

# HOUSE BILL 1265

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CF SB 892

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By: **Delegate Frush**

Introduced and read first time: February 13, 2012

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Video Lottery Terminals and Table Games**

3 FOR the purpose of authorizing the awarding of an additional video lottery operation  
4 license and a certain number of additional video lottery terminals for a video  
5 lottery facility in a certain location in Prince George’s County; repealing a  
6 certain prohibition against an individual or business entity owning an interest  
7 in more than one video lottery facility; repealing certain prohibitions against a  
8 video lottery operation licensee providing food or alcoholic beverages to  
9 individuals at no cost; altering the amount the Comptroller pays to a video  
10 lottery operation licensee from the proceeds of video lottery terminals;  
11 specifying the allocation of proceeds of video lottery terminals at a certain video  
12 lottery facility in Prince George’s County; creating a State Capital Account as a  
13 special, nonlapsing fund; specifying the purpose of the Account; requiring the  
14 Comptroller to account for the Account; specifying the contents of the Account;  
15 providing for the investment of money in and expenditures from the Account;  
16 requiring that investment earnings accrue to the Account; specifying that  
17 expenditures may be allocated only for certain purposes; prohibiting the Video  
18 Lottery Facility Location Commission from awarding a video lottery facility  
19 operation license for a facility in a county where a majority of the voters voting  
20 on a certain referendum voted against the referred law; repealing a certain  
21 prohibition against a holder of a video lottery operation license or any other  
22 person with a certain interest in the Ocean Downs racetrack or video lottery  
23 facility from building or operating certain structures within a certain location or  
24 offer to patrons of the video lottery facility the playing of live music or certain  
25 other live entertainment under certain conditions; specifying that certain video  
26 lottery operation license fees accrue to an economic development fund to be  
27 established by the governing body of Prince George’s County; authorizing the  
28 holder of a video lottery operation license to offer table games in the State;  
29 specifying certain distributions of proceeds of table games; prohibiting the  
30 charging of a certain license fee; specifying the types of table games that may be  
31 authorized in the State; authorizing the State Lottery Commission to determine

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the suitability of certain table games under certain circumstances; requiring  
 2 certain legislation under certain circumstances; making a certain technical  
 3 correction; submitting this Act to a referendum of the qualified voters of the  
 4 State for their adoption or rejection; and generally relating to gaming in the  
 5 State.

6 BY repealing and reenacting, without amendments,  
 7 Article – State Finance and Procurement  
 8 Section 6–226(a)(2)(i)  
 9 Annotated Code of Maryland  
 10 (2009 Replacement Volume and 2011 Supplement)

11 BY repealing and reenacting, with amendments,  
 12 Article – State Finance and Procurement  
 13 Section 6–226(a)(2)(ii)62. and 63.  
 14 Annotated Code of Maryland  
 15 (2009 Replacement Volume and 2011 Supplement)

16 BY adding to  
 17 Article – State Finance and Procurement  
 18 Section 6–226(a)(2)(ii)64.  
 19 Annotated Code of Maryland  
 20 (2009 Replacement Volume and 2011 Supplement)

21 BY repealing and reenacting, with amendments,  
 22 Article – State Government  
 23 Section 9–1A–05(a) and (d), 9–1A–24, 9–1A–27, and 9–1A–36(f) through (j) and  
 24 (q)(1)  
 25 Annotated Code of Maryland  
 26 (2009 Replacement Volume and 2011 Supplement)

27 BY adding to  
 28 Article – State Government  
 29 Section 9–1A–35.1  
 30 Annotated Code of Maryland  
 31 (2009 Replacement Volume and 2011 Supplement)

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

34 **Article – State Finance and Procurement**

35 6–226.

36 (a) (2) (i) Notwithstanding any other provision of law, and unless  
 37 inconsistent with a federal law, grant agreement, or other federal requirement or with  
 38 the terms of a gift or settlement agreement, net interest on all State money allocated

1 by the State Treasurer under this section to special funds or accounts, and otherwise  
2 entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue  
3 to the General Fund of the State.

