
By: **Delegates Bromwell, DeBoy, and Malone**
Introduced and read first time: February 11, 2005
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Educational Facility Construction and Renovation - Video**
3 **Lottery Terminals**

4 FOR the purpose of requiring the State Lottery Commission to regulate the operation
5 of certain video lottery terminals; transferring the State Lottery Agency and
6 State Lottery Commission to the Office of the Comptroller; requiring the
7 Governor to appoint a member of the State Racing Commission as a liaison to
8 the State Lottery Commission; altering the membership of the State Lottery
9 Commission; specifying certain requirements for members of the State Lottery
10 Commission; requiring the Governor to appoint a member of the State Lottery
11 Commission as a liaison to the State Racing Commission; providing that
12 members of the State Lottery Commission may be compensated as provided in
13 the State budget; authorizing the operation of video lottery terminals connected
14 to a certain central computer that allows the State Lottery Commission to
15 monitor a video lottery terminal and that has certain capabilities; prohibiting
16 access to the central computer to certain licensees with a certain exception;
17 providing that only a person with a certain video lottery operation license may
18 offer a video lottery terminal for public use in the State; providing that this Act
19 is statewide and exclusive in its effect and that certain laws do not apply to
20 video lottery terminals authorized under this Act; authorizing the State Lottery
21 Commission to conduct certain investigations and hearings; requiring the State
22 Lottery Commission to adopt certain regulations; authorizing the State Lottery
23 Commission to require a certain bond and collect certain fees, civil penalties,
24 and taxes; authorizing the State Lottery Commission to inspect and seize
25 certain equipment, financial information, and records without notice or
26 warrant; authorizing the State Lottery Commission to issue a certain number of
27 video lottery operation licenses under certain circumstances; requiring certain
28 video lottery terminal manufacturers, video lottery operators, video lottery
29 employees, and other individuals required by the State Lottery Commission to
30 be licensed; providing for the application and licensing process; establishing
31 certain eligibility criteria and disqualifying criteria for a video lottery operation
32 license; requiring certain licensees to maintain certain numbers of live racing
33 days; providing that certain licensees are ineligible for certain funding if a
34 certain horse racing event or trade names and other items related to the event
35 are transferred out of the State; requiring a certain licensee to conduct a certain

1 annual race with certain exceptions; requiring certain licensees to submit to the
2 State Lottery Commission a certain plan to improve the quality and marketing
3 of horse racing; requiring certain video lottery operation licensees to offer for
4 sale a certain percentage of equity ownership to certain individuals under
5 certain circumstances; requiring certain applicants and licensees to comply with
6 certain provisions of law relating to minority business participation; specifying
7 that certain collective bargaining agreements do not negate certain provisions of
8 this Act; providing for the monitoring of certain provisions of this Act by the
9 Governor's Office of Minority Affairs; providing for certain eligibility criteria
10 and disqualifying criteria for certain licenses; providing for certain waivers of
11 certain licensing requirements under certain circumstances; providing for
12 certain license terms; stating the intent of the General Assembly relating to
13 video lottery operation licenses; prohibiting a video lottery operation license
14 from being transferred or pledged as collateral; prohibiting certain licensees
15 from selling or otherwise transferring more than a certain percentage of the
16 legal or beneficial interest unless certain conditions are met; requiring that the
17 transfer of a certain interest in a person that holds a video lottery operation
18 license be approved by the State Lottery Commission; requiring the Department
19 of State Police to conduct certain background investigations in a certain
20 manner; requiring the State Lottery Commission to buy or lease the video
21 lottery terminals, associated equipment, and central computer authorized under
22 this Act; specifying limits on the number of video lottery terminals allowed at
23 certain facilities; allowing a certain number of destination locations to be
24 eligible for a video lottery operation license under certain circumstances;
25 establishing a Video Lottery Facility Location Commission; establishing the
26 membership of the Video Lottery Facility Location Commission; establishing
27 certain eligibility requirements for membership on the Video Lottery Facility
28 Location Commission; providing for certain reimbursements and staffing;
29 allowing the Video Lottery Facility Location Commission to award not more
30 than a certain number of video lottery operation licenses to certain video lottery
31 destination locations; requiring the Video Lottery Facility Location Commission
32 to consider certain factors; providing the minimum payout for video lottery
33 terminals and authorizing the State Lottery Commission to adopt certain video
34 lottery terminal payouts; providing for the hours of operation of video lottery
35 terminals; prohibiting the State Lottery Commission from issuing certain
36 licenses under certain circumstances; prohibiting a video lottery operation
37 licensee from offering food or beverages at no cost with a certain exception or
38 from offering food and beverages below certain prices; requiring the State
39 Lottery Commission to adopt certain regulations to reduce or mitigate the
40 effects of problem gambling; authorizing the State Lottery Commission to
41 reprimand a licensee or deny, suspend, or revoke certain licenses under certain
42 circumstances; requiring the Comptroller to collect and distribute certain money
43 in specified ways; establishing the Maryland Educational Facility Construction
44 and Renovation Fund; requiring certain distributions from video lottery
45 proceeds to the Maryland Educational Facility Construction and Renovation
46 Fund to be used for a certain purpose; establishing a Purse Dedication Account
47 under the authority of the State Racing Commission; providing for a certain
48 distribution from video lottery proceeds to the Purse Dedication Account for

1 horse racing; providing for certain distributions from the Purse Dedication
2 Account for horse racing in a certain manner; establishing a Racetrack Facility
3 Renewal Account under the authority of the State Racing Commission;
4 providing for a certain distribution from video lottery proceeds to the Racetrack
5 Facility Renewal Account for capital construction and improvements at
6 racetracks; providing for certain distributions from the Racetrack Facility
7 Renewal Account for capital construction and improvements at racetracks in a
8 certain manner; authorizing the State to pay certain transportation costs;
9 requiring the Department of Transportation to facilitate certain negotiations;
10 requiring a certain transportation plan to be developed by certain counties;
11 providing for the creation of certain local development councils; providing for
12 appointment and membership of certain local development councils; requiring
13 certain counties to develop certain plans to be reviewed by certain local
14 development councils; specifying that certain local impact grants should be used
15 for certain purposes; authorizing certain fees and providing for a certain
16 distribution from certain fees to the Compulsive Gambling Fund; creating a
17 Compulsive Gambling Fund in the Department of Health and Mental Hygiene;
18 providing for certain disbursements from the Compulsive Gambling Fund for
19 certain purposes; exempting a certain procurement by the Commission from
20 certain provisions of law; requiring the Commission to make a certain annual
21 report by a certain date; requiring the Department of Transportation to conduct
22 a certain study and make a certain report by a certain date; requiring a certain
23 certification entity to conduct certain studies and make certain reports; making
24 the provisions of this Act severable; providing for the staggering of the terms of
25 certain new members of the State Lottery Commission; defining certain terms;
26 providing for the termination of certain provisions of this Act; providing that
27 certain provisions of this Act are contingent on the termination of another Act;
28 and generally relating to the operation of video lottery terminals at certain
29 locations in the State.

30 BY repealing and reenacting, with amendments,
31 Article - Business Regulation
32 Section 11-511
33 Annotated Code of Maryland
34 (2004 Replacement Volume)

35 BY repealing and reenacting, without amendments,
36 Article - Health - General
37 Section 19-801 and 19-802
38 Annotated Code of Maryland
39 (2000 Replacement Volume and 2004 Supplement)

40 BY repealing and reenacting, with amendments,
41 Article - Health - General
42 Section 19-803 and 19-804
43 Annotated Code of Maryland

1 (2000 Replacement Volume and 2004 Supplement)

2 BY repealing and reenacting, with amendments,
3 Article - State Government
4 Section 9-103, 9-105, 9-107, and 9-108(c)(1) and (d)
5 Annotated Code of Maryland
6 (2004 Replacement Volume)

7 BY adding to
8 Article - State Government
9 Section 9-1A-01 through 9-1A-35 to be under the new subtitle "Subtitle 1A.
10 Video Lottery Terminals"
11 Annotated Code of Maryland
12 (2004 Replacement Volume)

13 BY repealing and reenacting, with amendments,
14 Article - State Finance and Procurement
15 Section 11-203(a)(1)(xviii) and (xix)
16 Annotated Code of Maryland
17 (2001 Replacement Volume and 2004 Supplement)

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

23 BY repealing and reenacting, with amendments,
24 Article - State Finance and Procurement
25 Section 11-203(b)(3)
26 Annotated Code of Maryland
27 (2001 Replacement Volume and 2004 Supplement)

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

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

1 **Article - Business Regulation**

2 11-511.

3 (a) (1) On or before December 1, the Commission shall award all racing days
4 for the next calendar year.

5 (2) However, the Commission may meet after December 1 to award
6 racing days that are requested in applications.

7 (b) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
8 SUBSECTION, THE Commission may award for any calendar year up to the number of
9 racing days requested by an applicant.

10 (2) THE COMMISSION SHALL AWARD AT LEAST 40 RACING DAYS TO THE
11 PIMLICO RACE COURSE IN BALTIMORE CITY IN EACH CALENDAR YEAR.

12 (c) The decision of the Commission on the award of a racing day is final.

13 **Article - Health - General**

14 19-801.

15 In this subtitle, "compulsive gambler" means an individual:

16 (1) Who is preoccupied chronically and progressively with gambling and
17 the urge to gamble; and

18 (2) Whose gambling behavior compromises, disrupts, or damages the
19 individual's personal, family, or vocational pursuits.

20 19-802.

21 The General Assembly finds that:

22 (1) Compulsive gambling is a serious social problem;

23 (2) There is evidence that the availability of gambling increases the risk
24 of becoming a compulsive gambler; and

25 (3) This State, with its extensive legalized gambling, has an obligation to
26 provide a program of treatment for compulsive gamblers.

27 19-803.

28 [As a pilot project, the] THE Secretary shall establish [a center for] REGIONAL
29 CENTERS TO PROVIDE SERVICES TO compulsive gamblers [at a place that the
30 Secretary determines to be accessible to a major population center of this State].

1 19-804.

2 (a) (1) The Secretary [may] SHALL make grants from or agreements for the
3 use of State FUNDS, INCLUDING THE FUNDS PROVIDED UNDER § 9-1A-33 OF THE
4 STATE GOVERNMENT ARTICLE, and federal funds to help public agencies or nonprofit
5 organizations operate the [center] CENTERS for compulsive gamblers and establish
6 and operate ADDITIONAL local programs to provide the following for compulsive
7 gamblers AND THEIR IMMEDIATE FAMILY MEMBERS:

8 (i) Inpatient services[.];

9 (ii) Outpatient services[.];

10 (iii) Partial care services[.];

11 (iv) Aftercare services[.];

12 (v) Consultative services[.];

13 (vi) Educational services[.];

14 (VII) SERVICES IN DOMESTIC VIOLENCE; AND

15 [(vii)] (VIII) Other preventive or rehabilitative services or
16 treatment.

17 (2) Research and training that are designed to improve or extend these
18 services are proper items of expense.

19 (B) THE SECRETARY SHALL CONDUCT A PREVALENCE STUDY AND
20 REPLICATION PREVALENCE STUDIES TO MEASURE THE RATE OF PROBLEM AND
21 PATHOLOGICAL GAMBLING IN THE STATE.

22 (C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE SECRETARY
23 SHALL CONTRACT WITH AN INDEPENDENT RESEARCHER TO CONDUCT THE
24 PREVALENCE STUDIES.

25 (2) THE SECRETARY SHALL UTILIZE THE MOST CURRENT PSYCHIATRIC
26 OR DIAGNOSTIC CRITERIA FOR PROBLEM AND PATHOLOGICAL GAMBLING AS THE
27 BASIS FOR THE PREVALENCE STUDIES.

