

# SENATE BILL 950

C7, F1

71r3336

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By: **Senator Miller**

Introduced and read first time: February 28, 2007

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Education Funding Act of 2007**

3 FOR the purpose of requiring the State Lottery Commission to regulate the operation  
4 of certain video lottery terminals; requiring the Governor to appoint a member  
5 of the State Racing Commission as a liaison to the State Lottery Commission;  
6 altering a certain geographic cost of education index grant that reflects regional  
7 differences in the cost of education that are due to factors outside the control of  
8 local jurisdictions to be a mandatory education funding requirement; requiring  
9 the Department of Health and Mental Hygiene to establish certain regional  
10 centers and to conduct a certain prevalence study; requiring the Secretary of  
11 Health and Mental Hygiene to make certain grants from certain funds; altering  
12 the membership of the State Lottery Commission; specifying certain  
13 requirements for members of the State Lottery Commission; requiring the  
14 Governor to appoint a member of the State Lottery Commission as a liaison to  
15 the State Racing Commission; providing that members of the State Lottery  
16 Commission may be compensated as provided in the State budget; authorizing  
17 the operation of video lottery terminals connected to a certain central computer  
18 that allows the State Lottery Commission to monitor a video lottery terminal  
19 and that has certain capabilities; prohibiting access to the central computer by  
20 certain licensees with a certain exception; providing that only a person with a  
21 certain video lottery operation license may offer a video lottery terminal for  
22 public use in the State; providing that this Act is statewide and exclusive in  
23 effect and that certain laws do not apply to video lottery terminals authorized  
24 under this Act; requiring the State Lottery Commission to conduct certain  
25 investigations and hearings; requiring the State Lottery Commission to adopt  
26 certain regulations; requiring the State Lottery Commission to require a certain

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 bond and collect certain fees, civil penalties, and taxes; authorizing the State  
2 Lottery Commission to inspect and seize certain equipment, financial  
3 information, and records without notice or warrant; requiring certain video  
4 lottery terminal manufacturers, video lottery operators, video lottery employees,  
5 and other individuals required by the State Lottery Commission to be licensed;  
6 providing for the application and licensing process; providing for review of a  
7 denial of an application for a certain license by the State Board of Contract  
8 Appeals; establishing the misdemeanor of giving false information in an  
9 application for a license under this Act or in any supplemental information  
10 required by the State Lottery Commission; establishing certain penalties;  
11 establishing certain eligibility criteria and disqualifying criteria for a video  
12 lottery operation license; requiring a person that contracts with a video lottery  
13 operation licensee to meet certain requirements under certain circumstances;  
14 requiring certain video lottery operation licensees to maintain certain numbers  
15 of live racing days; providing that the license of certain video lottery operation  
16 licensees may be revoked if a certain horse racing event or trade names and  
17 other items related to the event are transferred out of the State; requiring a  
18 certain licensee to permit a certain annual race to be conducted with certain  
19 exceptions; requiring certain video lottery operation licensees to submit to the  
20 State Lottery Commission certain plans to improve the quality and marketing  
21 of horse racing and to spend a certain amount on capital renovation of horse  
22 racing facilities each year; requiring the State Racing Commission to monitor  
23 the compliance of certain video lottery operation licensees and certain other  
24 licensees with certain plans; requiring certain applicants and video lottery  
25 operation licensees to comply with certain provisions of law relating to minority  
26 business participation; specifying that certain collective bargaining agreements  
27 do not negate certain provisions of this Act; requiring a video lottery operation  
28 licensee to provide certain health insurance to its employees; authorizing  
29 certain applicants for employment to appeal to certain local human relations  
30 boards under certain circumstances; providing for the monitoring of certain  
31 provisions of this Act by the Governor's Office of Minority Affairs; requiring that  
32 a video lottery operation license not issued for locations specified under this Act  
33 reverts to the State; requiring a licensee to commence operation of video lottery  
34 terminals within a certain time period and authorizing the State Lottery  
35 Commission to grant extensions under certain circumstances; providing for the  
36 term of a video lottery operation license and for reapplication for the license at  
37 the end of the term; providing for certain eligibility criteria and disqualifying  
38 criteria for certain licenses; providing for certain waivers of certain licensing  
39 requirements under certain circumstances; providing for certain license terms  
40 and renewals; stating the intent of the General Assembly relating to video  
41 lottery operation licenses; prohibiting a video lottery operation license from  
42 being transferred or pledged as collateral; prohibiting certain video lottery  
43 operation licensees from selling or otherwise transferring more than a certain

1 percentage of the legal or beneficial interest unless certain conditions are met;  
2 requiring that the transfer of a certain interest in a person that holds a video  
3 lottery operation license be approved by the State Lottery Commission;  
4 requiring the Department of State Police to conduct certain background  
5 investigations in a certain manner; requiring the State Lottery Commission to  
6 buy or lease the video lottery terminals, associated equipment, and central  
7 computer authorized under this Act; prohibiting more than a certain number of  
8 video lottery terminals from being allocated in one county or to licenses held by  
9 the same entity; prohibiting an individual or business entity from holding an  
10 interest in more than a certain number of video lottery operation licenses under  
11 certain circumstances; providing the minimum payout percentage for video  
12 lottery terminals and authorizing the State Lottery Commission to adopt  
13 certain video lottery terminal payout percentages; providing for the hours of  
14 operation of video lottery terminals; prohibiting certain games offered by the  
15 State Lottery Commission from being offered for sale in a video lottery facility;  
16 prohibiting the State Lottery Commission from issuing certain licenses under  
17 certain circumstances; prohibiting a video lottery operation licensee from  
18 offering food or beverages at no cost with a certain exception or from offering  
19 food and beverages below certain prices; requiring a video lottery operation  
20 licensee to ensure that certain individuals are not permitted to play video  
21 lottery terminals and are not permitted in certain areas; requiring the State  
22 Lottery Commission to adopt certain regulations to reduce or mitigate the  
23 effects of problem gambling; authorizing the State Lottery Commission to  
24 reprimand a licensee or deny, suspend, or revoke certain licenses under certain  
25 circumstances; requiring the Comptroller to collect and distribute certain money  
26 in specified ways; establishing a Purse Dedication Account under the authority  
27 of the State Racing Commission; providing for a certain distribution from video  
28 lottery proceeds to the Purse Dedication Account for horse racing; providing for  
29 certain distributions from the Purse Dedication Account for horse racing in a  
30 certain manner; establishing the Education Trust Fund; requiring certain  
31 distributions from video lottery proceeds to the Education Trust Fund to be used  
32 for certain purposes; requiring the Governor to provide certain funding for  
33 public school construction from the Education Trust Fund for certain fiscal  
34 years; providing for the creation of certain local development councils; providing  
35 for appointment and membership of certain local development councils;  
36 requiring certain counties to develop certain plans to be reviewed by certain  
37 local development councils; specifying that a certain percentage of certain local  
38 development grants should be used for certain purposes; authorizing the State  
39 to pay certain transportation costs; requiring the Department of Transportation  
40 to facilitate certain negotiations; requiring a certain transportation plan to be  
41 developed by certain counties; authorizing certain fees and providing for a  
42 certain distribution from certain fees to the Compulsive Gambling Fund;  
43 creating a Compulsive Gambling Fund in the Department of Health and Mental

1 Hygiene; providing for certain disbursements from the Compulsive Gambling  
2 Fund for certain purposes; requiring the State Lottery Commission to make a  
3 certain annual report by a certain date; prohibiting a licensee for a certain  
4 period of time from employing, or entering into a financial relationship with, an  
5 individual who was a member of the State Lottery Commission or the Video  
6 Lottery Facility Location Commission; exempting certain procurements by the  
7 State Lottery Agency from certain requirements; establishing a Video Lottery  
8 Facility Location Commission; establishing the membership of the Video  
9 Lottery Facility Location Commission; requiring the approval of the Legislative  
10 Policy Committee for certain appointments to the Video Lottery Facility  
11 Location Commission; establishing certain eligibility requirements for  
12 membership on the Video Lottery Facility Location Commission; providing for  
13 certain reimbursements and staffing; requiring the Department of Budget and  
14 Management to contract with a certain consultant; requiring the Video Lottery  
15 Facility Location Commission to establish a certain application fee; prohibiting  
16 the Video Lottery Facility Location Commission from awarding more than a  
17 certain number of video lottery operation licenses; requiring certain bids for  
18 video lottery operation licenses to include certain information and to meet  
19 certain requirements; prohibiting the Video Lottery Facility Location  
20 Commission from issuing more than two licenses in one county or more than a  
21 certain number of video lottery terminals in one county; requiring the Video  
22 Lottery Facility Location Commission to consider certain factors; requiring  
23 certain initial video lottery operation license fees to be placed in the Education  
24 Trust Fund; requiring the State Lottery Commission to make certain  
25 determinations and be responsible for certain matters relating to racetrack  
26 locations and nonracetrack destination locations; providing for review of a  
27 denial of an application for a certain license by the State Board of Contract  
28 Appeals; providing for certain appeals to be made directly to the Court of  
29 Appeals of Maryland; allowing the operation of video lottery terminals in a  
30 temporary facility under certain circumstances; providing for the construction of  
31 certain provisions of this Act; making the provisions of this Act severable;  
32 requiring a certain certification entity to conduct certain studies and make  
33 certain reports; requiring the Department of Transportation to conduct a  
34 certain study and make a certain report by a certain date; providing for the  
35 payment of the cost of the study conducted by the Department of  
36 Transportation; providing that the costs of certain improvements and the  
37 planning, design, and construction of a certain interchange are the sole  
38 responsibility of the holder of a certain license and may not be paid from State  
39 funds; providing for the staggering of the terms of certain new members of the  
40 State Lottery Commission; making certain stylistic changes; providing for the  
41 termination of certain provisions of this Act; providing that certain provisions of  
42 this Act are contingent on the termination of another Act; defining certain

1 terms; and generally relating to the operation of video lottery terminals at  
2 certain locations in the State.

3 BY adding to  
4 Article – Business Regulation  
5 Section 11–202(g)  
6 Annotated Code of Maryland  
7 (2004 Replacement Volume and 2006 Supplement)

8 BY repealing and reenacting, with amendments,  
9 Article – Education  
10 Section 5–202(f)  
11 Annotated Code of Maryland  
12 (2006 Replacement Volume)

13 BY repealing and reenacting, without amendments,  
14 Article – Health – General  
15 Section 19–801 and 19–802  
16 Annotated Code of Maryland  
17 (2005 Replacement Volume and 2006 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Article – Health – General  
20 Section 19–803 and 19–804  
21 Annotated Code of Maryland  
22 (2005 Replacement Volume and 2006 Supplement)

23 BY repealing and reenacting, with amendments,  
24 Article – State Government  
25 Section 9–105 and 9–108(d)  
26 Annotated Code of Maryland  
27 (2004 Replacement Volume and 2006 Supplement)

28 BY adding to  
29 Article – State Government  
30 Section 9–1A–01 through 9–1A–35 to be under the new subtitle “Subtitle 1A.  
31 Video Lottery Terminals”  
32 Annotated Code of Maryland  
33 (2004 Replacement Volume and 2006 Supplement)

34 BY repealing and reenacting, with amendments,  
35 Article – State Finance and Procurement  
36 Section 11–203(a)(1)(xvi) and (xvii)

1 Annotated Code of Maryland  
2 (2006 Replacement Volume and 2006 Supplement)

3 BY adding to  
4 Article – State Finance and Procurement  
5 Section 11–203(a)(1)(xviii)  
6 Annotated Code of Maryland  
7 (2006 Replacement Volume and 2006 Supplement)

8 BY repealing and reenacting, without amendments,  
9 Article – State Finance and Procurement  
10 Section 11–203(b)(1) and (2)  
11 Annotated Code of Maryland  
12 (2006 Replacement Volume and 2006 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – State Finance and Procurement  
15 Section 11–203(b)(3)  
16 Annotated Code of Maryland  
17 (2006 Replacement Volume and 2006 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Article – State Finance and Procurement  
20 Section 11–203(b)(2)  
21 Annotated Code of Maryland  
22 (2006 Replacement Volume and 2006 Supplement)  
23 (As enacted by Chapter 402 of the Acts of the General Assembly of 2003)

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

26 **Article – Business Regulation**

27 11–202.

