEE CONTRACTS WITH ANOTHER
31 PERSON OTHER THAN AN EMPLOYEE OF THE VIDEO LOTTERY OPERATION LICENSEE
32 TO PROVIDE ANY OF THE SERVICES RELATED TO OPERATING A VIDEO LOTTERY
33 FACILITY, EACH PERSON AND EACH OTHER PERSON WHO OWNS OR CONTROLS THE
34 PERSON OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER PRINCIPAL
35 EMPLOYEES OF THE PERSON SHALL QUALIFY UNDER THE STANDARDS AND
36 PROVISIONS SET FORTH IN §§ 9-1A-08 AND 9-1A-09 OF THIS SUBTITLE FOR VIDEO
37 LOTTERY OPERATION LICENSEES.

1 9-1A-14.

2 (A) THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE IS 15
3 YEARS.

4 (B) DURING THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE,
5 THE LICENSEE SHALL PROVIDE THE COMMISSION AN ANNUAL UPDATE OF THE
6 INFORMATION REQUIRED UNDER THIS SUBTITLE FOR THE ISSUANCE OF A LICENSE
7 BY THE DATE SET BY THE COMMISSION IN REGULATIONS AND ON THE FORM
8 REQUIRED BY THE COMMISSION.

9 9-1A-15.

10 (A) UNLESS AN INDIVIDUAL HOLDS A VALID VIDEO LOTTERY EMPLOYEE
11 LICENSE ISSUED BY THE COMMISSION, THE INDIVIDUAL MAY NOT BE EMPLOYED BY
12 A VIDEO LOTTERY OPERATION LICENSEE AS A VIDEO LOTTERY EMPLOYEE.

13 (B) BEFORE ISSUANCE OF A VIDEO LOTTERY EMPLOYEE LICENSE, AN
14 APPLICANT SHALL PROVIDE SUFFICIENT INFORMATION, DOCUMENTATION, AND
15 ASSURANCES THAT THE COMMISSION MAY REQUIRE.

16 (C) THE COMMISSION SHALL DENY A VIDEO LOTTERY EMPLOYEE LICENSE TO
17 AN APPLICANT WHO IS DISQUALIFIED DUE TO:

18 (1) THE APPLICANT'S FAILURE TO PROVE THE APPLICANT'S GOOD
19 CHARACTER, HONESTY, AND INTEGRITY;

20 (2) THE APPLICANT'S LACK OF EXPERTISE OR TRAINING TO BE A VIDEO
21 LOTTERY EMPLOYEE;

22 (3) THE APPLICANT'S CONVICTION FOR ANY CRIME INVOLVING MORAL
23 TURPITUDE OR GAMBLING UNDER THE LAWS OF THE UNITED STATES OR ANY STATE;

24 (4) THE APPLICANT'S CURRENT PROSECUTION FOR ANY CRIME
25 INVOLVING MORAL TURPITUDE OR GAMBLING UNDER THE LAWS OF THE UNITED
26 STATES OR ANY STATE, BUT, AT THE REQUEST OF THE APPLICANT, THE COMMISSION
27 MAY DEFER A DECISION ON THE APPLICATION DURING THE PENDENCY OF THE
28 CHARGE;

29 (5) PURSUIT BY THE APPLICANT OF ECONOMIC GAIN IN AN
30 OCCUPATIONAL MANNER OR CONTEXT THAT IS IN VIOLATION OF THE LAWS OF THE
31 STATE IF THE PURSUIT CREATES A REASONABLE BELIEF THAT PARTICIPATION OF
32 THE APPLICANT IN VIDEO LOTTERY OPERATIONS WOULD BE INIMICAL TO THE
33 POLICIES OF THIS SUBTITLE;

34 (6) IDENTIFICATION OF THE APPLICANT AS A CAREER OFFENDER OR A
35 MEMBER OF A CAREER OFFENDER CARTEL OR AN ASSOCIATE OF A CAREER
36 OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER THAT CREATES A
37 REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS TO BE INIMICAL
38 TO THE POLICIES OF THIS SUBTITLE;

1 (7) COMMISSION OF AN ACT BY THE APPLICANT THAT WOULD
2 CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (3) OF THIS SUBSECTION, EVEN
3 IF THE ACT HAS NOT BEEN OR MAY NOT BE PROSECUTED UNDER THE CRIMINAL
4 LAWS OF THE STATE;

5 (8) CONTUMACIOUS DEFIANCE BY THE APPLICANT OR A PERSON WHO IS
6 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
7 OF A LEGISLATIVE INVESTIGATORY BODY OR OTHER OFFICIAL INVESTIGATORY
8 BODY OF THE UNITED STATES OR A JURISDICTION WITHIN THE UNITED STATES
9 WHEN THE BODY IS ENGAGED IN THE INVESTIGATION OF CRIMES RELATING TO
10 GAMBLING, OFFICIAL CORRUPTION, OR ORGANIZED CRIME ACTIVITY; AND

11 (9) ANY OTHER REASON ESTABLISHED IN THE REGULATIONS OF THE
12 COMMISSION AS A REASON FOR DENYING A LICENSE.

13 9-1A-16.

14 (A) UNLESS A MANUFACTURER HOLDS A VALID MANUFACTURER LICENSE
15 ISSUED BY THE COMMISSION BEFORE CONDUCTING BUSINESS WITH A LICENSEE OR
16 THE STATE, THE MANUFACTURER MAY NOT OFFER ANY VIDEO LOTTERY TERMINAL,
17 ASSOCIATED EQUIPMENT, CENTRAL COMPUTER, OR GOODS OR SERVICES THAT
18 DIRECTLY RELATE TO THE OPERATION OF VIDEO LOTTERY TERMINALS UNDER THIS
19 SUBTITLE.

20 (B) EACH MANUFACTURER, AND EACH PERSON WHO OWNS OR CONTROLS
21 THE MANUFACTURER OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER
22 PRINCIPAL EMPLOYEES OF THE MANUFACTURER, SHALL QUALIFY UNDER THE
23 STANDARDS AND PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS
24 SUBTITLE FOR VIDEO LOTTERY OPERATION LICENSEES.

