
By: **Delegate Rawlings**

Introduced and read first time: March 5, 1999

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **State Lottery Commission - Video Lottery Terminals - Revenues and**
3 **Funding**

4 FOR the purpose of prohibiting the General Assembly from enacting on or after a
5 certain date a statute that authorizes certain forms or expansion of commercial
6 gaming, including casino-style gaming; authorizing the State Lottery
7 Commission to allow certain thoroughbred racing and harness racing licensees
8 to offer video lottery terminals for public use at certain tracks in the State;
9 authorizing the State Lottery Commission to allow video lottery terminals for
10 public use at certain tourist destination locations; establishing certain eligibility
11 criteria and disqualifying criteria for a video lottery facility license; authorizing
12 the State Lottery Commission to conduct certain investigations and hearings;
13 specifying limits on the numbers of video lottery terminals allowed at certain
14 facilities; authorizing the State Lottery Commission to require video lottery
15 terminal manufacturers, video lottery operators, video lottery employees, and
16 service technicians to be licensed; providing for certain eligibility criteria and
17 disqualifying criteria for certain licenses; authorizing the State Lottery
18 Commission to reprimand a licensee or deny, suspend, or revoke certain licenses
19 under certain circumstances; authorizing the State Lottery Commission to
20 collect certain fees, civil penalties, and taxes; providing for the issuance of
21 certain regulations by the State Lottery Commission; providing that the State
22 Lottery Commission shall buy or lease, and shall maintain control over, the
23 video lottery terminals, associated equipment, and central computer under this
24 Act; requiring the State Lottery Commission to distribute certain moneys in
25 specified ways; providing for certain local impact grants; requiring the
26 Maryland Stadium Authority, for capital improvement projects of a certain
27 amount or more financed directly or indirectly with proceeds from video lottery
28 terminals, to review and approve the project plan and to manage the project;
29 providing for a certain distribution from video lottery proceeds to the Purse
30 Dedication Account for horse racing; creating an Education Trust Fund
31 administered by the Education Trust Fund Board; providing for the membership
32 and duties of the Board; requiring certain distributions from video lottery
33 proceeds to the Education Trust Fund; providing for certain appropriations from
34 the Education Trust Fund for certain education programs; providing for certain
35 distributions from the Purse Dedication Account for horse racing; providing for a

1 certain distribution from certain fees to the Maryland Tourism Development
2 Board Fund; requiring the State Lottery Commission to make certain accounts
3 to the Comptroller; creating a Compulsive Gambling Fund in the Department of
4 Health and Mental Hygiene; providing for certain disbursements from the
5 Compulsive Gambling Fund for certain purposes; defining certain terms;
6 providing that the State Lottery Commission may consider an application for a
7 video lottery facility license for a tourist destination location if, prior to the
8 application date, the governing body of the county in which the facility is to be
9 located adopts a certain resolution and a majority of registered voters of the
10 county endorse the resolution at a certain election; and generally relating to the
11 operation of video lottery terminals at certain horse racetracks and tourist
12 destination locations.

13 BY adding to

14 Article - State Government
15 Section 9-1A-01 through 9-1A-15 to be under the new subtitle "Subtitle 1A.
16 Video Lottery Terminals"
17 Annotated Code of Maryland
18 (1995 Replacement Volume and 1998 Supplement)

19 BY adding to

20 Article - Financial Institutions
21 Section 13-709.1
22 Annotated Code of Maryland
23 (1998 Replacement Volume and 1998 Supplement)

24 Preamble

25 WHEREAS, The question of whether to authorize video lottery terminals is a
26 public policy issue of paramount importance to the State; and

27 WHEREAS, The authorization of any additional forms or expansion of
28 commercial gaming, such as casino-style gaming, in the State is prohibited by this
29 Act; and

30 WHEREAS, The General Assembly recognizes that an investment in
31 education is an investment in the State's economic future and in a workforce that can
32 meet the challenges of the 21st century and beyond; and

33 WHEREAS, The State should dedicate significant levels of funding from the
34 video lottery operations to reflect a commitment to prekindergarten through
35 secondary public education, public institutions of higher education in the State, and
36 educational opportunities for the students of the State; and

37 WHEREAS, Maryland's horse racing industry reaches across the State
38 affecting farm owners, breeders, horsemen, and track personnel from the Eastern
39 Shore to Western Maryland; and

1 WHEREAS, The General Assembly finds and declares that this Act is
2 necessary to preserve, restore, and revitalize the horse racing and breeding industries
3 and preserve in Maryland the economic impact associated with these industries; and

4 WHEREAS, The General Assembly finds and declares that competition from
5 video lottery facilities in Delaware is resulting in increased purses and economic
6 activity in that state and the Delaware facilities, as well as the opening of a similar
7 facility in West Virginia adjacent to Frederick County, will have a substantial
8 negative impact on Maryland's historic racing and breeding industries and the related
9 economy of the State; and

10 WHEREAS, The situation has become more critical with legislation pending in
11 Pennsylvania that would authorize a referendum to approve various forms of
12 gambling, including the operation of video lottery machines at the racetracks in that
13 state; and

14 WHEREAS, The tourist industry of the State constitutes a critical component
15 of its economic structure and, if properly developed, controlled, and fostered, is
16 capable of providing a substantial contribution to the general welfare, health, and
17 prosperity of the State and its inhabitants; and

18 WHEREAS, The introduction of a limited number of authorized video lottery
19 terminals in tourist destination locations will facilitate the development of the tourist
20 industry; and

21 WHEREAS, An integral and essential element of the regulation and control of
22 video lottery terminals rests in the credibility and integrity of the regulatory process
23 and of video lottery operations; and to further public confidence and trust, the
24 regulatory provisions of this Act are designed to extend strict regulation to all
25 persons, locations, practices, and associations related to the operation of licensed
26 video lottery operations as provided under this Act; and

27 WHEREAS, The facilities in which video lottery operations are to be located
28 are of vital law enforcement and social interest to the public; and

29 WHEREAS, The General Assembly finds and declares that it is necessary and
30 in the best interest of the economic growth of the State to make commitments to
31 educational programs in the State and to allow Maryland's horse racing and breeding
32 industries and tourist industry to compete with those industries in surrounding
33 states by authorizing video lottery terminals at some of Maryland's racing facilities
34 and tourist destination locations; now, therefore,

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

Article - State Government

SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

9-1A-01.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "APPLICANT" MEANS A PERSON WHO APPLIES FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE.

(C) "ASSOCIATED EQUIPMENT" MEANS HARDWARE LOCATED ON THE LICENSEE'S PREMISES THAT IS CONNECTED TO THE VIDEO LOTTERY SYSTEM FOR THE PURPOSE OF PERFORMING COMMUNICATION, VALIDATION, OR OTHER FUNCTIONS, BUT NOT INCLUDING THE COMMUNICATION FACILITIES OF A REGULATED UTILITY OR THE VIDEO LOTTERY TERMINALS.