28 (D) THE INITIAL PREVALENCE STUDY SHALL BE COMPLETED ON OR BEFORE
29 SEPTEMBER 30, 2006.

30 (E) REPLICATION PREVALENCE STUDIES SHALL BE CONDUCTED NO LESS
31 THAN EVERY 5 YEARS WITH MEASURES TAKEN TO PERMIT COMPARISONS BETWEEN
32 THE INITIAL PREVALENCE STUDY AND SUBSEQUENT REPLICATION PREVALENCE
33 STUDIES.

34 [(b)] (F) Services under this subtitle shall be provided by public agencies or,
35 under contract, by nonprofit organizations.

Article - State Government

1
2 9-103.

3 There is a State Lottery Agency IN THE OFFICE OF THE COMPTROLLER.

4 9-105.

5 (a) The Commission consists of [5] NINE members appointed by the Governor
6 with the advice and consent of the Senate.

7 (b) (1) [Each] AT THE TIME OF APPOINTMENT, EACH member of the
8 Commission [must be a resident and citizen of the State.] SHALL BE:

9 (I) AT LEAST 25 YEARS OLD;

10 (II) A RESIDENT OF THE STATE WHO HAS RESIDED IN THE STATE
11 FOR AT LEAST 5 YEARS;

12 (III) A QUALIFIED VOTER OF THE STATE; AND

13 (IV) AN INDIVIDUAL WHO HAS NOT BEEN CONVICTED OF OR
14 GRANTED PROBATION BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT
15 INVOLVES MORAL TURPITUDE OR GAMBLING.

16 (2) A MEMBER OF THE COMMISSION MAY NOT:

17 (I) HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST IN VIDEO
18 LOTTERY TERMINALS;

19 (II) HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO HOLDS A
20 LICENSE UNDER SUBTITLE 1A OF THIS TITLE; OR

21 (III) HOLD ANY STOCKS, BONDS, OR OTHER FINANCIAL INTEREST IN
22 A PERSON HOLDING A LICENSE UNDER SUBTITLE 1A OF THIS TITLE.

23 (3) NO MORE THAN SIX MEMBERS MAY BE OF THE SAME POLITICAL
24 PARTY.

25 (4) THE MEMBERS OF THE COMMISSION SHALL REFLECT THE
26 GEOGRAPHIC, RACIAL, AND GENDER MAKEUP OF THE STATE.

27 (C) THE COMMISSION SHALL INCLUDE:

28 (1) ONE MEMBER WITH EXPERIENCE IN LAW ENFORCEMENT;

29 (2) ONE MEMBER WITH EXPERIENCE IN A FIELD RELATING TO FINANCE
30 OR INVESTMENTS;

31 (3) ONE MEMBER WHO IS A CERTIFIED PUBLIC ACCOUNTANT; AND

1 (4) ONE MEMBER WITH EXPERIENCE IN A FIELD OF INFORMATION
2 TECHNOLOGY.

3 [(c)] (D) (1) The term of a member is 4 years.

4 (2) The terms of members are staggered [as required by the terms
5 provided for members of the Commission on October 1, 1984].

6 (3) At the end of a term, a member continues to serve until a successor is
7 appointed and qualifies.

8 (4) A member who is appointed after a term has begun serves only for
9 the rest of the term and until a successor is appointed and qualifies.

10 [(d)] (E) (1) Subject to the hearing requirements of this subsection, the
11 Governor may remove a member for cause.

12 (2) Before the Governor removes a member, the Governor shall give the
13 member notice and an opportunity for a public hearing.

14 9-107.

15 (a) [With the advice and consent of the Senate, the Governor] THE
16 COMPTROLLER shall appoint the Director of the Agency, who is the executive officer of
17 the Agency and Secretary of the Commission.

18 [(b)] The Director serves at the pleasure of the Governor.]

19 [(c)] (B) The Director must have the training and experience needed to direct
20 the work of the Agency.

21 [(d)] (C) The Director shall devote full time to the duties of office and may not
22 engage in another profession or occupation.

23 [(e)] (D) In addition to any duties set forth elsewhere in this subtitle, the
24 Director shall have immediate supervision and direction over the Agency.

25 [(f)] (E) The Director is entitled to the salary provided in the State budget.

26 9-108.

27 (c) (1) The secretary of the Commission promptly shall send the [Governor]
28 COMPTROLLER a copy of the minutes of each meeting of the Commission.

29 (d) As provided in the State budget, a member of the Commission:

30 (1) may receive compensation [as payment for attendance at
31 Commission meetings or other lottery functions in the amount of:

32 (i) \$125 per meeting attended, not to exceed \$1,500 annually for a
33 Commission member who is not the chairman; and

1 (ii) \$165 per meeting attended, not to exceed \$2,000 annually for
2 the Commission chairman]; and

3 (2) is entitled to reimbursement for reasonable expenses incurred in the
4 performance of the duties as a member.

5 SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

6 9-1A-01.

7 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
8 INDICATED.

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

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

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

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

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

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

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

31 (1) INFORMATION RETRIEVAL;

32 (2) RETRIEVAL OF THE WIN AND LOSS DETERMINATION FROM VIDEO
33 LOTTERY TERMINALS; AND

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

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

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

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

6 (1) THE COSTS OF LEASING OR THE CAPITALIZED COST OF PURCHASING
7 THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL
8 COMPUTER;

9 (2) THE COSTS TO REPAIR AND MAINTAIN THE VIDEO LOTTERY
10 TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER TO THE EXTENT
11 THESE COSTS ARE NOT INCLUDED IN THE COSTS OF LEASING OR PURCHASING THE
12 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER;

13 (3) THE COSTS OF TESTING AND EXAMINATION OF VIDEO LOTTERY
14 TERMINALS; AND

15 (4) THE COSTS OF PERFORMING BACKGROUND INVESTIGATIONS AND
16 OTHER RELATED ACTIVITIES.

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

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

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

26 (O) "MANUFACTURER" MEANS A PERSON:

27 (1) THAT IS ENGAGED IN THE BUSINESS OF DESIGNING, BUILDING,
28 CONSTRUCTING, ASSEMBLING, MANUFACTURING, OR DISTRIBUTING A CENTRAL
29 COMPUTER, A CENTRAL COMPUTER SOFTWARE SYSTEM, VIDEO LOTTERY
30 TERMINALS, ASSOCIATED EQUIPMENT, THE ELECTRONIC COMPUTER COMPONENTS
31 OF VIDEO LOTTERY TERMINALS, THE RANDOM NUMBER GENERATOR OF VIDEO
32 LOTTERY TERMINALS, OR THE CABINET IN WHICH A VIDEO LOTTERY TERMINAL IS
33 HOUSED;

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

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

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

3 (Q) "PLAYER" MEANS AN INDIVIDUAL WHO PLAYS A VIDEO LOTTERY
4 TERMINAL AT A VIDEO LOTTERY FACILITY LICENSED BY THE COMMISSION.

5 (R) "PROCEEDS" MEANS THE PART OF THE AMOUNT OF MONEY BET THROUGH
6 VIDEO LOTTERY TERMINALS THAT IS NOT RETURNED TO SUCCESSFUL PLAYERS BUT
7 IS OTHERWISE ALLOCATED UNDER THIS SUBTITLE.

8 (S) "PROGRESSIVE JACKPOT" MEANS A PRIZE THAT INCREASES AS ONE OR
9 MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE JACKPOT
10 SYSTEM.

11 (T) "PROGRESSIVE JACKPOT SYSTEM" MEANS THE CAPABILITY OF THE
12 CENTRAL COMPUTER TO LINK ONE OR MORE VIDEO LOTTERY TERMINALS IN ONE OR
13 MORE LICENSED FACILITIES AND TO OFFER ONE OR MORE COMMON PROGRESSIVE
14 JACKPOTS.

15 (U) "VIDEO LOTTERY" MEANS GAMING OR BETTING CONDUCTED USING A
16 VIDEO LOTTERY TERMINAL.

17 (V) "VIDEO LOTTERY DESTINATION LOCATION" MEANS A LOCATION THAT IS
18 ELIGIBLE FOR OR HAS BEEN AWARDED IN THE MANNER PROVIDED BY LAW A VIDEO
19 LOTTERY OPERATION LICENSE.

20 (W) "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE OF A PERSON WHO
21 HOLDS A LICENSE.

22 (X) "VIDEO LOTTERY FACILITY" MEANS A FACILITY AT WHICH PLAYERS PLAY
23 VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.

24 (Y) "VIDEO LOTTERY OPERATION LICENSE" MEANS A LICENSE ISSUED TO A
25 PERSON THAT ALLOWS PLAYERS TO OPERATE VIDEO LOTTERY TERMINALS.

26 (Z) (1) "VIDEO LOTTERY TERMINAL" MEANS ANY MACHINE OR OTHER
27 DEVICE THAT, ON INSERTION OF A BILL, COIN, TOKEN, VOUCHER, TICKET, COUPON,
28 OR SIMILAR ITEM, OR ON PAYMENT OF ANY CONSIDERATION:

29 (I) IS AVAILABLE TO PLAY OR SIMULATE THE PLAY OF ANY GAME
30 OF CHANCE IN WHICH THE RESULTS, INCLUDING THE OPTIONS AVAILABLE TO THE
31 PLAYER, ARE RANDOMLY AND IMMEDIATELY DETERMINED BY THE MACHINE OR
32 OTHER DEVICE; AND

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

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

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

3 (II) DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION THAT
4 USES AN ELECTRONIC CREDIT SYSTEM MAKING THE DEPOSIT OF BILLS, COINS, OR
5 TOKENS UNNECESSARY.

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

9 9-1A-02.

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

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

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

16 (2) THE COMMISSION SHALL PROVIDE AND OPERATE A SINGLE
17 CENTRAL COMPUTER INTO WHICH ALL LICENSED VIDEO LOTTERY TERMINALS MUST
18 BE CONNECTED.

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

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

22 (II) CONTINUOUSLY MONITORING, RETRIEVING, AND AUDITING
23 THE OPERATIONS, FINANCIAL DATA, AND PROGRAM INFORMATION OF ALL VIDEO
24 LOTTERY TERMINALS;

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

27 (IV) DISABLING FROM OPERATION OR PLAY ANY VIDEO LOTTERY
28 TERMINAL AS THE COMMISSION DEEMS NECESSARY TO CARRY OUT THE PROVISIONS
29 OF THIS SUBTITLE; AND

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

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

1 (II) PROVIDED THE ACCESS DOES NOT IN ANY WAY AFFECT THE
2 INTEGRITY OR SECURITY OF THE CENTRAL COMPUTER SYSTEM, THE COMMISSION
3 MAY ALLOW A VIDEO LOTTERY OPERATION LICENSEE TO HAVE ACCESS TO
4 INFORMATION FROM THE CENTRAL COMPUTER THAT ALLOWS THE LICENSEE TO
5 OPERATE A PLAYER TRACKING SYSTEM OR OBTAIN OTHER INFORMATION
6 PERTINENT TO THE LEGITIMATE OPERATION OF A VIDEO LOTTERY FACILITY.

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

10 9-1A-03.

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

14 (B) THIS SECTION DOES NOT APPLY TO:

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

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

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

20 (4) GAMING CONDUCTED BY A BONA FIDE FRATERNAL, CIVIC, WAR
21 VETERANS', RELIGIOUS OR CHARITABLE ORGANIZATION, VOLUNTEER FIRE
22 COMPANY, OR SUBSTANTIALLY SIMILAR ORGANIZATION UNDER TITLES 12 AND 13 OF
23 THE CRIMINAL LAW ARTICLE.

24 9-1A-04.