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

31 **Article – Education**

32 5–202.

1 (f) (1) In this subsection, “GCEI adjustment” means the foundation  
2 program for each county multiplied by:

- 3 (i) 0.000 in Allegany;  
4 (ii) 0.018 in Anne Arundel;  
5 (iii) 0.042 in Baltimore City;  
6 (iv) 0.008 in Baltimore;  
7 (v) 0.021 in Calvert;  
8 (vi) 0.000 in Caroline;  
9 (vii) 0.014 in Carroll;  
10 (viii) 0.000 in Cecil;  
11 (ix) 0.020 in Charles;  
12 (x) 0.000 in Dorchester;  
13 (xi) 0.024 in Frederick;  
14 (xii) 0.000 in Garrett;  
15 (xiii) 0.000 in Harford;  
16 (xiv) 0.015 in Howard;  
17 (xv) 0.010 in Kent;  
18 (xvi) 0.034 in Montgomery;  
19 (xvii) 0.048 in Prince George’s;  
20 (xviii) 0.011 in Queen Anne’s;  
21 (xix) 0.002 in St. Mary’s;  
22 (xx) 0.000 in Somerset;

- 1 (xxi) 0.000 in Talbot;
- 2 (xxii) 0.000 in Washington;
- 3 (xxiii) 0.000 in Wicomico; and
- 4 (xxiv) 0.000 in Worcester.

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

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

- 13 (i) 0.50 in fiscal year [2006] **2009**;
- 14 (ii) [0.62] **0.75** in fiscal year [2007] **2010**; **AND**
- 15 [(iii) 0.74 in fiscal year 2008;
- 16 (iv) 0.86 in fiscal year 2009; and
- 17 (v)] **(III)** 1.00 in fiscal year [2010] **2011** and each fiscal year  
18 thereafter.

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

- 23 (i) The numerator of which is the amount provided in the State  
24 budget to fund the grants; and
- 25 (ii) The denominator of which is the sum of the amounts  
26 calculated under paragraph (3) of this subsection for all the county boards.]

27 **Article – Health – General**



1 19-801.

2 In this subtitle, “compulsive gambler” means an individual:

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

5 (2) Whose gambling behavior compromises, disrupts, or damages the  
6 individual’s personal, family, or vocational pursuits.

7 19-802.

8 The General Assembly finds that:

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

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

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

14 19-803.

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

18 19-804.

19 (a) (1) The Secretary [may] **SHALL** make grants from or agreements for  
20 the use of State **FUNDS, INCLUDING THE FUNDS PROVIDED UNDER § 9-1A-32 OF**  
21 **THE STATE GOVERNMENT ARTICLE**, and federal funds to help public agencies or  
22 nonprofit organizations operate the [center] **REGIONAL CENTERS** for compulsive  
23 gamblers **WHO RESIDE IN THE STATE AND THEIR IMMEDIATE FAMILY MEMBERS**  
24 and establish and operate **ADDITIONAL** local programs to provide the following for  
25 compulsive gamblers **WHO RESIDE IN THE STATE**:

26 (i) Inpatient services[.];

27 (ii) Outpatient services[.];

- 1 (iii) Partial care services[.];
- 2 (iv) Aftercare services[.];
- 3 (v) Consultative services[.];
- 4 (vi) Educational services[.];
- 5 (vii) **SERVICES FOR VICTIMS OF DOMESTIC VIOLENCE; AND**
- 6 **(VIII) Other preventive or rehabilitative services or treatment.**

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

9 **(B) THE SECRETARY SHALL CONDUCT A PREVALENCE STUDY AND**  
10 **REPLICATION PREVALENCE STUDIES TO MEASURE THE RATE OF PROBLEM AND**  
11 **PATHOLOGICAL GAMBLING IN MARYLAND.**

12 **(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**  
13 **SECRETARY SHALL CONTRACT WITH AN INDEPENDENT RESEARCHER TO**  
14 **CONDUCT THE PREVALENCE STUDIES.**

15 **(2) THE SECRETARY SHALL UTILIZE THE MOST CURRENT**  
16 **PSYCHIATRIC OR DIAGNOSTIC CRITERIA FOR PROBLEM AND PATHOLOGICAL**  
17 **GAMBLING AS THE BASIS FOR THE PREVALENCE STUDIES.**

18 **(D) THE INITIAL PREVALENCE STUDY SHALL BE COMPLETED ON OR**  
19 **BEFORE SEPTEMBER 30, 2008.**

20 **(E) REPLICATION PREVALENCE STUDIES SHALL BE CONDUCTED NO**  
21 **LESS THAN EVERY 5 YEARS WITH MEASURES TAKEN TO PERMIT COMPARISONS**  
22 **BETWEEN THE INITIAL PREVALENCE STUDY AND SUBSEQUENT REPLICATION**  
23 **PREVALENCE STUDIES.**

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

26 **Article – State Government**

1 9-105.

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

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

6 (I) **AT LEAST 25 YEARS OLD;**

7 (II) **A RESIDENT OF THE STATE WHO HAS RESIDED IN THE**  
8 **STATE FOR AT LEAST 5 YEARS;**

9 (III) **A QUALIFIED VOTER OF THE STATE; AND**

10 (IV) **AN INDIVIDUAL WHO HAS NOT BEEN CONVICTED OF OR**  
11 **GRANTED PROBATION BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME**  
12 **THAT INVOLVES MORAL TURPITUDE OR GAMBLING.**

13 (2) **A MEMBER OF THE COMMISSION MAY NOT:**

14 (I) **HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST IN**  
15 **VIDEO LOTTERY TERMINALS;**

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

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

21 (3) **NO MORE THAN SIX MEMBERS MAY BE OF THE SAME**  
22 **POLITICAL PARTY.**

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

25 (c) **THE COMMISSION SHALL INCLUDE:**

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

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

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

5           **(4) ONE MEMBER WITH EXPERIENCE IN A FIELD OF INFORMATION**  
6 **TECHNOLOGY.**

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

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

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

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

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

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

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

21 9–108.

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

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

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

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

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

5 **SUBTITLE 1A. VIDEO LOTTERY TERMINALS.**

6 **9-1A-01.**

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

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

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

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

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

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

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

1           **(H) “CENTRAL COMPUTER” MEANS A CENTRAL SITE COMPUTER**  
2 **PROVIDED TO AND CONTROLLED BY THE COMMISSION TO WHICH VIDEO**  
3 **LOTTERY TERMINALS COMMUNICATE FOR PURPOSES OF:**

4                   **(1) INFORMATION RETRIEVAL;**

5                   **(2) RETRIEVAL OF THE WIN AND LOSS DETERMINATION FROM**  
6 **VIDEO LOTTERY TERMINALS; AND**

7                   **(3) PROGRAMS TO ACTIVATE AND DISABLE VIDEO LOTTERY**  
8 **TERMINALS.**

9           **(I) “COMMISSION” MEANS THE STATE LOTTERY COMMISSION.**

10           **(J) “CONTROL” MEANS THE AUTHORITY TO DIRECT THE MANAGEMENT**  
11 **AND POLICIES OF AN APPLICANT OR LICENSEE.**

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

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

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

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

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

27           **(L) “FAMILY” MEANS SPOUSE, PARENTS, GRANDPARENTS, CHILDREN,**  
28 **GRANDCHILDREN, SIBLINGS, UNCLES, AUNTS, NEPHEWS, NIECES,**

1 FATHERS-IN-LAW, MOTHERS-IN-LAW, DAUGHTERS-IN-LAW, SONS-IN-LAW,  
2 BROTHERS-IN-LAW, AND SISTERS-IN-LAW, WHETHER BY WHOLE BLOOD OR  
3 HALF BLOOD, BY MARRIAGE, ADOPTION, OR NATURAL RELATIONSHIP.

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

6 (N) "LICENSEE" MEANS AN APPLICANT THAT HAS BEEN ISSUED A  
7 LICENSE REQUIRED UNDER THIS SUBTITLE.

8 (O) "MANUFACTURER" MEANS A PERSON:

9 (1) THAT IS ENGAGED IN THE BUSINESS OF DESIGNING,  
10 BUILDING, CONSTRUCTING, ASSEMBLING, MANUFACTURING, OR DISTRIBUTING  
11 A CENTRAL COMPUTER, A CENTRAL COMPUTER SOFTWARE SYSTEM, VIDEO  
12 LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, THE ELECTRONIC COMPUTER  
13 COMPONENTS OF VIDEO LOTTERY TERMINALS, THE RANDOM NUMBER  
14 GENERATOR OF VIDEO LOTTERY TERMINALS, OR THE CABINET IN WHICH A  
15 VIDEO LOTTERY TERMINAL IS HOUSED;

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

18 (3) THAT CONTRACTS WITH THE COMMISSION OR A LICENSEE  
19 FOR THE SALE, LEASE, OR OTHER ASSIGNMENT OF A PRODUCT DESCRIBED IN  
20 ITEM (1) OF THIS SUBSECTION.

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

24 (Q) "OWN" MEANS HAVING A BENEFICIAL OR PROPRIETARY INTEREST  
25 OF AT LEAST 10% IN THE PROPERTY OR BUSINESS OF AN APPLICANT OR  
26 LICENSEE.

27 (R) "PLAYER" MEANS AN INDIVIDUAL WHO PLAYS A VIDEO LOTTERY  
28 TERMINAL AT A VIDEO LOTTERY FACILITY LICENSED BY THE COMMISSION.

1           (S)    **“PROCEEDS” MEANS THE PART OF THE AMOUNT OF MONEY BET**  
2 **THROUGH VIDEO LOTTERY TERMINALS THAT IS NOT RETURNED TO SUCCESSFUL**  
3 **PLAYERS, BUT IS OTHERWISE ALLOCATED UNDER THIS SUBTITLE.**

4           (T)    **“PROGRESSIVE JACKPOT” MEANS A PRIZE THAT INCREASES AS ONE**  
5 **OR MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE**  
6 **JACKPOT SYSTEM.**

7           (U)    **“PROGRESSIVE JACKPOT SYSTEM” MEANS THE CAPABILITY OF THE**  
8 **CENTRAL COMPUTER TO LINK ONE OR MORE VIDEO LOTTERY TERMINALS IN**  
9 **ONE OR MORE LICENSED FACILITIES AND TO OFFER ONE OR MORE**  
10 **PROGRESSIVE JACKPOTS.**

11          (V)    (1) **“RACETRACK LOCATION” MEANS A LOCATION AT A**  
12 **RACETRACK THAT HOLDS A LICENSE FROM THE STATE RACING COMMISSION TO**  
13 **HOLD A RACE MEETING THAT IS ELIGIBLE FOR OR HAS BEEN AWARDED A VIDEO**  
14 **LOTTERY OPERATION LICENSE IN THE MANNER PROVIDED BY LAW.**

15               (2) **“RACETRACK LOCATION” INCLUDES A LOCATION AT A**  
16 **RACETRACK THAT HOLDS A SPECIAL THOROUGHBRED RACING LICENSE FROM**  
17 **THE STATE RACING COMMISSION THAT IS ELIGIBLE FOR OR HAS BEEN**  
18 **AWARDED A VIDEO LOTTERY OPERATION LICENSE IN THE MANNER PROVIDED**  
19 **BY LAW.**

20          (W)    **“VIDEO LOTTERY” MEANS GAMING OR BETTING THAT IS**  
21 **CONDUCTED USING A VIDEO LOTTERY TERMINAL.**

22          (X)    **“VIDEO LOTTERY EMPLOYEE” MEANS AN EMPLOYEE OF A PERSON**  
23 **THAT HOLDS A LICENSE.**

24          (Y)    **“VIDEO LOTTERY FACILITY” MEANS A FACILITY WHERE PLAYERS**  
25 **PLAY VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.**

26          (Z)    **“VIDEO LOTTERY OPERATION LICENSE” MEANS A LICENSE ISSUED**  
27 **TO A PERSON THAT ALLOWS PLAYERS TO OPERATE VIDEO LOTTERY TERMINALS.**

28          (AA) (1) **“VIDEO LOTTERY TERMINAL” MEANS ANY MACHINE OR**  
29 **OTHER DEVICE THAT, ON INSERTION OF A BILL, COIN, TOKEN, VOUCHER,**  
30 **TICKET, COUPON, OR SIMILAR ITEM, OR ON PAYMENT OF ANY CONSIDERATION:**



