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By: ~~Delegates Bromwell, DeBoy, and Malone~~ Malone, and G. Clagett

Introduced and read first time: February 11, 2005

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 24, 2005

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland ~~Educational Facility Construction and Renovation~~ Education**  
 3 **Trust Fund - Video 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 a certain geographic cost of education  
 9 index grant that reflects regional differences in the cost of education that are  
 10 due to factors outside the control of local jurisdictions to be a mandatory  
 11 education funding requirement; requiring the State Racing Commission to  
 12 award at least a certain number of racing days to a certain racecourse in each  
 13 calendar year; requiring the Secretary of Health and Mental Hygiene to  
 14 establish certain regional centers for services to compulsive gamblers; requiring  
 15 the Secretary to conduct certain studies; altering the membership of the State  
 16 Lottery Commission; specifying certain requirements for members of the State  
 17 Lottery Commission; ~~requiring the Governor to appoint a member of the State~~  
 18 ~~Lottery Commission as a liaison to the State Racing Commission;~~ providing that  
 19 members of the State Lottery Commission may be compensated as provided in  
 20 the State budget; authorizing the operation of video lottery terminals connected  
 21 to a certain central computer that allows the State Lottery Commission to  
 22 monitor a video lottery terminal and that has certain capabilities; prohibiting  
 23 access to the central computer to certain licensees with a certain exception;  
 24 providing that only a person with a certain video lottery operation license may  
 25 offer a video lottery terminal for public use in the State; providing that this Act  
 26 is statewide and exclusive in its effect and that certain laws do not apply to  
 27 video lottery terminals authorized under this Act; authorizing the State Lottery  
 28 Commission to conduct certain investigations and hearings; requiring the State

1 Lottery Commission to adopt certain regulations; ~~authorizing~~ requiring the  
2 State Lottery Commission to require a certain bond and collect certain fees, civil  
3 penalties, and taxes; authorizing the State Lottery Commission to inspect and  
4 seize certain equipment, financial information, and records without notice or  
5 warrant; authorizing the State Lottery Video Lottery Facility Location  
6 Commission to issue a certain number of video lottery operation licenses under  
7 certain circumstances; requiring certain video lottery terminal manufacturers,  
8 video lottery operators, video lottery employees, and other individuals required  
9 by the State Lottery Commission to be licensed; providing for the application  
10 and licensing process; establishing certain eligibility criteria and disqualifying  
11 criteria for a video lottery operation license; requiring certain licensees to  
12 maintain certain numbers of live racing days; providing that certain licensees  
13 are ineligible for certain funding if a certain horse racing event or trade names  
14 and other items related to the event are transferred out of the State; requiring a  
15 certain licensee to conduct a certain annual race with certain exceptions;  
16 requiring certain licensees to submit to the State Lottery Racing Commission a  
17 certain plan to improve the quality and marketing of horse racing; ~~requiring~~  
18 ~~certain video lottery operation licensees to offer for sale a certain percentage of~~  
19 ~~equity ownership to certain individuals under certain circumstances;~~ requiring  
20 certain applicants and licensees to comply with certain provisions of law  
21 relating to minority business participation; specifying that certain collective  
22 bargaining agreements do not negate certain provisions of this Act; providing for  
23 the monitoring of certain provisions of this Act by the Governor's Office of  
24 Minority Affairs; providing that the Video Lottery Facility Location Commission  
25 may reissue a video lottery operation license under certain circumstances;  
26 providing for certain eligibility criteria and disqualifying criteria for certain  
27 licenses; providing for certain waivers of certain licensing requirements under  
28 certain circumstances; providing for certain license terms; stating the intent of  
29 the General Assembly relating to video lottery operation licenses; prohibiting a  
30 video lottery operation license from being transferred or pledged as collateral;  
31 prohibiting certain licensees from selling or otherwise transferring more than a  
32 certain percentage of the legal or beneficial interest unless certain conditions  
33 are met; requiring that the transfer of a certain interest in a person that holds a  
34 video lottery operation license be approved by the State Lottery Commission;  
35 requiring the Department of State Police to conduct certain background  
36 investigations in a certain manner; requiring the State Lottery Commission to  
37 buy or lease the video lottery terminals, associated equipment, and central  
38 computer authorized under this Act; specifying limits on the number of video  
39 lottery terminals allowed at certain facilities; allowing a certain number of  
40 destination locations to be eligible for a video lottery operation license under  
41 certain circumstances; establishing a Video Lottery Facility Location  
42 Commission; establishing the membership of the Video Lottery Facility Location  
43 Commission; establishing certain eligibility requirements for membership on  
44 the Video Lottery Facility Location Commission; providing for certain  
45 reimbursements and staffing; allowing the Video Lottery Facility Location  
46 Commission to award not more than a certain number of video lottery operation  
47 licenses to certain video lottery destination locations; requiring the Video  
48 Lottery Facility Location Commission to consider certain factors; providing the

1 minimum payout for video lottery terminals and authorizing the State Lottery  
2 Commission to adopt certain video lottery terminal payouts; providing for the  
3 hours of operation of video lottery terminals; prohibiting the State Lottery  
4 Commission from issuing certain licenses under certain circumstances;  
5 prohibiting a video lottery operation licensee from offering food or beverages at  
6 no cost with a certain exception or from offering food and beverages below  
7 certain prices; requiring the State Lottery Commission to adopt certain  
8 regulations to reduce or mitigate the effects of problem gambling; authorizing  
9 the State Lottery Commission to reprimand a licensee or deny, suspend, or  
10 revoke certain licenses under certain circumstances; requiring the Comptroller  
11 to collect and distribute certain money in specified ways; establishing the  
12 ~~Maryland Educational Facility Construction and Renovation~~ Education Trust  
13 Fund; requiring certain distributions from video lottery proceeds to the  
14 ~~Maryland Educational Facility Construction and Renovation~~ Education Trust  
15 Fund to be used for a certain purpose; requiring the Interagency Committee on  
16 School Construction to establish priorities in a certain manner for projects to be  
17 funded by the Education Trust Fund; establishing a Purse Dedication Account  
18 under the authority of the State Racing Commission; providing for a certain  
19 distribution from video lottery proceeds to the Purse Dedication Account for  
20 horse racing; providing for certain distributions from the Purse Dedication  
21 Account for horse racing in a certain manner; establishing a Racetrack Facility  
22 Renewal Account under the authority of the State Racing Commission;  
23 providing for a certain distribution from video lottery proceeds to the Racetrack  
24 Facility Renewal Account for capital construction and improvements at  
25 racetracks; providing for certain distributions from the Racetrack Facility  
26 Renewal Account for capital construction and improvements at racetracks in a  
27 certain manner; authorizing the State to pay certain transportation costs;  
28 requiring the Department of Transportation to facilitate certain negotiations;  
29 requiring a certain transportation plan to be developed by certain counties;  
30 providing for the creation of certain local development councils; providing for  
31 appointment and membership of certain local development councils; requiring  
32 certain counties to develop certain plans to be reviewed by certain local  
33 development councils; specifying that certain local impact grants should be used  
34 for certain purposes; authorizing certain fees and providing for a certain  
35 distribution from certain fees to the Compulsive Gambling Fund; creating a  
36 Compulsive Gambling Fund in the Department of Health and Mental Hygiene;  
37 providing for certain disbursements from the Compulsive Gambling Fund for  
38 certain purposes; exempting a certain procurement by the State Lottery  
39 Commission from certain provisions of law; requiring the Commission to make a  
40 certain annual report by a certain date; prohibiting a licensee for a certain  
41 period of time from employing, or entering into a financial relationship with, an  
42 individual who was a member of the State Lottery Commission or the Video  
43 Lottery Facility Location Commission; ~~requiring the Department of~~  
44 ~~Transportation to conduct a certain study and make a certain report by a certain~~  
45 ~~date~~; requiring the State Lottery Agency to conduct certain market analyses and  
46 submit certain reports; requiring the Governor to include certain funds in the  
47 State budget for a certain fiscal year for a certain analysis; requiring a certain  
48 certification entity to conduct certain studies and make certain reports; making

1 the provisions of this Act severable; providing for the staggering of the terms of  
2 certain new members of the State Lottery Commission; defining certain terms;  
3 providing for the termination of certain provisions of this Act; providing that  
4 certain provisions of this Act are contingent on the termination of another Act;  
5 and generally relating to the operation of video lottery terminals at certain  
6 locations in the State.