4 (ii) The provisions of subparagraph (i) of this paragraph do not  
5 apply to the following funds:

6 62. Veterans Trust Fund; [and]

7 63. Transportation Trust Fund; AND

8 64. STATE CAPITAL ACCOUNT FOR THE  
9 DEVELOPMENT AND CONSTRUCTION OF A HOSPITAL IN PRINCE GEORGE'S  
10 COUNTY.

### 11 Article – State Government

12 9–1A–05.

13 (a) The Video Lottery Facility Location Commission established under §  
14 9–1A–36 of this subtitle may not:

15 (1) award more than [five] SIX video lottery operation licenses;

16 (2) award more than [15,000] 19,750 video lottery terminals for  
17 operation at video lottery facilities in the State;

18 (3) subject to the requirements of § 9–1A–36(h) and (i) of this subtitle,  
19 award more than 4,750 terminals for operation at any video lottery facility; and

20 (4) for a location in Allegany County:

21 (i) award a video lottery operation license to an applicant that  
22 does not agree to purchase the Rocky Gap Lodge and Resort; and

23 (ii) notwithstanding § 9–1A–36(i)(2) of this subtitle, award more  
24 than 1,000 video lottery terminals for operation at a video lottery facility in Allegany  
25 County.

26 (d) (1) In this subsection, “owner” includes any type of owner or  
27 beneficiary of a business entity, including an officer, director, principal employee,  
28 partner, investor, stockholder, or beneficial owner of the business entity and,  
29 notwithstanding any other provisions of this subtitle, including a person having any  
30 ownership interest regardless of the percentage of ownership interest.

1           (2)    An individual or business entity may [not] own an interest in more  
2 than one video lottery facility.

3           (3)    A member of the Senate of Maryland or the House of Delegates  
4 may not be an owner or an employee of any business entity that holds a video lottery  
5 operation license.

6           (4)    Notwithstanding paragraphs (1) and (2) of this subsection, an  
7 individual or business entity may enter into a management agreement to operate a  
8 facility located in Allegany County that it does not own, subject to the approval of the  
9 Video Lottery Facility Location Commission and the State Lottery Commission.

10 9-1A-24.

11           (a)    [Except as provided in subsection (b) of this section, the] **THE**  
12 Commission shall ensure that a video lottery operation licensee complies with the  
13 requirements of this section as a condition of holding the video lottery operation  
14 license.

15           **[(b) (1)]**    The county alcoholic beverages licensing authority for the county  
16 in which a video lottery facility is located shall ensure that the video lottery licensee  
17 complies with the requirements of this subsection.

18           (2)    Except as provided in paragraph (4) of this subsection, a video  
19 lottery operation licensee may not provide food or alcoholic beverages to individuals at  
20 no cost.

21           (3)    Any food or alcoholic beverages offered by a video lottery operation  
22 licensee for sale to individuals may be offered only at prices that are determined by  
23 the county alcoholic beverages licensing authority to be commensurate with the price  
24 of similar types of food and alcoholic beverages at restaurants in the county in which  
25 the video lottery facility is located.

26           (4)    A video lottery operation licensee may provide food at no cost to  
27 individuals to the same extent allowed under Article 2B, § 12-106 of the Code for a  
28 person engaged in the sale or barter of spirituous, malt, or intoxicating liquors and  
29 licensed under the laws of Maryland.]

30           **[(c) (B)]**    A video lottery operation licensee shall ensure that intoxicated  
31 individuals and individuals under the age of 21 years are not allowed to play video  
32 lottery terminals and are not allowed in areas of the video lottery facility where video  
33 lottery terminals are located.

34           **[(d) (C)]**    (1)    By regulation, the Commission shall provide for the  
35 establishment of a list of individuals who are to be mandatorily excluded or ejected by

1 a video lottery operation licensee from any video lottery operation licensed under this  
2 subtitle.

3 (2) The regulations under this subsection shall define the standards  
4 for exclusion or ejection and shall include standards relating to individuals:

5 (i) who are career offenders as defined by regulations adopted  
6 by the Commission;

7 (ii) who have been convicted of a criminal offense under the  
8 laws of the United States or any jurisdiction within the United States that is a  
9 criminal offense involving moral turpitude or a gambling offense; or

10 (iii) whose presence in the establishment of a licensee would be  
11 adverse to the interest of the State, the licensee, or the person.