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

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

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

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

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

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

20 **9-1A-02.**

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

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

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

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

4           **(3) THE CENTRAL COMPUTER MUST BE CAPABLE OF:**

5                   **(I) CONTINUOUSLY MONITORING, RETRIEVING, AND**  
6 **AUDITING THE OPERATIONS, FINANCIAL DATA, AND PROGRAM INFORMATION OF**  
7 **ALL VIDEO LOTTERY TERMINALS;**

8                   **(II) ALLOWING THE COMMISSION TO ACCOUNT FOR ALL**  
9 **MONEY INSERTED IN AND PAYOUTS MADE FROM ANY VIDEO LOTTERY**  
10 **TERMINAL;**

11                   **(III) DISABLING FROM OPERATION OR PLAY ANY VIDEO**  
12 **LOTTERY TERMINAL AS THE COMMISSION CONSIDERS NECESSARY TO CARRY**  
13 **OUT THE PROVISIONS OF THIS SUBTITLE; AND**

14                   **(IV) SUPPORTING A PROGRESSIVE JACKPOT SYSTEM**  
15 **CAPABLE OF OPERATING ONE OR MORE PROGRESSIVE JACKPOTS.**

16           **(4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**  
17 **PARAGRAPH, THE COMMISSION MAY NOT ALLOW A VIDEO LOTTERY OPERATION**  
18 **LICENSEE TO HAVE ACCESS TO THE CENTRAL COMPUTER SYSTEM OR**  
19 **INFORMATION FROM THE CENTRAL COMPUTER SYSTEM.**

20                   **(II) PROVIDED THE ACCESS DOES NOT IN ANY WAY AFFECT**  
21 **THE INTEGRITY OR SECURITY OF THE CENTRAL COMPUTER SYSTEM, THE**  
22 **COMMISSION MAY ALLOW A VIDEO LOTTERY OPERATION LICENSEE TO HAVE**  
23 **ACCESS TO INFORMATION FROM THE CENTRAL COMPUTER THAT ALLOWS THE**  
24 **LICENSEE TO OPERATE A PLAYER TRACKING SYSTEM OR OBTAIN OTHER**  
25 **INFORMATION PERTINENT TO THE LEGITIMATE OPERATION OF A VIDEO**  
26 **LOTTERY FACILITY.**

27           **(D) ONLY A PERSON WITH A VIDEO LOTTERY OPERATION LICENSE**  
28 **ISSUED BY THE COMMISSION SHALL OFFER A VIDEO LOTTERY TERMINAL FOR**  
29 **PUBLIC USE IN THE STATE UNDER THIS SUBTITLE.**

30 **9-1A-03.**

1           **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ANY**  
2 **ADDITIONAL FORMS OR EXPANSION OF COMMERCIAL GAMING OTHER THAN AS**  
3 **EXPRESSLY PROVIDED IN THIS SUBTITLE ARE PROHIBITED.**

4           **(B) THIS SUBTITLE, INCLUDING THE AUTHORITY PROVIDED TO THE**  
5 **COMMISSION UNDER THIS SUBTITLE, DOES NOT APPLY TO:**

6                   **(1) LOTTERIES CONDUCTED UNDER SUBTITLE 1 OF THIS TITLE;**

7                   **(2) WAGERING ON HORSE RACING CONDUCTED UNDER TITLE 11**  
8 **OF THE BUSINESS REGULATION ARTICLE;**

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

11                   **(4) OTHER GAMING CONDUCTED UNDER TITLES 12 AND 13 OF**  
12 **THE CRIMINAL LAW ARTICLE.**

13 **9-1A-04.**

14           **(A) THE COMMISSION SHALL:**

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

18                   **(2) AFTER A HEARING, SUSPEND OR REVOKE AS APPLICABLE THE**  
19 **LICENSE OF A LICENSEE WHO HAS A LICENSE SUSPENDED OR REVOKED IN**  
20 **ANOTHER STATE;**

21                   **(3) CONDUCT HEARINGS CONCERNING CIVIL VIOLATIONS OF THIS**  
22 **SUBTITLE OR REGULATIONS ISSUED UNDER THIS SUBTITLE;**

23                   **(4) COLLECT APPLICATION, LICENSE, AND OTHER FEES TO COVER**  
24 **THE ADMINISTRATIVE COSTS OF THIS SUBTITLE;**

1           **(5) DEPOSIT APPLICATION, LICENSE, AND OTHER FEES IN A BANK**  
2 **ACCOUNT THAT THE STATE TREASURER DESIGNATES TO THE CREDIT OF THE**  
3 **STATE LOTTERY FUND;**

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

7           **(7) BE PRESENT AT A VIDEO LOTTERY OPERATION THROUGH ITS**  
8 **EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO**  
9 **LOTTERY TERMINAL FOR THE PURPOSE OF:**

10                   **(I) CERTIFYING REVENUE FROM THE VIDEO LOTTERY**  
11 **TERMINALS;**

12                   **(II) RECEIVING COMPLAINTS FROM THE PUBLIC; AND**

13                   **(III) CONDUCTING INVESTIGATIONS INTO THE OPERATION**  
14 **AND MAINTENANCE OF THE VIDEO LOTTERY TERMINALS AND ASSOCIATED**  
15 **EQUIPMENT AS THE COMMISSION CONSIDERS NECESSARY; AND**

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

19           **(B) THE COMMISSION MAY:**

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

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

26                   **(3) PROVIDE FOR NOTICES OR SERVICE OF PROCESS IN CIVIL**  
27 **ACTIONS TO BE SERVED AS PRESCRIBED UNDER THE MARYLAND RULES; AND**

28                   **(4) PROPOUND WRITTEN INTERROGATORIES.**

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

4           **(D) THE COMMISSION SHALL ADOPT REGULATIONS THAT INCLUDE THE**  
5 **FOLLOWING SPECIFIC PROVISIONS:**

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

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

14                   **(3) ESTABLISHING THE PROCEDURES FOR:**

15                           **(I) FINGERPRINTING AN APPLICANT FOR ANY LICENSE**  
16 **REQUIRED UNDER THIS SUBTITLE; AND**

17                           **(II) PROVIDING OTHER METHODS OF IDENTIFICATION THAT**  
18 **MAY BE NECESSARY IN THE JUDGMENT OF THE COMMISSION TO ACCOMPLISH**  
19 **EFFECTIVE ENFORCEMENT OF THE PROVISIONS OF THIS SUBTITLE;**

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

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

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

1           **(7) GOVERNING THE PRACTICE AND PROCEDURES FOR**  
2 **NEGOTIABLE TRANSACTIONS INVOLVING PLAYERS, INCLUDING LIMITATIONS ON**  
3 **THE CIRCUMSTANCES AND AMOUNTS OF NEGOTIABLE TRANSACTIONS AND THE**  
4 **ESTABLISHMENT OF FORMS AND PROCEDURES FOR NEGOTIABLE INSTRUMENT**  
5 **TRANSACTIONS, REDEMPTIONS, AND CONSOLIDATIONS;**

6           **(8) PRESCRIBING THE GROUNDS AND PROCEDURES FOR**  
7 **REPRIMANDS OF LICENSEES OR THE REVOCATION OR SUSPENSION OF LICENSES**  
8 **ISSUED UNDER THIS SUBTITLE;**

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

11           **(10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF**  
12 **MANAGEMENT CONTROLS;**

13           **(11) PROVIDING FOR MINIMUM UNIFORM STANDARDS OF**  
14 **ACCOUNTANCY METHODS, PROCEDURES, AND FORMS AS ARE NECESSARY TO**  
15 **ASSURE CONSISTENCY, COMPARABILITY, AND EFFECTIVE DISCLOSURE OF ALL**  
16 **FINANCIAL INFORMATION, INCLUDING PERCENTAGES OF PROFIT FOR VIDEO**  
17 **LOTTERY TERMINALS;**

18           **(12) ESTABLISHING PERIODIC FINANCIAL REPORTS AND THE**  
19 **FORM OF THE REPORTS, INCLUDING AN ANNUAL AUDIT PREPARED BY A**  
20 **CERTIFIED PUBLIC ACCOUNTANT LICENSED TO DO BUSINESS IN THE STATE,**  
21 **DISCLOSING WHETHER THE ACCOUNTS, RECORDS, AND CONTROL PROCEDURES**  
22 **EXAMINED ARE MAINTAINED BY THE VIDEO LOTTERY OPERATION LICENSEE AS**  
23 **REQUIRED BY THIS SUBTITLE;**

24           **(13) REQUIRING LICENSEES UNDER THIS SUBTITLE TO**  
25 **DEMONSTRATE AND MAINTAIN FINANCIAL VIABILITY;**

26           **(14) ENSURING THAT THE OPERATION OF VIDEO LOTTERY**  
27 **TERMINALS AND VIDEO LOTTERY FACILITIES IS CONDUCTED LEGALLY; AND**

28           **(15) OTHERWISE CARRYING OUT THE PROVISIONS OF THIS**  
29 **SUBTITLE.**

1           **(E) (1) THE COMMISSION SHALL BY REGULATION REQUIRE AN**  
2 **APPLICANT OR LICENSEE TO FILE A BOND FOR THE BENEFIT OF THE STATE FOR**  
3 **THE FAITHFUL PERFORMANCE OF THE REQUIREMENTS IMPOSED BY THIS**  
4 **SUBTITLE AND ANY REGULATIONS ISSUED UNDER THIS SUBTITLE.**

5           **(2) AN APPLICANT OR LICENSEE SHALL OBTAIN AND SUBMIT**  
6 **SATISFACTORY PROOF OF THE BOND TO THE COMMISSION BEFORE A LICENSE**  
7 **IS ISSUED OR REISSUED.**

8           **(3) THE BONDS FURNISHED MAY BE APPLIED BY THE**  
9 **COMMISSION TO THE PAYMENT OF AN UNPAID LIABILITY OF THE LICENSEE.**

10          **(F) (1) THE COMMISSION SHALL PROMPTLY AND THOROUGHLY**  
11 **INVESTIGATE ALL APPLICATIONS AND ENFORCE THIS SUBTITLE AND**  
12 **REGULATIONS THAT ARE ADOPTED UNDER THIS SUBTITLE.**

13          **(2) THE COMMISSION AND ITS EMPLOYEES AND AGENTS SHALL**  
14 **HAVE THE AUTHORITY, WITHOUT NOTICE AND WITHOUT WARRANT, TO:**

15                   **(I) INSPECT AND EXAMINE ALL PREMISES IN WHICH:**

16                           **1. VIDEO LOTTERY OPERATIONS UNDER THIS**  
17 **SUBTITLE ARE CONDUCTED;**

18                           **2. AUTHORIZED VIDEO LOTTERY TERMINALS,**  
19 **ASSOCIATED EQUIPMENT, OR A CENTRAL COMPUTER ARE DESIGNED, BUILT,**  
20 **CONSTRUCTED, ASSEMBLED, MANUFACTURED, SOLD, DISTRIBUTED, OR**  
21 **SERVICED; OR**

22                           **3. RECORDS OF THOSE ACTIVITIES ARE PREPARED**  
23 **OR MAINTAINED;**

24                   **(II) INSPECT ANY VIDEO LOTTERY TERMINALS, ASSOCIATED**  
25 **EQUIPMENT, OR CENTRAL COMPUTER IN, ABOUT, ON, OR AROUND THE**  
26 **PREMISES;**

27                   **(III) SEIZE SUMMARILY AND REMOVE FROM THOSE**  
28 **PREMISES AND IMPOUND, OR ASSUME PHYSICAL CONTROL OF, ANY VIDEO**

1 **LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, OR CENTRAL COMPUTER FOR**  
2 **THE PURPOSES OF EXAMINATION AND INSPECTION;**

3 **(IV) INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND**  
4 **DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY OPERATIONS,**  
5 **INCLUDING THE FINANCIAL RECORDS OF A PARENT CORPORATION, SUBSIDIARY**  
6 **CORPORATION, OR SIMILAR BUSINESS ENTITY; AND**