7 BY repealing and reenacting, with amendments,

8 Article - Education

9 Section 5-202(f)

10 Annotated Code of Maryland

11 (2004 Replacement Volume and 2004 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article - Business Regulation

14 Section 11-511

15 Annotated Code of Maryland

16 (2004 Replacement Volume)

17 BY repealing and reenacting, without amendments,

18 Article - Health - General

19 Section 19-801 and 19-802

20 Annotated Code of Maryland

21 (2000 Replacement Volume and 2004 Supplement)

22 BY repealing and reenacting, with amendments,

23 Article - Health - General

24 Section 19-803 and 19-804

25 Annotated Code of Maryland

26 (2000 Replacement Volume and 2004 Supplement)

27 BY repealing and reenacting, with amendments,

28 Article - State Government

29 Section 9-103, 9-105, 9-107, and 9-108(c)(1) and (d)

30 Annotated Code of Maryland

31 (2004 Replacement Volume)

32 BY adding to

33 Article - State Government

34 Section 9-1A-01 through ~~9-1A-35~~ 9-1A-36 to be under the new subtitle

35 "Subtitle 1A. Video Lottery Terminals"

36 Annotated Code of Maryland

37 (2004 Replacement Volume)

1 BY repealing and reenacting, with amendments,  
2 Article - State Finance and Procurement  
3 Section 11-203(a)(1)(xviii) and (xix)  
4 Annotated Code of Maryland  
5 (2001 Replacement Volume and 2004 Supplement)

6 BY adding to  
7 Article - State Finance and Procurement  
8 Section 11-203(a)(1)(xx)  
9 Annotated Code of Maryland  
10 (2001 Replacement Volume and 2004 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article - State Finance and Procurement  
13 Section 11-203(b)(3)  
14 Annotated Code of Maryland  
15 (2001 Replacement Volume and 2004 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article - State Finance and Procurement  
18 Section 11-203(b)(2)  
19 Annotated Code of Maryland  
20 (2001 Replacement Volume and 2004 Supplement)  
21 (As enacted by Chapter 402 of the Acts of the General Assembly of 2003)

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

24 **Article - Education**

25 5-202.

26 (f) (1) In this subsection, "GCEI adjustment" means the foundation  
27 program for each county multiplied by:

28 (i) 0.000 in Allegany;

29 (ii) 0.018 in Anne Arundel;

30 (iii) 0.042 in Baltimore City;

31 (iv) 0.008 in Baltimore;

32 (v) 0.021 in Calvert;

33 (vi) 0.000 in Caroline;

- 1           (vii)    0.014 in Carroll;  
2           (viii)   0.000 in Cecil;  
3           (ix)     0.020 in Charles;  
4           (x)     0.000 in Dorchester;  
5           (xi)     0.024 in Frederick;  
6           (xii)   0.000 in Garrett;  
7           (xiii)   0.000 in Harford;  
8           (xiv)   0.015 in Howard;  
9           (xv)    0.010 in Kent;  
10          (xvi)   0.034 in Montgomery;  
11          (xvii)   0.048 in Prince George's;  
12          (xviii)   0.011 in Queen Anne's;  
13          (xix)    0.002 in St. Mary's;  
14          (xx)     0.000 in Somerset;  
15          (xxi)    0.000 in Talbot;  
16          (xxii)   0.000 in Washington;  
17          (xxiii)   0.000 in Wicomico; and  
18          (xxiv)   0.000 in Worcester.

19           (2)     [To the extent funds are provided in the State budget for the grants  
20 under this subsection, in] IN addition to the State share of the foundation program,  
21 each county board [may] SHALL receive a grant to reflect regional differences in the  
22 cost of education that are due to factors outside of the control of the local jurisdiction.

23           (3)     [Subject to paragraph (4) of this subsection, the] THE amount of the  
24 grant to each county board under this subsection shall equal the GCEI adjustment for  
25 the county board multiplied times:

- 26           (i)     0.50 in fiscal year [2006] 2007;  
27           (ii)    0.62 in fiscal year [2007] 2008;  
28           (iii)   0.74 in fiscal year [2008] 2009;  
29           (iv)    0.86 in fiscal year [2009] 2010; and

1 (v) 1.00 in fiscal year [2010] 2011 and each fiscal year thereafter.

2 [(4) For any fiscal year, if sufficient funds are not provided in the State  
 3 budget to fully fund the grants provided under this subsection, the grant to each  
 4 county board under this subsection shall equal the amount determined under  
 5 paragraph (3) of this subsection multiplied by a fraction:

6 (i) The numerator of which is the amount provided in the State  
 7 budget to fund the grants; and

8 (ii) The denominator of which is the sum of the amounts calculated  
 9 under paragraph (3) of this subsection for all the county boards.]

10 **Article - Business Regulation**

11 11-511.

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

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

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

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

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

22 **Article - Health - General**

23 19-801.

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

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

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

29 19-802.

30 The General Assembly finds that:

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

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

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

5 19-803.

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

9 19-804.

10 (a) (1) The Secretary [may] SHALL make grants from or agreements for the  
11 use of State FUNDS, INCLUDING THE FUNDS PROVIDED UNDER § 9-1A-33 OF THE  
12 STATE GOVERNMENT ARTICLE, and federal funds to help public agencies or nonprofit  
13 organizations operate the [center] REGIONAL CENTERS for compulsive gamblers  
14 WHO RESIDE IN THE STATE and establish and operate ADDITIONAL local programs to  
15 provide the following for compulsive gamblers WHO RESIDE IN THE STATE AND THEIR  
16 IMMEDIATE FAMILY MEMBERS:

17 (i) Inpatient services[.];

18 (ii) Outpatient services[.];

19 (iii) Partial care services[.];

20 (iv) Aftercare services[.];

21 (v) Consultative services[.];

22 (vi) Educational services[.];

23 (VII) SERVICES IN DOMESTIC VIOLENCE; AND

24 [(vii)] (VIII) Other preventive or rehabilitative services or  
25 treatment.

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

28 (B) THE SECRETARY SHALL CONDUCT A PREVALENCE STUDY AND  
29 REPLICATION PREVALENCE STUDIES TO MEASURE THE RATE OF PROBLEM AND  
30 PATHOLOGICAL GAMBLING IN THE STATE.

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



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

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

6 (E) REPLICATION PREVALENCE STUDIES SHALL BE CONDUCTED NO LESS  
7 THAN EVERY 5 YEARS WITH MEASURES TAKEN TO PERMIT COMPARISONS BETWEEN  
8 THE INITIAL PREVALENCE STUDY AND SUBSEQUENT REPLICATION PREVALENCE  
9 STUDIES.

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

## 12 Article - State Government

13 9-103.

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

15 9-105.

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

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

20 (I) AT LEAST 25 YEARS OLD;

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

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

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

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

28 (I) HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST IN VIDEO  
29 LOTTERY TERMINALS;

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

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

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

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

5 (C) THE COMMISSION SHALL INCLUDE:

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

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

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

10 (4) ONE MEMBER WITH EXPERIENCE IN A FIELD OF INFORMATION  
11 TECHNOLOGY.

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

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

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

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

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

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

23 9-107.

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

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

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

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

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

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

2 9-108.

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

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

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

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

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

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

14 SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

15 9-1A-01.

16 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
17 INDICATED.

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

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

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

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

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

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

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

6 (1) INFORMATION RETRIEVAL;

7 (2) RETRIEVAL OF THE WIN AND LOSS DETERMINATION FROM VIDEO  
8 LOTTERY TERMINALS; AND

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

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

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

13 (K) "COSTS" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE  
14 EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS  
15 SUBTITLE, INCLUDING:

16 (1) THE COSTS OF LEASING OR THE CAPITALIZED COST OF PURCHASING  
17 THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL  
18 COMPUTER;

19 (2) THE COSTS TO REPAIR AND MAINTAIN THE VIDEO LOTTERY  
20 TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER TO THE EXTENT  
21 THESE COSTS ARE NOT INCLUDED IN THE COSTS OF LEASING OR PURCHASING THE  
22 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER;

23 (3) THE COSTS OF TESTING AND EXAMINATION OF VIDEO LOTTERY  
24 TERMINALS; AND

25 (4) THE COSTS OF PERFORMING BACKGROUND INVESTIGATIONS AND  
26 OTHER RELATED ACTIVITIES.

27 (L) "FAMILY" MEANS SPOUSE, PARENTS, GRANDPARENTS, CHILDREN,  
28 GRANDCHILDREN, SIBLINGS, UNCLES, AUNTS, NEPHEWS, NIECES, FATHERS-IN-LAW,  
29 MOTHERS-IN-LAW, DAUGHTERS-IN-LAW, SONS-IN-LAW, BROTHERS-IN-LAW, AND  
30 SISTERS-IN-LAW, WHETHER BY WHOLE BLOOD OR HALF BLOOD, BY MARRIAGE,  
31 ADOPTION, OR NATURAL RELATIONSHIP.

