

**SB0892/709636/1**

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 892  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, at the top of the page, insert “CONSTITUTIONAL AMENDMENT”; in the sponsor line, strike “and Robey” and substitute “Robey, and Klausmeier”; in line 5, after “County;” insert “requiring, after a certain date, certain video lottery terminal devices be owned or leased by certain video lottery operation licenses;”; in line 9, strike “altering” and substitute “establishing”; in the same line, strike “pays” and substitute “must pay”; in line 10, after “terminals” insert “at certain locations”; strike beginning with “creating” in line 12 down through “law;” in line 20; and strike beginning with “specifying” in line 25 down through “County;” in line 27.

On page 2, in line 2, after “circumstances;” insert “providing for the calculation of net taxable income for the calculation of certain State aid for education beginning in a certain fiscal year; providing for the calculation of a grant resulting from certain calculations; altering the uses of the Education Trust Fund; prohibiting the Video Lottery Facility Location Commission from awarding a video lottery facility operation license for a facility in a county where a majority of the voters voting on a certain referendum voted against the referred law; proposing an amendment to the Maryland Constitution to provide that, in a certain referendum on the approval of an additional form or expansion of commercial gaming in a single county or Baltimore City, the additional form or expansion of commercial gaming must receive approval by a majority of the qualified voters of the affected county or Baltimore City; submitting the amendment to the qualified voters of the State for their adoption or rejection; making a certain provision of this Act contingent on the adoption of a certain constitutional amendment;”; in line 3, after “submitting” insert “certain provisions of”; in line 4, after “rejection;” insert “providing for a delayed effective date for certain provisions of this Act;”; strike beginning with “BY” in line 6 down through “Supplement)” in line 20; in line 23, after “Section” insert “9-1A-02(c)(1).”; in the same line, after “(d),” insert “9-1A-21(a).”; in the same line, strike “and 9-1A-36(f) through

(Over)

(j)” and substitute “9-1A-30(c), and 9-1A-36(f), (g), (h), (i)”;

strike beginning with “BY” in line 27 down through “Supplement)” in line 31; after line 31, insert:

“BY proposing an amendment to the Maryland Constitution  
Article XIX - Video Lottery Terminals  
Section 1

BY repealing and reenacting, with amendments,  
Article - Education  
Section 5-202(a)(9)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2011 Supplement)

BY adding to  
Article - Education  
Section 5-202(a-1)  
Annotated Code of Maryland  
(2008 Replacement Volume and 2011 Supplement)”.

On pages 2 through 3, strike in their entirety the lines beginning with line 34 on page 2 through line 10 on page 3, inclusive.

AMENDMENT NO. 2

On page 3, after line 11, insert:

“9-1A-02.

(c) (1) This subtitle authorizes the operation of video lottery terminals [owned or leased by the State] that are connected to a central monitor and control system owned or leased by the State that allows the Commission to monitor a video lottery terminal.”.

AMENDMENT NO. 3

On page 4, after line 9, insert:

“9-1A-21.

(a) **(1) [Each] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, EACH video lottery terminal device, the central monitor and control system, and the associated equipment and software shall be:**

**[(1)] (I) owned or leased by the Commission; and**

**[(2)] (II) under the control of the Commission.**

**(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH AFTER JUNE 30, 2013, EACH VIDEO LOTTERY TERMINAL DEVICE AND THE ASSOCIATED EQUIPMENT AND SOFTWARE SHALL BE OWNED OR LEASED BY THE VIDEO LOTTERY OPERATION LICENSEE.**

**(II) FOR A VIDEO LOTTERY FACILITY LOCATED IN ALLEGANY COUNTY, EACH VIDEO LOTTERY TERMINAL DEVICE AND THE ASSOCIATED EQUIPMENT AND SOFTWARE SHALL BE OWNED OR LEASED BY THE COMMISSION.”.**

AMENDMENT NO. 4

On page 7, in line 15, strike “40%”; strike beginning with the bracket in line 15 down through the comma in line 16 and substitute “, A PERCENTAGE”; in line 16, after “exceed” insert “:

**(I) ON OR BEFORE JUNE 30, 2013,”;**

(Over)

in the same line, strike the bracket; and in the same line, after the semicolon insert:

“(II) ON OR AFTER JULY 1, 2013, 41%; OR

(III) IF A LICENSE IS ISSUED FOR A SIXTH VIDEO LOTTERY FACILITY, 48%.”.

AMENDMENT NO. 5

On page 8, in line 13, after “section” insert “, EXCEPT THAT THE VIDEO LOTTERY OPERATION LICENSEE IN ALLEGANY COUNTY SHALL RECEIVE 40% OF THE PROCEEDS FROM VIDEO LOTTERY TERMINALS AT THE VIDEO LOTTERY FACILITY IN ALLEGANY COUNTY”; in line 22, strike “40%” and substitute “48%”; strike beginning with the first “TO” in line 23 down through “COUNTY” in line 24 and substitute “IN LOCAL IMPACT GRANTS, IN ACCORDANCE WITH § 9-1A-31 OF THIS SUBTITLE”; strike in their entirety lines 25 through 29, inclusive; and in line 30, strike “(6)” and substitute “(4)”.