25 (C) EXCEPT AS PROVIDED IN § 9-1A-17(A) OF THIS SUBTITLE, THE
26 COMMISSION MAY NOT GRANT AN EXEMPTION OR WAIVER OF ANY LICENSING
27 REQUIREMENT TO AN APPLICANT FOR OR HOLDER OF A MANUFACTURER LICENSE.

28 (D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS, ASSOCIATED
29 EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR DISTRIBUTE THE
30 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER
31 THAT MEET SPECIFICATIONS AND PROCEDURES ESTABLISHED BY THE COMMISSION.
32 9-1A-17.

33 (A) FOR ALL LICENSES REQUIRED UNDER THIS SUBTITLE OTHER THAN A
34 VIDEO LOTTERY OPERATION LICENSE, IF AN APPLICANT OR LICENSEE HOLDS A
35 VALID LICENSE IN ANOTHER STATE AND THE COMMISSION DETERMINES THAT THE
36 LICENSING STANDARDS OF THE OTHER STATE ARE COMPREHENSIVE, THOROUGH,
37 AND PROVIDE SIMILAR ADEQUATE SAFEGUARDS TO THOSE PROVIDED IN THIS
38 SUBTITLE, THE COMMISSION MAY:

39 (1) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS SUBTITLE;
40 AND

1 (2) ISSUE A LICENSE TO A PERSON HAVING A SIMILAR LICENSE IN
2 ANOTHER STATE.

3 (B) (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, ON THE
4 REQUEST OF AN APPLICANT, THE COMMISSION MAY GRANT AN EXEMPTION OR
5 WAIVER OF A LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE IF
6 THE COMMISSION DETERMINES THAT THE REQUIREMENT OR GROUNDS FOR DENIAL
7 OF A LICENSE AS APPLIED TO THE APPLICANT ARE NOT NECESSARY IN ORDER TO
8 PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE POLICIES ESTABLISHED BY
9 THIS SUBTITLE.

10 (2) ON GRANTING TO AN APPLICANT AN EXEMPTION OR WAIVER OF A
11 LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE, OR AT ANYTIME
12 AFTER A WAIVER OR EXEMPTION HAS BEEN GRANTED, THE COMMISSION MAY:

13 (I) LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR
14 WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;
15 AND

16 (II) REQUIRE THE PERSON WHO IS GRANTED THE EXEMPTION OR
17 WAIVER TO COOPERATE WITH THE COMMISSION AND TO PROVIDE THE COMMISSION
18 WITH ANY ADDITIONAL INFORMATION REQUIRED BY THE COMMISSION AS A
19 CONDITION OF THE WAIVER OR EXEMPTION.

20 (C) THE COMMISSION MAY NOT WAIVE ANY OF THE REQUIREMENTS OF THIS
21 SUBTITLE FOR ISSUANCE OF A VIDEO LOTTERY OPERATION LICENSE.

22 9-1A-18.

23 SUBJECT TO THE POWER OF THE COMMISSION TO DENY, REVOKE, OR SUSPEND
24 A LICENSE, A LICENSE IN FORCE MAY BE RENEWED BY THE COMMISSION FOR THE
25 NEXT SUCCEEDING LICENSE PERIOD ON:

26 (1) PROPER APPLICATION FOR RENEWAL; AND

27 (2) PAYMENT OF ALL REQUIRED APPLICATION, LICENSE, AND OTHER
28 FEES AND TAXES.

29 9-1A-19.

30 (A) BECAUSE THE PUBLIC HAS A VITAL INTEREST IN VIDEO LOTTERY
31 OPERATIONS AND HAS ESTABLISHED A LIMITED EXCEPTION TO THE POLICY OF THE
32 STATE CONCERNING GAMBLING FOR PRIVATE GAIN, PARTICIPATION IN VIDEO
33 LOTTERY OPERATIONS BY A LICENSEE UNDER THIS SUBTITLE SHALL BE DEEMED A
34 REVOCABLE PRIVILEGE CONDITIONED ON THE PROPER AND CONTINUED
35 QUALIFICATION OF THE LICENSEE AND ON THE DISCHARGE OF THE AFFIRMATIVE
36 RESPONSIBILITY OF EACH LICENSEE TO PROVIDE TO THE REGULATORY AND
37 INVESTIGATORY AUTHORITIES UNDER THIS SUBTITLE OR ANY OTHER PROVISION OF
38 LAW, ANY ASSISTANCE AND INFORMATION NECESSARY TO ASSURE THAT THE
39 POLICIES DECLARED BY THIS SUBTITLE ARE ACHIEVED.

1 (B) CONSISTENT WITH THE POLICY DESCRIBED IN SUBSECTION (A) OF THIS
2 SECTION, IT IS THE INTENT OF THIS SUBTITLE TO:

3 (1) PRECLUDE:

4 (I) THE CREATION OF ANY PROPERTY RIGHT IN ANY LICENSE
5 REQUIRED UNDER THIS SUBTITLE;

6 (II) THE ACCRUAL OF ANY MONETARY VALUE TO THE PRIVILEGE
7 OF PARTICIPATION IN VIDEO LOTTERY OPERATIONS; AND

8 (III) THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS
9 SUBTITLE; AND

10 (2) REQUIRE THAT PARTICIPATION IN VIDEO LOTTERY OPERATIONS BE
11 CONDITIONED SOLELY ON THE CONTINUING INDIVIDUAL QUALIFICATIONS OF THE
12 PERSON WHO SEEKS THE PRIVILEGE.

13 9-1A-20.

14 (A) A LICENSE ISSUED UNDER THIS SUBTITLE MAY NOT BE:

15 (1) TRANSFERRED OR ASSIGNED TO ANOTHER PERSON; OR

16 (2) PLEDGED AS COLLATERAL.

17 (B) (1) A LICENSEE MAY NOT SELL OR OTHERWISE TRANSFER MORE THAN
18 5% OF THE LEGAL OR BENEFICIAL INTERESTS OF THE PERSON UNLESS:

19 (I) THE PERSON NOTIFIES THE COMMISSION OF THE PROPOSED
20 SALE OR TRANSFER; AND

21 (II) THE COMMISSION DETERMINES THAT THE PROPOSED BUYER
22 OR TRANSFEREE MEETS THE REQUIREMENTS OF THIS SUBTITLE.