(D) "BACKGROUND INVESTIGATION" MEANS A SECURITY, CRIMINAL, AND CREDIT INVESTIGATION OF A PERSON WHO APPLIES FOR OR WHO IS GRANTED A LICENSE UNDER THIS SUBTITLE.

(E) "CAREER OFFENDER" MEANS A PERSON WHOSE BEHAVIOR IS PURSUED IN AN OCCUPATIONAL MANNER OR CONTEXT FOR THE PURPOSE OF ECONOMIC GAIN THAT UTILIZES METHODS THAT ARE CONSIDERED BY THE COMMISSION AS CRIMINAL VIOLATIONS OF THE PUBLIC POLICY OF THE STATE.

(F) "CAREER OFFENDER CARTEL" MEANS A GROUP OF PERSONS WHO OPERATE TOGETHER AS CAREER OFFENDERS.

(G) "CENTRAL COMPUTER" MEANS A CENTRAL SITE COMPUTER PROVIDED TO AND CONTROLLED BY THE COMMISSION TO WHICH VIDEO LOTTERY TERMINALS COMMUNICATE FOR PURPOSES OF:

(1) INFORMATION RETRIEVAL; AND

(2) PROGRAMS TO ACTIVATE AND DISABLE VIDEO LOTTERY TERMINALS.

(H) "COMMISSION" MEANS THE STATE LOTTERY COMMISSION.

(I) "CONTROL" MEANS THE AUTHORITY TO DIRECT THE MANAGEMENT AND POLICIES OF AN APPLICANT OR LICENSEE.

(J) "COSTS" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS SUBTITLE, INCLUDING THE TESTING AND EXAMINATION OF VIDEO LOTTERY TERMINALS AND THE PERFORMANCE OF BACKGROUND INVESTIGATIONS AND OTHER RELATED ACTIVITIES.

(K) "COUNTY" INCLUDES BALTIMORE CITY.

1 (L) "EASTERN SHORE OF MARYLAND" MEANS CAROLINE, CECIL, DORCHESTER,
2 KENT, QUEEN ANNE'S, SOMERSET, TALBOT, AND WICOMICO COUNTIES.

3 (M) "FAMILY" MEANS A SPOUSE, PARENT, GRANDPARENT, CHILD,
4 GRANDCHILD, SIBLING, UNCLE, AUNT, NEPHEW, NIECE, FATHER-IN-LAW,
5 MOTHER-IN-LAW, DAUGHTER-IN-LAW, SON-IN-LAW, BROTHER-IN-LAW, AND
6 SISTER-IN-LAW, WHETHER BY WHOLE OR HALF BLOOD, BY MARRIAGE, ADOPTION,
7 OR NATURAL RELATIONSHIP.

8 (N) (1) "LICENSEE" MEANS AN APPLICANT THAT HAS BEEN ISSUED A VIDEO
9 LOTTERY FACILITY LICENSE.

10 (2) "LICENSEE" INCLUDES, UNLESS THE CONTEXT OTHERWISE
11 REQUIRES, AN APPLICANT WHO HAS BEEN ISSUED ANY LICENSE REQUIRED UNDER
12 THIS SUBTITLE.

13 (O) "MANUFACTURER" MEANS A PERSON:

14 (1) THAT HOLDS A LICENSE ISSUED BY THE COMMISSION TO ENGAGE IN
15 THE BUSINESS OF DESIGNING, BUILDING, CONSTRUCTING, ASSEMBLING,
16 MANUFACTURING, OR DISTRIBUTING A CENTRAL COMPUTER, VIDEO LOTTERY
17 TERMINALS, ASSOCIATED EQUIPMENT, THE ELECTRONIC COMPUTER COMPONENTS
18 OF VIDEO LOTTERY TERMINALS, THE RANDOM NUMBER GENERATOR OF VIDEO
19 LOTTERY TERMINALS, OR THE CABINET IN WHICH A VIDEO LOTTERY TERMINAL IS
20 HOUSED;

21 (2) WHOSE PRODUCT IS INTENDED FOR SALE, LEASE, OR OTHER
22 ASSIGNMENT TO A LICENSEE OR THE COMMISSION; AND

23 (3) THAT CONTRACTS WITH THE LICENSEE OR THE COMMISSION FOR
24 THE SALE, LEASE, OR OTHER ASSIGNMENT.

25 (P) "OWN" MEANS HAVING A BENEFICIAL OR PROPRIETARY INTEREST, OF AT
26 LEAST A CERTAIN PERCENTAGE ESTABLISHED BY THE COMMISSION, IN THE
27 PROPERTY OR BUSINESS OF AN APPLICANT OR LICENSEE.

28 (Q) "PLAYER" MEANS A PERSON WHO PLAYS A VIDEO LOTTERY TERMINAL AT A
29 VIDEO LOTTERY FACILITY LICENSED BY THE COMMISSION.

30 (R) "PROCEEDS" MEANS THE PART OF THE AMOUNT OF MONEY BET THROUGH
31 VIDEO LOTTERY TERMINALS THAT IS NOT RETURNED TO SUCCESSFUL PLAYERS BUT
32 IS OTHERWISE ALLOCATED UNDER THIS SUBTITLE.

33 (S) "SERVICE TECHNICIAN" MEANS A PERSON WHO IS LICENSED BY THE
34 COMMISSION AND PERFORMS SERVICE, MAINTENANCE, OR REPAIR ON LICENSED
35 VIDEO LOTTERY TERMINALS.

36 (T) "VIDEO LOTTERY" MEANS GAMING OR BETTING CONDUCTED USING A
37 VIDEO LOTTERY TERMINAL.

1 (U) "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE, OF A PERSON WHO
2 HOLDS A VIDEO LOTTERY FACILITY LICENSE, WHO PARTICIPATES IN THE VIDEO
3 LOTTERY OPERATIONS.

4 (V) (1) "VIDEO LOTTERY TERMINAL" MEANS ANY ELECTRONIC
5 CONTRIVANCE, MACHINE, OR OTHER DEVICE THAT, ON INSERTION OF A COIN,
6 TOKEN, OR SIMILAR OBJECT OR ON PAYMENT OF ANY CONSIDERATION, IS
7 AVAILABLE TO PLAY OR OPERATE, THE PLAY OR OPERATION OF WHICH, WHETHER
8 BY REASON OF THE SKILL OF THE OPERATOR OR APPLICATION OF THE ELEMENT OF
9 CHANCE, OR BOTH, MAY DELIVER OR ENTITLE THE PLAYER WHO OPERATES THE
10 DEVICE TO RECEIVE CASH, PREMIUMS, MERCHANDISE, TOKENS, OR ANYTHING OF
11 VALUE, WHETHER THE PAYOUT IS MADE AUTOMATICALLY FROM THE DEVICE OR IN
12 ANY OTHER MANNER.