12 (3) The Commission may impose sanctions on a licensee in accordance  
13 with this subtitle if the licensee knowingly fails to exclude or eject from the premises  
14 of the licensee an individual placed by the Commission on the list of individuals to be  
15 excluded or ejected.

16 (4) An order under this subsection is subject to judicial review.

17 **[(e)] (D)** (1) By regulation, the Commission shall adopt measures that  
18 are intended to reduce or mitigate the effects of problem gambling.

19 (2) The regulations shall:

20 (i) include establishment of a voluntary exclusion list of  
21 individuals with gambling problems who have requested to be excluded from any video  
22 lottery operation licensed under this subtitle; and

23 (ii) provide a simple mechanism for an individual who is sober  
24 and informed to request placement on the voluntary exclusion list for a specified  
25 period of time.

26 (3) A video lottery operation licensee may not permit an individual on  
27 the voluntary exclusion list to enter into the video lottery facility or to play a video  
28 lottery terminal.

29 (4) The Commission may impose sanctions on a licensee in accordance  
30 with this subtitle if the licensee knowingly fails to exclude from the premises of the  
31 licensee an individual on the voluntary exclusion list.

32 **[(f)] (E)** In order to protect the public interest, the regulations shall include  
33 provisions that:

1 (1) limit the number and location of and maximum withdrawal  
2 amounts from automated teller machines;

3 (2) require payouts above an amount adopted by the Commission to be  
4 made by check;

5 (3) require conspicuous disclosures related to the payout of video  
6 lottery terminals;

7 (4) limit the dollar amount that video lottery terminals will accept;

8 (5) prohibit the use of specified negotiable instruments at video lottery  
9 facilities and the use of credit cards, debit cards, and similar devices in video lottery  
10 terminals;

11 (6) provide consumers with a record of video lottery terminal spending  
12 levels if marketing measures are utilized that track consumer spending at video  
13 lottery facilities;

14 (7) prohibit consumers from cashing paychecks at video lottery  
15 facilities; and

16 (8) prohibit video lottery operation licensees from engaging in or  
17 contracting with another to engage in predatory marketing practices.

18 **[(g)] (F)** (1) A video lottery operation licensee may not, directly or  
19 indirectly, interfere with, hinder, obstruct, impede, or take any action to delay the  
20 implementation or establishment of a video lottery facility by any other licensee or  
21 applicant for a video lottery operation license awarded or issued under this subtitle.

22 (2) (i) The Commission shall adopt regulations, to the fullest  
23 extent allowed by the first amendment of the Constitution of the United States, to  
24 carry out the provisions of this subsection.

25 (ii) The regulations adopted under this subsection shall include  
26 provisions:

27 1. that expressly prohibit:

28 A. taking any of the actions described in paragraph (1) of  
29 this subsection relating to the issuance of required State or local governmental  
30 approvals for the establishment of a video lottery facility; or

31 B. providing funding or other material support to engage  
32 in any of the actions described in paragraph (1) of this subsection;

33 2. that prohibit, as unlawful indirect conduct, activity:

1                   A.     by an entity in which the licensee owns a beneficial or  
2 proprietary interest; or

3                   B.     by an entity in which an affiliate of the licensee owns  
4 a beneficial or proprietary interest; and

5                   3.     that allow the Commission to impose sanctions and  
6 penalties in accordance with § 9–1A–25 of this subtitle if a licensee knowingly violates  
7 paragraph (1) of this subsection.

8 9–1A–27.