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

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

36 (O) "MANUFACTURER" MEANS A PERSON:

1 (1) THAT IS ENGAGED IN THE BUSINESS OF DESIGNING, BUILDING,  
2 CONSTRUCTING, ASSEMBLING, MANUFACTURING, OR DISTRIBUTING A CENTRAL  
3 COMPUTER, A CENTRAL COMPUTER SOFTWARE SYSTEM, VIDEO LOTTERY  
4 TERMINALS, ASSOCIATED EQUIPMENT, THE ELECTRONIC COMPUTER COMPONENTS  
5 OF VIDEO LOTTERY TERMINALS, THE RANDOM NUMBER GENERATOR OF VIDEO  
6 LOTTERY TERMINALS, OR THE CABINET IN WHICH A VIDEO LOTTERY TERMINAL IS  
7 HOUSED;

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

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

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

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

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

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

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

26 (U) "VIDEO LOTTERY" MEANS GAMING OR BETTING CONDUCTED USING A  
27 VIDEO LOTTERY TERMINAL.

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

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

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

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

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

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

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

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

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

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

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

21 9-1A-02.

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

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

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

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

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

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

34 (H) CONTINUOUSLY MONITORING, RETRIEVING, AND AUDITING  
35 THE OPERATIONS, FINANCIAL DATA, AND PROGRAM INFORMATION OF ALL VIDEO  
36 LOTTERY TERMINALS;

1                   ~~(III)~~    (II)       ALLOWING THE COMMISSION TO ACCOUNT FOR ALL  
2 MONEY INSERTED IN AND PAYOUTS MADE FROM ANY VIDEO LOTTERY TERMINAL;

3                   ~~(IV)~~    (III)       DISABLING FROM OPERATION OR PLAY ANY VIDEO  
4 LOTTERY TERMINAL AS THE COMMISSION DEEMS NECESSARY TO CARRY OUT THE  
5 PROVISIONS OF THIS SUBTITLE; AND

6                   ~~(V)~~     (IV)       SUPPORTING A PROGRESSIVE JACKPOT SYSTEM CAPABLE  
7 OF OPERATING ONE OR MORE PROGRESSIVE JACKPOTS.

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

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

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

21 9-1A-03.

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

25                   (B)     THIS ~~SECTION~~ SUBTITLE, INCLUDING THE AUTHORITY PROVIDED TO THE  
26 COMMISSION UNDER THIS SUBTITLE, DOES NOT APPLY TO:

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

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

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

32                   (4)     ~~OTHER GAMING CONDUCTED BY A BONA FIDE FRATERNAL, CIVIC,~~  
33 ~~WAR VETERANS', RELIGIOUS OR CHARITABLE ORGANIZATION, VOLUNTEER FIRE~~  
34 ~~COMPANY, OR SUBSTANTIALLY SIMILAR ORGANIZATION~~ UNDER TITLES 12 AND 13 OF  
35 THE CRIMINAL LAW ARTICLE.

1 9-1A-04.

2 (A) THE COMMISSION SHALL:

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

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

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

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

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

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

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

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

31 (B) THE COMMISSION MAY:

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

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



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

4 (4) PROPOUND WRITTEN INTERROGATORIES.

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

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

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

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

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

23 (4) ESTABLISHING THE MANNER AND PROCEDURE OF HEARINGS  
24 CONDUCTED BY THE COMMISSION;

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

27 (6) DEFINING AND LIMITING THE AREAS OF OPERATION FOR VIDEO  
28 LOTTERY TERMINALS, RULES OF VIDEO LOTTERY TERMINALS, ODDS FOR VIDEO  
29 LOTTERY TERMINALS, AND THE METHOD OF OPERATION OF THE VIDEO LOTTERY  
30 TERMINALS;

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

36 (8) PRESCRIBING THE GROUNDS AND PROCEDURES FOR REPRIMANDS  
37 OF LICENSEES OR THE REVOCATION OR SUSPENSION OF LICENSES ISSUED UNDER  
38 THIS SUBTITLE;

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

3 (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF  
4 MANAGEMENT CONTROLS;

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

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

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

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

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

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

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

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

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

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

35 (I) INSPECT AND EXAMINE ALL PREMISES IN WHICH VIDEO  
36 LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE CONDUCTED OR ANY  
37 AUTHORIZED VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, OR CENTRAL  
38 COMPUTER IS DESIGNED, BUILT, CONSTRUCTED, ASSEMBLED, MANUFACTURED,

1 SOLD, DISTRIBUTED, OR SERVICED, OR IN WHICH RECORDS OF THOSE ACTIVITIES  
2 ARE PREPARED OR MAINTAINED;

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

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

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

13 (V) SEIZE, IMPOUND, OR ASSUME PHYSICAL CONTROL OF BOOKS,  
14 RECORDS, LEDGERS, CASH BOXES AND THEIR CONTENTS, A COUNTING ROOM OR ITS  
15 EQUIPMENT, OR OTHER PHYSICAL OBJECTS RELATING TO VIDEO LOTTERY  
16 OPERATIONS.

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

20 9-1A-05.

21 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED  
22 UNDER § 9-1A-36 OF THIS SUBTITLE MAY ISSUE NO MORE THAN FOUR VIDEO  
23 LOTTERY OPERATION LICENSES.

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

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

30 (D) (1) IN THIS SUBSECTION, "~~BUSINESS ENTITY OWNER~~" INCLUDES ANY  
31 TYPE OF OWNER OR BENEFICIARY OF ~~THE~~ A BUSINESS ENTITY, INCLUDING AN  
32 OFFICER, DIRECTOR, PRINCIPAL EMPLOYEE, PARTNER, INVESTOR, STOCKHOLDER, OR  
33 BENEFICIAL OWNER OF THE BUSINESS ENTITY AND, NOTWITHSTANDING ANY  
34 OTHER PROVISIONS OF THIS SUBTITLE, INCLUDING A PERSON HAVING ANY  
35 OWNERSHIP INTEREST REGARDLESS OF THE PERCENTAGE OF OWNERSHIP  
36 INTEREST.

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

1 9-1A-06.

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

3 (1) A VIDEO LOTTERY OPERATOR;

4 (2) A MANUFACTURER;

5 (3) A PERSON NOT LICENSED UNDER ITEM (1) OR (2) OF THIS  
6 SUBSECTION WHO MANAGES, OPERATES, SUPPLIES, PROVIDES SECURITY FOR, OR  
7 PROVIDES SERVICE, MAINTENANCE, OR REPAIRS FOR VIDEO LOTTERY TERMINALS;  
8 AND

9 (4) A VIDEO LOTTERY EMPLOYEE.

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

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

19 (2) THE COMMISSION BY REGULATION MAY EXEMPT CATEGORIES OF  
20 VIDEO LOTTERY EMPLOYEES WHO ARE NOT DIRECTLY INVOLVED IN THE VIDEO  
21 LOTTERY OPERATIONS FROM THE REQUIREMENT UNDER PARAGRAPH (1) OF THIS  
22 SUBSECTION IF THE COMMISSION DETERMINES THAT THE REQUIREMENT IS NOT  
23 NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE  
24 POLICIES ESTABLISHED UNDER THIS SUBTITLE.

25 9-1A-07.

26 (A) AN APPLICANT FOR A LICENSE SHALL SUBMIT TO THE COMMISSION AN  
27 APPLICATION:

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

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

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

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

34 (3) ~~IF THE COMMISSION ESTABLISHES A FEE FOR A LICENSE,~~ AN  
35 APPLICANT SHALL SUBMIT THE FEE WITH THE APPLICATION.

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

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

7 (3) APPLICANTS AND LICENSEES SHALL CONSENT TO INSPECTIONS,  
8 SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR REGULATIONS  
9 ISSUED UNDER THIS SUBTITLE.

10 (4) (I) APPLICANTS AND LICENSEES SHALL HAVE THE CONTINUING  
11 DUTY TO:

12 1. PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY  
13 THE COMMISSION; AND

14 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR  
15 HEARING CONDUCTED BY THE COMMISSION.

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

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

23 (II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE COMMISSION  
24 BY REGULATION MAY ESTABLISH THE CATEGORIES OF INDIVIDUALS WHO SHALL BE  
25 PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND INVESTIGATION  
26 PURPOSES.

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

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

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

1 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY  
2 OF THE APPLICANT OR LICENSEE;

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

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

8 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE  
9 APPLICANT OR LICENSEE.

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

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

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

21 (E) (1) AFTER RECEIVING THE RESULTS OF THE BACKGROUND  
22 INVESTIGATION AND CONDUCTING ANY HEARING REQUIRED UNDER THIS SUBTITLE,  
23 THE COMMISSION MAY EITHER GRANT A LICENSE TO AN APPLICANT WHOM THE  
24 COMMISSION DETERMINES TO BE QUALIFIED OR DENY THE LICENSE TO AN  
25 APPLICANT WHOM THE COMMISSION DETERMINES TO BE NOT QUALIFIED OR  
26 DISQUALIFIED.

