

HOUSE BILL 371

C7
HB 817/14 – W&M

5lr1293

By: **Delegates Bromwell, Aumann, B. Barnes, Cluster, Hornberger, Impallaria, Kipke, Long, McDonough, Metzgar, Miele, W. Miller, Reznik, Szeliga, Valderrama, and P. Young**

Introduced and read first time: February 6, 2015

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Video Lottery Operation License – Baltimore–Washington**
3 **International Thurgood Marshall Airport**

4 FOR the purpose of altering the number of video lottery operation licenses and video lottery
5 terminals that may be awarded by the Video Lottery Facility Location Commission
6 to provide for the award of a video lottery operation license at Baltimore–Washington
7 International Thurgood Marshall Airport under certain circumstances; providing
8 that a certain restriction on the number of video lottery operation licenses that may
9 be awarded in a county or in Baltimore City is not applicable; requiring that certain
10 proceeds be paid into the Transportation Trust Fund; providing that an application
11 for a certain video lottery operation license be made by a certain date; providing for
12 the reconstitution of the Video Lottery Facility Location Commission under certain
13 circumstances; submitting this Act to a referendum of the qualified voters of the
14 State; and generally relating to the operation of video lottery terminals at a certain
15 location in the State.

16 BY repealing and reenacting, with amendments,

17 Article – State Government
18 Section 9–1A–05(a), 9–1A–27(a)(9), and 9–1A–36(f), (g), (h), (i), (j), (r)(1), and (t)
19 Annotated Code of Maryland
20 (2014 Replacement Volume)

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

23 **Article – State Government**

24 9–1A–05.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) The Video Lottery Facility Location Commission established under §
2 9–1A–36 of this subtitle may not:

3 (1) award more than [six] SEVEN video lottery operation licenses;

4 (2) award more than [16,500] **19,000** video lottery terminals for operation
5 at video lottery facilities in the State;

6 (3) subject to the requirements of **ITEM (4) OF THIS SUBSECTION AND §**
7 **9–1A–36(h)** and (i) of this subtitle, award more than 4,750 terminals for operation at any
8 video lottery facility; [and]

9 **(4) AWARD MORE THAN 2,500 VIDEO LOTTERY TERMINALS FOR**
10 **OPERATION AT BALTIMORE–WASHINGTON INTERNATIONAL THURGOOD**
11 **MARSHALL AIRPORT; AND**

12 **[(4)] (5)** for a location in Allegany County:

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

15 (ii) notwithstanding § 9–1A–36(i)(2) of this subtitle, award more
16 than 1,500 video lottery terminals for operation at a video lottery facility in Allegany
17 County.

18 9–1A–27.

19 (a) Except as provided in subsections (b) and (c) of this section and §
20 9–1A–26(a)(3) of this subtitle, on a properly approved transmittal prepared by the
21 Commission, the Comptroller shall pay the following amounts from the proceeds of video
22 lottery terminals at each video lottery facility:

23 (9) the remainder to:

24 **(I)** the Education Trust Fund established under § 9–1A–30 of this
25 subtitle; **OR**

26 **(II) IF THE PROCEEDS ARE FROM THE VIDEO LOTTERY**
27 **TERMINALS AT BALTIMORE–WASHINGTON INTERNATIONAL THURGOOD**
28 **MARSHALL AIRPORT, THE TRANSPORTATION TRUST FUND.**

29 9–1A–36.

30 (f) The Video Lottery Facility Location Commission may award not more than
31 [six] SEVEN video lottery operation licenses to qualified applicants, through a competitive

1 process consistent with the process for competitive sealed proposals under Title 13 of the
2 State Finance and Procurement Article.

3 (g) **(1) THIS SUBSECTION DOES NOT APPLY TO A VIDEO LOTTERY**
4 **OPERATION LICENSE AWARDED FOR A LOCATION AT BALTIMORE–WASHINGTON**
5 **INTERNATIONAL THURGOOD MARSHALL AIRPORT.**

6 **(2)** The Video Lottery Facility Location Commission may not award more
7 than one video lottery facility operation license in a single county or Baltimore City.

8 (h) (1) In order to qualify for a video lottery operation license under this
9 section, a proposed video lottery facility shall be located in one of the following [counties]
10 **LOCATIONS:**

11 (i) a location in Anne Arundel County, within 2 miles of MD Route
12 295;

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

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

16 (iv) a location in Worcester County, within 1 mile of the intersection
17 of Route 50 and Route 589;

18 (v) a location in Baltimore City **ON PROPERTY** that is:

19 1. located:

20 A. in a nonresidential area;

21 B. within one–half mile of Interstate 95;

22 C. within one–half mile of MD Route 295; and

23 D. [on property that] **IN AND** is owned by Baltimore City on
24 the date on which the application for a video lottery operation license is submitted; and

25 2. not adjacent to or within one–quarter mile of property that
26 is:

27 A. zoned for residential use; and

28 B. used for a residential dwelling on the date the application
29 for a video lottery operation license is submitted; [or]

1 (vi) a location in Prince George's County within a 4-mile radius of
2 the intersection of Bock Road and St. Barnabas Road; OR

3 (VII) IN ENCLOSED AREAS AT THE TERMINAL BUILDING WITHIN
4 THE SECURITY PERIMETER OF BALTIMORE-WASHINGTON INTERNATIONAL
5 THURGOOD MARSHALL AIRPORT.