13 (2) "VIDEO LOTTERY TERMINAL" DOES NOT INCLUDE AN AUTHORIZED
14 SLOT MACHINE OPERATED BY AN ELIGIBLE ORGANIZATION UNDER ARTICLE 27, §
15 264B OF THE ANNOTATED CODE OF MARYLAND.

16 (W) "WESTERN MARYLAND" MEANS ALLEGANY, GARRETT, AND WASHINGTON
17 COUNTIES.

18 9-1A-02.

19 (A) EXCEPT AS PROVIDED BY SUBSECTION (B) OF THIS SECTION, ON OR AFTER
20 JULY 1, 1999, ANY ADDITIONAL FORMS OR EXPANSION OF COMMERCIAL GAMING ARE
21 PROHIBITED, INCLUDING:

- 22 (1) CASINO-STYLE GAMING;
- 23 (2) CARD GAMES;
- 24 (3) DICE GAMES;
- 25 (4) ROULETTE;
- 26 (5) SLOT MACHINES; AND
- 27 (6) VIDEO LOTTERY TERMINALS.

28 (B) THIS SECTION DOES NOT APPLY TO:

- 29 (1) EXCEPT AS PROVIDED IN SUBSECTION (A)(5) OF THIS SECTION,
30 LOTTERIES CONDUCTED UNDER SUBTITLE 1 OF THIS TITLE;
- 31 (2) WAGERING ON HORSE RACING CONDUCTED UNDER TITLE 11 OF THE
32 BUSINESS REGULATION ARTICLE;
- 33 (3) GAMING CONDUCTED BY A BONA FIDE FRATERNAL, CIVIC, WAR
34 VETERANS', RELIGIOUS, OR CHARITABLE ORGANIZATION, VOLUNTEER FIRE
35 COMPANY, OR SUBSTANTIALLY SIMILAR ORGANIZATION DESCRIBED UNDER THE
36 GAMING SUBHEADING OF ARTICLE 27 OF THE CODE; OR

1 (4) THE OPERATION OF SLOT MACHINES ON THE EASTERN SHORE AS
2 AUTHORIZED BY ARTICLE 27, § 264B I OF THE CODE.

3 9-1A-03.

4 (A) THE COMMISSION SHALL REGULATE THE OPERATION OF VIDEO LOTTERY
5 TERMINALS IN ACCORDANCE WITH THIS SUBTITLE.

6 (B) ONLY A PERSON WITH A VIDEO LOTTERY FACILITY LICENSE ISSUED BY
7 THE COMMISSION MAY OFFER A VIDEO LOTTERY TERMINAL FOR PUBLIC USE IN THE
8 STATE UNDER THIS SUBTITLE.

9 (C) ANY OTHER LAW THAT PROHIBITS THE LOCATION, POSSESSION, KEEPING,
10 MAINTAINING, OR OPERATION OF VIDEO LOTTERY TERMINALS DOES NOT APPLY TO
11 VIDEO LOTTERY TERMINALS AUTHORIZED IN ACCORDANCE WITH THIS SUBTITLE.

12 9-1A-04.

13 (A) IN ADDITION TO ANY OTHER REQUIREMENTS OF THIS SUBTITLE, TO
14 QUALIFY FOR A VIDEO LOTTERY LICENSE, AN APPLICANT SHALL BE:

15 (1) A HOLDER OF A LICENSE FOR A TRACK FOR MILE THOROUGHBRED
16 RACING IN ANNE ARUNDEL COUNTY;

17 (2) A HOLDER OF A LICENSE FOR A TRACK FOR MILE THOROUGHBRED
18 RACING IN BALTIMORE CITY;

19 (3) A HOLDER OF A LICENSE FOR A RACETRACK FOR HARNESS RACING
20 IN PRINCE GEORGE'S COUNTY; OR

21 (4) ON THE EASTERN SHORE OF MARYLAND AND IN WESTERN
22 MARYLAND, A PERSON WHO MEETS THE ELIGIBILITY QUALIFICATIONS REQUIRED
23 UNDER THIS SECTION FOR THE ISSUANCE OF A VIDEO LOTTERY FACILITY LICENSE
24 FOR A TOURIST DESTINATION LOCATION IN THE STATE.

25 (B) THE COMMISSION MAY NOT ISSUE:

26 (1) A VIDEO LOTTERY FACILITY LICENSE TO AN APPLICANT WHO IS THE
27 HOLDER OF A LICENSE FOR A TRACK DESCRIBED UNDER SUBSECTION (A) OF THIS
28 SECTION FOR A LOCATION OTHER THAN THE LOCATION OF THE TRACK FOR WHICH
29 THE APPLICANT HOLDS THE TRACK LICENSE;

30 (2) MORE THAN ONE VIDEO LOTTERY FACILITY LICENSE FOR EACH OF
31 THE FOLLOWING:

32 (I) A TOURIST DESTINATION LOCATION ON THE EASTERN SHORE
33 OF MARYLAND; AND

34 (II) A TOURIST DESTINATION LOCATION IN WESTERN MARYLAND;
35 AND

1 (3) A VIDEO LOTTERY FACILITY LICENSE FOR ANY LOCATION ON STATE
2 PROPERTY.

3 (C) AN APPLICANT FOR A VIDEO LOTTERY FACILITY LICENSE FOR A TRACK
4 LOCATION DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION SHALL MEET THE
5 FOLLOWING ELIGIBILITY REQUIREMENTS:

6 (1) THE CONSTRUCTION PROJECT AT THE TRACK LOCATION FOR THE
7 APPLICANT'S VIDEO LOTTERY AND OTHER FACILITIES SHALL COST AT LEAST \$100
8 MILLION IN DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND
9 RELATED COSTS AT THE TRACK LOCATION;

10 (2) THE APPLICANT SHALL PROVIDE THE EQUIVALENT OF AT LEAST 500
11 ADDITIONAL FULL-TIME JOBS AT THE TRACK LOCATION FOR WHICH THE VIDEO
12 LOTTERY FACILITY LICENSE IS SOUGHT; AND

13 (3) FOR THE CONSTRUCTION OF FACILITIES AND PROCUREMENT
14 RELATED TO THE OPERATION OF VIDEO LOTTERY TERMINALS, THE APPLICANT
15 SHALL MEET THE SAME REQUIREMENTS OF A DESIGNATED UNIT FOR MINORITY
16 BUSINESS PARTICIPATION DESCRIBED UNDER TITLE 14, SUBTITLE 3 OF THE STATE
17 FINANCE AND PROCUREMENT ARTICLE.