9           (a)     Except as provided in [subsection (b)] **SUBSECTIONS (B) AND (C)** of this  
10 section, on a properly approved transmittal prepared by the Commission, the  
11 Comptroller shall pay the following amounts from the proceeds of video lottery  
12 terminals at each video lottery facility:

13                   (1)     2% to the State Lottery Agency for costs as defined in § 9–1A–01 of  
14 this subtitle;

15                   (2)     **40%** to the video lottery operation licensee[, the percentage stated  
16 in the accepted application for the location, not to exceed 33%];

17                   (3)     5.5% in local impact grants, in accordance with § 9–1A–31 of this  
18 subtitle;

19                   (4)     7% to the Purse Dedication Account established under § 9–1A–28  
20 of this subtitle, not to exceed a total of \$100,000,000 to the Account annually;

21                   (5)     for the first 8 years of operations at a video lottery facility, 2.5% to  
22 the Racetrack Facility Renewal Account established under § 9–1A–29 of this subtitle,  
23 not to exceed a total of \$40,000,000 to the Account annually;

24                   (6)     1.5% to the Small, Minority, and Women–Owned Businesses  
25 Account established under § 9–1A–35 of this subtitle; and

26                   (7)     the remainder to the Education Trust Fund established under §  
27 9–1A–30 of this subtitle.

28           (b)     (1)     For the first 10 years of operations at a video lottery facility in  
29 Allegany County, on a properly approved transmittal prepared by the Commission, the  
30 Comptroller shall pay the following amounts from the proceeds of video lottery  
31 terminals at a video lottery facility in Allegany County:

32                   (i)     2% to the State Lottery Agency for costs as defined in §  
33 9–1A–01 of this subtitle;

1 (ii) to the video lottery operation licensee, the percentage stated  
2 in the accepted application for the location, not to exceed 50%;

3 (iii) 2.75% in local impact grants, in accordance with § 9-1A-31  
4 of this subtitle;

5 (iv) 2.5% to the Purse Dedication Account established under §  
6 9-1A-28 of this subtitle;

7 (v) 0.75% to the Small, Minority, and Women-Owned  
8 Businesses Account established under § 9-1A-35 of this subtitle; and

9 (vi) the remainder to the Education Trust Fund established  
10 under § 9-1A-30 of this subtitle.

11 (2) After the first 10 years of operations at a video lottery facility in  
12 Allegany County, the proceeds generated at the facility in Allegany County shall be  
13 allocated as provided in subsection (a) of this section.

14 **(C) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE**  
15 **COMMISSION, THE COMPTROLLER SHALL PAY THE FOLLOWING AMOUNTS FROM**  
16 **THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT A VIDEO LOTTERY FACILITY**  
17 **IN PRINCE GEORGE'S COUNTY:**

18 **(1) 2% TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED**  
19 **IN § 9-1A-01 OF THIS SUBTITLE;**

20 **(2) TO THE VIDEO LOTTERY OPERATION LICENSEE, THE**  
21 **PERCENTAGE STATED IN THE ACCEPTED APPLICATION FOR THE LOCATION, NOT**  
22 **TO EXCEED 40%;**

23 **(3) 5.5% TO AN ECONOMIC DEVELOPMENT INCENTIVE FUND, TO**  
24 **BE ESTABLISHED BY THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY;**

25 **(4) 7% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED**  
26 **UNDER § 9-1A-28 OF THIS SUBTITLE;**

27 **(5) 2.5% TO A STATE CAPITAL ACCOUNT FOR THE DEVELOPMENT**  
28 **AND CONSTRUCTION OF A NEW HOSPITAL IN PRINCE GEORGE'S COUNTY, NOT**  
29 **TO EXCEED A TOTAL OF \$200,000,000 IN THE ACCOUNT;**

30 **(6) 1.5% TO THE SMALL, MINORITY, AND WOMEN-OWNED**  
31 **BUSINESSES ACCOUNT ESTABLISHED UNDER § 9-1A-35 OF THIS SUBTITLE; AND**



1           **(7) THE REMAINDER TO THE EDUCATION TRUST FUND**  
2 **ESTABLISHED UNDER § 9-1A-30 OF THIS SUBTITLE.**

3           **[(c)] (D)** (1) If the costs of the State Lottery Agency are less than the  
4 proceeds specified in subsection (a)(1) of this section, any amount not distributed to  
5 the State Lottery Agency shall be paid to the Education Trust Fund established under  
6 § 9-1A-30 of this subtitle.

7           (2) The costs of the Commission shall be as provided in the State  
8 budget.