25 (A) THE COMMISSION SHALL:

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

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

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

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

1 (5) DEPOSIT APPLICATION, LICENSE, AND OTHER FEES TO A BANK
2 ACCOUNT THAT THE STATE TREASURER DESIGNATES TO THE CREDIT OF THE STATE
3 LOTTERY FUND TO COVER THE ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED
4 TO LICENSING;

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

8 (7) BE PRESENT AT A VIDEO LOTTERY OPERATION THROUGH ITS
9 EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO
10 LOTTERY TERMINAL FOR THE PURPOSE OF CERTIFYING REVENUE FROM THE VIDEO
11 LOTTERY TERMINALS, RECEIVING COMPLAINTS FROM THE PUBLIC, AND
12 CONDUCTING ANY OTHER INVESTIGATION INTO THE OPERATION OF THE VIDEO
13 LOTTERY TERMINALS AND THE MAINTENANCE OF THE VIDEO LOTTERY TERMINALS
14 AND ASSOCIATED EQUIPMENT AS THE COMMISSION MAY DEEM NECESSARY AND
15 PROPER; AND

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

19 (B) THE COMMISSION MAY:

20 (1) ISSUE SUBPOENAS TO COMPEL THE ATTENDANCE OF WITNESSES AT
21 ANY PLACE WITHIN THE STATE IN THE COURSE OF ANY INVESTIGATION OR HEARING
22 UNDER THIS SUBTITLE;

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

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

29 (4) PROPOUND WRITTEN INTERROGATORIES.

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

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

35 (1) ESTABLISHING THE METHODS AND FORMS OF APPLICATION THAT
36 AN APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE SHALL FOLLOW
37 AND COMPLETE BEFORE CONSIDERATION OF THE APPLICATION BY THE
38 COMMISSION;

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

5 (3) ESTABLISHING THE PROCEDURES FOR THE FINGERPRINTING OF AN
6 APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE OR OTHER
7 METHODS OF IDENTIFICATION THAT MAY BE NECESSARY IN THE JUDGMENT OF THE
8 COMMISSION TO ACCOMPLISH EFFECTIVE ENFORCEMENT OF THE PROVISIONS OF
9 THIS SUBTITLE;

10 (4) ESTABLISHING THE MANNER AND PROCEDURE OF HEARINGS
11 CONDUCTED BY THE COMMISSION;

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

14 (6) DEFINING AND LIMITING THE AREAS OF OPERATION FOR VIDEO
15 LOTTERY TERMINALS, RULES OF VIDEO LOTTERY TERMINALS, ODDS FOR VIDEO
16 LOTTERY TERMINALS, AND THE METHOD OF OPERATION OF THE VIDEO LOTTERY
17 TERMINALS;

18 (7) REGULATING THE PRACTICE AND PROCEDURES FOR NEGOTIABLE
19 TRANSACTIONS INVOLVING PLAYERS, INCLUDING LIMITATIONS ON THE
20 CIRCUMSTANCES AND AMOUNTS OF NEGOTIABLE TRANSACTIONS AND THE
21 ESTABLISHMENT OF FORMS AND PROCEDURES FOR NEGOTIABLE INSTRUMENT
22 TRANSACTIONS, REDEMPTIONS, AND CONSOLIDATIONS;

23 (8) PRESCRIBING THE GROUNDS AND PROCEDURES FOR REPRIMANDS
24 OF LICENSEES OR THE REVOCATION OR SUSPENSION OF LICENSES ISSUED UNDER
25 THIS SUBTITLE;

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

28 (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF
29 MANAGEMENT CONTROLS;

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

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

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

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

5 (15) OTHERWISE CARRYING OUT THE PROVISIONS OF THIS SUBTITLE.

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

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

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

16 (F) (1) THE COMMISSION SHALL PROMPTLY AND THOROUGHLY
17 INVESTIGATE ALL APPLICATIONS AND ENFORCE THIS SUBTITLE AND REGULATIONS
18 THAT ARE ADOPTED UNDER THIS SUBTITLE.

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

21 (I) INSPECT AND EXAMINE ALL PREMISES IN WHICH VIDEO
22 LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE CONDUCTED OR ANY
23 AUTHORIZED VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, OR CENTRAL
24 COMPUTER IS DESIGNED, BUILT, CONSTRUCTED, ASSEMBLED, MANUFACTURED,
25 SOLD, DISTRIBUTED, OR SERVICED, OR IN WHICH RECORDS OF THOSE ACTIVITIES
26 ARE PREPARED OR MAINTAINED;

27 (II) INSPECT ANY VIDEO LOTTERY TERMINALS, ASSOCIATED
28 EQUIPMENT, OR CENTRAL COMPUTER IN, ABOUT, ON, OR AROUND THOSE PREMISES;

29 (III) SEIZE SUMMARILY AND REMOVE FROM THOSE PREMISES AND
30 IMPOUND, OR ASSUME PHYSICAL CONTROL OF, ANY VIDEO LOTTERY TERMINALS,
31 ASSOCIATED EQUIPMENT, OR CENTRAL COMPUTER FOR THE PURPOSES OF
32 EXAMINATION AND INSPECTION;

33 (IV) INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND
34 DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY OPERATIONS, INCLUDING
35 THE FINANCIAL RECORDS OF A PARENT CORPORATION, SUBSIDIARY CORPORATION,
36 OR SIMILAR BUSINESS ENTITY; AND

37 (V) SEIZE, IMPOUND, OR ASSUME PHYSICAL CONTROL OF BOOKS,
38 RECORDS, LEDGERS, CASH BOXES AND THEIR CONTENTS, A COUNTING ROOM OR ITS

1 EQUIPMENT, OR OTHER PHYSICAL OBJECTS RELATING TO VIDEO LOTTERY
2 OPERATIONS.

3 (3) A LICENSEE SHALL AUTHORIZE ANY OTHER PERSON HAVING
4 FINANCIAL RECORDS RELATING TO THE LICENSEE TO PROVIDE THOSE RECORDS TO
5 THE COMMISSION.

6 9-1A-05.

7 (A) THE COMMISSION MAY ISSUE NO MORE THAN FOUR VIDEO LOTTERY
8 OPERATION LICENSES.

9 (B) AN OWNER OR OPERATOR OF A VIDEO LOTTERY DESTINATION LOCATION
10 DESCRIBED UNDER § 9-1A-01 OF THIS SUBTITLE MAY SUBMIT AN APPLICATION FOR A
11 VIDEO LOTTERY OPERATION LICENSE.

12 (C) A LICENSE ISSUED UNDER THIS SUBTITLE IS NOT VALID AT A
13 GEOGRAPHIC LOCATION OTHER THAN THE GEOGRAPHIC LOCATION OF THE VIDEO
14 LOTTERY DESTINATION LOCATION AT THE TIME THE LICENSE IS ISSUED.

15 (D) (1) IN THIS SUBSECTION, "BUSINESS ENTITY" INCLUDES ANY TYPE OF
16 OWNER OR BENEFICIARY OF THE BUSINESS ENTITY INCLUDING AN OFFICER,
17 DIRECTOR, PRINCIPAL EMPLOYEE, PARTNER, INVESTOR, STOCKHOLDER, OR
18 BENEFICIAL OWNER OF THE BUSINESS ENTITY.

19 (2) AN INDIVIDUAL OR BUSINESS ENTITY MAY NOT OWN AN INTEREST
20 IN MORE THAN ONE VIDEO LOTTERY FACILITY.

21 9-1A-06.

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

23 (1) A VIDEO LOTTERY OPERATOR;

24 (2) A MANUFACTURER;

25 (3) A PERSON NOT LICENSED UNDER ITEM (1) OR (2) OF THIS
26 SUBSECTION WHO MANAGES, OPERATES, SUPPLIES, PROVIDES SECURITY FOR, OR
27 PROVIDES SERVICE, MAINTENANCE, OR REPAIRS FOR VIDEO LOTTERY TERMINALS;
28 AND

29 (4) A VIDEO LOTTERY EMPLOYEE.

30 (B) THE COMMISSION MAY BY REGULATION REQUIRE A PERSON THAT
31 CONTRACTS WITH A LICENSEE AND THE PERSON'S EMPLOYEES TO OBTAIN A
32 LICENSE UNDER THIS SUBTITLE IF THE COMMISSION DETERMINES THAT THE
33 LICENSING REQUIREMENTS ARE NECESSARY IN ORDER TO PROTECT THE PUBLIC
34 INTEREST AND ACCOMPLISH THE POLICIES ESTABLISHED BY THIS SUBTITLE.

35 (C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
36 UNLESS AN INDIVIDUAL HOLDS A VALID LICENSE ISSUED UNDER THIS SUBTITLE,

1 THE INDIVIDUAL MAY NOT BE EMPLOYED BY A LICENSEE AS A VIDEO LOTTERY
2 EMPLOYEE.

3 (2) THE COMMISSION BY REGULATION MAY EXEMPT CATEGORIES OF
4 VIDEO LOTTERY EMPLOYEES WHO ARE NOT DIRECTLY INVOLVED IN THE VIDEO
5 LOTTERY OPERATIONS FROM THE REQUIREMENT UNDER PARAGRAPH (1) OF THIS
6 SUBSECTION IF THE COMMISSION DETERMINES THAT THE REQUIREMENT IS NOT
7 NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE
8 POLICIES ESTABLISHED UNDER THIS SUBTITLE.

9 9-1A-07.

10 (A) AN APPLICANT FOR A LICENSE SHALL SUBMIT TO THE COMMISSION AN
11 APPLICATION:

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

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

14 (B) (1) THIS SUBSECTION DOES NOT APPLY TO LICENSE FEES FOR A VIDEO
15 LOTTERY OPERATION LICENSE.

16 (2) THE COMMISSION SHALL BY REGULATION ESTABLISH A FEE FOR A
17 LICENSE UNDER THIS SUBTITLE.

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

20 (C) (1) APPLICANTS AND LICENSEES SHALL HAVE THE AFFIRMATIVE
21 RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE
22 PERSON'S QUALIFICATIONS.

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

26 (3) APPLICANTS AND LICENSEES SHALL CONSENT TO INSPECTIONS,
27 SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR REGULATIONS
28 ISSUED UNDER THIS SUBTITLE.

29 (4) (I) APPLICANTS AND LICENSEES SHALL HAVE THE CONTINUING
30 DUTY TO:

31 1. PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY
32 THE COMMISSION; AND

33 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR
34 HEARING CONDUCTED BY THE COMMISSION.

35 (II) ON ISSUANCE OF A FORMAL REQUEST TO ANSWER OR
36 PRODUCE INFORMATION, EVIDENCE, OR TESTIMONY, IF AN APPLICANT OR LICENSEE

1 REFUSES TO COMPLY, THE APPLICATION OR LICENSE OF THE PERSON MAY BE
2 DENIED, SUSPENDED, OR REVOKED BY THE COMMISSION.

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

6 (II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE COMMISSION
7 BY REGULATION MAY ESTABLISH THE CATEGORIES OF INDIVIDUALS WHO SHALL BE
8 PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND INVESTIGATION
9 PURPOSES.

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

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

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

21 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY
22 OF THE APPLICANT OR LICENSEE;

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

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

28 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE
29 APPLICANT OR LICENSEE.

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

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

37 (2) IF THE APPLICANT IS APPLYING FOR A VIDEO LOTTERY OPERATION
38 LICENSE, CONDUCT A HEARING ON THE QUALIFICATIONS OF THE APPLICANT AND

1 ANY PERSON WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A
2 CONDITION OF A LICENSE.

3 (E) (1) AFTER RECEIVING THE RESULTS OF THE BACKGROUND
4 INVESTIGATION AND CONDUCTING ANY HEARING REQUIRED UNDER THIS SUBTITLE,
5 THE COMMISSION MAY EITHER GRANT A LICENSE TO AN APPLICANT WHOM THE
6 COMMISSION DETERMINES TO BE QUALIFIED OR DENY THE LICENSE TO AN
7 APPLICANT WHOM THE COMMISSION DETERMINES TO BE NOT QUALIFIED OR
8 DISQUALIFIED.