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

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

35 (G) (1) AN INDIVIDUAL MAY NOT KNOWINGLY GIVE FALSE INFORMATION  
36 OR MAKE A MATERIAL MISSTATEMENT IN AN APPLICATION REQUIRED FOR ANY  
37 LICENSE UNDER THIS SUBTITLE OR IN ANY SUPPLEMENTAL INFORMATION  
38 REQUIRED BY THE COMMISSION.

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

4 9-1A-08.

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

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

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

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

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

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

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

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

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

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

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

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

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

2 (13) A LISTING OF STOCK OPTIONS.

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

31 9-1A-09.

32 (A) AS A CONDITION OF ELIGIBILITY FOR FUNDING UNDER §§ 9-1A-28 AND  
33 9-1A-29 OF THIS SUBTITLE, THE HOLDER OF A LICENSE TO HOLD A RACE MEETING IN  
34 THE STATE SHALL MAINTAIN AT LEAST THE SAME NUMBER OF LIVE RACING DAYS AS  
35 WERE AUTHORIZED BY THE STATE RACING COMMISSION FOR THAT LOCATION IN  
36 2004 UNLESS THE LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR OTHER  
37 CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE.

38 (B) (1) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT  
39 PIMLICO RACE COURSE AND LAUREL PARK SHALL BE INELIGIBLE FOR FUNDING  
40 UNDER §§ 9-1A-28 AND 9-1A-29 OF THIS SUBTITLE IF THE NAME, COMMON LAW AND  
41 STATUTORY COPYRIGHTS, SERVICE MARKS, TRADEMARKS, TRADE NAMES, OR HORSE

1 RACING EVENTS THAT ARE ASSOCIATED WITH THE PREAKNESS STAKES OR THE  
2 WOODLAWN VASE ARE TRANSFERRED TO A LOCATION OUTSIDE THE STATE.

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

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

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

15 (C) AS AN ADDITIONAL CONDITION OF ELIGIBILITY FOR FUNDING UNDER §§  
16 9-1A-28 AND 9-1A-29 OF THIS SUBTITLE, THE HOLDER OF THE RACING LICENSE FOR  
17 LAUREL PARK SHALL PERMIT THE EVENT KNOWN AS THE MARYLAND MILLION TO BE  
18 RUN ANNUALLY AT LAUREL PARK UNLESS:

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

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

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

27 (2) EACH PLAN SHALL INCLUDE:

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

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

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

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

1           (3)    (I)    AS A CONDITION OF ELIGIBILITY FOR FUNDING UNDER §  
2 9-1A-28 OF THIS SUBTITLE, HOLDERS OF A LICENSE ISSUED BY THE RACING  
3 COMMISSION ~~THAT RECEIVE A SHARE OF THE PROCEEDS UNDER THIS SUBTITLE~~  
4 SHALL JOINTLY DEVELOP A MULTIYEAR PLAN TO IMPROVE THE QUALITY AND  
5 MARKETING OF THE HORSE RACING INDUSTRY IN MARYLAND.

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

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

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

20 9-1A-10.

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

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

31           (3)    ANY COLLECTIVE BARGAINING AGREEMENT OR AGREEMENTS,  
32 INCLUDING A PROJECT LABOR AGREEMENT OR A NEUTRALITY AGREEMENT,  
33 ENTERED INTO BY AN APPLICANT OR LICENSEE MAY NOT NEGATE THE  
34 REQUIREMENTS OF THIS SUBSECTION.

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

39           (5)    NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR  
40 AGREEMENTS, A LICENSEE SHALL PROVIDE HEALTH INSURANCE COVERAGE FOR ITS  
41 EMPLOYEES.

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

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

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

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

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

15 9-1A-11.

16 (A) ANY VIDEO LOTTERY OPERATION LICENSES NOT ISSUED FOR A LOCATION  
17 AUTHORIZED UNDER THIS SUBTITLE SHALL AUTOMATICALLY REVERT TO THE  
18 STATE.

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

23 (2) (I) ON A DETERMINATION BY THE COMMISSION THAT  
24 EXTENUATING CIRCUMSTANCES EXIST WHICH ARE BEYOND THE CONTROL OF A  
25 LICENSEE AND HAVE PREVENTED THE LICENSEE FROM COMPLYING WITH THE  
26 REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION MAY  
27 ALLOW THE LICENSEE AN EXTENSION OF 6 MONTHS TO COMPLY WITH THE  
28 REQUIREMENTS.

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

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

34 (C) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION  
35 ESTABLISHED UNDER § 9-1A-36 OF THIS SUBTITLE MAY REISSUE A VIDEO LOTTERY  
36 OPERATION LICENSE THAT IS REVOKED OR SURRENDERED.

1           (2)     IN REISSUING A VIDEO LOTTERY OPERATION LICENSE, THE VIDEO  
2 LOTTERY FACILITY LOCATION COMMISSION SHALL UTILIZE THE CRITERIA  
3 OUTLINED IN THIS SUBTITLE.

4 9-1A-12.

5       IF A VIDEO LOTTERY OPERATION LICENSEE CONTRACTS WITH ANOTHER  
6 PERSON OTHER THAN AN EMPLOYEE OF THE VIDEO LOTTERY OPERATION LICENSEE  
7 TO PROVIDE ANY OF THE SERVICES RELATED TO OPERATING A VIDEO LOTTERY  
8 FACILITY, EACH PERSON AND EACH OTHER PERSON WHO OWNS OR CONTROLS THE  
9 PERSON OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER PRINCIPAL  
10 EMPLOYEES OF THE PERSON SHALL QUALIFY UNDER THE STANDARDS AND  
11 PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO  
12 LOTTERY OPERATION LICENSEES.

13 9-1A-13.

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

16       (B)     DURING THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE,  
17 THE LICENSEE SHALL PROVIDE THE COMMISSION WITH AN ANNUAL UPDATE OF THE  
18 INFORMATION REQUIRED UNDER THIS SUBTITLE FOR THE ISSUANCE OF A LICENSE  
19 BY THE DATE SET BY THE COMMISSION IN REGULATIONS AND ON THE FORM  
20 REQUIRED BY THE COMMISSION.

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

24       (D)     AT THE END OF THE INITIAL 15-YEAR LICENSE TERM, A VIDEO LOTTERY  
25 OPERATION LICENSEE MAY REAPPLY FOR A LICENSE THAT HAS A LICENSE TERM OF  
26 10 YEARS AND LICENSE FEE TO BE ESTABLISHED BY STATUTE.

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

29 9-1A-14.

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

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

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

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

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

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

7 (4) THE APPLICANT'S CURRENT PROSECUTION FOR ANY CRIME  
8 INVOLVING MORAL TURPITUDE OR GAMBLING UNDER THE LAWS OF THE UNITED  
9 STATES OR ANY STATE, BUT, AT THE REQUEST OF THE APPLICANT, THE COMMISSION  
10 MAY DEFER A DECISION ON THE APPLICATION DURING THE PENDENCY OF THE  
11 CHARGE;

12 (5) PURSUIT BY THE APPLICANT OF ECONOMIC GAIN IN AN  
13 OCCUPATIONAL MANNER OR CONTEXT THAT IS IN VIOLATION OF THE LAWS OF THE  
14 STATE, IF THE PURSUIT CREATES A REASONABLE BELIEF THAT PARTICIPATION OF  
15 THE APPLICANT IN VIDEO LOTTERY OPERATIONS WOULD BE INIMICAL TO THE  
16 POLICIES OF THIS SUBTITLE;

17 (6) IDENTIFICATION OF THE APPLICANT AS A CAREER OFFENDER OR A  
18 MEMBER OF A CAREER OFFENDER CARTEL OR AN ASSOCIATE OF A CAREER  
19 OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER THAT CREATES A  
20 REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS TO BE INIMICAL  
21 TO THE POLICIES OF THIS SUBTITLE;

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

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

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

34 9-1A-15.

35 (A) UNLESS A MANUFACTURER HOLDS A VALID MANUFACTURER LICENSE  
36 ISSUED BY THE COMMISSION BEFORE CONDUCTING BUSINESS WITH A LICENSEE OR  
37 THE STATE, THE MANUFACTURER MAY NOT OFFER ANY VIDEO LOTTERY TERMINAL,  
38 ASSOCIATED EQUIPMENT, CENTRAL COMPUTER, OR GOODS OR SERVICES THAT  
39 DIRECTLY RELATE TO THE OPERATION OF VIDEO LOTTERY TERMINALS UNDER THIS  
40 SUBTITLE.