9 **9-1A-35.1.**

10           **(A) THERE IS A STATE CAPITAL ACCOUNT FOR THE DEVELOPMENT AND**  
11 **CONSTRUCTION OF A HOSPITAL IN PRINCE GEORGE'S COUNTY.**

12           **(B) THE ACCOUNT CONSISTS OF:**

13           **(1) THE INITIAL LICENSE FEES THAT ARE SUBMITTED WITH**  
14 **APPLICATIONS FOR A VIDEO LOTTERY FACILITY IN PRINCE GEORGE'S COUNTY,**  
15 **AS PROVIDED UNDER § 9-1A-36(J) OF THIS SUBTITLE;**

16           **(2) 2.5% OF PROCEEDS OF VIDEO LOTTERY TERMINALS OF A**  
17 **VIDEO LOTTERY FACILITY IN PRINCE GEORGE'S COUNTY AS PROVIDED UNDER**  
18 **§ 9-1A-27(C)(5) OF THIS SUBTITLE;**

19           **(3) INVESTMENT EARNINGS OF THE ACCOUNT; AND**

20           **(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
21 **THE BENEFIT OF THE ACCOUNT.**

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

25           **(D) THE COMPTROLLER SHALL:**

26           **(1) ACCOUNT FOR THE ACCOUNT; AND**

27           **(2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE**  
28 **STATE LOTTERY COMMISSION, ISSUE A WARRANT TO PAY OUT MONEY FROM**  
29 **THE ACCOUNT IN THE MANNER PROVIDED UNDER THIS SECTION.**

1           **(E) THE ACCOUNT IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
2 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

3           **(F) EXPENDITURES FROM THE ACCOUNT SHALL ONLY BE MADE ON A**  
4 **PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION AND**  
5 **SHALL ONLY BE ALLOCATED TO:**

6                   **(1) ASSIST IN THE CAPITAL AND OPERATING FUNDING**  
7 **NECESSARY TO SUPPORT THE TRANSFER OF A HOSPITAL IN PRINCE GEORGE'S**  
8 **COUNTY TO A NEW ENTITY; AND**

9                   **(2) ADDRESS ANY LONG TERM LIABILITIES INVOLVED IN THE**  
10 **TRANSFER.**

11 9-1A-36.

12           (f) The Video Lottery Facility Location Commission may award not more  
13 than [five] **SIX** video lottery operation licenses to qualified applicants, through a  
14 competitive process consistent with the process for competitive sealed proposals under  
15 Title 13 of the State Finance and Procurement Article.

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

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

19                   **(2) AWARD A VIDEO LOTTERY FACILITY OPERATION LICENSE FOR**  
20 **A FACILITY IN A COUNTY WHERE A MAJORITY OF THE VOTERS VOTING ON THE**  
21 **REFERENDUM AUTHORIZED BY CHAPTER \_\_\_\_ (S.B. \_\_\_\_)(2LR1089) OF THE**  
22 **ACTS OF THE GENERAL ASSEMBLY OF 2012 VOTED AGAINST THE REFERRED**  
23 **LAW.**

24           (h) (1) In order to qualify for a video lottery operation license under this  
25 section, a proposed video lottery facility shall be located in one of the following  
26 counties:

27                   (i) a location in Anne Arundel County, within 2 miles of MD  
28 Route 295;

29                   (ii) a location in Cecil County, within 2 miles of Interstate 95;

30                   (iii) a location on State property associated with the Rocky Gap  
31 State Park in Allegany County;

1 (iv) a location in Worcester County, within 1 mile of the  
2 intersection of Route 50 and Route 589; [or]

3 (v) a location in Baltimore City that is:

4 1. located:

5 A. in a nonresidential area;

6 B. within one-half mile of Interstate 95;

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

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

10 2. not adjacent to or within one-quarter mile of property  
11 that is:

12 A. zoned for residential use; and

13 B. used for a residential dwelling on the date the  
14 application for a video lottery operation license is submitted; **OR**

15 **(VI) A LOCATION IN PRINCE GEORGE'S COUNTY WITHIN 4**  
16 **MILES OF THE INTERSECTION OF BOCK ROAD AND ST. BARNABAS ROAD.**

17 (2) Nothing in this subtitle may be construed to preempt the exclusive  
18 authority of the Video Lottery Facility Location Commission to award video lottery  
19 operation licenses in accordance with this subtitle.