18 (D) AN APPLICANT FOR A VIDEO LOTTERY FACILITY LICENSE FOR A TOURIST
19 DESTINATION LOCATION SHALL MEET THE FOLLOWING ELIGIBILITY
20 REQUIREMENTS:

21 (1) THE CONSTRUCTION PROJECT AT THE TOURIST DESTINATION
22 LOCATION FOR THE APPLICANT'S VIDEO LOTTERY AND OTHER FACILITIES SHALL
23 COST AT LEAST \$100 MILLION IN DIRECT INVESTMENT BY THE APPLICANT IN
24 CONSTRUCTION AND OTHER RELATED COSTS AT THE TOURIST DESTINATION
25 LOCATION;

26 (2) THE APPLICANT SHALL PROVIDE THE EQUIVALENT OF AT LEAST 800
27 FULL-TIME JOBS AT THE TOURIST DESTINATION LOCATION FOR WHICH THE VIDEO
28 LOTTERY FACILITY LICENSE IS SOUGHT; AND

29 (3) FOR THE CONSTRUCTION OF FACILITIES AND PROCUREMENT
30 RELATED TO THE OPERATION OF VIDEO LOTTERY TERMINALS, THE APPLICANT
31 SHALL MEET THE SAME REQUIREMENTS OF A DESIGNATED UNIT FOR MINORITY
32 BUSINESS PARTICIPATION DESCRIBED UNDER TITLE 14, SUBTITLE 3 OF THE STATE
33 FINANCE AND PROCUREMENT ARTICLE.

34 9-1A-05.

35 (A) EACH APPLICANT FOR A LICENSE SHALL SUBMIT TO THE CHAIRMAN OF
36 THE COMMISSION AN APPLICATION:

37 (1) IN THE FORM THAT THE COMMISSION REQUIRES; AND

38 (2) ON OR BEFORE THE DATE SET BY THE COMMISSION.

1 (B) (1) EACH APPLICANT OR LICENSEE HAS THE AFFIRMATIVE
2 RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE
3 APPLICANT'S OR LICENSEE'S QUALIFICATIONS.

4 (2) EACH APPLICANT OR LICENSEE SHALL PROVIDE INFORMATION
5 REQUIRED BY THIS SUBTITLE AND SATISFY REQUESTS FOR INFORMATION RELATING
6 TO QUALIFICATIONS IN THE FORM SPECIFIED BY THE COMMISSION.

7 (3) EACH APPLICANT OR LICENSEE SHALL CONSENT TO INSPECTIONS,
8 SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR REGULATIONS
9 ISSUED UNDER THIS SUBTITLE.

10 (4) (I) EACH APPLICANT OR LICENSEE HAS THE CONTINUING DUTY
11 TO:

12 1. PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY
13 THE COMMISSION; AND

14 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR
15 HEARING CONDUCTED BY THE COMMISSION.

16 (II) ON ISSUANCE OF A FORMAL REQUEST TO ANSWER OR
17 PRODUCE INFORMATION, EVIDENCE, OR TESTIMONY, IF AN APPLICANT OR LICENSEE
18 REFUSES TO COMPLY, THE APPLICATION OR LICENSE OF THE PERSON MAY BE
19 DENIED, SUSPENDED, OR REVOKED BY THE COMMISSION.

20 (5) EACH APPLICANT SHALL BE PHOTOGRAPHED AND FINGERPRINTED
21 FOR IDENTIFICATION AND INVESTIGATION PURPOSES UNDER PROCEDURES
22 ESTABLISHED IN REGULATIONS THAT SHALL BE ISSUED BY THE COMMISSION.

23 (6) (I) EACH APPLICANT OR LICENSEE HAS A DUTY TO INFORM THE
24 COMMISSION OF AN ACT OR OMISSION THAT THE PERSON BELIEVES CONSTITUTES A
25 VIOLATION OF THIS SUBTITLE OR THE REGULATIONS ISSUED UNDER THIS SUBTITLE.

26 (II) AN APPLICANT OR LICENSEE MAY NOT DISCRIMINATE AGAINST
27 A PERSON WHO INFORMS THE COMMISSION OF AN ACT OR OMISSION THAT THE
28 PERSON BELIEVES CONSTITUTES A VIOLATION OF THIS SUBTITLE OR THE
29 REGULATIONS ISSUED UNDER THIS SUBTITLE.

30 (7) EACH APPLICANT OR LICENSEE SHALL PRODUCE INFORMATION,
31 DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING
32 QUALIFICATION CRITERIA BY CLEAR AND CONVINCING EVIDENCE:

33 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY
34 OF THE APPLICANT OR LICENSEE;

35 (II) THE INTEGRITY OF THE FINANCIAL BACKERS, INVESTORS,
36 MORTGAGEES, BONDHOLDERS, AND HOLDERS OF OTHER EVIDENCES OF
37 INDEBTEDNESS THAT BEAR A RELATION TO THE APPLICATION;

1 (III) THE APPLICANT'S OR LICENSEE'S GOOD CHARACTER, HONESTY,
2 AND INTEGRITY;

3 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE
4 APPLICANT OR LICENSEE;

5 (V) THE SUITABILITY OF THE VIDEO LOTTERY FACILITY AND ITS
6 LOCATION; AND

7 (VI) THE GOOD FAITH EFFORTS OF THE APPLICANT OR LICENSEE
8 TO PROVIDE FOR OWNERSHIP WITH INDICATION OF PERCENTAGE AND TYPE, SUCH
9 AS EQUITY PARTNER OR SPECIFIC PERCENTAGE SHAREHOLDER, BY MINORITY
10 INDIVIDUALS, WOMEN, AND BUSINESS ENTITIES OWNED BY MINORITY INDIVIDUALS
11 OR BY WOMEN.

12 (8) IN ADDITION TO OTHER INFORMATION REQUIRED BY THIS
13 SUBTITLE, A CORPORATION APPLYING FOR A VIDEO LOTTERY FACILITY LICENSE
14 SHALL PROVIDE THE FOLLOWING INFORMATION:

15 (I) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF
16 ALL BUSINESSES OPERATED BY THE CORPORATION;

17 (II) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL
18 HISTORIES OF OFFICERS, DIRECTORS, AND PRINCIPAL EMPLOYEES OF THE
19 CORPORATION;

20 (III) THE NAMES OF ALL HOLDING, INTERMEDIARY, AND
21 SUBSIDIARY COMPANIES OF THE CORPORATION;

22 (IV) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF
23 ALL BUSINESSES OPERATED BY THE CORPORATION'S HOLDING, INTERMEDIARY, AND
24 SUBSIDIARY COMPANIES;

25 (V) THE RIGHTS AND PRIVILEGES ACQUIRED BY THE HOLDERS OF
26 DIFFERENT CLASSES OF AUTHORIZED SECURITIES OF THE CORPORATION AND ITS
27 HOLDING, INTERMEDIARY, AND SUBSIDIARY COMPANIES;