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

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

9 (D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS, ASSOCIATED  
10 EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR DISTRIBUTE THE  
11 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER  
12 THAT MEET SPECIFICATIONS AND PROCEDURES ESTABLISHED BY THE COMMISSION.  
13 9-1A-16.

14 (A) FOR ALL LICENSES REQUIRED UNDER THIS SUBTITLE OTHER THAN A  
15 VIDEO LOTTERY OPERATION LICENSE, IF AN APPLICANT OR LICENSEE HOLDS A  
16 VALID LICENSE IN ANOTHER STATE AND THE COMMISSION DETERMINES THAT THE  
17 LICENSING STANDARDS OF THE OTHER STATE ARE COMPREHENSIVE, THOROUGH,  
18 AND PROVIDE SIMILAR ADEQUATE SAFEGUARDS TO THOSE PROVIDED IN THIS  
19 SUBTITLE, THE COMMISSION MAY:

20 (1) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS SUBTITLE;  
21 AND

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

24 (B) (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, ON THE  
25 REQUEST OF AN APPLICANT, THE COMMISSION MAY GRANT AN EXEMPTION OR  
26 WAIVER OF A LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE IF  
27 THE COMMISSION DETERMINES THAT THE REQUIREMENT OR GROUNDS FOR DENIAL  
28 OF A LICENSE AS APPLIED TO THE APPLICANT ARE NOT NECESSARY IN ORDER TO  
29 PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE POLICIES ESTABLISHED BY  
30 THIS SUBTITLE.

31 (2) ON GRANTING TO AN APPLICANT AN EXEMPTION OR WAIVER OF A  
32 LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE, OR AT ANY TIME  
33 AFTER A WAIVER OR EXEMPTION HAS BEEN GRANTED, THE COMMISSION MAY:

34 (I) LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR  
35 WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;  
36 AND

37 (II) REQUIRE THE PERSON WHO IS GRANTED THE EXEMPTION OR  
38 WAIVER TO COOPERATE WITH THE COMMISSION AND TO PROVIDE THE COMMISSION  
39 WITH ANY ADDITIONAL INFORMATION REQUIRED BY THE COMMISSION AS A  
40 CONDITION OF THE WAIVER OR EXEMPTION.

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

3 9-1A-17.

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

7 (1) PROPER APPLICATION FOR RENEWAL; AND

8 (2) PAYMENT OF ALL REQUIRED APPLICATION, LICENSE, AND OTHER  
9 FEES AND TAXES.

10 9-1A-18.

11 (A) BECAUSE THE PUBLIC HAS A VITAL INTEREST IN VIDEO LOTTERY  
12 OPERATIONS AND HAS ESTABLISHED A LIMITED EXCEPTION TO THE POLICY OF THE  
13 STATE CONCERNING GAMBLING FOR PRIVATE GAIN, PARTICIPATION IN VIDEO  
14 LOTTERY OPERATIONS BY A LICENSEE UNDER THIS SUBTITLE SHALL BE DEEMED A  
15 REVOCABLE PRIVILEGE CONDITIONED ON THE PROPER AND CONTINUED  
16 QUALIFICATION OF THE LICENSEE AND ON THE DISCHARGE OF THE AFFIRMATIVE  
17 RESPONSIBILITY OF EACH LICENSEE TO PROVIDE TO THE REGULATORY AND  
18 INVESTIGATORY AUTHORITIES UNDER THIS SUBTITLE OR ANY OTHER PROVISION OF  
19 LAW, ANY ASSISTANCE AND INFORMATION NECESSARY TO ASSURE THAT THE  
20 POLICIES DECLARED BY THIS SUBTITLE ARE ACHIEVED.

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

23 (1) PRECLUDE:

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

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

28 (III) THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS  
29 SUBTITLE; AND

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

33 9-1A-19.

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

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



1 (2) PLEDGED AS COLLATERAL.

2 (B) (1) A LICENSEE MAY NOT SELL OR OTHERWISE TRANSFER MORE THAN  
3 5% OF THE LEGAL OR BENEFICIAL INTERESTS OF THE PERSON UNLESS:

4 (I) THE PERSON NOTIFIES THE COMMISSION OF THE PROPOSED  
5 SALE OR TRANSFER; AND

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

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

13 9-1A-20.

14 (A) THE DEPARTMENT OF STATE POLICE SHALL:

15 (1) CONDUCT A BACKGROUND INVESTIGATION OF EACH APPLICANT IN  
16 A TIMELY MANNER; AND

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

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

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

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

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

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

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

1 (III) THE MANDATORY PROCESSING FEE REQUIRED BY THE  
2 FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY  
3 RECORDS CHECK.

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

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

12 (D) AFTER COMPLETION OF THE BACKGROUND INVESTIGATION OF AN  
13 APPLICANT, THE DEPARTMENT OF STATE POLICE SHALL PROMPTLY FORWARD THE  
14 RESULTS OF THE INVESTIGATION TO THE COMMISSION.

15 9-1A-21.

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

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

19 (2) UNDER THE CONTROL OF THE COMMISSION.

20 (B) SUBJECT TO THE COMMISSION'S ABILITY TO CANCEL OR ALTER THE  
21 CONTRACT IN THE EVENT ONE OR MORE ELIGIBLE APPLICANTS FOR A VIDEO  
22 LOTTERY FACILITY FAIL TO OBTAIN A LICENSE, THE COMMISSION SHALL CONTRACT  
23 WITH ONE OR MORE LICENSED MANUFACTURERS FOR THE LEASE OR PURCHASE OF  
24 THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL  
25 COMPUTER AUTHORIZED UNDER THIS SUBTITLE.

26 (C) THE COMMISSION SHALL DEVELOP REGULATIONS GOVERNING THE SALE  
27 OR LEASE OF VIDEO LOTTERY TERMINALS BY THE COMMISSION UNDER THIS  
28 SUBTITLE IN A MANNER THAT PROVIDES A COMPETITIVE PROCESS AMONG  
29 LICENSED MANUFACTURERS WITH INCENTIVES TO LICENSED MANUFACTURERS  
30 BASED ON THE PERFORMANCE OF THE MANUFACTURER'S VIDEO LOTTERY  
31 TERMINALS.

32 9-1A-22.

33 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED  
34 UNDER ~~§ 9-1A-35~~ § 9-1A-36 OF THIS SUBTITLE MAY AWARD UP TO ~~8,500~~ 9,500 VIDEO  
35 LOTTERY TERMINALS FOR OPERATION AT VIDEO LOTTERY FACILITIES IN THE STATE.

36 (B) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD  
37 MORE THAN ~~3,000~~ 3,500 TERMINALS FOR OPERATION AT ANY VIDEO LOTTERY  
38 FACILITY.

1 9-1A-23.

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

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

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

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

12 (C) A VIDEO LOTTERY OPERATION LICENSEE SHALL BE RESPONSIBLE FOR  
13 ALL MARKETING, ADVERTISING, AND PROMOTION FOR ITS VIDEO LOTTERY  
14 OPERATION.

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

18 9-1A-24.

19 (A) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY OPERATION  
20 LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A CONDITION  
21 OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

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

25 (2) ANY FOOD OR BEVERAGES, INCLUDING ALCOHOLIC BEVERAGES,  
26 OFFERED BY A VIDEO LOTTERY OPERATION LICENSEE FOR SALE TO INDIVIDUALS  
27 MAY BE OFFERED ONLY AT PRICES THAT ARE DETERMINED BY THE COMMISSION TO  
28 BE COMMENSURATE WITH THE PRICE OF SIMILAR TYPES OF FOOD AND BEVERAGES  
29 AT RESTAURANTS IN THE COUNTY IN WHICH THE VIDEO LOTTERY FACILITY IS  
30 LOCATED.

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

35 (C) A VIDEO LOTTERY OPERATION LICENSEE SHALL ENSURE THAT  
36 INTOXICATED INDIVIDUALS AND INDIVIDUALS UNDER THE AGE OF 21 YEARS ARE  
37 NOT PERMITTED TO PLAY VIDEO LOTTERY TERMINALS AND ARE NOT PERMITTED IN

1 AREAS OF THE VIDEO LOTTERY FACILITY LOCATION WHERE VIDEO LOTTERY  
2 TERMINALS ARE LOCATED.

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

7 (2) THE REGULATIONS UNDER THIS SUBSECTION SHALL DEFINE THE  
8 STANDARDS FOR EXCLUSION OR EJECTION AND SHALL INCLUDE STANDARDS  
9 RELATING TO INDIVIDUALS:

10 (I) WHO ARE CAREER OFFENDERS AS DEFINED BY REGULATIONS  
11 ADOPTED BY THE COMMISSION;

12 (II) WHO HAVE BEEN CONVICTED OF A CRIMINAL OFFENSE UNDER  
13 THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED  
14 STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A  
15 GAMBLING OFFENSE; OR

16 (III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A LICENSEE  
17 WOULD BE ADVERSE TO THE INTEREST OF THE STATE, THE LICENSEE, OR THE  
18 PERSON.