20 (3) (i) With respect to a video lottery operation license awarded to  
21 a location under paragraph (1)(iv) of this subsection, the holder of the video lottery  
22 operation license or any other person with a direct or indirect legal or financial  
23 interest in the Ocean Downs racetrack or video lottery facility may not:

24 1. build any type of hotel, motel, or other public lodging  
25 accommodation on or within 10 miles of the property owned by the holder of the  
26 license on which a video lottery facility is operated; **OR**

27 2. convert an existing facility on or within 10 miles of  
28 the property described in item 1 of this subparagraph into any type of hotel, motel, or  
29 other public lodging accommodation[;];

1                   3.     build or operate a conference center or convention  
2 center, amusement park, amusement rides, arcade, or miniature golf course on or  
3 within 10 miles of the property described in item 1 of this subparagraph; or

4                   4.     offer to patrons of the video lottery facility the playing  
5 of live music, floor shows, dancing, dancing exhibitions, performances, or any other  
6 form of live entertainment in or near the video lottery facility, provided that the holder  
7 of the video lottery operation license for the location under paragraph (1)(iv) of this  
8 subsection or another person with a direct or indirect legal or financial interest in the  
9 Ocean Downs racetrack or the video lottery facility may allow:

10                   A.     live fireworks displays to be conducted on the  
11 property; and

12                   B.     a single piano that is played by an individual].

13                   (ii)    The prohibitions under subparagraph (i) of this paragraph  
14 apply to any subsequent holder of a video lottery operation license awarded under  
15 paragraph (1)(iv) of this subsection.

16                   (i)    (1)    Except as provided in paragraphs (2) and (3) of this subsection, the  
17 Video Lottery Facility Location Commission may not allocate more than the following  
18 number of video lottery terminals for:

19                   (i)    a location in Anne Arundel County – 4,750 video lottery  
20 terminals;

21                   (ii)   a location in Baltimore City – 3,750 video lottery terminals;

22                   (iii)  a location in Cecil County – 2,500 video lottery terminals;

23                   **(IV) A LOCATION IN PRINCE GEORGE’S COUNTY — 4,750**  
24 **VIDEO LOTTERY TERMINALS;**

25                   [(iv)] **(V)**    a location in Rocky Gap State Park (Allegany County)  
26 – 1,000 video lottery terminals; and

27                   [(v)] **(VI)**   a location in Worcester County – 2,500 video lottery  
28 terminals.

29                   (2)    The Video Lottery Facility Location Commission may allocate  
30 video lottery terminals in a manner that is different from the allocation provided in  
31 paragraph (1) of this subsection on a determination that the market factors and other  
32 factors evaluated under subsection (k) of this section warrant the different allocation,  
33 provided that no one location may be allocated more than 4,750 video lottery  
34 terminals.

1           (3)   (i)   Beginning with the termination date for the Video Lottery  
2 Facility Location Commission and every 3 years thereafter, if all of the video lottery  
3 terminals authorized under this subtitle are not allocated or have been allocated but  
4 are not in regular operation, the State Lottery Commission may allocate or reallocate  
5 video lottery terminals to video lottery operation licensees in a manner that ensures  
6 that the highest potential revenues are achieved.

7                       (ii)   In determining the highest potential revenues to be achieved  
8 by additional video lottery terminals at each potential location, the State Lottery  
9 Commission shall consider the market performance of the existing video lottery  
10 terminals at each location.

11           (j)   (1)   (i)   Except as provided in subparagraph (ii) of this paragraph,  
12 an application submitted for a video lottery operation license under this section shall  
13 include an initial license fee in the application of at least \$3,000,000 for each 500 video  
14 lottery terminals included in the application.

15                       (ii)   For an application submitted for a video lottery operation  
16 license in Allegany County, the initial license fee for up to 500 video lottery terminals  
17 shall be waived.