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

12 (F) EXCEPT AS PROVIDED IN § 9-1A-13 OF THIS SUBTITLE, IF SATISFIED THAT
13 AN APPLICANT IS QUALIFIED TO RECEIVE A LICENSE, AND ON TENDER OF ALL
14 REQUIRED APPLICATION, LICENSE, AND OTHER FEES AND TAXES, AND ANY BOND
15 REQUIRED UNDER § 9-1A-04(E) OF THIS SUBTITLE, THE COMMISSION SHALL ISSUE A
16 LICENSE FOR A TERM OF 1 YEAR.

17 (G) (1) AN INDIVIDUAL MAY NOT KNOWINGLY GIVE FALSE INFORMATION
18 OR MAKE A MATERIAL MISSTATEMENT IN AN APPLICATION REQUIRED FOR ANY
19 LICENSE UNDER THIS SUBTITLE OR IN ANY SUPPLEMENTAL INFORMATION
20 REQUIRED BY THE COMMISSION.

21 (2) AN INDIVIDUAL WHO VIOLATES THIS SECTION IS GUILTY OF A
22 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT
23 EXCEEDING 3 YEARS OR A FINE NOT EXCEEDING \$5,000 OR BOTH.

24 9-1A-08.

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

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

30 (2) THE NAMES, PERSONAL EMPLOYMENT, AND, WHEN APPLICABLE,
31 CRIMINAL HISTORIES OF THE OFFICERS, DIRECTORS, PARTNERS, AND PRINCIPAL
32 EMPLOYEES OF THE BUSINESS ENTITY;

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

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

1 (5) THE RIGHTS AND PRIVILEGES ACQUIRED BY THE HOLDERS OF
2 DIFFERENT CLASSES OF AUTHORIZED SECURITIES, PARTNERSHIP INTERESTS, OR
3 OTHER SIMILAR OWNERSHIP INTERESTS OF THE BUSINESS ENTITY AND ITS
4 HOLDING, INTERMEDIARY, AND SUBSIDIARY COMPANIES OR OTHER SIMILAR
5 BUSINESS ENTITIES;

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

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

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

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

17 (10) THE NAMES OF PERSONS WHO OWN OR CONTROL THE BUSINESS
18 ENTITY;

19 (11) A DESCRIPTION OF ALL BONUS AND PROFIT SHARING
20 ARRANGEMENTS;

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

22 (13) A LISTING OF STOCK OPTIONS.

23 (B) IF A BUSINESS ENTITY THAT APPLIES FOR A VIDEO LOTTERY OPERATION
24 LICENSE IS A SUBSIDIARY OR IF A BUSINESS ENTITY HOLDING A VIDEO LOTTERY
25 OPERATION LICENSE IS TO BECOME A SUBSIDIARY, EACH HOLDING COMPANY AND
26 EACH INTERMEDIARY COMPANY WITH RESPECT TO THE BUSINESS ENTITY SHALL, AS
27 A CONDITION OF THE SUBSIDIARY ACQUIRING OR RETAINING A VIDEO LOTTERY
28 OPERATION LICENSE:

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

30 (2) FURNISH THE COMMISSION WITH THE INFORMATION REQUIRED
31 UNDER SUBSECTION (A) OF THIS SECTION AND OTHER INFORMATION THAT THE
32 COMMISSION MAY REQUIRE.

33 (C) AN INDIVIDUAL APPLYING FOR A VIDEO LOTTERY OPERATION LICENSE
34 SHALL PROVIDE, TO THE EXTENT APPLICABLE TO AN INDIVIDUAL, THE
35 INFORMATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION IN THE FORM
36 REQUIRED BY THE COMMISSION.

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

4 (1) FAILURE OF THE APPLICANT TO PROVE BY CLEAR AND CONVINCING
5 EVIDENCE THAT THE APPLICANT AND EACH PERSON WHO OWNS OR CONTROLS THE
6 APPLICATION ARE QUALIFIED UNDER THE PROVISIONS OF THIS SUBTITLE;

7 (2) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
8 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO PROVIDE
9 INFORMATION, DOCUMENTATION, AND ASSURANCES REQUIRED BY THIS SUBTITLE
10 OR REQUESTED BY THE COMMISSION;

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

14 (4) SUPPLYING, BY THE APPLICANT OR ANY PERSON REQUIRED TO BE
15 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE, INFORMATION
16 THAT IS UNTRUE OR MISLEADING AS TO A MATERIAL FACT CONCERNING THE
17 QUALIFICATION CRITERIA;

18 (5) CONVICTION OF THE APPLICANT OR OF ANY PERSON REQUIRED TO
19 BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE OF AN
20 OFFENSE UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN
21 THE UNITED STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE
22 OR A GAMBLING OFFENSE;

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

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

34 (8) IDENTIFICATION OF THE APPLICANT OR A PERSON WHO IS
35 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
36 AS A CAREER OFFENDER OR A MEMBER OF A CAREER OFFENDER CARTEL OR AN
37 ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER
38 THAT CREATES A REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS
39 TO BE INIMICAL TO THE POLICIES OF THIS SUBTITLE;

40 (9) THE COMMITTING OF AN ACT BY THE APPLICANT OR A PERSON WHO
41 IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A

1 LICENSE THAT WOULD CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (5) OF
2 THIS SUBSECTION, EVEN IF THE ACT HAS NOT BEEN OR MAY NOT BE PROSECUTED
3 UNDER THE CRIMINAL LAWS OF THE STATE;

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

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

12 9-1A-09.

13 (A) AS A CONDITION OF ELIGIBILITY FOR FUNDING UNDER §§ 9-1A-28 AND
14 9-1A-29 OF THIS SUBTITLE, THE HOLDER OF A LICENSE TO HOLD A RACE MEETING IN
15 THE STATE SHALL MAINTAIN AT LEAST THE SAME NUMBER OF LIVE RACING DAYS AS
16 WERE AUTHORIZED BY THE STATE RACING COMMISSION FOR THAT LOCATION IN
17 2004 UNLESS THE LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR OTHER
18 CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE.

19 (B) (1) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT
20 PIMLICO RACE COURSE AND LAUREL PARK SHALL BE INELIGIBLE FOR FUNDING
21 UNDER §§ 9-1A-28 AND 9-1A-29 OF THIS SUBTITLE IF THE NAME, COMMON LAW AND
22 STATUTORY COPYRIGHTS, SERVICE MARKS, TRADEMARKS, TRADE NAMES, OR HORSE
23 RACING EVENTS THAT ARE ASSOCIATED WITH THE PREAKNESS STAKES OR THE
24 WOODLAWN VASE ARE TRANSFERRED TO A LOCATION OUTSIDE THE STATE.

25 (2) AS AN ADDITIONAL CONDITION OF ELIGIBILITY FOR FUNDING
26 UNDER §§ 9-1A-28 AND 9-1A-29 OF THIS SUBTITLE, IF THE LICENSEE DESCRIBED IN
27 PARAGRAPH (1) OF THIS SUBSECTION ALSO HOLDS THE RACING LICENSE FOR THE
28 PIMLICO RACE COURSE, THAT LICENSEE SHALL BE REQUIRED TO:

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

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

37 (C) AS AN ADDITIONAL CONDITION OF ELIGIBILITY FOR FUNDING UNDER §§
38 9-1A-28 AND 9-1A-29 OF THIS SUBTITLE, THE HOLDER OF THE RACING LICENSE FOR
39 LAUREL PARK SHALL PERMIT THE EVENT KNOWN AS THE MARYLAND MILLION TO BE
40 RUN ANNUALLY AT LAUREL PARK UNLESS:

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

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

5 (D) (1) AS A CONDITION OF CONTINUED LICENSURE, EACH LICENSEE
6 SHALL DEVELOP AND SUBMIT TO THE COMMISSION A MULTIYEAR PLAN TO IMPROVE
7 THE QUALITY AND MARKETING OF HORSE RACING AT ANY RACETRACK LOCATION
8 OWNED OR OPERATED BY THE LICENSEE.

9 (2) EACH PLAN SHALL INCLUDE:

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

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

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

17 2. AN ONGOING INVESTMENT IN CAPITAL MAINTENANCE
18 AND IMPROVEMENTS IN THE HORSE RACING FACILITIES OF AT LEAST \$1,500,000
19 ANNUALLY.

20 (3) (I) AS A CONDITION OF ELIGIBILITY FOR FUNDING UNDER §
21 9-1A-28 OF THIS SUBTITLE, HOLDERS OF A LICENSE ISSUED BY THE RACING
22 COMMISSION THAT RECEIVE A SHARE OF THE PROCEEDS UNDER THIS SUBTITLE
23 SHALL JOINTLY DEVELOP A MULTIYEAR PLAN TO IMPROVE THE QUALITY AND
24 MARKETING OF THE HORSE RACING INDUSTRY IN MARYLAND.

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

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

36 (F) THE PLANS REQUIRED UNDER SUBSECTION (D) OF THIS SECTION SHALL
37 ALSO BE PROVIDED TO THE STATE RACING COMMISSION AND TO THE LEGISLATIVE
38 POLICY COMMITTEE OF THE GENERAL ASSEMBLY.

1 9-1A-10.

2 (A) (1) FOR THE PROCUREMENT RELATED TO THE OPERATION OF VIDEO
3 LOTTERY TERMINALS, THE APPLICANT OR LICENSEE SHALL AT A MINIMUM MEET
4 THE SAME REQUIREMENTS OF A DESIGNATED UNIT FOR MINORITY BUSINESS
5 PARTICIPATION AS DESCRIBED UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE
6 AND PROCUREMENT ARTICLE.

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

12 (3) ANY COLLECTIVE BARGAINING AGREEMENT OR AGREEMENTS,
13 INCLUDING A PROJECT LABOR AGREEMENT OR A NEUTRALITY AGREEMENT,
14 ENTERED INTO BY AN APPLICANT OR LICENSEE MAY NOT NEGATE THE
15 REQUIREMENTS OF THIS SUBSECTION.

16 (4) IF AN APPLICANT FOR EMPLOYMENT AT A VIDEO LOTTERY FACILITY
17 BELIEVES THAT THEY HAVE BEEN DISCRIMINATED AGAINST IN THE EMPLOYMENT
18 PROCESS, THE APPLICANT MAY APPEAL THE EMPLOYMENT DECISION TO THE LOCAL
19 HUMAN RELATIONS BOARD IN THE COUNTY WHERE THE FACILITY IS LOCATED.

20 (5) NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR
21 AGREEMENTS, A LICENSEE SHALL PROVIDE HEALTH INSURANCE COVERAGE FOR ITS
22 EMPLOYEES.

23 (B) (1) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY
24 OPERATION LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A
25 CONDITION OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

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

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

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

34 (C) THE PROVISIONS OF THIS SECTION AND ANY REGULATIONS ADOPTED
35 UNDER THIS SECTION SHALL BE OF NO EFFECT AND MAY NOT BE ENFORCED ON OR
36 AFTER JULY 1, 2007.

1 9-1A-11.

2 (A) ANY VIDEO LOTTERY OPERATION LICENSES NOT ISSUED FOR A LOCATION
3 AUTHORIZED UNDER THIS SUBTITLE SHALL AUTOMATICALLY REVERT TO THE
4 STATE.