On page 9, in line 1, strike “(7)” and substitute “(5)”; and in line 3, after “(D)” insert:

“ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, THE COMPTROLLER SHALL PAY THE FOLLOWING AMOUNTS FROM THE PROCEEDS OF TABLE GAMES AT EACH VIDEO LOTTERY FACILITY:

(1) 10% TO THE LOCAL JURISDICTION IN WHICH THE VIDEO LOTTERY FACILITY IS LOCATED; AND

(2) 90% TO THE VIDEO LOTTERY OPERATION LICENSEE.

(E)”.

AMENDMENT NO. 6

On page 9, after line 8, insert:

“9-1A-30.

(c) Money in the Education Trust Fund shall be used to:

(1) provide funding for public elementary and secondary education, through:

(I) continuation of the funding and formulas established under the programs commonly known as the Bridge to Excellence in Public Schools Act, first enacted by Chapter 288 of the Acts of the General Assembly of 2002, including the funding for regional differences in the cost of education under § 5-202(f) of the Education Article; AND

(II) ADJUSTMENTS TO THE NET TAXABLE INCOME CALCULATION UNDER § 5-202(A) OF THE EDUCATION ARTICLE USED TO CALCULATE STATE EDUCATION AID FORMULAS THAT USE WEALTH, INCLUDING A GRANT TO ASSIST COUNTIES THAT WOULD RECEIVE LESS STATE AID AS A RESULT OF THE CALCULATION BASED ON TAX RETURNS FILED ON OR BEFORE NOVEMBER 1;

(2) provide funds to construct public school buildings and provide public school capital improvements in accordance with §§ 5-301 through 5-303 of the Education Article; [and]

(3) provide funds for capital projects at community colleges and public senior higher education institutions; AND

(Over)

**(4) EXPAND PUBLIC EARLY CHILDHOOD EDUCATION PROGRAMS IN THE STATE.**

On pages 9 and 10, strike in their entirety the lines beginning with line 9 on page 9 through line 10 on page 10, inclusive.

**AMENDMENT NO. 7**

On page 10, strike in their entirety lines 16 through 23, inclusive.

**AMENDMENT NO. 8**

On page 13, strike in their entirety lines 11 through 34, inclusive.

**AMENDMENT NO. 9**

On page 14, after line 22, insert:

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

**Article – State Government**

**9-1A-36.**

**(g) The Video Lottery Facility Location Commission may not:**

**(1) award more than one video lottery facility operation license in a single county or Baltimore City; OR**

**(2) AWARD A VIDEO LOTTERY FACILITY OPERATION LICENSE FOR A FACILITY IN A COUNTY WHERE A MAJORITY OF THE VOTERS VOTING ON A REFERENDUM AUTHORIZING AN EXPANSION OF GAMING VOTED AGAINST THE REFERRED LAW.**

SECTION 4. AND BE IT FURTHER ENACTED, (Three-fifths of all the members elected to each of the two Houses concurring), That it be proposed that the Maryland Constitution read as follows:

Article XIX – Video Lottery Terminals

1.

(a) This article does not apply to:

(1) Lotteries conducted under Title 9, Subtitle 1 of the State Government Article of the Annotated Code of Maryland;

(2) Wagering on horse racing conducted under Title 11 of the Business Regulation Article of the Annotated Code of Maryland; or

(3) Gaming conducted under Title 12 or Title 13 of the Criminal Law Article of the Annotated Code of Maryland.

(b) In this article, “video lottery operation license” means a license issued to a person that allows players to operate video lottery terminals.

(c) (1) Except as provided in subsection (e) of this section, the State may issue up to five video lottery operation licenses throughout the State for the primary purpose of raising revenue for:

(i) Education for the children of the State in public schools, prekindergarten through grade 12;

(ii) Public school construction and public school capital improvements; and

(Over)

(iii) Construction of capital projects at community colleges and public senior higher education institutions.

(2) Except as provided in subsection (e) of this section, the State may not authorize the operation of more than 15,000 video lottery terminals in the State.

