

# SENATE BILL 892

C7

CONSTITUTIONAL AMENDMENT

2lr1089  
CF HB 1265

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By: ~~Senators Peters, Colburn, King, Madaleno, Manno, McFadden, and Robey~~  
Robey, and Klausmeier Klausmeier, and Ferguson

Introduced and read first time: February 3, 2012

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 22, 2012

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## CHAPTER \_\_\_\_\_

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; requiring, after a  
6 certain date, certain video lottery terminal devices be owned or leased by  
7 certain video lottery operation licenses; ~~repealing~~ altering a certain prohibition  
8 against an individual or business entity owning an interest in more than one  
9 video lottery facility to prohibit an individual or entity from owning an interest  
10 in more than two video lottery facilities; repealing certain prohibitions against a  
11 video lottery operation licensee providing food or alcoholic beverages to  
12 individuals at no cost; ~~altering~~ establishing the amount the Comptroller ~~pays~~  
13 must pay to a video lottery operation licensee from the proceeds of video lottery  
14 terminals at certain locations; specifying the allocation of proceeds of video  
15 lottery terminals at a certain video lottery facility in Prince George’s County;  
16 ~~creating a State Capital Account as a special, nonlapsing fund; specifying the~~  
17 ~~purpose of the Account; requiring the Comptroller to account for the Account;~~  
18 ~~specifying the contents of the Account; providing for the investment of money in~~  
19 ~~and expenditures from the Account; requiring that investment earnings accrue~~  
20 ~~to the Account; specifying that expenditures may be allocated only for certain~~  
21 ~~purposes; prohibiting the Video Lottery Facility Location Commission from~~  
22 ~~awarding a video lottery facility operation license for a facility in a county~~  
23 ~~where a majority of the voters voting on a certain referendum voted against the~~  
24 ~~referred law;~~ repealing a certain prohibition against a holder of a video lottery

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 operation license or any other person with a certain interest in the Ocean  
 2 Downs racetrack or video lottery facility from building or operating certain  
 3 structures within a certain location or offer to patrons of the video lottery  
 4 facility the playing of live music or certain other live entertainment under  
 5 certain conditions; ~~specifying that certain video lottery operation license fees~~  
 6 ~~accrue to an economic development fund to be established by the governing body~~  
 7 ~~of Prince George's County;~~ authorizing the holder of a video lottery operation  
 8 license to offer table games in the State; specifying certain distributions of  
 9 proceeds of table games; prohibiting the charging of a certain license fee;  
 10 specifying the types of table games that may be authorized in the State;  
 11 authorizing the State Lottery Commission to determine the suitability of certain  
 12 table games under certain circumstances; ~~requiring certain legislation under~~  
 13 ~~certain circumstances;~~ providing for the calculation of net taxable income for the  
 14 calculation of certain State aid for education beginning in a certain fiscal year;  
 15 providing for the calculation of a grant resulting from certain calculations;  
 16 altering the uses of the Education Trust Fund; prohibiting the Video Lottery  
 17 Facility Location Commission from awarding a video lottery facility operation  
 18 license for a facility in a county where a majority of the voters voting on a  
 19 certain referendum voted against the referred law; proposing an amendment to  
 20 the Maryland Constitution to provide that, in a certain referendum on the  
 21 approval of an additional form or expansion of commercial gaming in a single  
 22 county or Baltimore City, the additional form or expansion of commercial  
 23 gaming must receive approval by a majority of the qualified voters of the  
 24 affected county or Baltimore City; submitting the amendment to the qualified  
 25 voters of the State for their adoption or rejection; making a certain provision of  
 26 this Act contingent on the adoption of a certain constitutional amendment;  
 27 making a certain technical correction; submitting certain provisions of this Act  
 28 to a referendum of the qualified voters of the State for their adoption or  
 29 rejection; providing for a delayed effective date for certain provisions of this Act;  
 30 and generally relating to gaming in the State.