5 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
6 LICENSEE SHALL COMMENCE OPERATION OF VIDEO LOTTERY TERMINALS AT THE
7 LOCATION FOR WHICH THE VIDEO LOTTERY OPERATION LICENSE HAS BEEN ISSUED
8 WITHIN 24 MONTHS AFTER THE LICENSE IS ISSUED.

9 (2) (I) ON A DETERMINATION BY THE COMMISSION THAT
10 EXTENUATING CIRCUMSTANCES EXIST WHICH ARE BEYOND THE CONTROL OF A
11 LICENSEE AND HAVE PREVENTED THE LICENSEE FROM COMPLYING WITH THE
12 REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION MAY
13 ALLOW THE LICENSEE AN EXTENSION OF 6 MONTHS TO COMPLY WITH THE
14 REQUIREMENTS.

15 (II) THE COMMISSION MAY NOT GRANT MORE THAN ONE
16 EXTENSION TO A LICENSEE UNDER THIS PARAGRAPH.

17 (3) IF A VIDEO LOTTERY OPERATION LICENSEE FAILS TO COMPLY WITH
18 THE REQUIREMENTS OF THIS SUBSECTION, THE LICENSE ISSUED TO THE LICENSEE
19 SHALL BE REVOKED AND SHALL AUTOMATICALLY REVERT TO THE STATE.

20 9-1A-12.

21 IF A VIDEO LOTTERY OPERATION LICENSEE CONTRACTS WITH ANOTHER
22 PERSON OTHER THAN AN EMPLOYEE OF THE VIDEO LOTTERY OPERATION LICENSEE
23 TO PROVIDE ANY OF THE SERVICES RELATED TO OPERATING A VIDEO LOTTERY
24 FACILITY, EACH PERSON AND EACH OTHER PERSON WHO OWNS OR CONTROLS THE
25 PERSON OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER PRINCIPAL
26 EMPLOYEES OF THE PERSON SHALL QUALIFY UNDER THE STANDARDS AND
27 PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO
28 LOTTERY OPERATION LICENSEES.

29 9-1A-13.

30 (A) THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE IS 15
31 YEARS.

32 (B) DURING THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE,
33 THE LICENSEE SHALL PROVIDE THE COMMISSION WITH AN ANNUAL UPDATE OF THE
34 INFORMATION REQUIRED UNDER THIS SUBTITLE FOR THE ISSUANCE OF A LICENSE
35 BY THE DATE SET BY THE COMMISSION IN REGULATIONS AND ON THE FORM
36 REQUIRED BY THE COMMISSION.

37 (C) ONE YEAR BEFORE THE EXPIRATION OF THE TERM OF A VIDEO LOTTERY
38 OPERATION LICENSE, THE LICENSEE SHALL FILE WITH THE COMMISSION A NOTICE
39 OF INTENT TO REAPPLY FOR THE LICENSE UNDER THIS SUBTITLE.

1 (D) AT THE END OF THE INITIAL 15-YEAR LICENSE TERM, A VIDEO LOTTERY
2 OPERATION LICENSEE MAY REAPPLY FOR A LICENSE THAT HAS A LICENSE TERM OF
3 10 YEARS AND LICENSE FEE TO BE ESTABLISHED BY STATUTE.

4 (E) IF A LICENSEE HAS ITS LICENSE REVOKED OR OTHERWISE SURRENDERS
5 THE LICENSE, THE VIDEO LOTTERY OPERATION LICENSE REVERTS TO THE STATE.

6 9-1A-14.

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

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

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

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

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

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

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

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

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

36 (7) COMMISSION OF AN ACT BY THE APPLICANT THAT WOULD
37 CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (3) OF THIS SUBSECTION, EVEN

1 IF THE ACT HAS NOT BEEN OR MAY NOT BE PROSECUTED UNDER THE CRIMINAL
2 LAWS OF THE STATE;

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

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

11 9-1A-15.

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

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

23 (C) EXCEPT AS PROVIDED IN § 9-1A-16(A) OF THIS SUBTITLE, THE
24 COMMISSION MAY NOT GRANT AN EXEMPTION OR WAIVER OF ANY LICENSING
25 REQUIREMENT TO AN APPLICANT FOR OR HOLDER OF A MANUFACTURER LICENSE.

26 (D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS, ASSOCIATED
27 EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR DISTRIBUTE THE
28 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER
29 THAT MEET SPECIFICATIONS AND PROCEDURES ESTABLISHED BY THE COMMISSION.
30 9-1A-16.

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

37 (1) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS SUBTITLE;
38 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 ANY TIME
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-17.

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-18.

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 SECTION 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-19.

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-20.

29 (A) THE DEPARTMENT OF STATE POLICE SHALL:

30 (1) CONDUCT A BACKGROUND INVESTIGATION OF EACH APPLICANT IN
31 A TIMELY MANNER; AND

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

1 (B) (1) AN APPLICANT SHALL PROVIDE THE DEPARTMENT OF STATE POLICE
2 WITH ALL INFORMATION THE DEPARTMENT REQUIRES IN ORDER TO CONDUCT A
3 BACKGROUND INVESTIGATION.

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

6 (C) (1) THE DEPARTMENT OF STATE POLICE SHALL APPLY TO THE CENTRAL
7 REPOSITORY FOR A STATE AND A NATIONAL CRIMINAL HISTORY RECORDS CHECK
8 FOR EACH APPLICANT.

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

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

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

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

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

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

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

31 9-1A-21.

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

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

35 (2) UNDER THE CONTROL OF THE COMMISSION.

1 (B) 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 (C) THE COMMISSION SHALL DEVELOP REGULATIONS GOVERNING THE SALE
8 OR LEASE OF VIDEO LOTTERY TERMINALS BY THE COMMISSION UNDER THIS
9 SUBTITLE IN A MANNER THAT PROVIDES A COMPETITIVE PROCESS AMONG
10 LICENSED MANUFACTURERS WITH INCENTIVES TO LICENSED MANUFACTURERS
11 BASED ON THE PERFORMANCE OF THE MANUFACTURER'S VIDEO LOTTERY
12 TERMINALS.

13 9-1A-22.

14 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED
15 UNDER § 9-1A-35 OF THIS SUBTITLE MAY AWARD UP TO 8,500 VIDEO LOTTERY
16 TERMINALS FOR OPERATION AT VIDEO LOTTERY FACILITIES IN THE STATE.

17 (B) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD
18 MORE THAN 3,000 TERMINALS FOR OPERATION AT ANY VIDEO LOTTERY FACILITY.

19 9-1A-23.

20 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS
21 SUBSECTION, A VIDEO LOTTERY TERMINAL SHALL HAVE AN AVERAGE ANNUAL
22 PAYOUT PERCENTAGE OF AT LEAST 90%.

23 (2) THE COMMISSION MAY BY REGULATION ESTABLISH AN AVERAGE
24 ANNUAL PAYOUT PERCENTAGE OF MORE THAN 90% BUT NOT MORE THAN 95% FOR
25 VIDEO LOTTERY TERMINALS.

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

29 (B) A VIDEO LOTTERY FACILITY MAY OPERATE DAILY FROM 8 A.M. TO 2 A.M.

30 (C) A VIDEO LOTTERY OPERATION LICENSEE SHALL BE RESPONSIBLE FOR
31 ALL MARKETING, ADVERTISING, AND PROMOTION FOR ITS VIDEO LOTTERY
32 OPERATION.

33 (D) ANY STATE LOTTERY GAMES THAT ARE OFFERED BY OR THROUGH THE
34 COMMISSION MAY BE OFFERED FOR SALE AT A VIDEO LOTTERY FACILITY IN THE
35 STATE.

1 9-1A-24.

2 (A) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY OPERATION
3 LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A CONDITION
4 OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

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

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

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

18 (C) A VIDEO LOTTERY OPERATION LICENSEE SHALL ENSURE THAT
19 INTOXICATED INDIVIDUALS AND INDIVIDUALS UNDER THE AGE OF 21 YEARS ARE
20 NOT PERMITTED TO PLAY VIDEO LOTTERY TERMINALS AND ARE NOT PERMITTED IN
21 AREAS OF THE VIDEO LOTTERY FACILITY LOCATION WHERE VIDEO LOTTERY
22 TERMINALS ARE LOCATED.

23 (D) (1) BY REGULATION, THE COMMISSION SHALL PROVIDE FOR THE
24 ESTABLISHMENT OF A LIST OF INDIVIDUALS WHO ARE TO BE MANDATORILY
25 EXCLUDED OR EJECTED BY A VIDEO LOTTERY OPERATION LICENSEE FROM ANY
26 VIDEO LOTTERY OPERATION LICENSED UNDER THIS SUBTITLE.

27 (2) THE REGULATIONS UNDER THIS SUBSECTION SHALL DEFINE THE
28 STANDARDS FOR EXCLUSION OR EJECTION AND SHALL INCLUDE STANDARDS
29 RELATING TO INDIVIDUALS:

30 (I) WHO ARE CAREER OFFENDERS AS DEFINED BY REGULATIONS
31 ADOPTED BY THE COMMISSION;

32 (II) WHO HAVE BEEN CONVICTED OF A CRIMINAL OFFENSE UNDER
33 THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED
34 STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A
35 GAMBLING OFFENSE; OR

36 (III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A LICENSEE
37 WOULD BE ADVERSE TO THE INTEREST OF THE STATE, THE LICENSEE, OR THE
38 PERSON.

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

5 (4) AN ORDER UNDER THIS SUBSECTION SHALL BE SUBJECT TO
6 JUDICIAL REVIEW.

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

10 (E) (1) BY REGULATION, THE COMMISSION SHALL ADOPT MEASURES THAT
11 ARE INTENDED TO REDUCE OR MITIGATE THE EFFECTS OF PROBLEM GAMBLING.

12 (2) (I) THE REGULATIONS SHALL INCLUDE ESTABLISHMENT OF A
13 VOLUNTARY EXCLUSION LIST OF INDIVIDUALS WITH GAMBLING PROBLEMS WHO
14 HAVE REQUESTED TO BE EXCLUDED FROM ANY VIDEO LOTTERY OPERATION
15 LICENSED UNDER THIS SUBTITLE.

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

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

23 (IV) THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN
24 ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO
25 EXCLUDE FROM THE PREMISES OF THE LICENSEE AN INDIVIDUAL ON THE
26 VOLUNTARY EXCLUSION LIST.

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

29 (I) LIMIT THE NUMBER AND LOCATION OF AND MAXIMUM
30 WITHDRAWAL AMOUNTS FROM AUTOMATED TELLER MACHINES;

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

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

35 (IV) LIMIT THE DOLLAR AMOUNT THAT VIDEO LOTTERY TERMINALS
36 WILL ACCEPT;

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

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

7 (VII) PROHIBIT VIDEO LOTTERY OPERATION LICENSEES FROM
8 ENGAGING IN OR CONTRACTING WITH ANOTHER TO ENGAGE IN PREDATORY
9 MARKETING PRACTICES.

10 9-1A-25.

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

13 (1) THIS SUBTITLE;

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

15 (3) A CONDITION THAT THE COMMISSION SETS.

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

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

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

22 (I) THE SERIOUSNESS OF THE VIOLATION;

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

24 (III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON
25 WHO COMMITTED THE VIOLATION.

26 (C) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SUBTITLE,
27 NOTHING CONTAINED IN THIS SUBTITLE ABROGATES OR LIMITS THE CRIMINAL
28 LAWS OF THE STATE OR LIMITS THE AUTHORITY OF THE GENERAL ASSEMBLY TO
29 ENACT STATUTES ESTABLISHING CRIMINAL OFFENSES AND PENALTIES RELATING
30 TO VIDEO LOTTERY OPERATIONS.

31 9-1A-26.