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

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

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

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

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

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

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

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

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

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

32 (iv) a location in Prince George's County – 3,000 video lottery
33 terminals;

1 (v) a location in Rocky Gap State Park (Allegany County) – 1,500
2 video lottery terminals; [and]

3 (vi) a location in Worcester County – 2,500 video lottery terminals;
4 **AND**

5 **(VII) A LOCATION AT THE TERMINAL BUILDING AND**
6 **SURROUNDING AREA WITHIN THE SECURITY PERIMETER OF**
7 **BALTIMORE–WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT –**
8 **2,500 VIDEO LOTTERY TERMINALS.**

9 (2) [The] **EXCEPT AS PROVIDED IN § 9–1A–05(A)(4) OF THIS**
10 **SUBTITLE, THE** Video Lottery Facility Location Commission may allocate video lottery
11 terminals in a manner that is different from the allocation provided in paragraph (1) of this
12 subsection on a determination that the market factors and other factors evaluated under
13 subsection (k) of this section warrant the different allocation, provided that no one location
14 may be allocated more than 4,750 video lottery terminals.

15 (3) (i) [Beginning] **EXCEPT AS PROVIDED IN § 9–1A–05(A)(4) OF**
16 **THIS SUBTITLE, BEGINNING** with the termination date for the Video Lottery Facility
17 Location Commission and every 3 years thereafter, if all of the video lottery terminals
18 authorized under this subtitle are not allocated or have been allocated but are not in regular
19 operation, the State Lottery and Gaming Control Commission may allocate or reallocate
20 video lottery terminals to video lottery operation licensees in a manner that ensures that
21 the highest potential revenues are achieved.

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

26 (j) (1) (i) Except as provided in subparagraph (ii) of this paragraph **AND**
27 **PARAGRAPH (2) OF THIS SUBSECTION,** an application submitted for a video lottery
28 operation license under this section shall include an initial license fee in the application of
29 at least \$3,000,000 for each 500 video lottery terminals included in the application.

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

33 **(2) AN APPLICATION SUBMITTED FOR A VIDEO LOTTERY OPERATION**
34 **LICENSE AT BALTIMORE–WASHINGTON INTERNATIONAL THURGOOD MARSHALL**
35 **AIRPORT SHALL BE SUBMITTED BY APRIL 15, 2017.**

1 ~~[(2)] (3)~~ All initial license fees submitted under this subtitle shall accrue
2 to the Education Trust Fund established under § 9-1A-30 of this subtitle.

3 ~~[(3)] (4)~~ (i) An application submitted for a video lottery operation
4 license under this section shall provide for at least \$25,000,000 in direct investment by the
5 applicant in construction and related costs for each 500 video lottery terminals contained
6 in the proposed application that shall be prorated based on the exact number of video
7 lottery terminals contained in the application.

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

12 (r) (1) Nothing in this subtitle may be construed to require the Video Lottery
13 Facility Location Commission to award all ~~[six]~~ **SEVEN** video lottery operation licenses
14 authorized under this subtitle.

15 (t) (1) Except as provided in paragraph (2) of this subsection, the Video
16 Lottery Facility Location Commission shall terminate on January 1, 2015.

17 (2) The Governor may reconstitute the Video Lottery Facility Location
18 Commission, which shall include the appointment of new members based on the criteria
19 established under subsections (b) and (c) of this section:

20 (i) ~~[one]~~ **1** year prior to the expiration of a video lottery operation
21 license; ~~[or]~~

22 (ii) following the revocation or surrender of a video lottery operation
23 license; **OR**

24 **(III) FOLLOWING AUTHORIZATION OF AN ADDITIONAL VIDEO**
25 **LOTTERY OPERATION LICENSE AT BALTIMORE-WASHINGTON INTERNATIONAL**
26 **THURGOOD MARSHALL AIRPORT.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That before this Act, which
28 authorizes an expansion of commercial gaming, becomes effective it shall first be submitted
29 to a referendum of the qualified voters of the State at the general election to be held in
30 November of 2016, in accordance with Article XIX, § 1(e) of the Maryland Constitution. The
31 State Board of Elections shall do those things necessary and proper to provide for and hold
32 the referendum required by this section. If a majority of the votes cast on the question are
33 "For the referred law" the provisions of this Act shall become effective on the 30th day
34 following the official canvass of votes for the referendum, but if a majority of the votes cast
35 on the question are "Against the referred law" the provisions of this Act are of no effect and
36 null and void.

1 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to the provisions of
2 Section 2 of this Act and for the sole purpose of providing for the referendum required by
3 Section 2 of this Act, this Act shall take effect July 1, 2015.