7 **(V) SEIZE, IMPOUND, OR ASSUME PHYSICAL CONTROL OF:**

8 **1. BOOKS, RECORDS, LEDGERS, CASH BOXES AND**  
9 **THEIR CONTENTS;**

10 **2. A COUNTING ROOM OR ITS EQUIPMENT; OR**

11 **3. OTHER PHYSICAL OBJECTS RELATING TO VIDEO**  
12 **LOTTERY OPERATIONS.**

13 **(3) A LICENSEE SHALL AUTHORIZE ANY OTHER PERSON HAVING**  
14 **FINANCIAL RECORDS RELATING TO THE LICENSEE TO PROVIDE THOSE**  
15 **RECORDS TO THE COMMISSION.**

16 **9-1A-05.**

17 **(A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION**  
18 **ESTABLISHED UNDER § 9-1A-35 OF THIS SUBTITLE MAY NOT ISSUE MORE THAN**  
19 **SEVEN VIDEO LOTTERY OPERATION LICENSES.**

20 **(B) A LICENSE ISSUED UNDER THIS SUBTITLE IS NOT VALID AT A**  
21 **GEOGRAPHIC LOCATION OTHER THAN THE GEOGRAPHIC LOCATION OF THE**  
22 **RACETRACK LOCATION OR THE NONRACETRACK DESTINATION LOCATION AT**  
23 **THE TIME THE LICENSE IS ISSUED.**

24 **(C) (1) IN THIS SUBSECTION, "OWNER" INCLUDES ANY TYPE OF**  
25 **OWNER OR BENEFICIARY OF THE BUSINESS ENTITY, INCLUDING AN OFFICER,**  
26 **DIRECTOR, PRINCIPAL EMPLOYEE, PARTNER, INVESTOR, STOCKHOLDER, OR**  
27 **BENEFICIAL OWNER OF THE BUSINESS ENTITY AND, NOTWITHSTANDING ANY**  
28 **OTHER PROVISIONS OF THIS SUBTITLE, INCLUDES ANY PERCENTAGE OF**  
29 **OWNERSHIP.**



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

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

11           (4) AN INDIVIDUAL OR BUSINESS ENTITY MAY NOT OWN AN  
12 INTEREST IN MORE THAN TWO VIDEO LOTTERY FACILITIES AT RACETRACK  
13 LOCATIONS.

14           (5) AN INDIVIDUAL OR BUSINESS ENTITY MAY NOT OWN AN  
15 INTEREST IN MORE THAN ONE VIDEO LOTTERY FACILITY AT A NONRACETRACK  
16 DESTINATION LOCATION.

17 **9-1A-06.**

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

20           (1) A VIDEO LOTTERY OPERATOR;

21           (2) A MANUFACTURER;

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

26           (4) A VIDEO LOTTERY EMPLOYEE.

27           (B) THE COMMISSION MAY BY REGULATION REQUIRE A PERSON THAT  
28 CONTRACTS WITH A LICENSEE AND THE PERSON'S EMPLOYEES TO OBTAIN A

1 LICENSE UNDER THIS SUBTITLE IF THE COMMISSION DETERMINES THAT THE  
2 LICENSING REQUIREMENTS ARE NECESSARY IN ORDER TO PROTECT THE  
3 PUBLIC INTEREST AND ACCOMPLISH THE POLICIES ESTABLISHED BY THIS  
4 SUBTITLE.

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

9 (2) THE COMMISSION BY REGULATION MAY EXEMPT CATEGORIES  
10 OF VIDEO LOTTERY EMPLOYEES WHO ARE NOT DIRECTLY INVOLVED IN THE  
11 VIDEO LOTTERY OPERATIONS FROM THE REQUIREMENT UNDER PARAGRAPH (1)  
12 OF THIS SUBSECTION IF THE COMMISSION DETERMINES THAT THE  
13 REQUIREMENT IS NOT NECESSARY IN ORDER TO PROTECT THE PUBLIC  
14 INTEREST OR ACCOMPLISH THE POLICIES ESTABLISHED UNDER THIS SUBTITLE.

15 **9-1A-07.**

16 (A) AN APPLICANT FOR A LICENSE SHALL SUBMIT TO THE COMMISSION  
17 AN APPLICATION:

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

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

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

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

24 (3) AN APPLICANT SHALL SUBMIT THE FEE WITH THE  
25 APPLICATION.

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

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

4           **(3) APPLICANTS AND LICENSEES SHALL CONSENT TO**  
5 **INSPECTIONS, SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR**  
6 **REGULATIONS ISSUED UNDER THIS SUBTITLE.**

7           **(4) (I) APPLICANTS AND LICENSEES SHALL HAVE THE**  
8 **CONTINUING DUTY TO:**

9                           **1. PROVIDE ASSISTANCE OR INFORMATION**  
10 **REQUIRED BY THE COMMISSION; AND**

11                           **2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR**  
12 **HEARING CONDUCTED BY THE COMMISSION.**

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

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

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

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

29                           **(II) APPLICANTS AND LICENSEES MAY NOT DISCRIMINATE**  
30 **AGAINST A PERSON WHO IN GOOD FAITH INFORMS THE COMMISSION OF AN ACT**

1 **OR OMISSION THAT THE PERSON BELIEVES CONSTITUTES A VIOLATION OF THIS**  
2 **SUBTITLE OR THE REGULATIONS ISSUED UNDER THIS SUBTITLE.**

3 **(7) APPLICANTS AND LICENSEES SHALL PRODUCE INFORMATION,**  
4 **DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING**  
5 **QUALIFICATIONS BY CLEAR AND CONVINCING EVIDENCE:**

6 **(I) THE FINANCIAL STABILITY, INTEGRITY, AND**  
7 **RESPONSIBILITY OF THE APPLICANT OR LICENSEE;**

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

11 **(III) THE APPLICANT'S OR LICENSEE'S GOOD CHARACTER,**  
12 **HONESTY, AND INTEGRITY; AND**

13 **(IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF**  
14 **THE APPLICANT OR LICENSEE.**

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

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

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

27 **(E) (1) AFTER RECEIVING THE RESULTS OF THE BACKGROUND**  
28 **INVESTIGATION AND CONDUCTING ANY HEARING REQUIRED UNDER THIS**  
29 **SUBTITLE, THE COMMISSION MAY EITHER GRANT A LICENSE TO AN APPLICANT**  
30 **WHOM THE COMMISSION DETERMINES TO BE QUALIFIED OR DENY THE LICENSE**

1 TO AN APPLICANT WHOM THE COMMISSION DETERMINES TO BE NOT QUALIFIED  
2 OR DISQUALIFIED.

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

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

12 (G) (1) AN INDIVIDUAL MAY NOT KNOWINGLY GIVE FALSE  
13 INFORMATION OR MAKE A MATERIAL MISSTATEMENT IN AN APPLICATION  
14 REQUIRED FOR ANY LICENSE UNDER THIS SUBTITLE OR IN ANY SUPPLEMENTAL  
15 INFORMATION REQUIRED BY THE COMMISSION.

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

19 **9-1A-08.**

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

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

25 (2) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL  
26 HISTORIES, IF ANY, OF THE OFFICERS, DIRECTORS, PARTNERS, AND PRINCIPAL  
27 EMPLOYEES OF THE BUSINESS ENTITY;

28 (3) THE NAMES OF ALL HOLDING, INTERMEDIARY, AND  
29 SUBSIDIARY COMPANIES OR SIMILAR BUSINESS ENTITIES OF THE BUSINESS  
30 ENTITY;

1           **(4) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF**  
2 **ALL BUSINESSES OPERATED BY THE BUSINESS ENTITY'S HOLDING,**  
3 **INTERMEDIARY, AND SUBSIDIARY COMPANIES OR SIMILAR BUSINESS ENTITIES;**

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

9           **(6) THE TERMS ON WHICH THE SECURITIES, PARTNERSHIP**  
10 **INTERESTS, OR SIMILAR OWNERSHIP INTERESTS HAVE BEEN OR ARE TO BE**  
11 **OFFERED;**

12           **(7) THE TERMS AND CONDITIONS OF ALL OUTSTANDING LOANS,**  
13 **MORTGAGES, TRUST DEEDS, PLEDGES, OR OTHER INDEBTEDNESS OR SECURITY**  
14 **DEVICES UTILIZED BY THE BUSINESS ENTITY;**

15           **(8) THE EXTENT OF THE EQUITY SECURITY HOLDING IN THE**  
16 **BUSINESS ENTITY OF THE OFFICERS, DIRECTORS, PARTNERS, AND**  
17 **UNDERWRITERS AND THEIR REMUNERATION IN THE FORM OF SALARY, WAGES,**  
18 **FEES, OR OTHERWISE;**

19           **(9) THE NAMES OF PERSONS OTHER THAN THE DIRECTORS AND**  
20 **OFFICERS WHO OCCUPY POSITIONS SPECIFIED BY THE COMMISSION OR WHOSE**  
21 **COMPENSATION EXCEEDS AN AMOUNT DETERMINED BY THE COMMISSION;**

22           **(10) THE NAMES OF PERSONS WHO OWN OR CONTROL THE**  
23 **BUSINESS ENTITY;**

24           **(11) A DESCRIPTION OF ALL BONUS AND PROFIT-SHARING**  
25 **ARRANGEMENTS;**

26           **(12) COPIES OF MANAGEMENT AND SERVICE CONTRACTS; AND**

27           **(13) A LISTING OF STOCK OPTIONS.**

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

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

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

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

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

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

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

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

30                   **(4) SUPPLYING, BY THE APPLICANT OR ANY PERSON REQUIRED**  
31 **TO BE QUALIFIED UNDER THIS SUBTITLE, AS A CONDITION OF A LICENSE,**

1 INFORMATION THAT IS UNTRUE OR MISLEADING AS TO A MATERIAL FACT  
2 CONCERNING THE QUALIFICATION CRITERIA;

3 (5) CONVICTION OF THE APPLICANT OR OF ANY PERSON  
4 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE, AS A CONDITION OF A  
5 LICENSE, OF AN OFFENSE UNDER THE LAWS OF THE UNITED STATES OR ANY  
6 JURISDICTION WITHIN THE UNITED STATES THAT IS A CRIMINAL OFFENSE  
7 INVOLVING MORAL TURPITUDE OR A GAMBLING OFFENSE;

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

13 (7) PURSUIT BY THE APPLICANT OR A PERSON WHO IS REQUIRED  
14 TO BE QUALIFIED UNDER THIS SUBTITLE, AS A CONDITION OF A LICENSE, OF  
15 ECONOMIC GAIN IN AN OCCUPATIONAL MANNER OR CONTEXT THAT IS IN  
16 VIOLATION OF THE LAWS OF THE STATE, IF THE PURSUIT CREATES A  
17 REASONABLE BELIEF THAT PARTICIPATION OF THE APPLICANT IN VIDEO  
18 LOTTERY OPERATIONS WOULD BE INIMICAL TO THE POLICIES OF THIS  
19 SUBTITLE;

20 (8) IDENTIFICATION OF THE APPLICANT OR A PERSON WHO IS  
21 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE, AS A CONDITION OF A  
22 LICENSE, AS A CAREER OFFENDER, A MEMBER OF A CAREER OFFENDER  
23 CARTEL, OR AN ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER  
24 CARTEL IN A MANNER THAT CREATES A REASONABLE BELIEF THAT THE  
25 ASSOCIATION IS OF A NATURE AS TO BE INIMICAL TO THE POLICIES OF THIS  
26 SUBTITLE;

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

32 (10) CONTUMACIOUS DEFIANCE BY THE APPLICANT OR A PERSON  
33 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE, AS A CONDITION OF



1 A LICENSE, OF A LEGISLATIVE INVESTIGATORY BODY OR OTHER OFFICIAL  
2 INVESTIGATORY BODY OF THE UNITED STATES OR A JURISDICTION WITHIN THE  
3 UNITED STATES WHEN THE BODY IS ENGAGED IN THE INVESTIGATION OF  
4 CRIMES RELATING TO GAMBLING, OFFICIAL CORRUPTION, OR ORGANIZED  
5 CRIME ACTIVITY; AND

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

8 **9-1A-09.**

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

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

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

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

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

28 (II) IF THE PIMLICO RACE COURSE NO LONGER EXISTS,  
29 THE PREAKNESS STAKES RACE IS PREVENTED FROM BEING CONDUCTED AT  
30 THE PIMLICO RACE COURSE, OR THE STATE RACING COMMISSION, UNDER §  
31 11-513 OF THE BUSINESS REGULATION ARTICLE, DEEMS AN EMERGENCY

1 **EXISTS, PROMOTE AND CONDUCT THE PREAKNESS STAKES RACE EACH YEAR AT**  
2 **ANOTHER TRACK LOCATED IN THE STATE THAT IS APPROVED BY THE STATE**  
3 **RACING COMMISSION.**

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

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

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

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

17 **(2) EACH PLAN SHALL INCLUDE:**

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

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

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

25 **2. AN ONGOING INVESTMENT IN CAPITAL**  
26 **MAINTENANCE AND IMPROVEMENTS IN THE HORSE RACING FACILITIES OF AT**  
27 **LEAST \$1,000,000 ANNUALLY FOR EACH 1,000 VIDEO LOTTERY TERMINALS**  
28 **AUTHORIZED FOR THE LICENSEE'S LOCATION.**

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

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

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

17           (G) IF A VIDEO LOTTERY OPERATION LICENSE HAS BEEN ISSUED FOR A  
18 RACETRACK LOCATION AT THE PIMLICO RACE COURSE, IN THE PLAN  
19 SUBMITTED BY A LICENSEE AT THE PIMLICO RACE COURSE UNDER  
20 SUBSECTION (E) OF THIS SECTION, ONE OF THE CAPITAL MAINTENANCE AND  
21 IMPROVEMENT ITEMS IN THE PLAN SHALL BE THE CREATION OF A PREMIER  
22 CLASSIC RACETRACK AND MUSEUM AS A PART OF THE PIMLICO RACE COURSE.

