

SENATE BILL 663

C7

7lr2243
CF HB 811

By: **Senator Edwards**

Introduced and read first time: February 3, 2017

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Allegany County – Gaming – Video Lottery Operation Licensee**

3 FOR the purpose of altering the distribution of the proceeds of video lottery terminals
4 located in Allegany County if certain conditions are met; providing a certain
5 distribution from the proceeds of video lottery terminals to a certain licensee in
6 Allegany County to be used for certain purposes; altering the amount of proceeds of
7 video lottery terminals in Allegany County that are required to be used for certain
8 local impact grants; extending a certain distribution formula for the proceeds of video
9 lottery terminals in Allegany County for a certain number for years; and generally
10 relating to the distribution of video lottery terminal proceeds in Allegany County.

11 BY repealing and reenacting, without amendments,
12 Article – State Government
13 Section 9–1A–21(a)(2)
14 Annotated Code of Maryland
15 (2014 Replacement Volume and 2016 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – State Government
18 Section 9–1A–27(a)(7), (8), and (9) and (c)
19 Annotated Code of Maryland
20 (2014 Replacement Volume and 2016 Supplement)

21 BY adding to
22 Article – State Government
23 Section 9–1A–27(a)(9)
24 Annotated Code of Maryland
25 (2014 Replacement Volume and 2016 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – State Government**

2 9–1A–21.

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

6 (ii) 1. Subject to subsubparagraph 2 of this subparagraph, for a
7 video lottery facility located in Allegany County or Worcester County, each video lottery
8 terminal device and the associated equipment and software shall be owned or leased by the
9 Commission.

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

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

16 9–1A–27.

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

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

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

26 **(III) 12% TO THE VIDEO LOTTERY OPERATION LICENSEE IN**
27 **ALLEGANY COUNTY IF THE VIDEO LOTTERY OPERATION LICENSEE ASSUMES**
28 **OWNERSHIP OR THE RIGHT TO LEASE EACH VIDEO LOTTERY TERMINAL DEVICE AND**
29 **THE ASSOCIATED EQUIPMENT AND SOFTWARE;**

30 (8) beginning after the issuance of a video lottery operation license for a
31 video lottery facility in Prince George’s County, 8% to the video lottery operation licensee
32 in Anne Arundel County and 7% to the licensee in Baltimore City for:

1 (i) marketing, advertising, and promotional costs required under §
2 9–1A–23 of this subtitle; and

3 (ii) capital improvements at the video lottery facilities; [and]

4 **(9) 2% TO THE VIDEO LOTTERY OPERATION LICENSEE IN ALLEGANY**
5 **COUNTY FOR MARKETING, ADVERTISING, AND PROMOTIONAL COSTS REQUIRED**
6 **UNDER § 9–1A–23 OF THIS SUBTITLE; AND**

7 **[(9)] (10)** the remainder to the Education Trust Fund established under
8 § 9–1A–30 of this subtitle.

9 (c) (1) For the first [10] **15** years of operations at a video lottery facility in
10 Allegany County, on a properly approved transmittal prepared by the Commission, the
11 Comptroller shall pay the following amounts from the proceeds of video lottery terminals
12 at a video lottery facility in Allegany County:

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

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

17 (iii) **[2.75%] 5.5%** in local impact grants, in accordance with §
18 9–1A–31 of this subtitle;

19 (iv) 2.5% to the Purse Dedication Account established under §
20 9–1A–28 of this subtitle;

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

23 (vi) the remainder to the Education Trust Fund established under §
24 9–1A–30 of this subtitle.

25 (2) After the first [10] **15** years of operations at a video lottery facility in
26 Allegany County, the proceeds generated at the facility in Allegany County shall be
27 allocated as provided in subsections (a) and (b) of this section.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
29 1, 2017.