(3) Except as provided in subsection (e) of this section, a video lottery operation license only may be awarded for a video lottery facility in the following locations:

(i) Anne Arundel County, within 2 miles of MD Route 295;

(ii) Cecil County, within 2 miles of Interstate 95;

(iii) Worcester County, within 1 mile of the intersection of Route 50 and Route 589;

(iv) On State property located within Rocky Gap State Park in Allegany County; or

(v) Baltimore City, if the video lottery facility is:

1. Located:

A. In a nonresidential area;

B. Within one-half mile of Interstate 95;

C. Within one-half mile of MD Route 295; and



D. On property that is owned by Baltimore City on the date on which the application for a video lottery operation license is submitted; and

2. Not adjacent to or within one-quarter mile of property that is:

A. Zoned for residential use; and

B. Used for a residential dwelling on the date the application for a video lottery operation license is submitted.

(4) Except as provided in subsection (e) of this section, the State may not award more than one video lottery operation license in a single county or Baltimore City.

(5) A video lottery facility shall comply with all applicable planning and zoning laws of the local jurisdiction.

(d) Except as provided in subsection (e) of this section, on or after November 15, 2008, the General Assembly may not authorize any additional forms or expansion of commercial gaming.

(e) The General Assembly may only authorize additional forms or expansion of commercial gaming if approval is granted through a referendum, authorized by an act of the General Assembly, in a general election by:

(1) a majority of the qualified voters in the State; AND

(2) IF THE ADDITIONAL FORM OR EXPANSION OF COMMERCIAL GAMING IS PROPOSED FOR A SINGLE COUNTY OR BALTIMORE CITY, BY A

MAJORITY OF THE QUALIFIED VOTERS OF THE AFFECTED COUNTY OR BALTIMORE CITY.

(f) The General Assembly may, from time to time, enact such laws not inconsistent with this section, as may be necessary and proper to carry out its provisions.

SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Education

5-202.

(a) (9) “Net taxable income” means the amount certified by the State Comptroller for the second completed calendar year before the school year for which the calculation of State aid under this section is made, based on tax returns filed on or before [September] NOVEMBER 1 after this calendar year.

(A-1) (1) IN THIS SUBSECTION, “NET TAXABLE INCOME ADJUSTMENT” MEANS, WITH RESPECT TO EDUCATION FORMULAS THAT USE WEALTH TO CALCULATE THE AMOUNT OF STATE AID, THE DECREASE IN STATE AID THAT RESULTS FROM THE DIFFERENCE IN THE NET TAXABLE INCOME CALCULATED BASED ON TAX RETURNS FILED ON OR BEFORE SEPTEMBER 1 AND NOVEMBER 1.

(2) BEGINNING IN FISCAL YEAR 2016, THE AMOUNT THAT RESULTS FROM THE CALCULATION OF THE NET TAXABLE INCOME ADJUSTMENT SHALL BE PROVIDED AS A GRANT TO EACH COUNTY THAT WOULD RECEIVE LESS STATE AID FOR EDUCATION USING TAX RETURNS FILED ON OR BEFORE NOVEMBER 1 INSTEAD OF SEPTEMBER 1.”.

AMENDMENT NO. 10

On page 14, in line 6, after “Commission” insert “and subject to § 9-1A-27(d) of the State Government Article”; in line 23, strike “3.” and substitute “6.”; in line 28, strike “4” and substitute “7”; in line 31, strike “4.” and substitute “7.”.

AMENDMENT NO. 11

On page 15, after line 5, insert:

“SECTION 8. AND BE IT FURTHER ENACTED, That the General Assembly determines that the amendment to the Maryland Constitution proposed by Section 4 of this Act affects multiple jurisdictions and that the provisions of Article XIV, § 1 of the Maryland Constitution concerning local approval of constitutional amendments do not apply.

SECTION 9. AND BE IT FURTHER ENACTED, That Section 4 of this Act proposed as an amendment to the Maryland Constitution shall be submitted to the qualified voters of the State at the next general election to be held in November, 2012 for their adoption or rejection pursuant to Article XIV of the Maryland Constitution. At that general election, the vote on this proposed amendment to the Constitution shall be by ballot, and upon each ballot there shall be printed the words “For the Constitutional Amendment” and “Against the Constitutional Amendment,” as now provided by law. Immediately after the election, all returns shall be made to the Governor of the vote for and against the proposed amendment, as directed by Article XIV of the Maryland Constitution, and further proceedings had in accordance with Article XIV.

SECTION 10. AND BE IT FURTHER ENACTED, That Section 3 of this Act is contingent on the passage of Section 4 of this Act, a constitutional amendment, and its ratification by the voters of the State.

SECTION 11. AND BE IT FURTHER ENACTED, That, subject to the provisions of Section 10 of this Act, Section 3 of this Act shall take effect on the proclamation of the Governor that the constitutional amendment proposed by Section 4 of this Act, having received a majority of the votes cast at the general election, has been adopted by the people of Maryland.

SECTION 12. AND BE IT FURTHER ENACTED, That, Section 5 of this Act shall take effect July 1, 2015.”;

in line 6, strike “5.” and substitute “13.”; in line 7, strike “Section 4” and substitute “Sections 7 and 9 through 12”; and strike beginning with “and” in line 7 down through “Act,” in line 8.