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

26 **9-1A-10.**

27           (A) (1) FOR THE CONSTRUCTION OF FACILITIES AND PROCUREMENT  
28 RELATED TO THE OPERATION OF VIDEO LOTTERY TERMINALS, THE APPLICANT  
29 OR LICENSEE SHALL, AT A MINIMUM, MEET THE SAME REQUIREMENTS OF A  
30 DESIGNATED UNIT FOR MINORITY BUSINESS PARTICIPATION AS DESCRIBED  
31 UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT  
32 ARTICLE.

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

6           (3) A COLLECTIVE BARGAINING AGREEMENT OR AGREEMENTS,  
7 INCLUDING A PROJECT LABOR AGREEMENT OR A NEUTRALITY AGREEMENT  
8 ENTERED INTO BY AN APPLICANT OR LICENSEE, MAY NOT NEGATE THE  
9 REQUIREMENTS OF THIS SUBSECTION.

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

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

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

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

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

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

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

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

8           **(C) ON OR AFTER JULY 1, 2011, THE PROVISIONS OF THIS SECTION AND**  
9 **ANY REGULATIONS ADOPTED UNDER THIS SECTION SHALL BE OF NO EFFECT**  
10 **AND MAY NOT BE ENFORCED.**

11 **9-1A-11.**

12           **(A) ANY VIDEO LOTTERY OPERATION LICENSES NOT ISSUED FOR A**  
13 **LOCATION AUTHORIZED UNDER THIS SUBTITLE SHALL AUTOMATICALLY**  
14 **REVERT TO THE STATE.**

15           **(B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A**  
16 **LICENSEE SHALL COMMENCE OPERATION OF VIDEO LOTTERY TERMINALS AT**  
17 **THE LOCATION FOR WHICH THE VIDEO LOTTERY FACILITY LICENSE HAS BEEN**  
18 **ISSUED WITHIN 18 MONTHS AFTER THE LICENSE IS ISSUED.**

19           **(C) (1) ON A DETERMINATION BY THE COMMISSION THAT**  
20 **EXTENUATING CIRCUMSTANCES EXIST THAT ARE BEYOND THE CONTROL OF A**  
21 **LICENSEE AND HAVE PREVENTED THE LICENSEE FROM COMPLYING WITH THE**  
22 **REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION, THE COMMISSION MAY**  
23 **ALLOW THE LICENSEE AN EXTENSION OF 6 MONTHS TO COMPLY WITH THE**  
24 **REQUIREMENTS.**

25           **(2) THE COMMISSION MAY NOT GRANT MORE THAN TWO**  
26 **EXTENSIONS TO A LICENSEE UNDER THIS SUBSECTION.**

27           **(D) IF A VIDEO LOTTERY OPERATION LICENSEE FAILS TO COMPLY WITH**  
28 **THE REQUIREMENTS OF SUBSECTIONS (B) AND (C) OF THIS SECTION, THE**  
29 **LICENSE ISSUED TO THE LICENSEE SHALL BE REVOKED AND SHALL**  
30 **AUTOMATICALLY REVERT TO THE STATE.**

1 **9-1A-12.**

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

10 **9-1A-13.**

11 **(A) THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE IS 15**  
12 **YEARS.**

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

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

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

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

29 **9-1A-14.**

1           **(A) UNLESS AN INDIVIDUAL HOLDS A VALID VIDEO LOTTERY EMPLOYEE**  
2 **LICENSE ISSUED BY THE COMMISSION, THE INDIVIDUAL MAY NOT BE EMPLOYED**  
3 **BY A VIDEO LOTTERY OPERATION LICENSEE AS A VIDEO LOTTERY EMPLOYEE.**

4           **(B) BEFORE ISSUANCE OF A VIDEO LOTTERY EMPLOYEE LICENSE, AN**  
5 **APPLICANT SHALL PROVIDE SUFFICIENT INFORMATION, DOCUMENTATION, AND**  
6 **ASSURANCES THAT THE COMMISSION MAY REQUIRE.**

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

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

11                   **(2) THE APPLICANT'S LACK OF EXPERTISE OR TRAINING TO BE A**  
12 **VIDEO LOTTERY EMPLOYEE;**

13                   **(3) THE APPLICANT'S CONVICTION FOR ANY CRIME INVOLVING**  
14 **MORAL TURPITUDE OR GAMBLING UNDER THE LAWS OF THE UNITED STATES**  
15 **OR ANY STATE;**

16                   **(4) THE APPLICANT'S CURRENT PROSECUTION FOR ANY CRIME**  
17 **INVOLVING MORAL TURPITUDE OR GAMBLING UNDER THE LAWS OF THE**  
18 **UNITED STATES OR ANY STATE, BUT, AT THE REQUEST OF THE APPLICANT, THE**  
19 **COMMISSION MAY DEFER A DECISION ON THE APPLICATION DURING THE**  
20 **PENDENCY OF THE CHARGE;**

21                   **(5) PURSUIT BY THE APPLICANT OF ECONOMIC GAIN IN AN**  
22 **OCCUPATIONAL MANNER OR CONTEXT THAT IS IN VIOLATION OF THE LAWS OF**  
23 **THE STATE, IF THE PURSUIT CREATES A REASONABLE BELIEF THAT**  
24 **PARTICIPATION OF THE APPLICANT IN VIDEO LOTTERY OPERATIONS WOULD BE**  
25 **INIMICAL TO THE POLICIES OF THIS SUBTITLE;**

26                   **(6) IDENTIFICATION OF THE APPLICANT AS A CAREER OFFENDER**  
27 **OR A MEMBER OF A CAREER OFFENDER CARTEL OR AN ASSOCIATE OF A CAREER**  
28 **OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER THAT CREATES A**  
29 **REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS TO BE**  
30 **INIMICAL TO THE POLICIES OF THIS SUBTITLE;**

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

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

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

14 **9-1A-15.**

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

21           (B) EACH MANUFACTURER, AND EACH PERSON WHO OWNS OR  
22 CONTROLS THE MANUFACTURER OR MANAGEMENT AND SUPERVISORY  
23 PERSONNEL AND OTHER PRINCIPAL EMPLOYEES OF THE MANUFACTURER,  
24 SHALL QUALIFY UNDER THE STANDARDS AND PROVISIONS SET FORTH IN  
25 §§ 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO LOTTERY OPERATION  
26 LICENSEES.

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

31           (D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS,  
32 ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR



1 **DISTRIBUTE THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND**  
2 **CENTRAL COMPUTER THAT MEET SPECIFICATIONS AND PROCEDURES**  
3 **ESTABLISHED BY THE COMMISSION.**

4 **9-1A-16.**

5 **(A) FOR ALL LICENSES REQUIRED UNDER THIS SUBTITLE OTHER THAN**  
6 **A VIDEO LOTTERY OPERATION LICENSE, IF AN APPLICANT OR LICENSEE HOLDS**  
7 **A VALID LICENSE IN ANOTHER STATE AND THE COMMISSION DETERMINES THAT**  
8 **THE LICENSING STANDARDS OF THE OTHER STATE ARE COMPREHENSIVE,**  
9 **THOROUGH, AND PROVIDE SIMILAR ADEQUATE SAFEGUARDS TO THOSE**  
10 **PROVIDED IN THIS SUBTITLE, THE COMMISSION MAY:**

11 **(1) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS**  
12 **SUBTITLE; AND**

13 **(2) ISSUE A LICENSE TO A PERSON HAVING A SIMILAR LICENSE IN**  
14 **ANOTHER STATE.**

15 **(B) (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION,**  
16 **ON THE REQUEST OF AN APPLICANT, THE COMMISSION MAY GRANT AN**  
17 **EXEMPTION OR WAIVER OF A LICENSING REQUIREMENT OR GROUNDS FOR**  
18 **DENIAL OF A LICENSE IF THE COMMISSION DETERMINES THAT THE**  
19 **REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE AS APPLIED TO THE**  
20 **APPLICANT ARE NOT NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST**  
21 **OR ACCOMPLISH THE POLICIES ESTABLISHED BY THIS SUBTITLE.**

22 **(2) ON GRANTING TO AN APPLICANT AN EXEMPTION OR WAIVER**  
23 **OF A LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE, OR AT**  
24 **ANY TIME AFTER A WAIVER OR EXEMPTION HAS BEEN GRANTED, THE**  
25 **COMMISSION MAY:**

26 **(I) LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR**  
27 **WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;**  
28 **AND**

29 **(II) REQUIRE THE PERSON WHO IS GRANTED THE**  
30 **EXEMPTION OR WAIVER TO COOPERATE WITH THE COMMISSION AND TO**

1 **PROVIDE THE COMMISSION WITH ANY ADDITIONAL INFORMATION REQUIRED BY**  
2 **THE COMMISSION AS A CONDITION OF THE WAIVER OR EXEMPTION.**

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

5 **9-1A-17.**

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

9 **(1) PROPER APPLICATION FOR RENEWAL; AND**

10 **(2) PAYMENT OF ALL REQUIRED APPLICATION, LICENSE, AND**  
11 **OTHER FEES AND TAXES.**

12 **9-1A-18.**

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

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

26 **(1) PRECLUDE:**

27 **(I) THE CREATION OF ANY PROPERTY RIGHT IN ANY**  
28 **LICENSE REQUIRED UNDER THIS SUBTITLE;**

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

3                   (III) THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS  
4 SUBTITLE; AND

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

8 **9-1A-19.**

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

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

11                   (2) PLEDGED AS COLLATERAL.

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

14                   (I) THE PERSON NOTIFIES THE COMMISSION OF THE  
15 PROPOSED SALE OR TRANSFER; AND

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

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

24 **9-1A-20.**

25           (A) THE DEPARTMENT OF STATE POLICE SHALL:

1           **(1) CONDUCT A BACKGROUND INVESTIGATION OF EACH**  
2 **APPLICANT IN A TIMELY MANNER; AND**

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

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

8           **(2) FAILURE TO PROVIDE TIMELY OR ACCURATE INFORMATION IS**  
9 **GROUND FOR THE COMMISSION TO DENY AN APPLICATION.**

10           **(C) (1) THE DEPARTMENT OF STATE POLICE SHALL APPLY TO THE**  
11 **CENTRAL REPOSITORY FOR A STATE AND A NATIONAL CRIMINAL HISTORY**  
12 **RECORDS CHECK FOR EACH APPLICANT.**

13           **(2) AS PART OF THE APPLICATION FOR A CRIMINAL HISTORY**  
14 **RECORDS CHECK, THE DEPARTMENT OF STATE POLICE SHALL SUBMIT TO THE**  
15 **CENTRAL REPOSITORY:**

16                   **(I) TWO COMPLETE SETS OF THE APPLICANT'S LEGIBLE**  
17 **FINGERPRINTS TAKEN ON FORMS APPROVED BY THE DIRECTOR OF THE**  
18 **CENTRAL REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF**  
19 **INVESTIGATION;**

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

23                   **(III) THE MANDATORY PROCESSING FEE REQUIRED BY THE**  
24 **FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY**  
25 **RECORDS CHECK.**

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

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

5           (D) AFTER COMPLETION OF THE BACKGROUND INVESTIGATION OF AN  
6 APPLICANT, THE DEPARTMENT OF STATE POLICE SHALL PROMPTLY FORWARD  
7 THE RESULTS OF THE INVESTIGATION TO THE COMMISSION.