28 (VI) THE TERMS ON WHICH THE SECURITIES HAVE BEEN OR ARE TO
29 BE OFFERED;

30 (VII) THE TERMS AND CONDITIONS OF ALL OUTSTANDING LOANS,
31 MORTGAGES, TRUST DEEDS, PLEDGES, OR OTHER INDEBTEDNESS OR SECURITY
32 DEVICES UTILIZED BY THE CORPORATION;

33 (VIII) THE EXTENT OF THE EQUITY SECURITY HOLDING IN THE
34 CORPORATION OF THE OFFICERS, DIRECTORS, AND UNDERWRITERS AND THEIR
35 REMUNERATION IN THE FORM OF SALARY, WAGES, FEES, OR OTHERWISE;

1 (IX) THE NAMES OF INDIVIDUALS OTHER THAN DIRECTORS AND
2 OFFICERS WHO OCCUPY POSITIONS SPECIFIED BY THE COMMISSION OR WHOSE
3 COMPENSATION EXCEEDS AN AMOUNT DETERMINED BY THE COMMISSION;

4 (X) THE NAMES OF PERSONS WHO OWN OR CONTROL THE
5 CORPORATION;

6 (XI) A DESCRIPTION OF ALL BONUS AND PROFIT SHARING
7 ARRANGEMENTS;

8 (XII) COPIES OF MANAGEMENT AND SERVICE CONTRACTS; AND

9 (XIII) A LISTING OF STOCK OPTIONS.

10 (9) IF A CORPORATION THAT APPLIES FOR A VIDEO LOTTERY FACILITY
11 LICENSE IS, OR IF A CORPORATION HOLDING A VIDEO LOTTERY FACILITY LICENSE IS
12 TO BECOME, A SUBSIDIARY, EACH HOLDING COMPANY AND EACH INTERMEDIARY
13 COMPANY WITH RESPECT TO THE CORPORATION SHALL, AS A CONDITION OF THE
14 SUBSIDIARY ACQUIRING OR RETAINING A VIDEO LOTTERY FACILITY LICENSE:

15 (I) QUALIFY TO DO BUSINESS IN THIS STATE;

16 (II) IF IT IS A CORPORATION, FURNISH THE COMMISSION WITH THE
17 INFORMATION REQUIRED OF A CORPORATE APPLICANT SPECIFIED IN PARAGRAPH (8)
18 OF THIS SUBSECTION AND OTHER INFORMATION THAT THE COMMISSION MAY
19 REQUIRE; OR

20 (III) IF IT IS NOT A CORPORATION, FURNISH THE COMMISSION WITH
21 THE INFORMATION THE COMMISSION MAY REQUIRE.

22 (10) A NONCORPORATE APPLICANT FOR A VIDEO LOTTERY FACILITY
23 LICENSE SHALL PROVIDE THE INFORMATION REQUIRED UNDER PARAGRAPH (8) OF
24 THIS SUBSECTION IN THE FORM REQUIRED BY THE COMMISSION.

25 (11) THE COMMISSION SHALL DENY A VIDEO LOTTERY FACILITY LICENSE
26 TO AN APPLICANT WHO IS DISQUALIFIED ON THE BASIS OF ANY OF THE FOLLOWING
27 CRITERIA:

28 (I) FAILURE OF THE APPLICANT TO PROVE BY CLEAR AND
29 CONVINCING EVIDENCE THAT THE APPLICANT AND EACH PERSON WHO OWNS OR
30 CONTROLS THE APPLICANT ARE QUALIFIED UNDER THE PROVISIONS OF THIS
31 SUBTITLE;

32 (II) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
33 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO PROVIDE
34 INFORMATION, DOCUMENTATION, AND ASSURANCES REQUIRED BY THIS SUBTITLE
35 OR REQUESTED BY THE COMMISSION;

1 (III) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
2 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO REVEAL ANY
3 FACT MATERIAL TO QUALIFICATION;

4 (IV) SUPPLYING, BY THE APPLICANT OR ANY PERSON REQUIRED TO
5 BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE, OF
6 INFORMATION THAT IS UNTRUE OR MISLEADING AS TO A MATERIAL FACT
7 CONCERNING THE QUALIFICATION CRITERIA;

8 (V) THE CONVICTION OF THE APPLICANT OR OF ANY PERSON
9 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
10 OF AN OFFENSE UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION
11 WITHIN THE UNITED STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL
12 TURPITUDE OR A GAMBLING OFFENSE;

13 (VI) CURRENT PROSECUTION OF THE APPLICANT OR A PERSON
14 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
15 LICENSE FOR AN OFFENSE DESCRIBED UNDER ITEM (V) OF THIS PARAGRAPH;
16 HOWEVER, AT THE REQUEST OF THE APPLICANT, THE COMMISSION SHALL DEFER
17 DECISION ON THE APPLICATION DURING THE PENDENCY OF THE CHARGE;

18 (VII) THE PURSUIT BY THE APPLICANT OR A PERSON WHO IS
19 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
20 OF ECONOMIC GAIN IN AN OCCUPATIONAL MANNER OR CONTEXT THAT IS IN
21 VIOLATION OF THE CRIMINAL OR CIVIL PUBLIC POLICIES OF THE STATE, IF THE
22 PURSUIT CREATES A REASONABLE BELIEF THAT PARTICIPATION OF THE APPLICANT
23 IN VIDEO LOTTERY OPERATIONS WOULD BE ADVERSE TO THE POLICIES OF THIS
24 SUBTITLE;

25 (VIII) THE IDENTIFICATION OF THE APPLICANT OR A PERSON WHO
26 IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
27 LICENSE AS A CAREER OFFENDER OR A MEMBER OF A CAREER OFFENDER CARTEL
28 OR AN ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER CARTEL IN A
29 MANNER THAT CREATES A REASONABLE BELIEF THAT THE ASSOCIATION IS OF A
30 NATURE AS TO BE INIMICAL TO THE POLICIES OF THIS SUBTITLE;

31 (IX) THE COMMITTING OF AN ACT BY THE APPLICANT OR A PERSON
32 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
33 LICENSE THAT WOULD CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (V) OF
34 THIS PARAGRAPH, EVEN IF THE ACT HAS NOT OR MAY NOT BE PROSECUTED UNDER
35 THE CRIMINAL LAWS OF THE STATE; AND

36 (X) CONTUMACIOUS DEFIANCE BY THE APPLICANT OR A PERSON
37 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
38 LICENSE OF A LEGISLATIVE INVESTIGATORY BODY OR OTHER OFFICIAL
39 INVESTIGATORY BODY OF THE UNITED STATES OR A JURISDICTION WITHIN THE
40 UNITED STATES WHEN THE BODY IS ENGAGED IN THE INVESTIGATION OF CRIMES
41 RELATING TO GAMBLING, OFFICIAL CORRUPTION, OR ORGANIZED CRIME ACTIVITY.