31 ~~BY repealing and reenacting, without amendments,~~  
 32 ~~Article — State Finance and Procurement~~  
 33 ~~Section 6 — 226(a)(2)(i)~~  
 34 ~~Annotated Code of Maryland~~  
 35 ~~(2009 Replacement Volume and 2011 Supplement)~~

36 ~~BY repealing and reenacting, with amendments,~~  
 37 ~~Article — State Finance and Procurement~~  
 38 ~~Section 6 — 226(a)(2)(ii)62. and 63.~~  
 39 ~~Annotated Code of Maryland~~  
 40 ~~(2009 Replacement Volume and 2011 Supplement)~~

41 ~~BY adding to~~  
 42 ~~Article — State Finance and Procurement~~  
 43 ~~Section 6 — 226(a)(2)(ii)64.~~  
 44 ~~Annotated Code of Maryland~~

1 ~~(2009 Replacement Volume and 2011 Supplement)~~

2 BY repealing and reenacting, with amendments,  
 3 Article – State Government  
 4 Section ~~9-1A-02(c)(1), 9-1A-05(a) and (d), 9-1A-21(a), 9-1A-24, 9-1A-27, and~~  
 5 ~~9-1A-36(f) through (j)~~ 9-1A-30(c), and 9-1A-36(f), (g), (h), (i) and (q)(1)  
 6 Annotated Code of Maryland  
 7 (2009 Replacement Volume and 2011 Supplement)

8 ~~BY adding to~~  
 9 ~~Article – State Government~~  
 10 ~~Section 9-1A-35.1~~  
 11 ~~Annotated Code of Maryland~~  
 12 ~~(2009 Replacement Volume and 2011 Supplement)~~

13 BY proposing an amendment to the Maryland Constitution  
 14 Article XIX – Video Lottery Terminals  
 15 Section 1

16 BY repealing and reenacting, with amendments,  
 17 Article – Education  
 18 Section 5-202(a)(9)  
 19 Annotated Code of Maryland  
 20 (2008 Replacement Volume and 2011 Supplement)

21 BY adding to  
 22 Article – Education  
 23 Section 5-202(a-1)  
 24 Annotated Code of Maryland  
 25 (2008 Replacement Volume and 2011 Supplement)

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

28 ~~**Article – State Finance and Procurement**~~

29 ~~6-226.~~

30 ~~(a) (2) (i) Notwithstanding any other provision of law, and unless~~  
 31 ~~inconsistent with a federal law, grant agreement, or other federal requirement or with~~  
 32 ~~the terms of a gift or settlement agreement, net interest on all State money allocated~~  
 33 ~~by the State Treasurer under this section to special funds or accounts, and otherwise~~  
 34 ~~entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue~~  
 35 ~~to the General Fund of the State.~~

36 ~~(ii) The provisions of subparagraph (i) of this paragraph do not~~  
 37 ~~apply to the following funds:~~

1 ~~62. Veterans Trust Fund; [and]~~

2 ~~63. Transportation Trust Fund; AND~~

3 ~~64. STATE CAPITAL ACCOUNT FOR THE~~  
 4 ~~DEVELOPMENT AND CONSTRUCTION OF A HOSPITAL IN PRINCE GEORGE'S~~  
 5 ~~COUNTY.~~

6 Article – State Government

7 9–1A–02.

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

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~~ TWO video lottery ~~facility~~ FACILITIES.

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-21.

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

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

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

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

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

24 9-1A-24.

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

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

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

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

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

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

14           **[(d)] (C)** (1) By regulation, the Commission shall provide for the  
15 establishment of a list of individuals who are to be mandatorily excluded or ejected by  
16 a video lottery operation licensee from any video lottery operation licensed under this  
17 subtitle.

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

20           (i) who are career offenders as defined by regulations adopted  
21 by the Commission;

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

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

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

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

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

34           (2) The regulations shall:

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

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

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

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

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

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

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

19 (3) require conspicuous disclosures related to the payout of video  
20 lottery terminals;

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

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

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

28 (7) prohibit consumers from cashing paychecks at video lottery  
29 facilities; and

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

32 **[(g)] (F)** (1) A video lottery operation licensee may not, directly or  
33 indirectly, interfere with, hinder, obstruct, impede, or take any action to delay the

1 implementation or establishment of a video lottery facility by any other licensee or  
2 applicant for a video lottery operation license awarded or issued under this subtitle.

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

6 (ii) The regulations adopted under this subsection shall include  
7 provisions:

8 1. that expressly prohibit:

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

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

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

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

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

19 3. that allow the Commission to impose sanctions and  
20 penalties in accordance with § 9-1A-25 of this subtitle if a licensee knowingly violates  
21 paragraph (1) of this subsection.