8 **9-1A-21.**

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

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

12           (2) UNDER THE CONTROL OF THE COMMISSION.

13           (B) SUBJECT TO THE COMMISSION'S ABILITY TO CANCEL OR ALTER THE  
14 CONTRACT IN THE EVENT ONE OR MORE ELIGIBLE APPLICANTS FOR A VIDEO  
15 LOTTERY FACILITY FAIL TO OBTAIN A LICENSE, THE COMMISSION SHALL  
16 CONTRACT WITH ONE OR MORE LICENSED MANUFACTURERS FOR THE LEASE OR  
17 PURCHASE OF THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND  
18 CENTRAL COMPUTER AUTHORIZED UNDER THIS SUBTITLE.

19           (C) THE COMMISSION SHALL DEVELOP REGULATIONS GOVERNING THE  
20 SALE OR LEASE OF VIDEO LOTTERY TERMINALS BY THE COMMISSION UNDER  
21 THIS SUBTITLE IN A MANNER THAT PROVIDES A COMPETITIVE PROCESS AMONG  
22 LICENSED MANUFACTURERS WITH INCENTIVES TO LICENSED MANUFACTURERS  
23 BASED ON THE PERFORMANCE OF THE MANUFACTURER'S VIDEO LOTTERY  
24 TERMINALS.

25 **9-1A-22.**

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

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

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

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

18           **(D) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION AND THE**  
19 **STATE LOTTERY COMMISSION MAY NOT ALLOCATE VIDEO LOTTERY TERMINALS**  
20 **IN A MANNER THAT RESULTS IN MORE THAN 7,500 VIDEO LOTTERY TERMINALS**  
21 **BEING LOCATED IN ANY COUNTY IN THE STATE.**

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

25           **(1) 5,000 VIDEO LOTTERY TERMINALS BEING ALLOCATED FOR**  
26 **OPERATION UNDER ONE VIDEO LOTTERY OPERATION LICENSE; OR**

27           **(2) 6,000 VIDEO LOTTERY TERMINALS BEING ALLOCATED FOR**  
28 **OPERATION UNDER ONE OR MORE VIDEO LOTTERY OPERATION LICENSES HELD**  
29 **BY THE SAME INDIVIDUAL OR BUSINESS ENTITY.**

30 **9-1A-23.**

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

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

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

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

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

15          (D) ANY STATE LOTTERY GAMES THAT ARE OFFERED BY OR THROUGH  
16 THE COMMISSION MAY NOT BE OFFERED FOR SALE AT A VIDEO LOTTERY  
17 FACILITY IN THE STATE.

18 **9-1A-24.**

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

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

26          (2) ANY FOOD OR BEVERAGES, INCLUDING ALCOHOLIC  
27 BEVERAGES, OFFERED BY A VIDEO LOTTERY OPERATION LICENSEE FOR SALE  
28 TO INDIVIDUALS MAY BE OFFERED ONLY AT PRICES THAT ARE DETERMINED BY  
29 THE COMMISSION TO BE COMMENSURATE WITH THE PRICE OF SIMILAR TYPES

1 **OF FOOD AND BEVERAGES AT RESTAURANTS IN THE COUNTY IN WHICH THE**  
2 **VIDEO LOTTERY FACILITY IS LOCATED.**

3 **(3) A VIDEO LOTTERY OPERATION LICENSEE MAY PROVIDE FOOD**  
4 **AT NO COST TO INDIVIDUALS TO THE SAME EXTENT ALLOWED UNDER ARTICLE**  
5 **2B, § 12-106 OF THE CODE FOR A PERSON ENGAGED IN THE SALE OR BARTER**  
6 **OF SPIRITUOUS, MALT, OR INTOXICATING LIQUORS AND LICENSED UNDER THE**  
7 **LAWS OF MARYLAND.**

8 **(C) A VIDEO LOTTERY OPERATION LICENSEE SHALL ENSURE THAT**  
9 **INTOXICATED INDIVIDUALS AND INDIVIDUALS UNDER THE AGE OF 21 YEARS**  
10 **ARE NOT PERMITTED TO PLAY VIDEO LOTTERY TERMINALS AND ARE NOT**  
11 **PERMITTED IN AREAS OF THE VIDEO LOTTERY FACILITY LOCATION WHERE**  
12 **VIDEO LOTTERY TERMINALS ARE LOCATED.**

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

17 **(2) THE REGULATIONS UNDER THIS SUBSECTION SHALL DEFINE**  
18 **THE STANDARDS FOR EXCLUSION OR EJECTION AND SHALL INCLUDE**  
19 **STANDARDS RELATING TO INDIVIDUALS:**

20 **(I) WHO ARE CAREER OFFENDERS AS DEFINED BY**  
21 **REGULATIONS ADOPTED BY THE COMMISSION;**

22 **(II) WHO HAVE BEEN CONVICTED OF A CRIMINAL OFFENSE**  
23 **UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE**  
24 **UNITED STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE**  
25 **OR A GAMBLING OFFENSE; OR**

26 **(III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A**  
27 **LICENSEE WOULD BE ADVERSE TO THE INTEREST OF THE STATE, THE**  
28 **LICENSEE, OR THE PERSON.**

29 **(3) THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN**  
30 **ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO**  
31 **EXCLUDE OR EJECT FROM THE PREMISES OF THE LICENSEE AN INDIVIDUAL**



1 PLACED BY THE COMMISSION ON THE LIST OF INDIVIDUALS TO BE EXCLUDED  
2 OR EJECTED.

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

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

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

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

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

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

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

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

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

1                   **(II) REQUIRE PAYOUTS ABOVE AN AMOUNT ADOPTED BY**  
2 **THE COMMISSION TO BE MADE BY CHECK;**

3                   **(III) REQUIRE CONSPICUOUS DISCLOSURES RELATED TO**  
4 **THE ODDS AND PAYOUT OF VIDEO LOTTERY TERMINALS;**

5                   **(IV) LIMIT THE DOLLAR AMOUNT THAT VIDEO LOTTERY**  
6 **TERMINALS WILL ACCEPT;**

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

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

14                   **(VII) PROHIBIT VIDEO LOTTERY OPERATION LICENSEES**  
15 **FROM ENGAGING IN OR CONTRACTING WITH ANOTHER TO ENGAGE IN**  
16 **PREDATORY MARKETING PRACTICES.**

17 **9-1A-25.**

18           **(A) THE COMMISSION MAY DENY A LICENSE TO AN APPLICANT,**  
19 **REPRIMAND OR FINE A LICENSEE, OR SUSPEND OR REVOKE A LICENSE FOR A**  
20 **VIOLATION OF:**

21                   **(1) THIS SUBTITLE;**

22                   **(2) A REGULATION ADOPTED UNDER THIS SUBTITLE; OR**

23                   **(3) A CONDITION THAT THE COMMISSION SETS.**

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

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

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

4                   **(I) THE SERIOUSNESS OF THE VIOLATION;**

5                   **(II) THE HARM CAUSED BY THE VIOLATION; AND**

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

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

13 **9-1A-26.**

14           **(A) ALL PROCEEDS FROM THE OPERATION OF VIDEO LOTTERY**  
15 **TERMINALS SHALL BE ELECTRONICALLY TRANSFERRED DAILY INTO THE STATE**  
16 **LOTTERY FUND ESTABLISHED UNDER SUBTITLE 3 OF THIS TITLE AND**  
17 **DISTRIBUTED AS PROVIDED IN THIS SUBTITLE.**

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

20                   **(2) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE**  
21 **UNDER THE CONTROL OF THE COMPTROLLER AND SHALL BE DISTRIBUTED AS**  
22 **PROVIDED IN THIS SUBTITLE.**

23 **9-1A-27.**

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

1           **(1) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL**  
2 **OPERATION, 5% TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED IN**  
3 **§ 9-1A-01 OF THIS SUBTITLE; AND**

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

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

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

12           **(2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE**  
13 **COMMISSION, 5% IN A LOCAL DEVELOPMENT GRANT TO THE COUNTY IN WHICH**  
14 **A VIDEO LOTTERY FACILITY IS LOCATED, SUBJECT TO A REQUIREMENT THAT IF**  
15 **A VIDEO LOTTERY FACILITY OPERATION LICENSE IS ISSUED TO A RACETRACK**  
16 **LOCATION AT LAUREL PARK, THE LOCAL DEVELOPMENT GRANT SHALL BE**  
17 **DISTRIBUTED IN THE FOLLOWING MANNER:**

18                   **(I) 73% TO ANNE ARUNDEL COUNTY;**

19                   **(II) 17% TO HOWARD COUNTY; AND**

20                   **(III) 10% TO THE CITY OF LAUREL;**

21           **(3) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL**  
22 **OPERATION, 5.1% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER**  
23 **§ 9-1A-28 OF THIS SUBTITLE; AND**

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

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

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

9           (1) THE EDUCATION TRUST FUND ESTABLISHED UNDER  
10 § 9-1A-29 OF THIS SUBTITLE; AND

11           (2) THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER  
12 § 9-1A-28 OF THIS SUBTITLE.

13 **9-1A-28.**

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

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

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

21           (3) THE COMPTROLLER SHALL:

22                   (I) ACCOUNT FOR THE FUND; AND

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

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

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

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

10           **(D) THE AMOUNT OF FUNDS ALLOCATED TO THOROUGHBRED PURSES**  
11 **AND THE MARYLAND-BRED RACE FUND SHALL BE ALLOCATED AS FOLLOWS:**

12           **(1) 89% TO THOROUGHBRED PURSES AT THE PIMLICO RACE**  
13 **COURSE, LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE**  
14 **RACECOURSE IN TIMONIUM; AND**

15           **(2) 11% TO THE MARYLAND-BRED RACE FUND.**

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

18           **(1) 89% TO STANDARD BRED PURSES AT THE ROSECROFT**  
19 **RACEWAY, OCEAN DOWNS RACE COURSE, AND THE RACECOURSE IN ALLEGANY**  
20 **COUNTY; AND**

21           **(2) 11% TO THE STANDARD BRED RACE FUND.**

22           **(F) THE PROVISIONS OF THIS SECTION MAY NOT BE CONSTRUED TO**  
23 **APPLY TO THE RACECOURSE IN ALLEGANY COUNTY UNTIL HORSE RACING**  
24 **BEGINS AT THAT RACECOURSE.**

25           **(G) (1) AS DIRECTED BY THE STATE RACING COMMISSION, \$125,000**  
26 **FROM THE FUNDS UNDER SUBSECTION (E)(1) OF THIS SECTION SHALL GO TO**  
27 **THE MARYLAND HORSEMEN'S ASSISTANCE FUND, INC., ESTABLISHED UNDER**  
28 **§ 11-909 OF THE BUSINESS REGULATION ARTICLE, AND \$125,000 FROM THE**  
29 **FUNDS UNDER SUBSECTION (F)(1) OF THIS SECTION SHALL GO TO THE**

1 **MARYLAND STANDARDBRED HORSEMEN'S ASSISTANCE FUND, INC.,**  
2 **ESTABLISHED UNDER § 11-909 OF THE BUSINESS REGULATION ARTICLE.**

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

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

9 **(I) NEED;**

10 **(II) DOCUMENTED MARYLAND RESIDENCY; AND**

11 **(III) NUMBER OF RACES RIDDEN OR DRIVEN PER YEAR ON**  
12 **MARYLAND TRACKS.**

13 **9-1A-29.**

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

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

20 **(2) MONEY IN THE EDUCATION TRUST FUND SHALL BE INVESTED**  
21 **AND REINVESTED BY THE STATE TREASURER, AND INTEREST AND EARNINGS**  
22 **SHALL ACCRUE TO THE FUND.**