1 (C) (1) ON THE FILING OF AN APPLICATION FOR ANY LICENSE REQUIRED
2 UNDER THIS SUBTITLE AND ANY SUPPLEMENTAL INFORMATION REQUIRED BY THE
3 COMMISSION, THE COMMISSION SHALL CONDUCT A BACKGROUND INVESTIGATION
4 AND A HEARING ON THE QUALIFICATIONS OF THE APPLICANT AND ANY PERSON
5 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
6 LICENSE.

7 (2) AFTER THE INVESTIGATION AND HEARING, THE COMMISSION MAY
8 EITHER GRANT A LICENSE TO AN APPLICANT WHOM THE COMMISSION DETERMINES
9 TO BE QUALIFIED OR DENY THE APPLICATION TO AN APPLICANT WHOM THE
10 COMMISSION DETERMINES TO BE NOT QUALIFIED OR DISQUALIFIED.

11 (3) IF MORE THAN ONE APPLICANT IS QUALIFIED FOR A LICENSE, THE
12 COMMISSION SHALL:

13 (I) GRANT A LICENSE TO THE APPLICANT THAT THE COMMISSION
14 DETERMINES IS LIKELY TO PROVIDE THE GREATEST BENEFIT TO THE STATE AND
15 THE COUNTY IN WHICH THE LICENSEE IS TO BE LOCATED; AND

16 (II) DENY A LICENSE TO ANY OTHER APPLICANT FOR THAT
17 LICENSE.

18 (4) IF AN APPLICATION IS DENIED, THE COMMISSION SHALL PREPARE
19 AND FILE AN ORDER DENYING THE APPLICATION WITH A STATEMENT OF THE
20 REASONS FOR THE DENIAL, INCLUDING THE SPECIFIC FINDINGS OF FACT.

21 (5) IF SATISFIED THAT AN APPLICANT IS QUALIFIED TO RECEIVE A
22 LICENSE, AND ON TENDER OF ALL REQUIRED APPLICATION, LICENSE, AND OTHER
23 FEES AND TAXES, AND ANY BONDS THE COMMISSION REQUIRES FOR THE FAITHFUL
24 PERFORMANCE OF THE REQUIREMENTS IMPOSED BY THIS SUBTITLE, ANY STATUTE,
25 AND THE REGULATIONS ISSUED UNDER THIS SUBTITLE, THE COMMISSION SHALL
26 ISSUE A LICENSE FOR A TERM OF 1 YEAR.

27 (6) (I) BY REGULATION, THE COMMISSION SHALL SET THE AMOUNT
28 OF THE BOND REQUIRED UNDER THIS SUBSECTION IN THE AMOUNT THE
29 COMMISSION CONSIDERS APPROPRIATE.

30 (II) THE BOND FURNISHED MAY BE APPLIED BY THE COMMISSION
31 TO THE PAYMENT OF AN UNPAID LIABILITY OF THE LICENSEE.

32 (7) SUBJECT TO THE POWER OF THE COMMISSION TO DENY, REVOKE, OR
33 SUSPEND A LICENSE, A LICENSE IN FORCE SHALL BE RENEWED BY THE COMMISSION
34 FOR THE NEXT SUCCEEDING LICENSE PERIOD ON:

35 (I) PROPER APPLICATION FOR RENEWAL; AND

36 (II) PAYMENT OF ALL REQUIRED APPLICATION, LICENSE, AND
37 OTHER FEES AND TAXES.

1 (D) (1) ON THE REQUEST OF AN APPLICANT FOR A LICENSE, THE
2 COMMISSION MAY GRANT AN EXEMPTION OR WAIVER OF ANY REQUIREMENT UNDER
3 SUBSECTION (B) OR (C) OF THIS SECTION IF THE COMMISSION CONSIDERS THAT THE
4 REQUIREMENT IS NOT NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST OR
5 ACCOMPLISH THE POLICIES ESTABLISHED BY THIS SUBTITLE.

6 (2) ON GRANTING TO AN APPLICANT AN EXEMPTION OR WAIVER OF A
7 REQUIREMENT OF SUBSECTION (B) OR (C) OF THIS SECTION, OR AT ANY TIME AFTER
8 AN EXEMPTION OR WAIVER IS GRANTED, THE COMMISSION:

9 (I) MAY LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR
10 WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;
11 AND

12 (II) SHALL REQUIRE THE PERSON WHO IS GRANTED THE
13 EXEMPTION OR WAIVER TO COOPERATE WITH THE COMMISSION AND, ON REQUEST,
14 TO PROVIDE INFORMATION IN THE SAME MANNER AS REQUIRED OF A LICENSED
15 VIDEO LOTTERY FACILITY UNDER THIS SUBTITLE.

16 (E) (1) BECAUSE THE STATE HAS A VITAL INTEREST IN VIDEO LOTTERY
17 OPERATIONS AND HAS ESTABLISHED A LIMITED EXCEPTION TO THE POLICY OF THE
18 STATE CONCERNING GAMING FOR PRIVATE GAIN, PARTICIPATION IN VIDEO LOTTERY
19 OPERATIONS BY A LICENSEE UNDER THIS SUBTITLE SHALL BE DEEMED A
20 REVOCABLE PRIVILEGE CONDITIONED ON THE PROPER AND CONTINUED
21 QUALIFICATION OF THE LICENSEE AND ON THE DISCHARGE OF THE AFFIRMATIVE
22 RESPONSIBILITY OF EACH LICENSEE TO PROVIDE TO THE REGULATORY AND
23 INVESTIGATORY AUTHORITIES UNDER THIS SUBTITLE OR ANY OTHER PROVISION OF
24 LAW, ANY ASSISTANCE AND INFORMATION NECESSARY TO ASSURE THAT THE
25 POLICIES DECLARED BY THIS SUBTITLE ARE ACHIEVED.

26 (2) CONSISTENT WITH THE POLICY DESCRIBED IN PARAGRAPH (1) OF
27 THIS SUBSECTION, IT IS THE INTENT OF THIS SUBSECTION TO:

28 (I) PRECLUDE:

29 1. THE CREATION OF ANY PROPERTY RIGHT IN ANY LICENSE
30 REQUIRED UNDER THIS SUBTITLE;

31 2. THE ACCRUAL OF ANY VALUE TO THE PRIVILEGE OF
32 PARTICIPATION IN VIDEO LOTTERY OPERATIONS; AND

33 3. THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS
34 SUBTITLE; AND

35 (II) REQUIRE THAT PARTICIPATION IN VIDEO LOTTERY
36 OPERATIONS BE CONDITIONED SOLELY ON THE INDIVIDUAL QUALIFICATIONS OF
37 THE PERSON WHO SEEKS THE PRIVILEGE.

