

# SENATE BILL 495

C7

7lr2180  
CF HB 91

---

By: **Chair, Budget and Taxation Committee (By Request – Departmental – Lottery and Gaming Control Agency)**

Introduced and read first time: January 30, 2017

Assigned to: Rules

Re-referred to: Budget and Taxation, January 30, 2017

---

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 14, 2017

---

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

1 AN ACT concerning

2 **Gaming – Video Lottery Terminals – Transfer of Ownership and Local Impact**  
3 **Grants**

4 FOR the purpose of requiring certain video lottery facilities to own or lease certain video  
5 lottery terminals and associated equipment and software by a certain date; altering  
6 the distribution of certain proceeds of video lottery terminals ~~if certain conditions~~  
7 ~~are met~~ at certain video lottery facilities; and generally relating to video lottery  
8 terminal ownership ~~and leasing~~, leasing, and proceeds.

9 BY repealing and reenacting, with amendments,  
10 Article – State Government  
11 Section 9–1A–21(a)(2) and 9–1A–27(a)(7) and (c)  
12 Annotated Code of Maryland  
13 (2014 Replacement Volume and 2016 Supplement)

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

16 **Article – State Government**

17 9–1A–21.

---

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 (a) (2) (i) Except as provided in subparagraphs (ii) and (iii) of this  
 2 paragraph, each video lottery terminal device and the associated equipment and software  
 3 shall be owned or leased by the video lottery facility.

4 (ii) 1. Subject to subsubparagraph 2 of this subparagraph, for a  
 5 video lottery facility located in Allegany County or Worcester County, each video lottery  
 6 terminal device and the associated equipment and software shall be owned or leased by the  
 7 **[Commission] VIDEO LOTTERY FACILITY AFTER MARCH 31, 2020.**

8 2. A video lottery facility located in Allegany County or  
 9 Worcester County may apply to the Commission for permission to assume ownership or the  
 10 right to lease each video lottery terminal device used by the facility.

11 (iii) For a video lottery facility located in Anne Arundel County or  
 12 Cecil County, the Commission shall own each video lottery terminal device and the  
 13 associated equipment and software through March 31, 2015.

14 9-1A-27.

15 (a) Except as provided in subsections (b) and (c) of this section and §  
 16 9-1A-26(a)(3) of this subtitle, on a properly approved transmittal prepared by the  
 17 Commission, the Comptroller shall pay the following amounts from the proceeds of video  
 18 lottery terminals at each video lottery facility:

19 (7) (i) except as provided in **[item] ITEMS (ii) AND (III)** of this item, 6%  
 20 to the video lottery operation licensee if the video lottery operation licensee owns or leases  
 21 each video lottery terminal device and the associated equipment and software; **[and]**

22 (ii) 8% to the video lottery operation licensee in Anne Arundel  
 23 County; **AND**

24 **(III) 10% TO THE VIDEO LOTTERY OPERATION LICENSEE IN**  
 25 **ALLEGANY COUNTY OR WORCESTER COUNTY IF THE VIDEO LOTTERY OPERATION**  
 26 **LICENSEE ASSUMES OWNERSHIP OR THE RIGHT TO LEASE EACH VIDEO LOTTERY**  
 27 **TERMINAL DEVICE AND THE ASSOCIATED EQUIPMENT AND SOFTWARE USED BY THE**  
 28 **FACILITY BEFORE JANUARY 1, ~~2018~~ 2019;**

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

33 (i) [2%] 1% to the State Lottery and Gaming Control Agency for  
 34 costs as defined in § 9-1A-01 of this subtitle;

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

3 (iii) [2.75%] 3.75% in local impact grants, in accordance with §  
4 9-1A-31 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 Businesses  
8 Account established under § 9-1A-35 of this subtitle; and

9 (vi) the remainder to the Education Trust Fund established under §  
10 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 subsections (a) and (b) of this section.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~June~~  
15 July 1, 2017.

Approved:

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

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

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