32 (A) ALL PROCEEDS FROM THE OPERATION OF VIDEO LOTTERY TERMINALS
33 SHALL BE ELECTRONICALLY TRANSFERRED DAILY INTO THE STATE LOTTERY FUND
34 ESTABLISHED UNDER SUBTITLE 3 OF THIS TITLE AND DISTRIBUTED AS PROVIDED
35 UNDER § 9-1A-27 OF THIS SUBTITLE.

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

3 (2) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE UNDER
4 THE CONTROL OF THE COMPTROLLER AND SHALL BE DISTRIBUTED AS PROVIDED
5 UNDER § 9-1A-27 OF THIS SUBTITLE.

6 9-1A-27.

7 (A) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY
8 TERMINALS:

9 (1) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION, 5%
10 TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED IN § 9-1A-01 OF THIS
11 SUBTITLE; AND

12 (2) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION
13 AND EACH YEAR THEREAFTER, 4.3% TO THE STATE LOTTERY AGENCY FOR COSTS AS
14 DEFINED IN § 9-1A-01 OF THIS SUBTITLE.

15 (B) FOR A VIDEO LOTTERY FACILITY OPERATION LICENSE FOR A
16 DESTINATION LOCATION, THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF
17 VIDEO LOTTERY TERMINALS:

18 (1) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
19 COMMISSION, TO THE LICENSEE, THE PERCENTAGE STATED IN THE ACCEPTED BID
20 FOR THE LOCATION, NOT TO EXCEED 30%;

21 (2) (I) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
22 COMMISSION, 15% IN LOCAL IMPACT GRANTS TO ALL COUNTIES AND BALTIMORE
23 CITY, BASED ON THAT COUNTY OR BALTIMORE CITY'S PERCENTAGE OF OVERALL
24 LOTTERY SALES IN THE PREVIOUS FISCAL YEAR; AND

25 (II) OF THE AMOUNT SPECIFIED IN ITEM (I) OF THIS PARAGRAPH,
26 AT LEAST ONE-FOURTH OF THE AMOUNT FOR BALTIMORE CITY FOR A PERIOD NOT
27 EXCEEDING TEN YEARS MUST BE PROVIDED TO THE COMMUNITIES IN IMMEDIATE
28 PROXIMITY TO THE PIMLICO RACE COURSE;

29 (3) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
30 COMMISSION, 5% IN LOCAL DEVELOPMENT GRANTS SHALL BE PROVIDED TO THE
31 LOCAL JURISDICTIONS WITH VIDEO LOTTERY FACILITIES;

32 (4) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
33 COMMISSION, 9% SHALL BE PROVIDED TO THE PURSE DEDICATION ACCOUNT
34 ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE, NOT TO EXCEED \$100,000,000
35 ANNUALLY;

36 (5) FOR THE FIRST 5 YEARS OF VIDEO LOTTERY TERMINAL OPERATION,
37 ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, 3%
38 SHALL BE PROVIDED TO THE RACETRACK FACILITY RENEWAL ACCOUNT

1 ESTABLISHED UNDER § 9-1A-29 OF THIS SUBTITLE, NOT TO EXCEED \$40,000,000
2 ANNUALLY; AND

3 (6) THE REMAINDER TO THE MARYLAND EDUCATIONAL FACILITY
4 CONSTRUCTION AND RENOVATION FUND ESTABLISHED UNDER § 9-1A-30 OF THIS
5 SUBTITLE.

6 (C) FOR A VIDEO LOTTERY FACILITY THAT IS A VIDEO LOTTERY DESTINATION
7 LOCATION, IF THE COSTS OF THE STATE LOTTERY AGENCY ARE LESS THAN 5% OF
8 THE GROSS PROCEEDS IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL
9 OPERATION OR LESS THAN 4.3% OF THE GROSS PROCEEDS IN THE SECOND YEAR OF
10 VIDEO LOTTERY TERMINAL OPERATION AND EACH YEAR THEREAFTER, ANY AMOUNT
11 NOT DISTRIBUTED TO THE STATE LOTTERY AGENCY SHALL BE PAID TO THE
12 MARYLAND EDUCATIONAL FACILITY CONSTRUCTION AND RENOVATION TRUST FUND
13 ESTABLISHED UNDER § 9-1A-30 OF THIS SUBTITLE.

14 9-1A-28.

15 (A) THERE IS A PURSE DEDICATION ACCOUNT UNDER THE AUTHORITY OF
16 THE STATE RACING COMMISSION.

17 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER §
18 9-1A-27 OF THIS SUBTITLE.

19 (2) MONEY IN THE ACCOUNT SHALL BE INVESTED AND REINVESTED BY
20 THE TREASURER AND INTEREST AND EARNINGS SHALL ACCRUE TO THE ACCOUNT.

21 (3) THE COMPTROLLER SHALL:

22 (I) ACCOUNT FOR THE FUND; AND

23 (II) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
24 STATE RACING COMMISSION, ISSUE A WARRANT TO PAY OUT MONEY FROM THE
25 FUND IN THE MANNER PROVIDED UNDER THIS SECTION.

26 (4) THE ACCOUNT IS A SPECIAL CONTINUING, NONLAPSING FUND THAT
27 IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

28 (5) EXPENDITURES FROM THE ACCOUNT SHALL ONLY BE MADE ON A
29 PROPERLY APPROVED TRANSMITTAL PREPARED BY THE STATE RACING COMMISSION
30 AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION.

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

1 (D) THE AMOUNT OF FUNDS ALLOCATED TO MILE THOROUGHBRED PURSES
2 AND THE MARYLAND-BRED RACE FUND SHALL BE ALLOCATED AS FOLLOWS:

3 (1) 85% TO THOROUGHBRED PURSES AT THE PIMLICO RACE COURSE,
4 LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE RACECOURSE AT
5 TIMONIUM; AND

6 (2) 15% TO THE MARYLAND-BRED RACE FUND.

7 (E) THE AMOUNT OF FUNDS ALLOCATED TO STANDARD BRED PURSES AND
8 THE STANDARD BRED RACE FUND SHALL BE ALLOCATED AS FOLLOWS:

9 (1) 85% TO STANDARD BRED PURSES AT ROSECROFT RACEWAY, OCEAN
10 DOWNS RACE COURSE, AND THE RACECOURSE IN ALLEGANY COUNTY; AND

11 (2) 15% TO THE STANDARD BRED RACE FUND.

12 (F) FROM THE AMOUNT PROVIDED TO THOROUGHBRED PURSES, THE RACING
13 COMMISSION SHALL PAY AN ANNUAL GRANT OF \$100,000 TO FAIR HILL, AS DEFINED
14 UNDER § 11-811 OF THE BUSINESS REGULATION ARTICLE.

15 (G) THE PROVISIONS OF THIS SECTION MAY NOT BE CONSTRUED TO APPLY TO
16 THE RACECOURSE IN ALLEGANY COUNTY UNTIL HORSE RACING BEGINS AT THAT
17 RACECOURSE.

18 (H) IF THE RACING COMMISSION DECIDES THAT A RACETRACK LICENSEE
19 DOES NOT MEET THE REQUIREMENTS SET FORTH FOR CAPITAL IMPROVEMENTS OR
20 OTHER EVALUATION CRITERIA DEVELOPED BY THE COMMISSION, THE COMMISSION
21 SHALL REDUCE PURSE ALLOTMENTS BY AT LEAST 25%.

22 9-1A-29.

23 (A) THERE IS A RACETRACK FACILITY RENEWAL ACCOUNT UNDER THE
24 AUTHORITY OF THE STATE RACING COMMISSION.

25 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER §
26 9-1A-27 OF THIS SUBTITLE.

27 (2) MONEY IN THE ACCOUNT SHALL BE INVESTED AND REINVESTED BY
28 THE TREASURER AND INTEREST AND EARNINGS SHALL ACCRUE TO THE ACCOUNT.

29 (3) THE COMPTROLLER SHALL:

30 (I) ACCOUNT FOR THE FUND; AND

31 (II) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
32 STATE RACING COMMISSION, ISSUE A WARRANT TO PAY OUT MONEY FROM THE
33 FUND IN THE MANNER PROVIDED UNDER THIS SECTION.

34 (4) THE ACCOUNT IS A SPECIAL CONTINUING, NONLAPSING FUND THAT
35 IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

1 (5) EXPENDITURES FROM THE ACCOUNT SHALL ONLY BE MADE ON A
2 PROPERLY APPROVED TRANSMITTAL PREPARED BY THE STATE RACING COMMISSION
3 AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION.

4 (C) FUNDS FROM THE ACCOUNT SHALL BE USED TO PROVIDE A MATCHING
5 FUND GRANT TO THE HOLDER OF A LICENSE TO HOLD A RACE MEETING IN THE
6 STATE FOR RACETRACK FACILITY CAPITAL CONSTRUCTION AND IMPROVEMENTS.

7 (D) THE AMOUNT OF FUNDS MADE AVAILABLE FROM THE RACETRACK
8 FACILITY RENEWAL ACCOUNT SHALL BE ALLOCATED AS FOLLOWS:

9 (1) 80% TO THE PIMLICO RACE COURSE, LAUREL PARK, AND THE
10 RACECOURSE AT TIMONIUM; AND

11 (2) 20% TO ROSECROFT RACEWAY AND OCEAN DOWNS RACE COURSE.

12 (E) IN ORDER TO OBTAIN A MATCHING FUND GRANT, A HOLDER OF A LICENSE
13 TO HOLD A RACE MEETING IN THE STATE SHALL SUBMIT A CAPITAL CONSTRUCTION
14 PLAN TO BE IMPLEMENTED WITHIN A SPECIFIED TIME FRAME TO THE STATE
15 RACING COMMISSION FOR APPROVAL.

16 (F) AFTER A MATCHING FUND GRANT HAS BEEN PROVIDED UNDER THIS
17 SECTION, THE STATE RACING COMMISSION SHALL:

18 (1) MONITOR THE IMPLEMENTATION OF THE APPROVED CAPITAL
19 CONSTRUCTION PLAN; AND

20 (2) MAKE PROVISIONS FOR RECAPTURE OF THE MATCHING FUND
21 GRANT MONIES IF THE CAPITAL CONSTRUCTION PLAN IS NOT IMPLEMENTED
22 WITHIN THE TIME FRAME APPROVED BY THE STATE RACING COMMISSION.

23 (G) THE STATE RACING COMMISSION SHALL ADOPT REGULATIONS TO
24 IMPLEMENT THE PROVISIONS OF THIS SUBSECTION, INCLUDING REGULATIONS TO
25 ADDRESS MINIMUM CRITERIA FOR THE TYPES OF IMPROVEMENTS TO BE MADE BY
26 THE HOLDER OF A LICENSE.

27 (H) THE PROVISIONS OF THIS SECTION MAY NOT BE CONSTRUED TO APPLY TO
28 THE RACECOURSE IN ALLEGANY COUNTY.

29 9-1A-30.

30 (A) THERE IS A MARYLAND EDUCATIONAL FACILITY CONSTRUCTION AND
31 RENOVATION FUND WHICH IS A SPECIAL CONTINUING, NONLAPSING FUND THAT IS
32 NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

33 (B) (1) THERE SHALL BE CREDITED TO THE MARYLAND EDUCATIONAL
34 FACILITY CONSTRUCTION AND RENOVATION FUND ALL PROCEEDS ALLOCATED TO
35 THE FUND UNDER § 9-1A-27 OF THIS SUBTITLE.

1 (2) MONEY IN THE MARYLAND EDUCATIONAL FACILITY CONSTRUCTION
2 AND RENOVATION FUND SHALL BE INVESTED AND REINVESTED BY THE TREASURER,
3 AND INTEREST AND EARNINGS SHALL ACCRUE TO THE FUND.