38 (F) IF THE COMMISSION ISSUES A VIDEO LOTTERY FACILITY LICENSE TO AN
39 APPLICANT FOR A TOURIST DESTINATION LOCATION, THE STATE RACING

1 COMMISSION SHALL ISSUE TO THE PERSON A PERMIT TO CONDUCT SATELLITE
2 SIMULCAST BETTING AT THE TOURIST DESTINATION LOCATION.

3 (G) (1) EACH VIDEO LOTTERY TERMINAL DEVICE, ASSOCIATED EQUIPMENT,
4 AND THE CENTRAL COMPUTER SHALL BE:

5 (I) OWNED OR LEASED BY THE COMMISSION; AND

6 (II) UNDER THE CONTROL OF THE COMMISSION.

7 (2) A VIDEO LOTTERY FACILITY LICENSEE AT A TRACK FACILITY
8 LOCATION OR A TOURIST DESTINATION LOCATION MAY NOT OPERATE MORE THAN
9 2,500 VIDEO LOTTERY TERMINALS.

10 (H) (1) UNLESS A PERSON HOLDS A VALID VIDEO LOTTERY OPERATOR
11 LICENSE ISSUED BY THE COMMISSION, THE PERSON MAY NOT ENTER INTO A
12 MANAGEMENT AGREEMENT, OR ANY OTHER BUSINESS RELATIONSHIP, WITH A
13 VIDEO LOTTERY FACILITY LICENSEE OR APPLICANT FOR THE OPERATION OR THE
14 MANAGEMENT OF THE LICENSEE'S OR APPLICANT'S VIDEO LOTTERY FACILITY OR TO
15 SHARE IN THE PROCEEDS FROM THE LICENSEE'S OR APPLICANT'S VIDEO LOTTERY
16 FACILITY.

17 (2) EACH VIDEO LOTTERY OPERATOR AND EACH OTHER PERSON WHO
18 OWNS OR CONTROLS THE VIDEO LOTTERY OPERATOR, MANAGEMENT AND
19 SUPERVISORY PERSONNEL, AND OTHER PRINCIPAL EMPLOYEES SHALL QUALIFY
20 UNDER THE STANDARDS AND PROVISIONS SET FORTH IN SUBSECTIONS (B) AND (C)
21 OF THIS SECTION FOR LICENSEES.

22 (3) THE COMMISSION MAY NOT GRANT AN EXEMPTION OR WAIVER OF
23 ANY LICENSING REQUIREMENT TO AN APPLICANT FOR OR HOLDER OF A VIDEO
24 LOTTERY OPERATOR LICENSE.

25 (4) A VIDEO LOTTERY FACILITY LICENSEE OR APPLICANT SHALL FILE
26 WITH THE COMMISSION ANY CURRENT OR PROPOSED OPERATION OR MANAGEMENT
27 AGREEMENT WITH ANY PERSON, WHICH AGREEMENT SHALL BE SUBJECT TO
28 APPROVAL BY THE COMMISSION.

29 (5) A LICENSED VIDEO LOTTERY OPERATOR MAY NOT ENTER INTO AN
30 AGREEMENT DESCRIBED UNDER THIS SUBSECTION WITH MORE THAN ONE VIDEO
31 LOTTERY FACILITY LICENSEE.

32 (I) (1) UNLESS A PERSON HOLDS A VALID VIDEO LOTTERY EMPLOYEE
33 LICENSE ISSUED BY THE COMMISSION, THE PERSON MAY NOT BE EMPLOYED BY A
34 LICENSEE AS A VIDEO LOTTERY EMPLOYEE.

35 (2) UNLESS A PERSON HOLDS A VALID SERVICE TECHNICIAN LICENSE
36 ISSUED BY THE COMMISSION, THE PERSON MAY NOT PROVIDE SERVICE AS A
37 SERVICE TECHNICIAN.

1 (3) BEFORE ISSUANCE OF A LICENSE, AN APPLICANT FOR A VIDEO
2 LOTTERY EMPLOYEE LICENSE OR SERVICE TECHNICIAN LICENSE SHALL PROVIDE
3 SUFFICIENT INFORMATION, DOCUMENTATION, AND ASSURANCES TO MEET THE
4 QUALIFICATION CRITERIA CONTAINED IN REGULATIONS ISSUED BY THE
5 COMMISSION.

6 (4) THE COMMISSION SHALL DENY A VIDEO LOTTERY EMPLOYEE
7 LICENSE OR SERVICE TECHNICIAN LICENSE TO AN APPLICANT WHO IS
8 DISQUALIFIED ON THE BASIS OF CRITERIA AND PROCEDURES CONTAINED IN
9 REGULATIONS ISSUED BY THE COMMISSION.

10 (J) (1) UNLESS A MANUFACTURER HOLDS A VALID MANUFACTURER
11 LICENSE ISSUED BY THE COMMISSION BEFORE CONDUCTING BUSINESS WITH A
12 LICENSEE OR THE STATE, THE MANUFACTURER MAY NOT OFFER ANY VIDEO
13 LOTTERY TERMINAL, ASSOCIATED EQUIPMENT, CENTRAL COMPUTER, OR GOODS OR
14 SERVICES THAT DIRECTLY RELATE TO THE OPERATION OF VIDEO LOTTERY
15 TERMINALS.

16 (2) EACH MANUFACTURER AND EACH PERSON WHO OWNS OR
17 CONTROLS THE MANUFACTURER, MANAGEMENT AND SUPERVISORY PERSONNEL,
18 AND OTHER PRINCIPAL EMPLOYEES SHALL QUALIFY UNDER THE STANDARDS AND
19 PROVISIONS SET FORTH IN SUBSECTIONS (B) AND (C) OF THIS SECTION FOR
20 LICENSEES.

21 (3) THE COMMISSION MAY NOT GRANT AN EXEMPTION OR WAIVER OF
22 ANY LICENSING REQUIREMENT TO AN APPLICANT FOR OR HOLDER OF A
23 MANUFACTURER LICENSE.

24 (4) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS,
25 ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR
26 DISTRIBUTE THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND
27 CENTRAL COMPUTER THAT MEET SPECIFICATIONS AND PROCEDURES CONTAINED
28 IN REGULATIONS ISSUED BY THE COMMISSION.

29 (K) (1) THE COMMISSION SHALL CONTRACT WITH ONE OR MORE LICENSED
30 MANUFACTURERS FOR THE LEASE OR PURCHASE OF THE VIDEO LOTTERY
31 TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER AUTHORIZED
32 UNDER THIS SUBTITLE.