23 (2) UNLESS THE COMMISSION NEEDS A LONGER TIME TO DETERMINE
24 WHETHER THE PROPOSED BUYER OR TRANSFEREE MEETS THE REQUIREMENTS OF
25 THIS SUBTITLE, IF THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION ARE
26 NOT SATISFIED, A LICENSE ISSUED UNDER THIS SUBTITLE IS AUTOMATICALLY
27 REVOKED 90 DAYS AFTER THE SALE OR TRANSFER.

28 9-1A-21.

29 (A) IN THIS SECTION, "STATE POLICE" MEANS THE DEPARTMENT OF STATE
30 POLICE.

31 (B) THE STATE POLICE SHALL:

32 (1) CONDUCT A BACKGROUND INVESTIGATION OF EACH APPLICANT IN
33 A TIMELY MANNER; AND

1 (2) COOPERATE WITH THE COMMISSION IN OBTAINING AND PROVIDING
2 THE NECESSARY BACKGROUND INVESTIGATION INFORMATION.

3 (C) (1) AN APPLICANT SHALL PROVIDE STATE POLICE WITH ALL
4 INFORMATION THE STATE POLICE REQUIRES IN ORDER TO CONDUCT A
5 BACKGROUND INVESTIGATION.

6 (2) FAILURE TO PROVIDE TIMELY OR ACCURATE INFORMATION IS
7 GROUNDS FOR THE COMMISSION TO DENY AN APPLICATION.

8 (D) (1) THE STATE POLICE SHALL APPLY TO THE CENTRAL REPOSITORY FOR
9 A STATE AND A NATIONAL CRIMINAL HISTORY RECORDS CHECK FOR EACH
10 APPLICANT.

11 (2) AS PART OF THE APPLICATION FOR A CRIMINAL HISTORY RECORDS
12 CHECK, THE STATE POLICE SHALL SUBMIT TO THE CENTRAL REPOSITORY:

13 (I) TWO COMPLETE SETS OF THE APPLICANT'S LEGIBLE
14 FINGERPRINTS TAKEN ON FORMS APPROVED BY THE DIRECTOR OF THE CENTRAL
15 REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION;

16 (II) THE FEE AUTHORIZED UNDER § 10-221(B)(7) OF THE CRIMINAL
17 PROCEDURE ARTICLE FOR ACCESS TO MARYLAND CRIMINAL HISTORY RECORDS; AND

18 (III) THE MANDATORY PROCESSING FEE REQUIRED BY THE
19 FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY
20 RECORDS CHECK.

21 (3) IN ACCORDANCE WITH §§ 10-201 THROUGH 10-234 OF THE CRIMINAL
22 PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD TO THE
23 APPLICANT AND THE STATE POLICE A PRINTED STATEMENT OF THE APPLICANT'S
24 CRIMINAL HISTORY RECORD INFORMATION.

25 (4) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER
26 THIS SECTION MAY CONTEST THE CONTENTS OF THE PRINTED STATEMENT ISSUED
27 BY THE CENTRAL REPOSITORY AS PROVIDED IN § 10-223 OF THE CRIMINAL
28 PROCEDURE ARTICLE.

29 (E) AFTER COMPLETION OF THE BACKGROUND INVESTIGATION OF AN
30 APPLICANT, THE STATE POLICE SHALL PROMPTLY FORWARD THE RESULTS OF THE
31 INVESTIGATION TO THE COMMISSION.

32 9-1A-22.

33 (A) EACH VIDEO LOTTERY TERMINAL DEVICE, THE ASSOCIATED EQUIPMENT,
34 AND THE CENTRAL COMPUTER SHALL BE:

35 (1) OWNED OR LEASED BY THE COMMISSION; AND

36 (2) UNDER THE CONTROL OF THE COMMISSION.

1 (B) (1) SUBJECT TO THE COMMISSION'S ABILITY TO CANCEL OR ALTER THE
2 CONTRACT IN THE EVENT ONE OR MORE ELIGIBLE APPLICANTS FOR A VIDEO
3 LOTTERY FACILITY FAIL TO OBTAIN A LICENSE, THE COMMISSION SHALL CONTRACT
4 WITH ONE OR MORE LICENSED MANUFACTURERS FOR THE LEASE OR PURCHASE OF
5 THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL
6 COMPUTER AUTHORIZED UNDER THIS SUBTITLE.

7 (2) (I) PROVIDED THE VIDEO LOTTERY TERMINALS MEET
8 COMMISSION SPECIFICATIONS, A VIDEO LOTTERY OPERATION LICENSEE MAY
9 SELECT FROM A MANUFACTURER LICENSED UNDER THIS SUBTITLE THE TYPES OF
10 VIDEO LOTTERY TERMINALS THAT THE LICENSEE DESIRES TO INSTALL ON THE
11 FACILITY.

12 (II) UNLESS THE REQUEST OF THE VIDEO LOTTERY OPERATION
13 LICENSEE IS UNREASONABLE, THE COMMISSION SHALL PURCHASE OR LEASE THE
14 VIDEO LOTTERY TERMINALS SELECTED BY THE LICENSEE.

15 9-1A-23.

16 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE
17 COMMISSION MAY AUTHORIZE:

18 (1) 2,500 VIDEO LOTTERY TERMINALS FOR OPERATION UNDER A CLASS A
19 VIDEO LOTTERY OPERATION LICENSE AT LAUREL PARK IN ANNE ARUNDEL COUNTY,
20 PIMLICO RACE COURSE IN BALTIMORE CITY, AND ROSECROFT RACEWAY IN PRINCE
21 GEORGE'S COUNTY; AND

22 (2) 1,500 VIDEO LOTTERY TERMINALS FOR OPERATION UNDER A CLASS B
23 VIDEO LOTTERY OPERATION LICENSE.

24 (B) (1) THIS SUBSECTION APPLIES TO OTHER HOLDERS OF A CLASS A VIDEO
25 LOTTERY OPERATION LICENSE.