18           (2)   All initial license fees submitted under this subtitle shall accrue to:

19                       (I)   the Education Trust Fund established under § 9-1A-30 of  
20 this subtitle; **OR**

21                       (II)   **FROM THE INITIAL LICENSE FEE SUBMITTED WITH AN**  
22 **APPLICATION FOR A VIDEO LOTTERY OPERATION LICENSE FOR THE PROPOSED**  
23 **VIDEO LOTTERY FACILITY IN A LOCATION IN PRINCE GEORGE'S COUNTY, AN**  
24 **ECONOMIC DEVELOPMENT FUND TO BE ESTABLISHED BY THE GOVERNING BODY**  
25 **OF PRINCE GEORGE'S COUNTY.**

26           (3)   (i)   An application submitted for a video lottery operation  
27 license under this section shall provide for at least \$25,000,000 in direct investment by  
28 the applicant in construction and related costs for each 500 video lottery terminals  
29 contained in the proposed application that shall be prorated based on the exact  
30 number of video lottery terminals contained in the application.

31                       (ii)   For an application submitted for a video lottery operation  
32 license in Allegany County, the purchase price for the Rocky Gap Lodge and Resort  
33 shall be counted in the calculation of the applicant's direct investment under this  
34 paragraph, as determined by the Video Lottery Facility Location Commission.

35           (q)   (1)   Nothing in this subtitle may be construed to require the Video  
36 Lottery Facility Location Commission to award all [five] **SIX** video lottery operation  
37 licenses authorized under this subtitle.

1 SECTION 2. AND BE IT FURTHER ENACTED, That:

2 (a) (1) The State may authorize a holder of a video lottery operation  
3 license under Article XIX of the Maryland Constitution to offer table games to the  
4 public in the State.

5 (2) On a properly approved transmittal prepared by the State Lottery  
6 Commission, the Comptroller shall pay the proceeds from table games at each video  
7 lottery facility to the licensee of the facility.

8 (3) A holder of a video lottery operation license who offers table games  
9 may not be charged a license fee.

10 (b) Subject to subsection (c) of this section, table games authorized under  
11 subsection (a) of this section may include:

12 (1) roulette, baccarat, blackjack, craps, big six wheel, minibaccarat,  
13 poker, pai gow poker, and sic bo, or any variation and composites of such games; and

14 (2) gaming tournaments in which players compete against one another  
15 in one or more of the games authorized under item (1) of this subsection.

16 (c) The State Lottery Commission may determine the suitability of:

17 (1) the use of any variations or composites of the table games under  
18 subsection (b) of this section after an appropriate test or experimental period under  
19 terms and conditions that the Commission may deem appropriate; and

20 (2) any other game that is compatible with the public interest and  
21 suitable for casino use after an appropriate test or experimental period deemed  
22 appropriate by the Commission.

23 SECTION 3. AND BE IT FURTHER ENACTED, That the provisions of Sections  
24 1 and 2 of this Act authorize the Video Lottery Facility Location Commission to award  
25 one video lottery facility operation license in Prince George's County, and also  
26 authorize a video lottery operation licensee to offer table games in the State, with both  
27 authorizations subject to a referendum of the qualified voters of Maryland as provided  
28 in Section 4 of this Act, and upon voter approval of this Act at the general election to  
29 be held in November 2012, legislation shall be required to provide for the operation  
30 and regulation of table games at a licensed video lottery facility in the State.

31 SECTION 4. AND BE IT FURTHER ENACTED, That before this Act, which  
32 authorizes additional forms and an expansion of commercial gaming, becomes effective  
33 it shall first be submitted to a referendum of the qualified voters of the State at the  
34 general election to be held in November 2012, in accordance with Article XIX, § 1(e) of  
35 the Maryland Constitution. The State Board of Elections shall do those things

1 necessary and proper to provide for and hold the referendum required by this section.  
2 If a majority of the votes cast on the question are “For the referred law” the provisions  
3 of this Act shall become effective on the 30th day following the official canvass of votes  
4 for the referendum, but if a majority of the votes cast on the question are “Against the  
5 referred law” the provisions of this Act are of no effect and null and void.

6 SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions  
7 of Section 4 of this Act and for the sole purpose of providing for the referendum  
8 required by Section 4 of this Act, this Act shall take effect July 1, 2012.