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

23 (4) AN ORDER UNDER THIS SUBSECTION SHALL BE SUBJECT TO  
24 JUDICIAL REVIEW.

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

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

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

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

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

4 (IV) THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN  
5 ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO  
6 EXCLUDE FROM THE PREMISES OF THE LICENSEE AN INDIVIDUAL ON THE  
7 VOLUNTARY EXCLUSION LIST.

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

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

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

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

16 (IV) LIMIT THE DOLLAR AMOUNT THAT VIDEO LOTTERY TERMINALS  
17 WILL ACCEPT;

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

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

24 (VII) PROHIBIT VIDEO LOTTERY OPERATION LICENSEES FROM  
25 ENGAGING IN OR CONTRACTING WITH ANOTHER TO ENGAGE IN PREDATORY  
26 MARKETING PRACTICES.

27 9-1A-25.

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

30 (1) THIS SUBTITLE;

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

32 (3) A CONDITION THAT THE COMMISSION SETS.

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

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

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

5 (I) THE SERIOUSNESS OF THE VIOLATION;

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

7 (III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON  
8 WHO COMMITTED THE VIOLATION.

9 (C) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SUBTITLE,  
10 NOTHING CONTAINED IN THIS SUBTITLE ABROGATES OR LIMITS THE CRIMINAL  
11 LAWS OF THE STATE OR LIMITS THE AUTHORITY OF THE GENERAL ASSEMBLY TO  
12 ENACT STATUTES ESTABLISHING CRIMINAL OFFENSES AND PENALTIES RELATING  
13 TO VIDEO LOTTERY OPERATIONS.

14 9-1A-26.

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

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

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

24 9-1A-27.

25 (A) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY  
26 TERMINALS:

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

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

33 (B) FOR A VIDEO LOTTERY FACILITY OPERATION LICENSE FOR A VIDEO  
34 LOTTERY DESTINATION LOCATION, THE COMPTROLLER SHALL PAY FROM THE  
35 PROCEEDS OF VIDEO LOTTERY TERMINALS:

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

4 (2) ~~(H)~~ ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE  
5 COMMISSION, 15% IN LOCAL ~~IMPACT DEVELOPMENT~~ GRANTS TO ALL COUNTIES AND  
6 BALTIMORE CITY, BASED ON THAT COUNTY OR BALTIMORE CITY'S PERCENTAGE OF  
7 OVERALL LOTTERY SALES IN THE PREVIOUS FISCAL YEAR; ~~AND~~

8 ~~(H) OF THE AMOUNT SPECIFIED IN ITEM (I) OF THIS PARAGRAPH,~~  
9 ~~AT LEAST ONE FOURTH OF THE AMOUNT FOR BALTIMORE CITY FOR A PERIOD NOT~~  
10 ~~EXCEEDING TEN YEARS MUST BE PROVIDED TO THE COMMUNITIES IN IMMEDIATE~~  
11 ~~PROXIMITY TO THE PIMLICO RACE COURSE;~~

12 (3) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE  
13 COMMISSION, ~~5%~~ 3% IN LOCAL ~~DEVELOPMENT~~ IMPACT GRANTS SHALL BE PROVIDED  
14 TO THE LOCAL JURISDICTIONS WITH VIDEO LOTTERY FACILITIES, BASED ON THAT  
15 JURISDICTION'S PERCENTAGE OF OVERALL GROSS REVENUES FROM VIDEO LOTTERY  
16 TERMINALS;

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

21 (5) FOR THE FIRST 5 YEARS OF VIDEO LOTTERY TERMINAL OPERATION,  
22 ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, 3%  
23 SHALL BE PROVIDED TO THE RACETRACK FACILITY RENEWAL ACCOUNT  
24 ESTABLISHED UNDER § 9-1A-29 OF THIS SUBTITLE, NOT TO EXCEED \$40,000,000  
25 ANNUALLY; AND

26 (6) THE REMAINDER TO THE ~~MARYLAND EDUCATIONAL FACILITY~~  
27 ~~CONSTRUCTION AND RENOVATION~~ EDUCATION TRUST FUND ESTABLISHED UNDER §  
28 9-1A-30 OF THIS SUBTITLE.

29 (C) FOR A VIDEO LOTTERY FACILITY THAT IS A VIDEO LOTTERY DESTINATION  
30 LOCATION, IF THE COSTS OF THE STATE LOTTERY AGENCY ARE LESS THAN 5% OF  
31 THE GROSS PROCEEDS IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL  
32 OPERATION OR LESS THAN 4.3% OF THE GROSS PROCEEDS IN THE SECOND YEAR OF  
33 VIDEO LOTTERY TERMINAL OPERATION AND EACH YEAR THEREAFTER, ANY AMOUNT  
34 NOT DISTRIBUTED TO THE STATE LOTTERY AGENCY SHALL BE PAID TO THE  
35 ~~MARYLAND EDUCATIONAL FACILITY CONSTRUCTION AND RENOVATION~~ EDUCATION  
36 TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF THIS SUBTITLE.

37 (D) OF THE AMOUNT SPECIFIED IN SUBSECTION (B)(2) OF THIS SECTION, AT  
38 LEAST 45% OF THE AMOUNT FOR BALTIMORE CITY SHALL BE UTILIZED FOR CAPITAL  
39 PROJECTS BENEFITTING ECONOMIC AND COMMUNITY DEVELOPMENT IN THE  
40 FOLLOWING MANNER:

1 (1) AT LEAST 75% CONSISTENT WITH THE PARK HEIGHTS MASTER PLAN;

2 AND

3 (2) THE REMAINDER CONSISTENT WITH NEEDS IDENTIFIED BY THE  
4 BALTIMORE CITY DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT IN  
5 THE AREA LOCATED WITHIN 1 MILE OF PIMLICO RACE COURSE, BUT NOT WITHIN  
6 THE BOUNDARIES OF THE PARK HEIGHTS MASTER PLAN.

7 9-1A-28.

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

10 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER §  
11 9-1A-27 OF THIS SUBTITLE.

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

14 (3) THE COMPTROLLER SHALL:

15 (I) ACCOUNT FOR THE FUND; AND

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

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

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

24 (C) SUBJECT TO SUBSECTIONS (D) AND (E) OF THIS SECTION, THE STATE  
25 RACING COMMISSION SHALL ALLOCATE ~~A PERCENTAGE OF THE FUNDS IN THE~~  
26 ~~ACCOUNT EACH YEAR TO THE THOROUGHBRED INDUSTRY AND TO THE~~  
27 ~~STANDARD BRED INDUSTRY BASED ON THE PERCENTAGE OF THE TOTAL WAGERING~~  
28 ~~ON LIVE RACING AT RACETRACKS IN THE STATE THAT CAN BE ATTRIBUTED TO EACH~~  
29 ~~INDUSTRY DURING THE PRIOR CALENDAR YEAR AS FOLLOWS:~~

30 (1) 70% TO THE THOROUGHBRED INDUSTRY; AND

31 (2) 30% TO THE STANDARD BRED INDUSTRY.

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

34 (1) 85% TO THOROUGHBRED PURSES AT THE PIMLICO RACE COURSE,  
35 LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE RACECOURSE AT  
36 TIMONIUM; AND



1 (2) 15% TO THE MARYLAND-BRED RACE FUND.

2 (E) THE AMOUNT OF FUNDS ALLOCATED TO STANDARDBRED PURSES AND  
3 THE STANDARDBRED RACE FUND SHALL BE ALLOCATED AS FOLLOWS:

4 (1) 85% TO STANDARDBRED PURSES AT ROSECROFT RACEWAY, OCEAN  
5 DOWNS RACE COURSE, AND THE RACECOURSE IN ALLEGANY COUNTY; AND

6 (2) 15% TO THE STANDARDBRED RACE FUND.

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

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

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

17 9-1A-29.

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

20 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER §  
21 9-1A-27 OF THIS SUBTITLE.

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

24 (3) THE COMPTROLLER SHALL:

25 (I) ACCOUNT FOR THE FUND; AND

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

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

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

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

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

6 (1) 80% TO THE PIMLICO RACE COURSE, LAUREL PARK, AND THE  
7 RACECOURSE AT TIMONIUM; AND

8 (2) 20% TO ROSECROFT RACEWAY AND OCEAN DOWNS RACE COURSE.