26 (2) THE COMMISSION MAY NOT AUTHORIZE MORE THAN 1,000 VIDEO
27 LOTTERY TERMINALS FOR OPERATION UNDER A VIDEO LOTTERY OPERATION
28 LICENSE ISSUED FOR A LOCATION AT A HORSE RACECOURSE.

29 9-1A-24.

30 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS
31 SUBSECTION, A VIDEO LOTTERY TERMINAL SHALL HAVE AN AVERAGE ANNUAL
32 PAYOUT PERCENTAGE OF 87%.

33 (2) THE COMMISSION MAY BY REGULATION ESTABLISH AN AVERAGE
34 ANNUAL PAYOUT PERCENTAGE OF MORE THAN 87% BUT NOT MORE THAN 95% FOR
35 VIDEO LOTTERY TERMINALS.

36 (3) THE COMMISSION MAY APPROVE AN AVERAGE ANNUAL PAYOUT
37 PERCENTAGE OF MORE THAN 95% FOR THE VIDEO LOTTERY TERMINALS AT A VIDEO
38 LOTTERY FACILITY.

1 (B) A VIDEO LOTTERY FACILITY MAY OPERATE DAILY FROM 8 A.M.. TO 2 A.M.,
2 SEVEN DAYS A WEEK.

3 (C) A VIDEO LOTTERY OPERATOR LICENSEE SHALL BE RESPONSIBLE FOR ALL
4 MARKETING, ADVERTISING, AND PROMOTION FOR ITS VIDEO LOTTERY OPERATION.

5 9-1A-25.

6 (A) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY OPERATION
7 LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A CONDITION
8 OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

9 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, A
10 VIDEO LOTTERY OPERATION LICENSEE MAY NOT PROVIDE FOOD OR BEVERAGES,
11 INCLUDING ALCOHOLIC BEVERAGES, TO INDIVIDUALS AT NO COST.

12 (2) ANY FOOD OR BEVERAGES, INCLUDING ALCOHOLIC BEVERAGES,
13 OFFERED BY A VIDEO LOTTERY OPERATION LICENSEE FOR SALE TO INDIVIDUALS
14 MAY BE OFFERED ONLY AT PRICES THAT ARE DETERMINED BY THE COMMISSION TO
15 BE COMMENSURATE WITH THE PRICE OF SIMILAR TYPES OF FOOD AND BEVERAGES
16 AT RESTAURANTS IN THE COUNTY IN WHICH THE VIDEO LOTTERY FACILITY IS
17 LOCATED.

18 (3) A VIDEO LOTTERY OPERATION LICENSEE MAY PROVIDE FOOD AT NO
19 COST TO INDIVIDUALS TO THE SAME EXTENT ALLOWED UNDER ARTICLE 2B, § 12-106
20 OF THE ANNOTATED CODE OF MARYLAND FOR A PERSON ENGAGED IN THE SALE OR
21 BARTER OF SPIRITUOUS, MALT, OR INTOXICATING LIQUORS AND LICENSED UNDER
22 THE LAWS OF THE STATE.

23 (C) A VIDEO LOTTERY OPERATION LICENSEE SHALL ENSURE THAT
24 INTOXICATED INDIVIDUALS AND INDIVIDUALS UNDER THE AGE OF 21 YEARS ARE
25 NOT PERMITTED TO PLAY VIDEO LOTTERY TERMINALS AND ARE NOT PERMITTED IN
26 AREAS OF THE VIDEO LOTTERY FACILITY LOCATION WHERE VIDEO LOTTERY
27 TERMINALS ARE LOCATED.

28 (D) (1) THE COMMISSION SHALL PROVIDE BY REGULATION FOR THE
29 ESTABLISHMENT OF A LIST OF INDIVIDUALS WHO ARE TO BE MANDATORILY
30 EXCLUDED OR EJECTED BY A VIDEO LOTTERY OPERATION LICENSEE FROM ANY
31 VIDEO LOTTERY OPERATION LICENSED UNDER THIS SUBTITLE.

32 (2) THE REGULATIONS ADOPTED UNDER THIS SUBSECTION SHALL
33 DEFINE THE STANDARDS FOR EXCLUSION OR EJECTION AND SHALL INCLUDE
34 STANDARDS RELATING TO INDIVIDUALS:

35 (I) WHO ARE CAREER OFFENDERS AS DEFINED BY REGULATIONS
36 ADOPTED BY THE COMMISSION;

37 (II) WHO HAVE BEEN CONVICTED OF A CRIMINAL OFFENSE UNDER
38 THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED

1 STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A
2 GAMBLING OFFENSE; OR

3 (III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A LICENSEE
4 WOULD BE ADVERSE TO THE INTEREST OF THE STATE, THE LICENSEE, OR THE
5 PERSON.

6 (3) THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN
7 ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO
8 EXCLUDE OR EJECT FROM THE PREMISES OF THE LICENSEE AN INDIVIDUAL PLACED
9 BY THE COMMISSION ON THE LIST OF INDIVIDUALS TO BE EXCLUDED OR EJECTED.

10 (4) AN ORDER UNDER THIS SUBSECTION IS SUBJECT TO JUDICIAL
11 REVIEW.

12 (5) RACE, COLOR, CREED, NATIONAL ORIGIN OR ANCESTRY, OR GENDER
13 MAY NOT BE A REASON FOR PLACING THE NAME OF AN INDIVIDUAL ON THE LIST OF
14 INDIVIDUALS TO BE EXCLUDED OR EJECTED.

15 (E) (1) BY REGULATION, THE COMMISSION SHALL ADOPT MEASURES THAT
16 ARE INTENDED TO REDUCE OR MITIGATE THE EFFECTS OF PROBLEM GAMING.

17 (2) (I) THE REGULATIONS SHALL INCLUDE ESTABLISHMENT OF A
18 VOLUNTARY EXCLUSION LIST OF INDIVIDUALS WITH GAMING PROBLEMS WHO HAVE
19 REQUESTED TO BE EXCLUDED FROM ANY VIDEO LOTTERY OPERATION LICENSED
20 UNDER THIS SUBTITLE.