4 (C) MONEY IN THE MARYLAND EDUCATIONAL FACILITY CONSTRUCTION AND
5 RENOVATION FUND SHALL BE USED TO FUND CONSTRUCTION AND RENOVATION
6 NEEDS FOR PUBLIC SCHOOLS AND FOR INSTITUTIONS OF HIGHER EDUCATION.

7 (D) EXPENDITURES FROM THE MARYLAND EDUCATIONAL FACILITY
8 CONSTRUCTION AND RENOVATION FUND SHALL BE MADE EACH FISCAL YEAR IN
9 ACCORDANCE WITH THE STATE BUDGET.

10 9-1A-31.

11 (A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, LOCAL IMPACT
12 GRANTS PROVIDED UNDER § 9-1A-27(B)(3) OF THIS SUBTITLE MAY BE USED FOR THE
13 FOLLOWING PURPOSES:

14 (I) INFRASTRUCTURE IMPROVEMENTS;

15 (II) FACILITIES;

16 (III) PUBLIC SAFETY;

17 (IV) SANITATION;

18 (V) ECONOMIC AND COMMUNITY DEVELOPMENT, INCLUDING
19 HOUSING; AND

20 (VI) OTHER PUBLIC SERVICES AND IMPROVEMENTS.

21 (2) AT LEAST 50% OF LOCAL IMPACT GRANTS PROVIDED UNDER §
22 9-1A-27(B)(3) OF THIS SUBTITLE TO COUNTIES WITH VIDEO LOTTERY OPERATION
23 FACILITIES SHOULD BE USED FOR IMPROVEMENTS IN THE COMMUNITIES IN
24 IMMEDIATE PROXIMITY TO THE FACILITIES.

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

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

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

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

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

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

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

7 (C) (1) PRIOR TO ANY EXPENDITURE OF LOCAL IMPACT GRANT FUNDS
8 PROVIDED UNDER § 9-1A-27(B)(3) OF THIS SUBTITLE, A COUNTY SHALL DEVELOP A
9 MULTIYEAR PLAN FOR THE EXPENDITURE OF THE LOCAL IMPACT GRANT FUNDS FOR
10 SERVICES AND IMPROVEMENTS CONSISTENT WITH SUBSECTION (A) OF THIS
11 SECTION.

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

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

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

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

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

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

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

33 (E) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPH (2) OF THIS
34 SUBSECTION, A COUNTY THAT RECEIVES A LOCAL IMPACT GRANT UNDER THIS
35 SUBTITLE SHALL ALLOCATE AT LEAST 10% OF THE GRANT FUNDS EACH YEAR TO THE
36 COUNTY'S ECONOMIC DEVELOPMENT OFFICE TO PROVIDE GRANTS TO SMALL,
37 MINORITY, AND WOMEN-OWNED BUSINESSES IN THE COUNTY.

1 (2) THE GRANTS PROVIDED UNDER THIS SUBSECTION SHALL PROVIDE
2 INVESTMENT CAPITAL AND LOANS TO SMALL, MINORITY, AND WOMEN-OWNED
3 BUSINESSES IN THE COUNTY WITH SPECIFIC FOCUS ON COMMUNITIES THAT MAY
4 SURROUND A VIDEO LOTTERY FACILITY.

5 9-1A-32.

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

7 (1) MITIGATE THE IMPACT ON THE COMMUNITIES IN THE IMMEDIATE
8 PROXIMITY TO THE FACILITY; AND

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

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

11 (I) DEVELOPED BY EACH COUNTY WHERE A FACILITY IS LOCATED,
12 IN CONSULTATION WITH THE LOCAL DEVELOPMENT COUNCIL CREATED UNDER §
13 9-1A-31 OF THIS SUBTITLE; AND

14 (II) APPROVED BY THE MARYLAND DEPARTMENT OF
15 TRANSPORTATION.

16 (2) THE COMPREHENSIVE TRANSPORTATION PLAN SHALL INCLUDE
17 PROVISIONS ON ROADS AND PROVISIONS REGARDING MASS TRANSIT IF MASS
18 TRANSIT IS A SUBSTANTIAL MANNER OF TRANSPORTATION IN THE COUNTY WHERE
19 A VIDEO LOTTERY FACILITY IS LOCATED.

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

23 9-1A-33.

24 (A) THE COMMISSION SHALL:

25 (1) ESTABLISH AN ANNUAL FEE OF \$400, TO BE PAID BY EACH VIDEO
26 LOTTERY OPERATION LICENSEE, FOR EACH VIDEO LOTTERY TERMINAL OPERATED
27 BY THE LICENSEE DURING THE YEAR; AND

28 (2) DISTRIBUTE THE FEES COLLECTED UNDER PARAGRAPH (1) OF THIS
29 SUBSECTION TO THE COMPULSIVE GAMBLING FUND ESTABLISHED IN SUBSECTION
30 (B) OF THIS SECTION.

31 (B) (1) THERE IS A COMPULSIVE GAMBLING FUND IN THE DEPARTMENT OF
32 HEALTH AND MENTAL HYGIENE.

33 (2) THE COMPULSIVE GAMBLING FUND IS A SPECIAL CONTINUING,
34 NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
35 PROCUREMENT ARTICLE.

1 (3) MONEY IN THE COMPULSIVE GAMBLING FUND SHALL BE INVESTED
2 AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL
3 ACCRUE TO THE FUND.

4 (4) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL BE
5 MADE ONLY:

6 (I) BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE TO:

7 1. ESTABLISH A 24-HOUR HOTLINE FOR COMPULSIVE AND
8 PROBLEM GAMBLERS AND TO PROVIDE COUNSELING AND OTHER SUPPORT
9 SERVICES FOR COMPULSIVE AND PROBLEM GAMBLERS; AND

10 2. DEVELOP AND IMPLEMENT PROBLEM GAMBLING
11 PREVENTION PROGRAMS, INCLUDING THE PROGRAMS ESTABLISHED UNDER TITLE
12 19, SUBTITLE 8 OF THE HEALTH - GENERAL ARTICLE; AND

13 (II) IN ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE
14 GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY THE BUDGET
15 AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND
16 PROCUREMENT ARTICLE.

17 9-1A-34.

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

20 (1) ON THE OPERATION AND FINANCES OF THE VIDEO LOTTERY
21 FACILITIES; AND

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

25 **Article - State Finance and Procurement**

26 11-203.

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

29 (1) procurement by:

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

34 (xix) the Maryland Developmental Disabilities Administration of the
35 Department of Health and Mental Hygiene for family and individual support services,

1 and individual family care services, as those terms are defined by the Department of
2 Health and Mental Hygiene in regulation; AND

3 (XX) THE STATE LOTTERY AGENCY FOR NEGOTIATING AND
4 ENTERING INTO CONTRACTS FOR THE PURCHASE, LEASE, MANUFACTURE, REPAIR,
5 MAINTENANCE, AND OPERATION OF VIDEO LOTTERY TERMINALS, EXCEPT THAT THE
6 REQUIREMENTS FOR MINORITY BUSINESS PARTICIPATION UNDER TITLE 14,
7 SUBTITLE 3 OF THIS ARTICLE SHALL CONTINUE TO APPLY;

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

10 **Article - State Government**

11 9-1A-35.

12 (A) THERE IS A VIDEO LOTTERY FACILITY LOCATION COMMISSION.

13 (B) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION CONSISTS OF
14 SEVEN MEMBERS.

15 (2) (I) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE
16 PRESIDENT OF THE SENATE;

17 (II) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE SPEAKER
18 OF THE HOUSE OF DELEGATES;

19 (III) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE
20 GOVERNOR; AND

21 (IV) ONE OF THE MEMBERS SHALL BE AN APPOINTEE OF THE STATE
22 TREASURER.

23 (3) THE MEMBERSHIP OF THE COMMISSION APPOINTED UNDER THIS
24 SUBSECTION SHOULD REFLECT THE RACE, GENDER, AND GEOGRAPHIC DIVERSITY
25 OF THE POPULATION OF THE STATE.

26 (4) THE APPOINTEE OF THE STATE TREASURER SHALL BE THE
27 CHAIRMAN OF THE COMMISSION;

28 (C) A MEMBER OF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION:

29 (1) SHALL BE AT LEAST 21 YEARS OF AGE;

30 (2) SHALL BE A CITIZEN OF THE UNITED STATES;

31 (3) SHALL BE A RESIDENT OF THE STATE;

32 (4) SHALL BE KNOWLEDGEABLE AND EXPERIENCED IN FISCAL
33 MATTERS AND SHALL HAVE AT LEAST 10 YEARS SUBSTANTIAL EXPERIENCE:

1 (I) AS AN EXECUTIVE WITH FIDUCIARY RESPONSIBILITIES IN
2 CHARGE OF A LARGE ORGANIZATION OR FOUNDATION;

3 (II) IN AN ACADEMIC FIELD RELATING TO FINANCE OR
4 ECONOMICS; OR

5 (III) AS AN ECONOMIST, FINANCIAL ANALYST, ACCOUNTANT, OR AS
6 A PROFESSIONAL IN A SIMILAR PROFESSION RELATING TO FISCAL MATTERS OR
7 ECONOMICS;

8 (5) MAY NOT HAVE BEEN CONVICTED OF OR GRANTED PROBATION
9 BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT INVOLVES GAMBLING
10 OR MORAL TURPITUDE;

11 (6) MAY NOT HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO
12 HOLDS A LICENSE UNDER THIS SUBTITLE;

13 (7) MAY NOT HAVE ANY DIRECT OR INDIRECT FINANCIAL INTEREST,
14 OWNERSHIP, OR MANAGEMENT, INCLUDING HOLDING ANY STOCKS, BONDS, OR
15 OTHER SIMILAR FINANCIAL INTERESTS IN ANY GAMING ACTIVITIES, INCLUDING
16 HORSE RACING, VIDEO LOTTERY TERMINALS, OR LOTTERY;

17 (8) MAY NOT RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE
18 RECEIPTS OR PROCEEDS OF ANY GAMING ACTIVITIES, INCLUDING HORSE RACING OR
19 LOTTERY; AND

20 (9) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR THE
21 MANUFACTURE OR SALE OF GAMING DEVICES, THE CONDUCT OF ANY GAMING
22 ACTIVITY, OR THE PROVISION OF ANY INDEPENDENT CONSULTING SERVICES IN
23 CONNECTION WITH ANY GAMING ESTABLISHMENT OR GAMBLING ACTIVITY.

24 (D) A MEMBER OF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION:

25 (1) MAY NOT RECEIVE COMPENSATION FOR SERVING ON THE VIDEO
26 LOTTERY FACILITY LOCATION COMMISSION; BUT

27 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
28 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

29 (E) (1) THE COMMISSION AND THE DEPARTMENT OF LEGISLATIVE
30 SERVICES SHALL PROVIDE STAFF TO THE VIDEO LOTTERY FACILITY LOCATION
31 COMMISSION.

32 (2) THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL CONTRACT
33 WITH AN INDEPENDENT CONSULTANT THAT HAS AT LEAST 10 YEARS SUBSTANTIAL
34 EXPERIENCE IN CONSULTING ON MATTERS RELATING TO THE GAMING INDUSTRY TO
35 ASSIST AND ADVISE THE VIDEO LOTTERY FACILITY LOCATION COMMISSION IN THE
36 REVIEW AND ANALYSIS OF BIDS SUBMITTED UNDER THIS SECTION.

1 (F) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD NOT
2 MORE THAN FOUR VIDEO LOTTERY OPERATION LICENSES TO QUALIFIED BIDDERS,
3 THROUGH COMPETITIVE SEALED BIDS UNDER TITLE 13 OF THE STATE FINANCE AND
4 PROCUREMENT ARTICLE.