9 (E) IN ORDER TO OBTAIN A ~~MATCHING FUND~~ GRANT, A HOLDER OF A LICENSE  
10 TO HOLD A RACE MEETING IN THE STATE SHALL:

11 (1) SUBMIT A CAPITAL CONSTRUCTION PLAN TO BE IMPLEMENTED  
12 WITHIN A SPECIFIED TIME FRAME TO THE STATE RACING COMMISSION FOR  
13 APPROVAL; AND

14 (2) EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION,  
15 PROVIDE AND EXPEND A MATCHING FUND.

16 (F) (1) OF THE AMOUNT PROVIDED FROM THE RACETRACK FACILITY  
17 RENEWAL ACCOUNT UNDER SUBSECTION (D)(1) OF THIS SECTION, \$1,000,000 SHALL  
18 BE PROVIDED ANNUALLY FOR 5 YEARS TO THE RACECOURSE AT TIMONIUM FOR  
19 RACETRACK FACILITY CAPITAL CONSTRUCTION AND IMPROVEMENTS.

20 (2) A MATCHING FUND IS NOT REQUIRED FOR THE AMOUNT PROVIDED  
21 FOR THE RACECOURSE AT TIMONIUM UNDER PARAGRAPH (1) OF THIS SUBSECTION.

22 ~~(F)~~ (G) AFTER A ~~MATCHING FUND~~ GRANT HAS BEEN PROVIDED UNDER THIS  
23 SECTION, THE STATE RACING COMMISSION SHALL:

24 (1) MONITOR THE IMPLEMENTATION OF THE APPROVED CAPITAL  
25 CONSTRUCTION PLAN; AND

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

29 ~~(G)~~ (H) THE STATE RACING COMMISSION SHALL ADOPT REGULATIONS TO  
30 IMPLEMENT THE PROVISIONS OF THIS SUBSECTION, INCLUDING REGULATIONS TO  
31 ADDRESS MINIMUM CRITERIA FOR THE TYPES OF IMPROVEMENTS TO BE MADE BY  
32 THE HOLDER OF A LICENSE.

33 ~~(H)~~ (I) THE PROVISIONS OF THIS SECTION MAY NOT BE CONSTRUED TO  
34 APPLY TO THE RACECOURSE IN ALLEGANY COUNTY.

1 9-1A-30.

2 (A) ~~THERE IS A AN MARYLAND EDUCATIONAL FACILITY CONSTRUCTION AND~~  
 3 ~~RENOVATION EDUCATION TRUST FUND WHICH IS A SPECIAL CONTINUING,~~  
 4 ~~NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND~~  
 5 ~~PROCUREMENT ARTICLE.~~

6 (B) (1) ~~THERE SHALL BE CREDITED TO THE MARYLAND EDUCATIONAL~~  
 7 ~~FACILITY CONSTRUCTION AND RENOVATION EDUCATION TRUST FUND ALL~~  
 8 ~~PROCEEDS ALLOCATED TO THE FUND UNDER § 9-1A-27 OF THIS SUBTITLE.~~

9 (2) ~~MONEY IN THE MARYLAND EDUCATIONAL FACILITY CONSTRUCTION~~  
 10 ~~AND RENOVATION EDUCATION TRUST FUND SHALL BE INVESTED AND REINVESTED~~  
 11 ~~BY THE TREASURER, AND INTEREST AND EARNINGS SHALL ACCRUE TO THE FUND.~~

12 (C) ~~MONEY IN THE MARYLAND EDUCATIONAL FACILITY CONSTRUCTION AND~~  
 13 ~~RENOVATION EDUCATION TRUST FUND SHALL BE USED TO FUND CONSTRUCTION~~  
 14 ~~AND RENOVATION NEEDS FOR PUBLIC SCHOOLS AND FOR INSTITUTIONS OF HIGHER~~  
 15 ~~EDUCATION.~~

16 (1) PROVIDE FUNDS TO CONSTRUCT PUBLIC SCHOOL BUILDINGS AND  
 17 PROVIDE PUBLIC SCHOOL CAPITAL IMPROVEMENTS IN ACCORDANCE WITH §§ 5-301  
 18 THROUGH 5-303 OF THE EDUCATION ARTICLE; AND

19 (2) PROVIDE FUNDING FOR REGIONAL DIFFERENCES IN THE COST OF  
 20 EDUCATION UNDER § 5-202(F) OF THE EDUCATION ARTICLE.

21 (D) IN ESTABLISHING PRIORITIES FOR THE FUNDING OF CONSTRUCTION AND  
 22 RENOVATION NEEDS FOR PUBLIC SCHOOLS PROVIDED UNDER SUBSECTION (C)(1) OF  
 23 THIS SECTION, THE INTERAGENCY COMMITTEE ON SCHOOL CONSTRUCTION  
 24 ESTABLISHED UNDER § 5-302 OF THE EDUCATION ARTICLE SHALL GIVE THE  
 25 HIGHEST PRIORITY TO PROJECTS THAT ADDRESS PUBLIC SCHOOL FACILITY  
 26 DEFICIENCIES IDENTIFIED IN THE 2004 FINAL REPORT OF THE TASK FORCE TO  
 27 STUDY PUBLIC SCHOOL FACILITIES, PARTICULARLY DEFICIENCIES THAT AFFECT  
 28 HEALTH AND SAFETY AND STUDENT ACHIEVEMENT.

29 ~~(D)~~ (E) ~~EXPENDITURES FROM THE MARYLAND EDUCATIONAL FACILITY~~  
 30 ~~CONSTRUCTION AND RENOVATION EDUCATION TRUST FUND SHALL BE MADE EACH~~  
 31 ~~FISCAL YEAR IN ACCORDANCE WITH THE STATE BUDGET.~~

32 9-1A-31.

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

36 (I) INFRASTRUCTURE IMPROVEMENTS;

37 (II) FACILITIES;

- 1 (III) PUBLIC SAFETY;
- 2 (IV) SANITATION;
- 3 (V) ECONOMIC AND COMMUNITY DEVELOPMENT, INCLUDING  
4 HOUSING; AND
- 5 (VI) OTHER PUBLIC SERVICES AND IMPROVEMENTS.

6 (2) ~~AT LEAST 50% OF~~ LOCAL IMPACT GRANTS PROVIDED UNDER §  
7 9-1A-27(B)(3) OF THIS SUBTITLE TO COUNTIES WITH VIDEO LOTTERY OPERATION  
8 FACILITIES ~~SHOULD~~ SHALL BE USED FOR IMPROVEMENTS IN THE COMMUNITIES IN  
9 IMMEDIATE PROXIMITY TO THE FACILITIES.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 9-1A-32.

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

30           (1)     MITIGATE THE IMPACT ON THE COMMUNITIES IN THE IMMEDIATE  
31 PROXIMITY TO THE FACILITY; AND

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

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

34           (I)     DEVELOPED BY EACH COUNTY WHERE A FACILITY IS LOCATED,  
35 IN CONSULTATION WITH THE LOCAL DEVELOPMENT COUNCIL CREATED UNDER §  
36 9-1A-31 OF THIS SUBTITLE; AND

1 (II) APPROVED BY THE MARYLAND DEPARTMENT OF  
2 TRANSPORTATION.

3 (2) THE COMPREHENSIVE TRANSPORTATION PLAN SHALL INCLUDE  
4 PROVISIONS ON ROADS AND PROVISIONS REGARDING MASS TRANSIT IF MASS  
5 TRANSIT IS A SUBSTANTIAL MANNER OF TRANSPORTATION IN THE COUNTY WHERE  
6 A VIDEO LOTTERY FACILITY IS LOCATED.

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

10 9-1A-33.

11 (A) THE COMMISSION SHALL:

12 (1) ESTABLISH AN ANNUAL FEE OF ~~\$400~~ \$700, TO BE PAID BY EACH  
13 VIDEO LOTTERY OPERATION LICENSEE, FOR EACH VIDEO LOTTERY TERMINAL  
14 OPERATED BY THE LICENSEE DURING THE YEAR; AND

15 (2) DISTRIBUTE THE FEES COLLECTED UNDER PARAGRAPH (1) OF THIS  
16 SUBSECTION TO THE COMPULSIVE GAMBLING FUND ESTABLISHED IN SUBSECTION  
17 (B) OF THIS SECTION.

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

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

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

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

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

29 1. ESTABLISH A 24-HOUR HOTLINE FOR COMPULSIVE AND  
30 PROBLEM GAMBLERS AND TO PROVIDE COUNSELING AND OTHER SUPPORT  
31 SERVICES FOR COMPULSIVE AND PROBLEM GAMBLERS; AND

32 2. DEVELOP AND IMPLEMENT PROBLEM GAMBLING  
33 PREVENTION PROGRAMS, INCLUDING THE PROGRAMS ESTABLISHED UNDER TITLE  
34 19, SUBTITLE 8 OF THE HEALTH - GENERAL ARTICLE; AND

35 (II) IN ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE  
36 GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY THE BUDGET

1 AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND  
2 PROCUREMENT ARTICLE.

3 9-1A-34.