21 (II) THE REGULATIONS UNDER THIS PARAGRAPH SHALL PROVIDE A
22 SIMPLE MECHANISM FOR AN INDIVIDUAL WHO IS SOBER AND INFORMED TO
23 REQUEST PLACEMENT ON THE VOLUNTARY EXCLUSION LIST FOR A SPECIFIED
24 PERIOD OF TIME.

25 (III) A VIDEO LOTTERY OPERATION LICENSEE MAY NOT PERMIT AN
26 INDIVIDUAL ON THE VOLUNTARY EXCLUSION LIST TO ENTER INTO THE VIDEO
27 LOTTERY FACILITY OR TO PLAY A VIDEO LOTTERY TERMINAL.

28 (IV) THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN
29 ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO
30 EXCLUDE FROM THE PREMISES OF THE LICENSEE AN INDIVIDUAL ON THE
31 VOLUNTARY EXCLUSION LIST.

32 (3) IN ORDER TO PROTECT THE PUBLIC INTEREST, THE REGULATIONS
33 SHALL INCLUDE PROVISIONS THAT:

34 (I) LIMIT THE NUMBER, LOCATION, AND MAXIMUM WITHDRAWAL
35 AMOUNTS FOR AUTOMATED TELLER MACHINES;

36 (II) REQUIRE PAYOUTS ABOVE AN AMOUNT ADOPTED BY THE
37 COMMISSION TO BE MADE BY CHECK;

1 (III) REQUIRE CONSPICUOUS DISCLOSURES RELATED TO THE ODDS
2 AND PAYOUT OF VIDEO LOTTERY TERMINALS;

3 (IV) LIMIT THE DOLLAR AMOUNT THAT VIDEO LOTTERY TERMINALS
4 WILL ACCEPT;

5 (V) PROHIBIT THE USE OF SPECIFIED NEGOTIABLE INSTRUMENTS
6 AT VIDEO LOTTERY FACILITIES AND THE USE OF CREDIT CARDS, DEBIT CARDS, AND
7 SIMILAR DEVICES IN VIDEO LOTTERY TERMINALS;

8 (VI) PROVIDE CONSUMERS WITH A RECORD OF VIDEO LOTTERY
9 TERMINAL SPENDING LEVELS IF MARKETING MEASURES ARE UTILIZED THAT TRACK
10 CONSUMER SPENDING AT VIDEO LOTTERY FACILITIES; AND

11 (VII) PROHIBIT VIDEO LOTTERY OPERATION LICENSEES FROM
12 ENGAGING IN OR CONTRACTING WITH ANOTHER TO ENGAGE IN PREDATORY
13 MARKETING PRACTICES.

14 9-1A-26.

15 (A) THE COMMISSION MAY DENY A LICENSE TO AN APPLICANT, REPRIMAND
16 OR FINE A LICENSEE, OR SUSPEND OR REVOKE A LICENSE FOR A VIOLATION OF:

17 (1) THIS SUBTITLE;

18 (2) A REGULATION ADOPTED UNDER THIS SUBTITLE; OR

19 (3) A CONDITION THAT THE COMMISSION SETS.

20 (B) (1) FOR EACH VIOLATION SPECIFIED IN SUBSECTION (A) OF THIS
21 SECTION, THE COMMISSION MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000.

22 (2) EACH DAY THAT A PERSON IS IN VIOLATION UNDER THIS SECTION
23 SHALL BE CONSIDERED A SEPARATE VIOLATION.

24 (3) TO DETERMINE THE AMOUNT OF THE PENALTY IMPOSED UNDER
25 PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION SHALL CONSIDER:

26 (I) THE SERIOUSNESS OF THE VIOLATION;

27 (II) THE HARM CAUSED BY THE VIOLATION; AND

28 (III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON
29 WHO COMMITTED THE VIOLATION.

30 (C) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SUBTITLE, THIS
31 SUBTITLE DOES NOT ABROGATE OR LIMIT THE CRIMINAL LAWS OF THE STATE OR
32 LIMIT THE AUTHORITY OF THE GENERAL ASSEMBLY TO ENACT STATUTES
33 ESTABLISHING CRIMINAL OFFENSES AND PENALTIES RELATING TO VIDEO LOTTERY
34 OPERATIONS.

1 9-1A-27.

2 (A) ALL PROCEEDS FROM THE OPERATION OF VIDEO LOTTERY TERMINALS
3 SHALL BE ELECTRONICALLY TRANSFERRED DAILY INTO THE STATE LOTTERY FUND
4 ESTABLISHED UNDER SUBTITLE 3 OF THIS TITLE AND DISTRIBUTED AS PROVIDED IN
5 THIS SECTION.

6 (B) (1) THE COMMISSION SHALL ACCOUNT TO THE COMPTROLLER FOR ALL
7 OF THE REVENUE UNDER THIS SUBTITLE.

8 (2) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE UNDER
9 THE CONTROL OF THE COMPTROLLER AND SHALL BE DISTRIBUTED AS PROVIDED IN
10 THIS SECTION.

11 (C) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY
12 TERMINALS ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
13 COMMISSION:

14 (1) THE CAPITALIZED COST OF PURCHASING THE CENTRAL COMPUTER
15 AND ASSOCIATED EQUIPMENT TO THE COMMISSION;

16 (2) THE EQUIPMENT COST FOR LEASING OR THE CAPITALIZED COST OF
17 PURCHASING THE VIDEO LOTTERY TERMINALS AND ASSOCIATED EQUIPMENT TO
18 VIDEO LOTTERY OPERATION LICENSEES;

19 (3) THE EMPLOYEE AND INCIDENTAL COSTS RELATING TO
20 SUPERVISION AND OVERSIGHT OF VIDEO LOTTERY TERMINALS TO THE COMMISSION
21 TO THE EXTENT NOT PROVIDED FOR IN THE STATE BUDGET;

22 (4) 2.0% TO THE MARYLAND-BRED RACE FUND AND THE MARYLAND
23 STANDARD BRED RACE FUND ESTABLISHED UNDER THE BUSINESS REGULATION
24 ARTICLE TO BE APPORTIONED BETWEEN THE FUNDS BY THE RACING COMMISSION
25 ANNUALLY WHEN AWARDING RACING DAYS, TAKING INTO ACCOUNT THE
26 FOLLOWING FACTORS:

27 (I) THE NUMBER OF LIVE RACING DAYS FOR EACH BREED;

28 (II) THE AMOUNT WAGERED ON LIVE RACING OF EACH BREED; AND

29 (III) THE LIVE ATTENDANCE AT TRACKS AT WHICH RACING BY
30 EACH BREED IS CONDUCTED;

31 (5) A TOTAL OF 7% TO THE THOROUGHBRED AND STANDARD BRED
32 PURSE DEDICATION FUNDS TO BE APPORTIONED BETWEEN THE FUNDS
33 CONSIDERING THE FACTORS IN ITEM (4) OF THIS SUBSECTION;

34 (6) A TOTAL OF 0.5% TO THE MARYLAND STATE FAIR AND
35 AGRICULTURAL SOCIETY, INC., FOR USE AT THE FACILITIES THAT INCLUDE THE
36 TIMONIUM RACE COURSE;

1 (7) (I) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE
2 PIMLICO RACE COURSE, LAUREL PARK, AND ROSECROFT RACEWAY, 4.75% IN LOCAL
3 DEVELOPMENT GRANTS TO BE DISTRIBUTED IN THE FOLLOWING MANNER:

- 4 1. 1.78% TO BALTIMORE CITY;
- 5 2. 1.78% TO PRINCE GEORGE'S COUNTY;
- 6 3. 0.7% TO ANNE ARUNDEL COUNTY;
- 7 4. 0.33% TO HOWARD COUNTY; AND
- 8 5. 0.16% TO THE CITY OF LAUREL; AND

9 (II) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE
10 HORSE RACECOURSE IN ALLEGANY COUNTY, 4.75% TO ALLEGANY COUNTY;

11 (8) \$500,000 EACH FISCAL YEAR TO THE DEPARTMENT OF HEALTH AND
12 MENTAL HYGIENE, TO PROVIDE COUNSELING AND OTHER SUPPORT SERVICES FOR
13 COMPULSIVE GAMBLERS AND WHICH SHALL BE USED TO SUPPLEMENT BUT MAY
14 NOT SUBSTITUTE FOR ANY APPROPRIATIONS IN THE STATE BUDGET FOR
15 ASSISTANCE TO COMPULSIVE GAMBLERS; AND

16 (9) \$500,000 TO THE DEPARTMENT OF AGRICULTURE TO BE
17 DISTRIBUTED TO AGRICULTURAL AND EQUESTRIAN ACTIVITIES AFTER
18 CONSULTATION WITH THE MARYLAND HORSE INDUSTRY BOARD.

19 (D) AFTER THE PAYMENTS REQUIRED IN SUBSECTION (C) OF THIS SECTION
20 ARE MADE, THE COMPTROLLER SHALL PAY ON A PROPERLY APPROVED
21 TRANSMITTAL PREPARED BY THE COMMISSION ONE-HALF OF THE REMAINING
22 PROCEEDS TO THE VIDEO LOTTERY TERMINAL OPERATOR.

23 (E) AFTER THE PAYMENTS REQUIRED IN SUBSECTIONS (C) AND (D) OF THIS
24 SECTION ARE MADE, THE COMPTROLLER SHALL PAY ON A PROPERLY APPROVED
25 TRANSMITTAL PREPARED BY THE COMMISSION ALL REMAINING PROCEEDS FROM
26 VIDEO LOTTERY TERMINALS TO THE EDUCATION TRUST FUND ESTABLISHED UNDER
27 § 9-1A-29 OF THIS SUBTITLE.

28 9-1A-28.

29 (A) THERE IS A THOROUGHBRED PURSE DEDICATION FUND AND A
30 STANDARD BRED PURSE DEDICATION FUND UNDER THE AUTHORITY OF THE STATE
31 RACING COMMISSION.

32 (B) (1) THE FUNDS SHALL RECEIVE MONEY AS REQUIRED UNDER §
33 9-1A-27(D)(4) OF THIS SUBTITLE.

34 (2) MONEY IN THE FUNDS SHALL BE INVESTED AND REINVESTED BY
35 THE STATE TREASURER, AND INTEREST AND EARNINGS SHALL ACCRUE TO THE
36 FUNDS.

1 (3) THE COMPTROLLER SHALL:

2 (I) ACCOUNT FOR THE FUND; AND

3 (II) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
4 STATE RACING COMMISSION, ISSUE A WARRANT TO PAY OUT MONEY FROM THE
5 FUNDS IN THE MANNER PROVIDED UNDER THIS SECTION.

6 (4) THE FUNDS ARE SPECIAL CONTINUING, NONLAPSING FUNDS THAT
7 ARE NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

8 (5) EXPENDITURES FROM THE FUNDS SHALL ONLY BE MADE ON A
9 PROPERLY APPROVED TRANSMITTAL PREPARED BY THE STATE RACING COMMISSION
10 AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION.

11 (C) THE STATE RACING COMMISSION SHALL ALLOCATE THE FUNDS UNDER §
12 9-1A-27(C)(5) OF THIS SUBTITLE TO EITHER THE THOROUGHBRED PURSE
13 DEDICATION FUND OR THE STANDARD BRED PURSE DEDICATION FUND.

14 (D) THE PROVISIONS OF THIS SECTION DO NOT APPLY TO THE HORSE
15 RACECOURSE IN ALLEGANY COUNTY UNTIL HORSE RACING BEGINS AT THAT
16 RACECOURSE.

17 9-1A-29.

18 (A) THERE IS AN EDUCATION TRUST FUND, WHICH IS A SPECIAL CONTINUING,
19 NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
20 PROCUREMENT ARTICLE.

21 (B) (1) THERE SHALL BE CREDITED TO THE EDUCATION TRUST FUND ALL
22 PROCEEDS ALLOCATED TO THE FUND UNDER § 9-1A-27 OF THIS SUBTITLE.

23 (2) MONEY IN THE EDUCATION TRUST FUND SHALL BE INVESTED AND
24 REINVESTED BY THE STATE TREASURER, AND INTEREST AND EARNINGS SHALL
25 ACCRUE TO THE FUND.