22 9-1A-27.

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

27 (1) 2% to the State Lottery Agency for costs as defined in § 9-1A-01 of  
28 this subtitle;

29 (2) ~~40%~~ to the video lottery operation licensee ~~the percentage stated~~  
30 ~~in the accepted application for the location, A PERCENTAGE~~ not to exceed:

31 **(I) ON OR BEFORE JUNE 30, 2013, 33%;**

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



1                                    **(III) IF A LICENSE IS ISSUED FOR A SIXTH VIDEO LOTTERY**  
2 **FACILITY, 48%;**

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

5                    (4)    7% to the Purse Dedication Account established under § 9–1A–28  
6 of this subtitle, not to exceed a total of \$100,000,000 to the Account annually;

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

10                   (6)    1.5% to the Small, Minority, and Women–Owned Businesses  
11 Account established under § 9–1A–35 of this subtitle; and

12                   (7)    the remainder to the Education Trust Fund established under §  
13 9–1A–30 of this subtitle.

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

18                                    (i)    2% to the State Lottery Agency for costs as defined in §  
19 9–1A–01 of this subtitle;

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

22                                    (iii)  2.75% in local impact grants, in accordance with § 9–1A–31  
23 of this subtitle;

24                                    (iv)  2.5% to the Purse Dedication Account established under §  
25 9–1A–28 of this subtitle;

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

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

30                    (2)    After the first 10 years of operations at a video lottery facility in  
31 Allegany County, the proceeds generated at the facility in Allegany County shall be  
32 allocated as provided in subsection (a) of this section, **EXCEPT THAT THE VIDEO**  
33 **LOTTERY OPERATION LICENSEE IN ALLEGANY COUNTY SHALL RECEIVE 40% OF**

1 THE PROCEEDS FROM VIDEO LOTTERY TERMINALS AT THE VIDEO LOTTERY  
 2 FACILITY IN ALLEGANY COUNTY.

3 (C) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE  
 4 COMMISSION, THE COMPTROLLER SHALL PAY THE FOLLOWING AMOUNTS FROM  
 5 THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT A VIDEO LOTTERY FACILITY  
 6 IN PRINCE GEORGE'S COUNTY:

7 (1) 2% TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED  
 8 IN § 9-1A-01 OF THIS SUBTITLE;

9 (2) TO THE VIDEO LOTTERY OPERATION LICENSEE, THE  
 10 PERCENTAGE STATED IN THE ACCEPTED APPLICATION FOR THE LOCATION, NOT  
 11 TO EXCEED ~~40%~~ 48%;

12 (3) ~~5.5% TO AN ECONOMIC DEVELOPMENT INCENTIVE FUND, TO~~  
 13 ~~BE ESTABLISHED BY THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY IN~~  
 14 LOCAL IMPACT GRANTS, IN ACCORDANCE WITH § 9-1A-31 OF THIS SUBTITLE;

15 (4) ~~7% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED~~  
 16 ~~UNDER § 9-1A-28 OF THIS SUBTITLE;~~

17 (5) ~~2.5% TO A STATE CAPITAL ACCOUNT FOR THE DEVELOPMENT~~  
 18 ~~AND CONSTRUCTION OF A NEW HOSPITAL IN PRINCE GEORGE'S COUNTY, NOT~~  
 19 ~~TO EXCEED A TOTAL OF \$200,000,000 IN THE ACCOUNT;~~

20 (6) (4) 1.5% TO THE SMALL, MINORITY, AND WOMEN-OWNED  
 21 BUSINESSES ACCOUNT ESTABLISHED UNDER § 9-1A-35 OF THIS SUBTITLE; AND

22 (7) (5) THE REMAINDER TO THE EDUCATION TRUST FUND  
 23 ESTABLISHED UNDER § 9-1A-30 OF THIS SUBTITLE.

24 [(c)] (D) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE  
 25 COMMISSION, THE COMPTROLLER SHALL PAY THE FOLLOWING AMOUNTS FROM  
 26 THE PROCEEDS OF TABLE GAMES AT EACH VIDEO LOTTERY FACILITY:

27 (1) 10% TO THE LOCAL JURISDICTION IN WHICH THE VIDEO  
 28 LOTTERY FACILITY IS LOCATED; AND

29 (2) 90% TO THE VIDEO LOTTERY OPERATION LICENSEE.