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

6 (1) ON THE OPERATION AND FINANCES OF THE VIDEO LOTTERY  
7 FACILITIES; AND

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

11 9-1A-35.

12 FOR A PERIOD OF 1 YEAR AFTER THE INDIVIDUAL'S SERVICE ON THE STATE  
13 LOTTERY COMMISSION OR THE VIDEO LOTTERY FACILITY LOCATION COMMISSION  
14 ENDS, A LICENSEE MAY NOT EMPLOY, OR ENTER INTO A FINANCIAL RELATIONSHIP  
15 WITH, AN INDIVIDUAL WHO HAS BEEN A MEMBER OF THE STATE LOTTERY  
16 COMMISSION OR THE VIDEO LOTTERY FACILITY LOCATION COMMISSION.

17 **Article - State Finance and Procurement**

18 11-203.

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

21 (1) procurement by:

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

26 (xix) the Maryland Developmental Disabilities Administration of the  
27 Department of Health and Mental Hygiene for family and individual support services,  
28 and individual family care services, as those terms are defined by the Department of  
29 Health and Mental Hygiene in regulation; AND

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

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





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

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

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

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

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

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

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

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

22 (E) (1) THE COMMISSION AND THE DEPARTMENT OF LEGISLATIVE  
23 SERVICES SHALL PROVIDE STAFF TO THE VIDEO LOTTERY FACILITY LOCATION  
24 COMMISSION.

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

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

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

37 (H) ~~(H)~~ IN ORDER TO QUALIFY FOR A VIDEO LOTTERY OPERATION LICENSE  
38 FOR A VIDEO LOTTERY DESTINATION LOCATION UNDER THIS SECTION, A PROPOSED

1 VIDEO LOTTERY FACILITY SHALL BE LOCATED IN ONE OF THE FOLLOWING  
2 COUNTIES:

3 ~~(H)~~ (1) A LOCATION WITH NOT MORE THAN ~~3,000~~ 3,500 VIDEO  
4 LOTTERY TERMINALS IN ANNE ARUNDEL COUNTY, WITHIN 2 MILES OF INTERSTATE  
5 295;

6 ~~(H)~~ ~~A LOCATION WITH NOT MORE THAN 1,500 VIDEO LOTTERY~~  
7 ~~TERMINALS IN DORCHESTER COUNTY, WITHIN 2 MILES OF ROUTE 50;~~

8 ~~(H)~~ (2) A LOCATION WITH NOT MORE THAN ~~2,000~~ 2,500 VIDEO  
9 LOTTERY TERMINALS IN FREDERICK COUNTY, WITHIN 5 MILES OF THE  
10 INTERSECTION OF INTERSTATE 270 AND INTERSTATE 70; ~~OR~~

11 ~~(IV)~~ (3) A LOCATION WITH NOT MORE THAN ~~2,000~~ 2,500 VIDEO  
12 LOTTERY TERMINALS IN HARFORD COUNTY, WITHIN 2 MILES OF INTERSTATE 95; OR

13 (4) A LOCATION WITH NOT MORE THAN 1,000 VIDEO LOTTERY  
14 TERMINALS ON STATE PROPERTY ASSOCIATED WITH THE ROCKY GAP LODGE AND  
15 GOLF RESORT IN ALLEGANY COUNTY.

16 ~~(2)~~ ~~A VIDEO LOTTERY DESTINATION LOCATION MAY NOT BE LOCATED~~  
17 ~~WITHIN A MUNICIPALITY.~~

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

22 (2) ALL INITIAL LICENSE FEES SUBMITTED UNDER THIS SUBTITLE  
23 SHALL ACCRUE TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-30 OF  
24 THIS SUBTITLE.

25 ~~(2)~~ (3) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION LICENSE  
26 UNDER THIS SECTION SHALL PROVIDE FOR AT LEAST ~~\$18,000,000~~ \$15,000,000 IN  
27 DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS  
28 FOR EACH 500 VIDEO LOTTERY TERMINALS CONTAINED IN THE PROPOSED BID THAT  
29 SHALL BE PRORATED BASED ON THE EXACT NUMBER OF VIDEO LOTTERY  
30 TERMINALS CONTAINED IN THE BID.

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

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

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

1 (II) THE POTENTIAL REVENUE FROM A PROPOSED LOCATION  
2 BASED ON A MARKET ANALYSIS;

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

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

8 (V) THE AMOUNT OF GROSS REVENUES TO BE ALLOCATED TO THE  
9 OPERATOR OVER THE TERM OF THE LICENSE;

10 (VI) THE PERCENTAGE OF OWNERSHIP BY ENTITIES MEETING THE  
11 DEFINITION OF MINORITY BUSINESS ENTERPRISE UNDER TITLE 14, SUBTITLE 3 OF  
12 THE STATE FINANCE AND PROCUREMENT ARTICLE; AND

13 (VII) THE EXTENT TO WHICH THE PROPOSED LOCATION WILL  
14 PRESERVE EXISTING MARYLAND JOBS AND THE NUMBER OF NET NEW JOBS TO BE  
15 CREATED.

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

19 (I) ~~THE NUMBER OF~~ THE ANTICIPATED WAGES AND BENEFITS FOR  
20 NEW JOBS TO BE CREATED; AND

21 (II) ANY ADDITIONAL ECONOMIC DEVELOPMENT PLANNED IN THE  
22 AREA OF THE PROPOSED FACILITY.

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

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

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

30 (III) THE NEED FOR ADDITIONAL PUBLIC INFRASTRUCTURE  
31 EXPENDITURES AT THE PROPOSED FACILITY.

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

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

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

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

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

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

20 (O) (1) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE THE  
21 VIDEO LOTTERY FACILITY LOCATION COMMISSION TO ISSUE ALL ~~FIVE~~ FOUR VIDEO  
22 LOTTERY OPERATION LICENSES AUTHORIZED UNDER THIS SUBTITLE.

23 (2) NOTWITHSTANDING ANY OF THE PROVISIONS OF THIS SUBTITLE,  
24 THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD A VIDEO  
25 LOTTERY OPERATION LICENSE UNDER THIS SUBTITLE UNLESS THE VIDEO LOTTERY  
26 FACILITY LOCATION COMMISSION DETERMINES AND DECLARES THAT A BID  
27 SELECTED FOR AWARD OF THE LICENSE IS IN THE PUBLIC INTEREST AND IS  
28 CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE.

29 SECTION 3. 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) (3) 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 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
37 read as follows:

1 **Article - State Finance and Procurement**

2 11-203.

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

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

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

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

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

42 (a) one member in 2006;

1 (b) one member in 2007; and

2 (c) two members in 2008.

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

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

7 (1) video lottery terminals;

8 (2) keno;

9 (3) instant scratch-off games;

10 (4) daily games;

11 (5) multistate lotto type games; and

12 (6) any other products that the Agency deems appropriate.

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

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

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

21 SECTION 10. AND BE IT FURTHER ENACTED, That if a video lottery  
22 operation license is awarded to Laurel Park in Anne Arundel County, the local impact  
23 grant provided to Anne Arundel County under § 9-1A-27(b)(3) of the State  
24 Government Article of the Annotated Code of Maryland, as enacted by Section 1 of  
25 this Act, shall be distributed in the following manner:

26 (a) 73% to Anne Arundel County;

27 (b) 17% to Howard County; and

28 (c) 10% to the City of Laurel.

29 ~~SECTION 10.~~ 11. AND BE IT FURTHER ENACTED, That Section 2 of this Act  
30 shall take effect June 1, 2005. It shall remain effective for a period of ~~2~~ 5 years  
31 following the award of the ~~fourth~~ fourth video lottery operation license and with no  
32 further action required by the General Assembly, Section 2 of this Act shall be  
33 abrogated and of no further force and effect. On award of the ~~fourth~~ fourth video lottery  
34 operation license, the Video Lottery Facility Location Commission, within 5 days after

1 the award, shall notify in writing the Department of Legislative Services, 90 State  
2 Circle, Annapolis, Maryland 21401.

3 SECTION ~~44~~ 12. AND BE IT FURTHER ENACTED, That Section 4 of this Act  
4 shall take effect on the taking effect of the termination provision specified in Section  
5 2 of Chapter 402 of the Acts of the General Assembly of 2003. If that termination  
6 provision takes effect, Section 3 of this Act shall be abrogated and of no further force  
7 and effect. This Act may not be interpreted to have any effect on that termination  
8 provision.

9 SECTION ~~42~~ 13. AND BE IT FURTHER ENACTED, That, subject to Sections  
10 ~~40~~ 11 and ~~44~~ 12 of this Act, this Act shall take effect June 1, 2005.