26 (C) MONEY IN THE EDUCATION TRUST FUND SHALL BE USED TO OFFSET THE
27 TOTAL FUNDING REQUIRED TO PROVIDE AN ADEQUATE EDUCATION FOR CHILDREN
28 ATTENDING PUBLIC SCHOOLS IN THE STATE IN PREKINDERGARTEN THROUGH
29 GRADE 12, THROUGH IMPLEMENTATION OF THE PROGRAMS COMMONLY KNOWN AS
30 THE "BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS", ENACTED BY CHAPTER 288 OF
31 THE ACTS OF THE GENERAL ASSEMBLY OF 2002.

32 (D) EXPENDITURES FROM THE EDUCATION TRUST FUND SHALL BE MADE
33 EACH FISCAL YEAR IN ACCORDANCE WITH THE STATE BUDGET.

34 9-1A-30.

35 (A) LOCAL DEVELOPMENT GRANTS PROVIDED UNDER § 9-1A-27 OF THIS
36 SUBTITLE SHOULD BE USED FOR IMPROVEMENTS IN THE COMMUNITIES IN

1 IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY OPERATION FACILITIES AND MAY
2 BE USED FOR THE FOLLOWING PURPOSES:

- 3 (1) INFRASTRUCTURE IMPROVEMENTS;
- 4 (2) FACILITIES;
- 5 (3) PUBLIC SAFETY;
- 6 (4) SANITATION;
- 7 (5) ECONOMIC AND COMMUNITY DEVELOPMENT, INCLUDING HOUSING;
- 8 AND
- 9 (6) OTHER PUBLIC SERVICES AND IMPROVEMENTS TO BENEFIT THE
10 COMMUNITIES IN IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY FACILITIES.

11 (B) (1) THERE IS A LOCAL DEVELOPMENT COUNCIL IN EACH GEOGRAPHIC
12 AREA IN WHICH A VIDEO LOTTERY FACILITY IS LOCATED.

13 (2) A LOCAL DEVELOPMENT COUNCIL CONSISTS OF THE FOLLOWING 15
14 MEMBERS APPOINTED BY THE CHIEF EXECUTIVE OF THE COUNTY IN WHICH THE
15 LOCAL DEVELOPMENT COUNCIL IS LOCATED, IN CONSULTATION WITH THE
16 MEMBERS OF THE GENERAL ASSEMBLY WHO REPRESENT THE COMMUNITIES IN THE
17 SAME LEGISLATIVE DISTRICT AS THE FACILITY AND THE RESPECTIVE COUNTY
18 COUNCILS, CITY COUNCILS, OR COUNTY COMMISSIONERS:

19 (I) ONE SENATOR WHO REPRESENTS THE DISTRICT IN WHICH THE
20 FACILITY IS LOCATED;

21 (II) TWO DELEGATES WHO REPRESENT THE DISTRICTS WHERE THE
22 COMMUNITIES IN THE SAME LEGISLATIVE DISTRICT AS THE FACILITY ARE LOCATED;

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

25 (IV) SEVEN RESIDENTS OF THE COMMUNITIES WITHIN TWO MILES
26 OF THE FACILITY; AND

27 (V) FOUR REPRESENTATIVES OF BUSINESSES OR INSTITUTIONS
28 LOCATED IN WITHIN TWO MILES OF THE FACILITY.

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

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

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

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

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

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

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

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

19 9-1A-31.

20 (A) THE STATE MAY PAY FOR THE REASONABLE TRANSPORTATION COSTS TO:

21 (1) MITIGATE THE IMPACT ON THE COMMUNITIES IN THE IMMEDIATE
22 PROXIMITY TO THE FACILITY; AND

23 (2) MAKE EACH VIDEO LOTTERY FACILITY ACCESSIBLE TO THE PUBLIC.

24 (B) (1) A COMPREHENSIVE TRANSPORTATION PLAN SHALL BE:

25 (I) DEVELOPED BY EACH COUNTY IN WHICH A FACILITY IS
26 LOCATED, IN CONSULTATION WITH THE LOCAL DEVELOPMENT COUNCIL CREATED
27 UNDER § 9-1A-30 OF THIS SUBTITLE; AND

28 (II) APPROVED BY THE MARYLAND DEPARTMENT OF
29 TRANSPORTATION.

30 (2) THE COMPREHENSIVE TRANSPORTATION PLAN SHALL INCLUDE
31 PROVISIONS ON ROADS AND MASS TRANSIT.

32 (C) THE MARYLAND DEPARTMENT OF TRANSPORTATION SHALL FACILITATE
33 NEGOTIATIONS WITH AFFECTED COMMUNITIES TO ENSURE THE MOST PRACTICAL
34 INGRESS TO AND EGRESS FROM THE VIDEO LOTTERY FACILITY.

1 9-1A-32.

2 THE COMMISSION SHALL:

3 (1) ESTABLISH AN ANNUAL FEE OF NOT LESS THAN \$390, TO BE PAID BY
4 EACH VIDEO LOTTERY OPERATION LICENSEE, FOR EACH VIDEO LOTTERY TERMINAL
5 OPERATED BY THE LICENSEE DURING THE YEAR; AND

6 (2) DISTRIBUTE THE FEES COLLECTED UNDER PARAGRAPH (1) OF THIS
7 SUBSECTION TO THE COMPULSIVE GAMBLING FUND ESTABLISHED IN § 9-1A-33 OF
8 THIS SUBTITLE.

9 9-1A-33.

10 (A) THERE IS A COMPULSIVE GAMBLING FUND IN THE DEPARTMENT OF
11 HEALTH AND MENTAL HYGIENE.

12 (B) THE COMPULSIVE GAMBLING FUND IS A SPECIAL CONTINUING,
13 NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
14 PROCUREMENT ARTICLE.

15 (C) MONEYS IN THE COMPULSIVE GAMBLING FUND SHALL BE INVESTED AND
16 REINVESTED BY THE STATE TREASURER, AND INTEREST AND EARNINGS SHALL
17 ACCRUE TO THE FUND.