30 (E) (1) If the costs of the State Lottery Agency are less than the proceeds  
 31 specified in subsection (a)(1) of this section, any amount not distributed to the State

1 Lottery Agency shall be paid to the Education Trust Fund established under §  
2 9-1A-30 of this subtitle.

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

5 9-1A-30.

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

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

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

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

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

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

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

27 ~~9-1A-35.1.~~

28 ~~(A) THERE IS A STATE CAPITAL ACCOUNT FOR THE DEVELOPMENT AND~~  
29 ~~CONSTRUCTION OF A HOSPITAL IN PRINCE GEORGE'S COUNTY.~~

30 ~~(B) THE ACCOUNT CONSISTS OF:~~

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

4           ~~(2) 2.5% OF PROCEEDS OF VIDEO LOTTERY TERMINALS OF A~~  
 5 ~~VIDEO LOTTERY FACILITY IN PRINCE GEORGE'S COUNTY AS PROVIDED UNDER~~  
 6 ~~§ 9-1A-27(C)(5) OF THIS SUBTITLE;~~

7           ~~(3) INVESTMENT EARNINGS OF THE ACCOUNT; AND~~

8           ~~(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR~~  
 9 ~~THE BENEFIT OF THE ACCOUNT.~~

10          ~~(C) MONEY IN THE ACCOUNT SHALL BE INVESTED AND REINVESTED BY~~  
 11 ~~THE TREASURER AND INTEREST AND EARNINGS SHALL ACCRUE TO THE~~  
 12 ~~ACCOUNT.~~

13          ~~(D) THE COMPTROLLER SHALL:~~

14           ~~(1) ACCOUNT FOR THE ACCOUNT; AND~~

15           ~~(2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE~~  
 16 ~~STATE LOTTERY COMMISSION, ISSUE A WARRANT TO PAY OUT MONEY FROM~~  
 17 ~~THE ACCOUNT IN THE MANNER PROVIDED UNDER THIS SECTION.~~

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

20          ~~(F) EXPENDITURES FROM THE ACCOUNT SHALL ONLY BE MADE ON A~~  
 21 ~~PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION AND~~  
 22 ~~SHALL ONLY BE ALLOCATED TO:~~

23           ~~(1) ASSIST IN THE CAPITAL AND OPERATING FUNDING~~  
 24 ~~NECESSARY TO SUPPORT THE TRANSFER OF A HOSPITAL IN PRINCE GEORGE'S~~  
 25 ~~COUNTY TO A NEW ENTITY; AND~~

26           ~~(2) ADDRESS ANY LONG TERM LIABILITIES INVOLVED IN THE~~  
 27 ~~TRANSFER.~~

28 9-1A-36.

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



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

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

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

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

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

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

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

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

27 A. live fireworks displays to be conducted on the  
28 property; and

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

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

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

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

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

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

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

7 **[(iv)] (V)** a location in Rocky Gap State Park (Allegany County)  
8 – 1,000 video lottery terminals; and

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

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

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

23 (ii) In determining the highest potential revenues to be achieved  
24 by additional video lottery terminals at each potential location, the State Lottery  
25 Commission shall consider the market performance of the existing video lottery  
26 terminals at each location.

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

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

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

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

3 ~~(II) FROM THE INITIAL LICENSE FEE SUBMITTED WITH AN~~  
 4 ~~APPLICATION FOR A VIDEO LOTTERY OPERATION LICENSE FOR THE PROPOSED~~  
 5 ~~VIDEO LOTTERY FACILITY IN A LOCATION IN PRINCE GEORGE'S COUNTY, AN~~  
 6 ~~ECONOMIC DEVELOPMENT FUND TO BE ESTABLISHED BY THE GOVERNING BODY~~  
 7 ~~OF PRINCE GEORGE'S COUNTY.~~

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

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

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

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

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

24 (2) On a properly approved transmittal prepared by the State Lottery  
 25 Commission and subject to § 9-1A-27(d) of the State Government Article, the  
 26 Comptroller shall pay the proceeds from table games at each video lottery facility to  
 27 the licensee of the facility.

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

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

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

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



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

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

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

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

10 **Article – State Government**

11 9–1A–36.

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

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

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

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

22 **Article XIX – Video Lottery Terminals**

23 1.