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

24 **(1) OFFSET THE TOTAL FUNDING REQUIRED TO PROVIDE AN**  
25 **ADEQUATE EDUCATION FOR CHILDREN ATTENDING PUBLIC SCHOOLS IN THE**  
26 **STATE IN PREKINDERGARTEN THROUGH GRADE 12, THROUGH CONTINUATION**  
27 **OF THE FUNDING AND FORMULAS ESTABLISHED UNDER THE PROGRAMS**  
28 **COMMONLY KNOWN AS THE BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS,**

1 **FIRST ENACTED BY CHAPTER 288 OF THE ACTS OF THE GENERAL ASSEMBLY OF**  
2 **2002, INCLUDING THE FUNDING FOR REGIONAL DIFFERENCES IN THE COST OF**  
3 **EDUCATION UNDER § 5-202(F) OF THE EDUCATION ARTICLE; AND**

4 **(2) PROVIDE FUNDS TO CONSTRUCT K-16 PUBLIC SCHOOL**  
5 **BUILDINGS AND PUBLIC SCHOOL CAPITAL IMPROVEMENTS IN ACCORDANCE**  
6 **WITH §§ 5-301 THROUGH 5-303 OF THE EDUCATION ARTICLE AND FOR PUBLIC**  
7 **INSTITUTIONS OF HIGHER EDUCATION THAT INCLUDE 4-YEAR INSTITUTIONS**  
8 **AND COMMUNITY COLLEGES; AND**

9 **(3) PROVIDE FUNDS TO INCREASE STATE UNDERGRADUATE**  
10 **STUDENT FINANCIAL AID.**

11 **(D) THE GOVERNOR SHALL INCLUDE IN THE BUDGET FOR FISCAL YEAR**  
12 **2009 AND EACH FISCAL YEAR THEREAFTER THROUGH FISCAL YEAR 2019,**  
13 **\$150,000,000 FROM THE EDUCATION TRUST FUND FOR THE FUNDING OF K-16**  
14 **PUBLIC SCHOOL CONSTRUCTION AND CAPITAL IMPROVEMENTS ON A**  
15 **PAY-AS-YOU-GO BASIS.**

16 **(E) EXPENDITURES FROM THE EDUCATION TRUST FUND SHALL BE**  
17 **MADE EACH FISCAL YEAR IN ACCORDANCE WITH THE STATE BUDGET.**

18 **9-1A-30.**

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

23 **(1) INFRASTRUCTURE IMPROVEMENTS;**

24 **(2) FACILITIES;**

25 **(3) PUBLIC SAFETY;**

26 **(4) SANITATION;**

27 **(5) ECONOMIC AND COMMUNITY DEVELOPMENT, INCLUDING**  
28 **HOUSING; AND**



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20           **(E) (1) IN THIS SUBSECTION, “ELIGIBLE CERTIFIED COMMUNITY**  
21 **DEVELOPMENT FINANCIAL INSTITUTION” MEANS A FINANCIAL INSTITUTION**  
22 **CERTIFIED BY THE UNITED STATES DEPARTMENT OF THE TREASURY AS A**  
23 **CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION THAT HAS:**

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

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

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

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

13 **9-1A-31.**

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

16                   (1) MITIGATE THE IMPACT ON THE COMMUNITIES IN THE  
17 IMMEDIATE PROXIMITY TO THE FACILITY; AND

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

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

21                           (I) DEVELOPED BY EACH COUNTY WHERE A FACILITY IS  
22 LOCATED, IN CONSULTATION WITH THE LOCAL DEVELOPMENT COUNCIL  
23 CREATED UNDER § 9-1A-30 OF THIS SUBTITLE; AND

24                           (II) APPROVED BY THE MARYLAND DEPARTMENT OF  
25 TRANSPORTATION.

26                   (2) THE COMPREHENSIVE TRANSPORTATION PLAN SHALL  
27 INCLUDE PROVISIONS ON ROADS AND PROVISIONS REGARDING MASS TRANSIT,  
28 IF MASS TRANSIT IS A SUBSTANTIAL MANNER OF TRANSPORTATION IN THE  
29 COUNTY WHERE THE VIDEO LOTTERY TERMINAL FACILITY IS LOCATED.

1           **(C) THE MARYLAND DEPARTMENT OF TRANSPORTATION SHALL**  
2 **FACILITATE NEGOTIATIONS WITH AFFECTED COMMUNITIES TO ENSURE THE**  
3 **MOST PRACTICAL INGRESS TO AND EGRESS FROM THE VIDEO LOTTERY**  
4 **FACILITY.**

5 **9-1A-32.**

6           **(A) THE COMMISSION SHALL:**

7                   **(1) ESTABLISH AN ANNUAL FEE OF \$390, TO BE PAID BY EACH**  
8 **VIDEO LOTTERY OPERATION LICENSEE, FOR EACH VIDEO LOTTERY TERMINAL**  
9 **OPERATED BY THE LICENSEE DURING THE YEAR; AND**

10                   **(2) DISTRIBUTE THE FEES COLLECTED UNDER PARAGRAPH (1) OF**  
11 **THIS SUBSECTION TO THE COMPULSIVE GAMBLING FUND ESTABLISHED IN**  
12 **SUBSECTION (B) OF THIS SECTION.**

13           **(B) (1) THERE IS A COMPULSIVE GAMBLING FUND IN THE**  
14 **DEPARTMENT OF HEALTH AND MENTAL HYGIENE.**

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

18                   **(3) MONEY IN THE COMPULSIVE GAMBLING FUND SHALL BE**  
19 **INVESTED AND REINVESTED BY THE TREASURER, AND INTEREST AND**  
20 **EARNINGS SHALL ACCRUE TO THE FUND.**

21                   **(4) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND**  
22 **SHALL BE MADE ONLY:**

23                           **(I) BY THE DEPARTMENT OF HEALTH AND MENTAL**  
24 **HYGIENE TO:**

25                                   **1. ESTABLISH A 24-HOUR HOTLINE FOR**  
26 **COMPULSIVE AND PROBLEM GAMBLERS AND TO PROVIDE COUNSELING AND**  
27 **OTHER SUPPORT SERVICES FOR COMPULSIVE AND PROBLEM GAMBLERS; AND**

1                   **2. DEVELOP AND IMPLEMENT PROBLEM GAMBLING**  
 2 **PREVENTION PROGRAMS, INCLUDING THE PROGRAMS ESTABLISHED UNDER**  
 3 **TITLE 19, SUBTITLE 8 OF THE HEALTH – GENERAL ARTICLE; AND**

4                   **(II) IN ACCORDANCE WITH AN APPROPRIATION APPROVED**  
 5 **BY THE GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY THE**  
 6 **BUDGET AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE**  
 7 **FINANCE AND PROCUREMENT ARTICLE.**

8 **9-1A-33.**

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

11                   **(1) ON THE OPERATION AND FINANCES OF THE VIDEO LOTTERY**  
 12 **OPERATION UNDER THIS SUBTITLE; AND**

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

16 **9-1A-34.**

17                   **FOR A PERIOD OF 1 YEAR AFTER THE INDIVIDUAL'S SERVICE ON THE**  
 18 **STATE LOTTERY COMMISSION OR THE VIDEO LOTTERY FACILITY LOCATION**  
 19 **COMMISSION ENDS, A LICENSEE MAY NOT EMPLOY, OR ENTER INTO A**  
 20 **FINANCIAL RELATIONSHIP WITH, AN INDIVIDUAL WHO HAS BEEN A MEMBER OF**  
 21 **THE STATE LOTTERY COMMISSION OR THE VIDEO LOTTERY FACILITY**  
 22 **LOCATION COMMISSION.**

23                   **Article – State Finance and Procurement**

24 11-203.

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

27                   (1) procurement by:

1 (xvi) the Maryland Energy Administration, when negotiating or  
2 entering into grants or cooperative agreements with private entities to meet federal  
3 specifications or solicitation requirements related to energy conservation, energy  
4 efficiency, or renewable energy projects that benefit the State; [and]

5 (xvii) the Maryland Developmental Disabilities Administration of  
6 the Department of Health and Mental Hygiene for family and individual support  
7 services, and individual family care services, as those terms are defined by the  
8 Department of Health and Mental Hygiene in regulation; **OR**

9 **(XVIII) THE STATE LOTTERY AGENCY FOR NEGOTIATING**  
10 **AND ENTERING INTO CONTRACTS FOR THE PURCHASE, LEASE, MANUFACTURE,**  
11 **REPAIR, MAINTENANCE, AND OPERATION OF VIDEO LOTTERY TERMINALS;**

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

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

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

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

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

21 (v) § 13–221 of this article (“Disclosures to Secretary of State”);

22 (vi) Title 12, Subtitle 4 of this article (“Policies and Procedures  
23 for Exempt Units”);

24 (vii) Title 16 of this article (“Debarment of Contractors”); and

25 (viii) Title 17 of this article (“Special Provisions – State and Local  
26 Subdivisions”).

27 (2) Except for procurement under subsection (a)(1)(i) and (xi) and (2)(i)  
28 and (vi) of this section, the provisions of Title 14, Subtitle 3 of this article (“Minority  
29 Business Participation”) shall apply to each procurement enumerated in subsection (a)  
30 of this section.

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

3 **Article – State Government**

4 **9-1A-35.**

5 **(A) THERE IS A VIDEO LOTTERY FACILITY LOCATION COMMISSION.**

6 **(B) (1) (I) THE VIDEO LOTTERY FACILITY LOCATION**  
7 **COMMISSION CONSISTS OF NINE MEMBERS.**

8 **(II) APPOINTMENTS TO THE VIDEO LOTTERY FACILITY**  
9 **LOCATION COMMISSION SHALL BE SUBJECT TO THE APPROVAL OF THE**  
10 **LEGISLATIVE POLICY COMMITTEE.**

11 **(2) (I) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE**  
12 **PRESIDENT OF THE SENATE.**

13 **(II) TWO OF THE MEMBERS SHALL BE APPOINTED BY THE**  
14 **SPEAKER OF THE HOUSE OF DELEGATES.**

15 **(III) FIVE OF THE MEMBERS SHALL BE APPOINTED BY THE**  
16 **GOVERNOR.**

17 **(3) THE MEMBERSHIP OF THE VIDEO LOTTERY FACILITY**  
18 **LOCATION COMMISSION SHOULD REFLECT THE RACE, GENDER, AND**  
19 **GEOGRAPHIC DIVERSITY OF THE POPULATION OF THE STATE.**

20 **(4) THE MEMBERS OF THE VIDEO LOTTERY FACILITY LOCATION**  
21 **COMMISSION SHALL CHOOSE A CHAIR FROM AMONG ITS MEMBERS.**

22 **(C) A MEMBER OF THE VIDEO LOTTERY FACILITY LOCATION**  
23 **COMMISSION:**

24 **(1) SHALL BE A CITIZEN OF THE UNITED STATES;**

25 **(2) SHALL BE A RESIDENT OF THE STATE;**

1           **(3) SHALL BE KNOWLEDGEABLE AND EXPERIENCED IN FISCAL**  
2 **MATTERS AND SHALL HAVE AT LEAST 10 YEARS SUBSTANTIAL EXPERIENCE:**

3                   **(I) AS AN EXECUTIVE WITH FIDUCIARY RESPONSIBILITIES**  
4 **IN CHARGE OF A LARGE ORGANIZATION OR FOUNDATION;**

5                   **(II) IN AN ACADEMIC FIELD RELATING TO FINANCE OR**  
6 **ECONOMICS; OR**

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

10           **(4) MAY NOT HAVE BEEN CONVICTED OF OR GRANTED**  
11 **PROBATION BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT**  
12 **INVOLVES GAMBLING OR MORAL TURPITUDE;**

13           **(5) MAY NOT HAVE AN OFFICIAL RELATIONSHIP TO A PERSON**  
14 **WHO HOLDS A LICENSE UNDER THIS SUBTITLE;**

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

19           **(7) MAY NOT RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY,**  
20 **THE RECEIPTS OR PROCEEDS OF ANY GAMING ACTIVITIES, INCLUDING HORSE**  
21 **RACING OR LOTTERY; AND**

22           **(8) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT**  
23 **FOR THE MANUFACTURE OR SALE OF GAMING DEVICES, THE CONDUCT OF ANY**  
24 **GAMING ACTIVITY, OR THE PROVISION OF ANY INDEPENDENT CONSULTING**  
25 **SERVICES IN CONNECTION WITH ANY GAMING ESTABLISHMENT OR GAMING**  
26 **ACTIVITY.**

27           **(D) A MEMBER OF THE VIDEO LOTTERY FACILITY LOCATION**  
28 **COMMISSION:**



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

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

6           (E) (1)   THE STATE LOTTERY COMMISSION, THE DEPARTMENT OF  
7 BUDGET AND MANAGEMENT, AND THE DEPARTMENT OF LEGISLATIVE  
8 SERVICES SHALL PROVIDE STAFF TO THE VIDEO LOTTERY FACILITY LOCATION  
9 COMMISSION.