18 (D) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL BE
19 MADE ONLY:

20 (1) BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE TO:

21 (I) ESTABLISH A 24-HOUR HOTLINE FOR COMPULSIVE AND
22 PROBLEM GAMBLERS AND TO PROVIDE COUNSELING AND OTHER SUPPORT
23 SERVICES FOR COMPULSIVE AND PROBLEM GAMBLERS; AND

24 (II) DEVELOP AND IMPLEMENT A PROBLEM GAMBLING
25 PREVENTION PROGRAM; AND

26 (2) IN ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE
27 GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY THE BUDGET
28 AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND
29 PROCUREMENT ARTICLE.

30 9-1A-34.

31 THE COMMISSION SHALL MAKE AN ANNUAL REPORT TO THE GOVERNOR AND,
32 SUBJECT TO § 2-1246 OF THIS ARTICLE, TO THE GENERAL ASSEMBLY:

33 (1) ON THE OPERATION AND FINANCES OF THE VIDEO LOTTERY; AND

1 (2) WITH THE ASSISTANCE OF LOCAL POLICE DEPARTMENTS AND THE
2 DEPARTMENT OF STATE POLICE, DETAILING THE CRIMES THAT OCCUR WITHIN THE
3 COMMUNITIES SURROUNDING A VIDEO LOTTERY FACILITY.

4 **Article - State Finance and Procurement**

5 11-203.

6 (a) Except as provided in subsection (b) of this section, this Division II does
7 not apply to:

8 (1) procurement by:

9 (xviii) the Maryland Energy Administration, when negotiating or
10 entering into grants or cooperative agreements with private entities to meet federal
11 specifications or solicitation requirements related to energy conservation, energy
12 efficiency, or renewable energy projects that benefit the State; [and]

13 (xix) the Maryland Developmental Disabilities Administration of the
14 Department of Health and Mental Hygiene for family and individual support services,
15 and individual family care services, as those terms are defined by the Department of
16 Health and Mental Hygiene in regulation; AND

17 (XX) THE STATE LOTTERY AGENCY FOR NEGOTIATING AND
18 ENTERING INTO CONTRACTS FOR THE PURCHASE, LEASE, MANUFACTURE, REPAIR,
19 MAINTENANCE, AND OPERATION OF VIDEO LOTTERY TERMINALS;

20 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
21 read as follows:

22 **Article - State Finance and Procurement**

23 11-203.

24 (b) (3) A procurement by an entity listed in subsection (a)(1)(i) through (xv)
25 [and (xix)], (XIX), AND (XX) of this section shall be made under procedures that
26 promote the purposes stated in § 11-201(a) of this subtitle.

27 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
28 read as follows:

29 **Article - State Finance and Procurement**

30 11-203.

31 (b) (2) A procurement by an entity listed in subsection (a)(1)(i) through (xv)
32 [and (xix)], (XIX), AND (XX) of this section shall be made under procedures that
33 promote the purposes stated in § 11-201(a) of this subtitle.

1 SECTION 4. AND BE IT FURTHER ENACTED, That if any provision of this
2 Act or the application thereof to any person or circumstance is held invalid for any
3 reason in a court of competent jurisdiction, the invalidity does not affect other
4 provisions or any other application of this Act which can be given effect without the
5 invalid provision or application, and for this purpose the provisions of this Act are
6 declared severable.

7 SECTION 5. AND BE IT FURTHER ENACTED, That the intent of this Act and
8 its various integrated provisions is to provide for the authorization and regulation of
9 certain gaming devices for the purpose of generating State revenues and other Funds
10 for specified purposes, including Funding public education and assisting the State's
11 racing industry. This section is not intended to detract from the application of the
12 severability provision contained in Section 4 of this Act or from the power of a court of
13 competent jurisdiction to consider and apply appropriate severability principles in the
14 event of a judicial challenge to the validity of a specific portion or portions of this Act.

15 SECTION 6. AND BE IT FURTHER ENACTED, That the agency designated
16 by the Board of Public Works under § 14-303(b) of the State Finance and
17 Procurement Article, in consultation with the General Assembly and the Office of the
18 Attorney General, shall initiate two studies of the requirements of § 9-1A-09 of the
19 State Government Article that evaluate the continued compliance of the requirement
20 with any federal and constitutional requirements. In preparation for the studies, the
21 State Lottery Commission shall require video lottery operation license applicants and
22 licensees to provide any information necessary to perform the studies. The studies
23 shall also evaluate race neutral programs or other methods that can be used to
24 address the needs of minority investors and minority businesses. A final report of the
25 first study shall be submitted to the Legislative Policy Committee by December 1,
26 2006, so that the General Assembly may review the report prior to the 2007 Session.
27 A final report of the second study shall be submitted to the Legislative Policy
28 Committee on or before September 30, 2008, so that the General Assembly may
29 review the report in conjunction with the report of the study on the Minority Business
30 Enterprise Program prior to the 2009 Session.

31 SECTION 7. AND BE IT FURTHER ENACTED, That the Maryland
32 Department of Transportation shall study the impact of the increased traffic resulting
33 from any proposed operation of video lottery terminals at Pimlico Race Course,
34 including the need for an interchange on Jones Falls Expressway between Northern
35 Parkway and Interstate 695. The Maryland Department of Transportation shall
36 provide a final report on the study required under this section to the General
37 Assembly on or before December 1, 2005, in accordance with § 2-1246 of the State
38 Government Article.

39 SECTION 8. AND BE IT FURTHER ENACTED, That this Act may not be
40 construed to affect the terms of the members of the State Lottery Commission
41 appointed before the effective date of this Act. The terms of the four new members of
42 the State Lottery Commission appointed under this Act shall expire as follows:

43 (1) one member in 2007;

1 (2) one member in 2008; and

2 (3) two members in 2009.

3 SECTION 9. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
4 take effect on the taking effect of the termination provision specified in Section 2 of
5 Chapter 402 of the Acts of the General Assembly of 2003. If that termination provision
6 takes effect, Section 2 of this Act shall be abrogated and of no further force and effect.
7 This Act may not be interpreted to have any effect on that termination provision.

8 SECTION 10. AND BE IT FURTHER ENACTED, That, subject to the
9 provisions of Section 9 of this Act, this Act shall take effect June 1, 2005.