5 (G) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD
6 MORE THAN ONE VIDEO LOTTERY FACILITY OPERATION LICENSE IN A SINGLE
7 COUNTY OR BALTIMORE CITY.

8 (H) (1) IN ORDER TO QUALIFY FOR A VIDEO LOTTERY OPERATION LICENSE
9 FOR A VIDEO LOTTERY DESTINATION LOCATION UNDER THIS SECTION, A PROPOSED
10 VIDEO LOTTERY FACILITY SHALL BE LOCATED IN ONE OF THE FOLLOWING
11 COUNTIES:

12 (I) A LOCATION WITH NOT MORE THAN 3,000 VIDEO LOTTERY
13 TERMINALS IN ANNE ARUNDEL COUNTY, WITHIN 2 MILES OF INTERSTATE 295;

14 (II) A LOCATION WITH NOT MORE THAN 1,500 VIDEO LOTTERY
15 TERMINALS IN DORCHESTER COUNTY, WITHIN 2 MILES OF ROUTE 50;

16 (III) A LOCATION WITH NOT MORE THAN 2,000 VIDEO LOTTERY
17 TERMINALS IN FREDERICK COUNTY, WITHIN 5 MILES OF THE INTERSECTION OF
18 INTERSTATE 270 AND INTERSTATE 70; OR

19 (IV) A LOCATION WITH NOT MORE THAN 2,000 VIDEO LOTTERY
20 TERMINALS IN HARFORD COUNTY, WITHIN 2 MILES OF INTERSTATE 95.

21 (2) A VIDEO LOTTERY DESTINATION LOCATION MAY NOT BE LOCATED
22 WITHIN A MUNICIPALITY.

23 (I) (1) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION LICENSE AT A
24 VIDEO LOTTERY DESTINATION LOCATION UNDER THIS SECTION SHALL BE
25 SUBMITTED BY OCTOBER 1, 2005, AND SHALL INCLUDE AN INITIAL LICENSE FEE IN
26 THE BID OF AT LEAST \$10,000,000.

27 (2) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION LICENSE
28 UNDER THIS SECTION SHALL PROVIDE FOR AT LEAST \$18,000,000 IN DIRECT
29 INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS FOR EACH
30 500 VIDEO LOTTERY TERMINALS CONTAINED IN THE PROPOSED BID THAT SHALL BE
31 PRORATED BASED ON THE EXACT NUMBER OF VIDEO LOTTERY TERMINALS
32 CONTAINED IN THE BID.

33 (J) (1) IN AWARDING A VIDEO LOTTERY OPERATION LICENSE, THE VIDEO
34 LOTTERY FACILITY LOCATION COMMISSION SHALL EVALUATE THE FACTORS UNDER
35 THIS SUBSECTION IN THE MANNER SPECIFIED.

36 (2) THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION
37 COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 70% BASED ON
38 BUSINESS AND MARKET FACTORS INCLUDING:

1 (I) THE HIGHEST POTENTIAL BENEFIT AND HIGHEST
2 PROSPECTIVE TOTAL REVENUE TO BE DERIVED BY THE STATE;

3 (II) THE POTENTIAL REVENUE FROM A PROPOSED LOCATION
4 BASED ON A MARKET ANALYSIS;

5 (III) THE EXTENT TO WHICH THE PROPOSED LOCATION
6 ENCOURAGES MARYLAND GAMING PARTICIPANTS TO REMAIN IN THE STATE;

7 (IV) THE EXTENT TO WHICH THE PROPOSED LOCATION
8 DEMONSTRATES THAT THE FACILITY WILL BE A SUBSTANTIAL REGIONAL AND
9 NATIONAL TOURIST DESTINATION; AND

10 (V) THE AMOUNT OF GROSS REVENUES TO BE ALLOCATED TO THE
11 OPERATOR OVER THE TERM OF THE LICENSE.

12 (3) THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION
13 COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 15% BASED ON
14 ECONOMIC DEVELOPMENT FACTORS, INCLUDING:

15 (I) THE NUMBER OF NEW JOBS TO BE CREATED; AND

16 (II) ANY ADDITIONAL ECONOMIC DEVELOPMENT PLANNED IN THE
17 AREA OF THE PROPOSED FACILITY.

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

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

23 (II) THE NEGATIVE IMPACT, IF ANY, OF A PROPOSED FACILITY
24 LOCATION ON THE SURROUNDING RESIDENTIAL COMMUNITY; AND

25 (III) THE NEED FOR ADDITIONAL PUBLIC INFRASTRUCTURE
26 EXPENDITURES AT THE PROPOSED FACILITY.

27 (K) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD
28 A VIDEO LOTTERY FACILITY OPERATION LICENSE TO A PERSON WHO IS NOT
29 QUALIFIED UNDER THIS SECTION OR THIS SUBTITLE.

30 (L) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL
31 REFER TO THE STATE LOTTERY COMMISSION THE NAME AND ALL RELEVANT
32 INFORMATION CONCERNING A PERSON WHO MAKES A BID UNDER THIS SECTION.

33 (2) ON RECEIPT OF THE INFORMATION IN PARAGRAPH (1) OF THIS
34 SUBSECTION, THE STATE LOTTERY COMMISSION SHALL DETERMINE WHETHER A
35 BIDDER IS QUALIFIED TO HOLD A VIDEO LOTTERY FACILITY OPERATION LICENSE
36 UNDER THIS SUBTITLE.

1 (3) ON COMPLETION OF ITS DETERMINATION, THE STATE LOTTERY
2 COMMISSION SHALL NOTIFY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION
3 OF THE DETERMINATION WHETHER A BIDDER IS QUALIFIED TO HOLD A VIDEO
4 LOTTERY FACILITY OPERATION LICENSE UNDER THIS SUBTITLE.

5 (M) AFTER AWARD OF A VIDEO LOTTERY OPERATION LICENSE UNDER THIS
6 SECTION, THE STATE LOTTERY COMMISSION SHALL BE RESPONSIBLE FOR ALL
7 MATTERS RELATING TO REGULATION OF THE LICENSEE.

8 (N) AN UNSUCCESSFUL BIDDER FOR A VIDEO LOTTERY OPERATION LICENSE
9 UNDER THIS SECTION MAY SEEK, UNDER TITLE 15 OF THE STATE FINANCE AND
10 PROCUREMENT ARTICLE, REVIEW BY THE STATE BOARD OF CONTRACT APPEALS OF
11 THE AWARDED OF THE VIDEO LOTTERY OPERATION LICENSE BY THE VIDEO
12 LOTTERY FACILITY LOCATION COMMISSION.

13 (O) (1) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE THE
14 VIDEO LOTTERY FACILITY LOCATION COMMISSION TO ISSUE ALL FIVE VIDEO
15 LOTTERY OPERATION LICENSES AUTHORIZED UNDER THIS SUBTITLE.

16 (2) NOTWITHSTANDING ANY OF THE PROVISIONS OF THIS SUBTITLE,
17 THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD A VIDEO
18 LOTTERY OPERATION LICENSE UNDER THIS SUBTITLE UNLESS THE VIDEO LOTTERY
19 FACILITY LOCATION COMMISSION DETERMINES AND DECLARES THAT A BID
20 SELECTED FOR AWARD OF THE LICENSE IS IN THE PUBLIC INTEREST AND IS
21 CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE.

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

24 **Article - State Finance and Procurement**

25 11-203.

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

29 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland
30 read as follows:

31 **Article - State Finance and Procurement**

32 11-203.

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

36 SECTION 5. AND BE IT FURTHER ENACTED, That if any provision of this
37 Act or the application thereof to any person or circumstance is held invalid for any

1 reason in a court of competent jurisdiction, the invalidity does not affect other
2 provisions or any other application of this Act which can be given effect without the
3 invalid provision or application, and for this purpose the provisions of this Act are
4 declared severable.

5 SECTION 6. AND BE IT FURTHER ENACTED, That the intent of this Act, and
6 its various integrated provisions, is to provide for the authorization and regulation of
7 certain gaming devices for the purpose of generating State revenues and other funds
8 for specified purposes, including funding educational facility construction and
9 renovation and assisting the State's racing industry. This section is not intended to
10 detract from the application of the severability provision contained in Section 5 of this
11 Act or from the ability of a court of competent jurisdiction to consider and apply
12 appropriate severability principles in the event of a judicial challenge to the validity
13 of a specific portion or portions of the bill.

14 SECTION 7. AND BE IT FURTHER ENACTED, That the agency designated by
15 the Board of Public Works under § 14-303(b) of the State Finance and Procurement
16 Article of the Annotated Code of Maryland, in consultation with the General
17 Assembly and the Office of the Attorney General, shall initiate two studies of the
18 requirements of § 9-1A-10 of the State Government Article of the Annotated Code of
19 Maryland, as enacted by Section 1 of this Act, that evaluate the continued compliance
20 of the requirement with any federal and constitutional requirements. In preparation
21 for the studies, the State Lottery Commission shall require video lottery operation
22 license applicants and licensees to provide any information necessary to perform the
23 study. The studies shall also evaluate race-neutral programs or other methods that
24 can be used to address the needs of minority investors and minority businesses. A
25 final report of the first study shall be submitted to the Legislative Policy Committee
26 on or before December 15, 2005, so that the General Assembly may review the report
27 prior to the 2006 Session. A final report of the second study shall be submitted to the
28 Legislative Policy Committee on or before September 30, 2007, so that the General
29 Assembly may review the report in conjunction with the report of the study on the
30 Minority Business Enterprise Program prior to the 2008 Session.

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

- 35 (a) one member in 2006;
36 (b) one member in 2007; and
37 (c) two members in 2008.

38 SECTION 9. AND BE IT FURTHER ENACTED, That:

- 39 (a) The State Lottery Agency shall conduct a market analysis every 2 years to
40 determine the jurisdiction of residence, demographic characteristics, and annual net
41 customer spending for each of the following gambling products:

- 1 (1) video lottery terminals;
- 2 (2) keno;
- 3 (3) instant scratch-off games;
- 4 (4) daily games;
- 5 (5) multistate lotto type games; and
- 6 (6) any other products that the Agency deems appropriate.

7 (b) The results of this analysis shall be reported to the Governor, the Secretary
8 of Health and Mental Hygiene, and the Legislative Policy Committee of the General
9 Assembly.

10 (c) The Governor shall provide at least \$250,000 in the fiscal year 2007 budget
11 to support this analysis, which may take the form of reprogramming existing
12 resources of the State Lottery Agency, and \$125,000 every 2 years thereafter.

13 (d) The initial analysis shall be completed on or before June 30, 2007, and the
14 initial report shall be submitted on or before October 1, 2007.

15 SECTION 10. AND BE IT FURTHER ENACTED, That Section 2 of this Act
16 shall take effect June 1, 2005. It shall remain effective for a period of 2 years following
17 the award of the fifth video lottery operation license and with no further action
18 required by the General Assembly, Section 2 of this Act shall be abrogated and of no
19 further force and effect. On award of the fifth video lottery operation license, the
20 Video Lottery Facility Location Commission, within 5 days after the award, shall
21 notify in writing the Department of Legislative Services, 90 State Circle, Annapolis,
22 Maryland 21401.

23 SECTION 11. AND BE IT FURTHER ENACTED, That Section 4 of this Act
24 shall take effect on the taking effect of the termination provision specified in Section
25 2 of Chapter 402 of the Acts of the General Assembly of 2003. If that termination
26 provision takes effect, Section 3 of this Act shall be abrogated and of no further force
27 and effect. This Act may not be interpreted to have any effect on that termination
28 provision.

29 SECTION 12. AND BE IT FURTHER ENACTED, That, subject to Sections 10
30 and 11 of this Act, this Act shall take effect June 1, 2005.