10           (2)   THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL  
11 CONTRACT WITH AN INDEPENDENT CONSULTANT THAT HAS AT LEAST 10 YEARS  
12 SUBSTANTIAL EXPERIENCE IN CONSULTING ON MATTERS RELATING TO THE  
13 GAMING INDUSTRY TO ASSIST AND ADVISE THE VIDEO LOTTERY FACILITY  
14 LOCATION COMMISSION IN THE REVIEW AND ANALYSIS OF BIDS SUBMITTED  
15 UNDER THIS SECTION.

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

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

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

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

1                   **(II) A NONRACETRACK DESTINATION LOCATION UNDER**  
2 **THIS SECTION MAY NOT BE LOCATED ON THE SITE OF ANY RACETRACK IN THE**  
3 **STATE EXISTING ON JULY 1, 2005.**

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

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

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

10                  **(G) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL SET**  
11 **AN APPLICATION FEE TO BE SUBMITTED BY BIDDERS FOR A VIDEO LOTTERY**  
12 **OPERATION LICENSE THAT IS SUFFICIENT TO COVER THE COSTS ASSOCIATED**  
13 **WITH CONSIDERATION OF THE BID AND QUALIFICATION OF THE BIDDER BY THE**  
14 **VIDEO LOTTERY FACILITY LOCATION COMMISSION AND THE STATE LOTTERY**  
15 **COMMISSION.**

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

18                   **(I) SHALL BE SUBMITTED BY OCTOBER 1, 2007;**

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

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

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

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

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

8                   **(3) A BID SUBMITTED FOR A VIDEO LOTTERY OPERATION**  
9 **LICENSE UNDER THIS SECTION SHALL PROVIDE FOR AT LEAST \$15,000,000 IN**  
10 **DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED**  
11 **COSTS FOR EACH 500 VIDEO LOTTERY TERMINALS CONTAINED IN THE**  
12 **PROPOSED BID THAT SHALL BE PRORATED BASED ON THE EXACT NUMBER OF**  
13 **VIDEO LOTTERY TERMINALS CONTAINED IN THE BID.**

14                   **(I) (1) IN AWARDING A VIDEO LOTTERY OPERATION LICENSE, THE**  
15 **VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL CONSIDER THE**  
16 **FACTORS UNDER THIS SUBSECTION IN THE MANNER SPECIFIED.**

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

20                   **(I) THE HIGHEST POTENTIAL BENEFIT AND HIGHEST**  
21 **PROSPECTIVE TOTAL REVENUE TO BE DERIVED BY THE STATE;**

22                   **(II) THE POTENTIAL REVENUE FROM A PROPOSED**  
23 **LOCATION BASED ON A MARKET ANALYSIS;**

24                   **(III) THE ABILITY TO ATTRACT OUT-OF-STATE GAMING**  
25 **PARTICIPANTS;**

26                   **(IV) THE EXTENT TO WHICH THE PROPOSED LOCATION**  
27 **DEMONSTRATES THAT THE FACILITY WILL BE A SUBSTANTIAL REGIONAL AND**  
28 **NATIONAL TOURIST DESTINATION;**

29                   **(V) THE PROPOSED FACILITY CAPITAL CONSTRUCTION**  
30 **PLANS AND COMPETITIVENESS OF THE PROPOSED FACILITY;**

1                   **(VI) THE AMOUNT OF GROSS REVENUES TO BE ALLOCATED**  
2 **TO THE OPERATOR OVER THE TERM OF THE LICENSE;**

3                   **(VII) THE AMOUNT OF THE INITIAL LICENSE FEE TO BE PAID;**  
4 **AND**

5                   **(VIII) THE PERCENTAGE OF OWNERSHIP BY ENTITIES**  
6 **MEETING THE DEFINITION OF MINORITY BUSINESS ENTERPRISE UNDER TITLE**  
7 **14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

8                   **(3) THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION**  
9 **COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 15% BASED ON**  
10 **ECONOMIC DEVELOPMENT FACTORS INCLUDING:**

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

12                   **(II) ANY ADDITIONAL ECONOMIC DEVELOPMENT PLANNED**  
13 **IN THE AREA OF THE PROPOSED FACILITY.**

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

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

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

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

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

26                   **(J) (1) A PERSON THAT IS AWARDED A VIDEO LOTTERY OPERATION**  
27 **LICENSE UNDER THIS SECTION SHALL PAY AN INITIAL LICENSE FEE PRIOR TO**

1 THE ISSUANCE OF THE LICENSE THAT IS EQUAL TO \$3,000,000 PER 500 VIDEO  
2 LOTTERY TERMINALS AWARDED TO THE LICENSEE THAT SHALL BE PRORATED  
3 BASED ON THE EXACT NUMBER OF VIDEO LOTTERY TERMINALS AWARDED BY  
4 THE VIDEO LOTTERY FACILITY LOCATION COMMISSION.

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

8 (K) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT  
9 AWARD A VIDEO LOTTERY FACILITY OPERATION LICENSE TO A PERSON THAT IS  
10 NOT QUALIFIED UNDER THIS SECTION OR THIS SUBTITLE.

11 (L) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION  
12 SHALL REFER TO THE STATE LOTTERY COMMISSION THE NAME AND ALL  
13 RELEVANT INFORMATION CONCERNING A PERSON THAT MAKES A BID UNDER  
14 THIS SECTION.

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

19 (3) ON COMPLETION OF ITS DETERMINATION, THE STATE  
20 LOTTERY COMMISSION SHALL NOTIFY THE VIDEO LOTTERY FACILITY  
21 LOCATION COMMISSION OF THE DETERMINATION AS TO WHETHER A BIDDER IS  
22 QUALIFIED TO HOLD A VIDEO LOTTERY FACILITY OPERATION LICENSE UNDER  
23 THIS SUBTITLE.

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

27 (N) (1) AN UNSUCCESSFUL BIDDER FOR A VIDEO LOTTERY  
28 OPERATION LICENSE UNDER THIS SECTION MAY SEEK, UNDER TITLE 15 OF THE  
29 STATE FINANCE AND PROCUREMENT ARTICLE, REVIEW BY THE STATE BOARD  
30 OF CONTRACT APPEALS OF THE AWARDED OF THE VIDEO LOTTERY  
31 OPERATION LICENSE BY THE VIDEO LOTTERY FACILITY LOCATION  
32 COMMISSION.

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

5           (o) (1) NOTHING IN THIS SECTION MAY BE CONSTRUED TO PROHIBIT  
6 A VIDEO LOTTERY OPERATION LICENSEE THAT IS AWARDED A LICENSE AT A  
7 RACETRACK LOCATION FROM BEGINNING VIDEO LOTTERY TERMINAL  
8 OPERATIONS IN A TEMPORARY FACILITY THAT MEETS THE MINIMUM  
9 REQUIREMENTS ESTABLISHED IN REGULATIONS ADOPTED BY THE STATE  
10 LOTTERY COMMISSION.

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

16           (p) (1) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE  
17 THE VIDEO LOTTERY FACILITY LOCATION COMMISSION TO ISSUE ALL SEVEN  
18 VIDEO LOTTERY OPERATION LICENSES AUTHORIZED UNDER THIS SUBTITLE.

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

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

27                           **Article – State Finance and Procurement**

28           11–203.

29           (b) (3) A procurement by an entity listed in subsection (a)(1)(i) through  
30 (xiii) [and], (xvii), OR (XVIII) of this section shall be made under procedures that  
31 promote the purposes stated in § 11–201(a) of this subtitle.

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

3 **Article – State Finance and Procurement**

4 11–203.

5 (b) (2) A procurement by an entity listed in subsection (a)(1)(i) through  
6 (xiii) [and], (xvii), **OR (XVIII)** of this section shall be made under procedures that  
7 promote the purposes stated in § 11–201(a) of this subtitle.

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

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

22 SECTION 7. AND BE IT FURTHER ENACTED, That the agency designated by  
23 the Board of Public Works under § 14–303(b) of the State Finance and Procurement  
24 Article of the Annotated Code of Maryland, in consultation with the General Assembly  
25 and the Office of the Attorney General, shall initiate two studies of the requirements  
26 of § 9–1A–10 of the State Government Article as enacted by Section 1 of this Act that  
27 evaluate the continued compliance of the requirement with any federal and  
28 constitutional requirements. In preparation for the studies, the State Lottery  
29 Commission shall require video lottery operation license applicants and licensees to  
30 provide any information necessary to perform the study. The studies shall also  
31 evaluate race–neutral programs or other methods that can be used to address the  
32 needs of minority investors and minority businesses. A final report of the first study  
33 shall be submitted to the Legislative Policy Committee on or before December 1, 2008,  
34 so that the General Assembly may review the report prior to the 2009 Session. A final  
35 report of the second study shall be submitted to the Legislative Policy Committee on or

1 before September 30, 2010, so that the General Assembly may review the report in  
2 conjunction with the report of the study on the Minority Business Enterprise Program  
3 prior to the 2011 Session.

4 SECTION 8. AND BE IT FURTHER ENACTED, That, if a license is issued for  
5 a location at the Pimlico Race Course, the Department of Transportation shall study  
6 the impact of the increased traffic resulting from any proposed operation of video  
7 lottery terminals at Pimlico Race Course, including the need for an interchange on  
8 Jones Falls Expressway between Northern Parkway and Interstate 695. The  
9 Department of Transportation shall provide a final report on the study required under  
10 this section to the General Assembly, in accordance with § 2-1246 of the State  
11 Government Article, within 6 months after the issuance of the license for a location at  
12 the Pimlico Race Course. The cost of the study undertaken by the Department of  
13 Transportation under this section shall be paid by the holder of the license issued for a  
14 location at the Pimlico Race Course. Notwithstanding § 9-1A-31 of the State  
15 Government Article, as enacted by Section 1 of this Act, the costs of any improvements  
16 to the streets and roads in the neighborhoods surrounding Pimlico Race Course and  
17 for the planning, design, and construction of an interchange on the Jones Falls  
18 Expressway between Northern Parkway and Interstate 695 that are recommended in  
19 the study or are needed to facilitate access to Pimlico Race Course and mitigate the  
20 increased traffic resulting from any proposed operation of video lottery terminals at  
21 Pimlico Race Course are the sole responsibility of the holder of the license issued for a  
22 location at the Pimlico Race Course, and may not be paid from any State money,  
23 including money from the Transportation Trust Fund or highway user revenues  
24 allocated to the counties.

25 SECTION 9. AND BE IT FURTHER ENACTED, That this Act may not be  
26 construed to affect the terms of the members of the State Lottery Commission  
27 appointed before the effective date of this Act. The terms of the four new members of  
28 the State Lottery Commission appointed under this Act shall expire as follows:

- 29 (1) one member in 2009;
- 30 (2) one member in 2010; and
- 31 (3) two members in 2011.

32 SECTION 10. AND BE IT FURTHER ENACTED, That Section 2 of this Act  
33 shall take effect June 1, 2007. It shall remain effective for a period of 2 years following  
34 the award of the seventh video lottery operation license and with no further action  
35 required by the General Assembly, Section 2 of this Act shall be abrogated and of no  
36 further force and effect. On award of the seventh video lottery operation license, the  
37 Video Lottery Facility Location Commission within 5 days after the award shall notify



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

3 SECTION 11. 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 2  
5 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 12. AND BE IT FURTHER ENACTED, That, subject to the  
10 provisions of Sections 10 and 11 of this Act, this Act shall take effect June 1, 2007.