24 (a) This article does not apply to:

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

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

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

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

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

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

8                           **(ii)**   Public school construction and public school capital  
9 improvements; and

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

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

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

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

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

19                           **(iii)**   Worcester County, within 1 mile of the intersection of Route  
20 50 and Route 589;

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

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

24                                   1.   Located:

25                                           A.   In a nonresidential area;

26                                           B.   Within one-half mile of Interstate 95;

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

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

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

3                                           A.   Zoned for residential use; and

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

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

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

11                                           (d)   Except as provided in subsection (e) of this section, on or after November  
 12 15, 2008, the General Assembly may not authorize any additional forms or expansion  
 13 of commercial gaming.

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

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

18                                           (2)   IF THE ADDITIONAL FORM OR EXPANSION OF COMMERCIAL  
 19 GAMING IS PROPOSED FOR A SINGLE COUNTY OR BALTIMORE CITY, BY A  
 20 MAJORITY OF THE QUALIFIED VOTERS OF THE AFFECTED COUNTY OR  
 21 BALTIMORE CITY.

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

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

27                                                                                           **Article – Education**

28   5-202.

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

1           (A-1) (1) IN THIS SUBSECTION, “NET TAXABLE INCOME ADJUSTMENT”  
2 MEANS, WITH RESPECT TO EDUCATION FORMULAS THAT USE WEALTH TO  
3 CALCULATE THE AMOUNT OF STATE AID, THE DECREASE IN STATE AID THAT  
4 RESULTS FROM THE DIFFERENCE IN THE NET TAXABLE INCOME CALCULATED  
5 BASED ON TAX RETURNS FILED ON OR BEFORE SEPTEMBER 1 AND NOVEMBER  
6 1.

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

12           SECTION ~~3~~ 6. AND BE IT FURTHER ENACTED, That the provisions of  
13 Sections 1 and 2 of this Act authorize the Video Lottery Facility Location Commission  
14 to award one video lottery facility operation license in Prince George’s County, and  
15 also authorize a video lottery operation licensee to offer table games in the State, with  
16 both authorizations subject to a referendum of the qualified voters of Maryland as  
17 provided in Section ~~4~~ 7 of this Act, ~~and upon voter approval of this Act at the general~~  
18 ~~election to be held in November 2012, legislation shall be required to provide for the~~  
19 ~~operation and regulation of table games at a licensed video lottery facility in the State.~~

20           SECTION ~~4~~ 7. AND BE IT FURTHER ENACTED, That before this Act, which  
21 authorizes additional forms and an expansion of commercial gaming, becomes effective  
22 it shall first be submitted to a referendum of the qualified voters of the State at the  
23 general election to be held in November 2012, in accordance with Article XIX, § 1(e) of  
24 the Maryland Constitution. The State Board of Elections shall do those things  
25 necessary and proper to provide for and hold the referendum required by this section.  
26 If a majority of the votes cast on the question are “For the referred law” the provisions  
27 of this Act shall become effective on the 30th day following the official canvass of votes  
28 for the referendum, but if a majority of the votes cast on the question are “Against the  
29 referred law” the provisions of this Act are of no effect and null and void.

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

35           SECTION 9. AND BE IT FURTHER ENACTED, That Section 4 of this Act  
36 proposed as an amendment to the Maryland Constitution shall be submitted to the  
37 qualified voters of the State at the next general election to be held in November, 2012  
38 for their adoption or rejection pursuant to Article XIV of the Maryland Constitution.  
39 At that general election, the vote on this proposed amendment to the Constitution  
40 shall be by ballot, and upon each ballot there shall be printed the words “For the  
41 Constitutional Amendment” and “Against the Constitutional Amendment,” as now

1 provided by law. Immediately after the election, all returns shall be made to the  
2 Governor of the vote for and against the proposed amendment, as directed by Article  
3 XIV of the Maryland Constitution, and further proceedings had in accordance with  
4 Article XIV.

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

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

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

15 SECTION ~~5~~ 13. AND BE IT FURTHER ENACTED, That, subject to the  
16 provisions of ~~Section 4~~ Sections 7 and 9 through 12 of this Act and for the sole purpose  
17 of ~~providing for the referendum required by Section 4 of this Act,~~ this Act shall take  
18 effect July 1, 2012.

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
President of the Senate.

\_\_\_\_\_  
Speaker of the House of Delegates.