33 (2) THE COMMISSION SHALL COMPLY WITH THE REQUIREMENTS OF
34 THE STATE FINANCE AND PROCUREMENT ARTICLE, INCLUDING REQUIREMENTS FOR
35 COMPETITIVE BIDS FOR PROCUREMENT CONTRACTS.

36 9-1A-06.

37 (A) THE COMMISSION MAY DENY A LICENSE TO AN APPLICANT, REPRIMAND
38 OR FINE A LICENSEE, OR SUSPEND OR REVOKE A LICENSE FOR A VIOLATION OF:

39 (1) THIS SUBTITLE;

- 1 (2) A REGULATION ADOPTED UNDER THIS SUBTITLE;
- 2 (3) A STATUTE ENACTED IN ACCORDANCE WITH THIS SUBTITLE; OR
- 3 (4) A CONDITION THAT THE COMMISSION SETS.

4 (B) (1) FOR EACH VIOLATION SPECIFIED IN SUBSECTION (A) OF THIS
5 SECTION, THE COMMISSION MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000
6 PAYABLE TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-10 OF THIS
7 SUBTITLE.

8 (2) EACH DAY THAT A PERSON IS IN VIOLATION OF THIS SECTION SHALL
9 BE CONSIDERED A SEPARATE VIOLATION.

10 (3) TO DETERMINE THE AMOUNT OF THE PENALTY IMPOSED UNDER
11 PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION SHALL CONSIDER:

- 12 (I) THE SERIOUSNESS OF THE VIOLATION;
- 13 (II) THE HARM CAUSED BY THE VIOLATION; AND
- 14 (III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON
15 WHO COMMITTED THE VIOLATION.

16 (C) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SUBTITLE, THIS
17 SUBTITLE DOES NOT ABROGATE OR LIMIT THE CRIMINAL LAWS OF THIS STATE OR
18 LIMIT OR PROHIBIT THE ENACTMENT OF LAWS ESTABLISHING CRIMINAL OFFENSES
19 AND PENALTIES RELATING TO VIDEO LOTTERY OPERATIONS.

20 9-1A-07.

21 (A) THE COMMISSION SHALL:

22 (1) HEAR AND DECIDE PROMPTLY AND IN REASONABLE ORDER LICENSE
23 APPLICATIONS AND CAUSES AFFECTING THE GRANTING, SUSPENSION, REVOCATION,
24 OR RENEWAL OF LICENSES UNDER THIS SUBTITLE;

25 (2) CONDUCT HEARINGS CONCERNING CIVIL VIOLATIONS OF THIS
26 SUBTITLE OR REGULATIONS ISSUED UNDER THIS SUBTITLE;

27 (3) ISSUE REGULATIONS THE COMMISSION CONSIDERS NECESSARY TO
28 FULFILL THE POLICIES OF THIS SUBTITLE;

29 (4) ESTABLISH AND COLLECT APPLICATION, LICENSE, AND OTHER FEES
30 TO COVER THE COSTS OF ADMINISTERING THIS SUBTITLE, EXCEPT THE COSTS
31 DESCRIBED UNDER § 9-1A-08(B)(2) OF THIS SUBTITLE;

32 (5) APPLY APPLICATION, LICENSE, AND OTHER FEES TO COVER THE
33 COSTS OF ADMINISTERING THIS SUBTITLE, EXCEPT THE COSTS DESCRIBED UNDER §
34 9-1A-08(B)(2) OF THIS SUBTITLE;

1 (6) (I) ESTABLISH AN ANNUAL FEE OF \$360, TO BE PAID BY EACH
2 VIDEO LOTTERY TERMINAL LICENSEE, FOR EACH VIDEO LOTTERY TERMINAL
3 OPERATED BY THE LICENSEE DURING THE YEAR; AND

4 (II) DISTRIBUTE THE FEES COLLECTED UNDER ITEM (I) OF THIS
5 PARAGRAPH, TO BE USED FOR THE PURPOSES SPECIFIED IN §§ 9-1A-12 AND 9-1A-13
6 OF THIS SUBTITLE, AS FOLLOWS:

7 1. 50% TO THE COMPULSIVE GAMBLING FUND ESTABLISHED
8 IN § 9-1A-13 OF THIS SUBTITLE; AND

9 2. 50% TO THE MARYLAND TOURISM DEVELOPMENT BOARD
10 FUND ESTABLISHED UNDER ARTICLE 83A, TITLE 4, SUBTITLE 2 OF THE CODE;

11 (7) LEVY AND COLLECT CIVIL PENALTIES THAT SHALL BE PAID TO THE
12 EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-10 OF THIS SUBTITLE FOR
13 CIVIL VIOLATIONS OF THE PROVISIONS OF THIS SUBTITLE AND ANY REGULATIONS
14 ISSUED UNDER THIS SUBTITLE;

15 (8) BE PRESENT AT A VIDEO LOTTERY FACILITY THROUGH ITS
16 EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO
17 LOTTERY TERMINAL FOR THE PURPOSE OF CERTIFYING REVENUE FROM THE VIDEO
18 LOTTERY TERMINALS, RECEIVING COMPLAINTS FROM THE PUBLIC, AND
19 CONDUCTING ANY OTHER INVESTIGATION INTO THE OPERATION OF THE VIDEO
20 LOTTERY TERMINALS AND THE MAINTENANCE OF THE VIDEO LOTTERY TERMINALS
21 AND ASSOCIATED EQUIPMENT THE COMMISSION CONSIDERS NECESSARY AND
22 PROPER; AND

23 (9) REVIEW AND RULE ON ANY COMPLAINT BY A LICENSEE REGARDING
24 ANY INVESTIGATIVE PROCEDURES OF THE COMMISSION THAT ARE UNNECESSARILY
25 DISRUPTIVE OF VIDEO LOTTERY OPERATIONS.

26 (B) (1) THE COMMISSION'S NEED TO INSPECT AND INVESTIGATE SHALL BE
27 PRESUMED AT ALL TIMES.

28 (2) THE DISRUPTION OF A LICENSEE'S VIDEO LOTTERY OPERATIONS
29 SHALL BE PROVED BY CLEAR AND CONVINCING EVIDENCE AND ESTABLISH THAT:

30 (I) THE PROCEDURES HAD NO REASONABLE LAW ENFORCEMENT
31 PURPOSE; AND

32 (II) THE PROCEDURES WERE SO DISRUPTIVE AS TO INHIBIT THE
33 LICENSEE'S VIDEO LOTTERY OPERATIONS.

34 (C) THE COMMISSION HAS THE AUTHORITY TO:

35 (1) ISSUE SUBPOENAS AND TO COMPEL THE ATTENDANCE OF
36 WITNESSES AT ANY PLACE WITHIN THE STATE;

1 (2) ADMINISTER OATHS AND REQUIRE TESTIMONY UNDER OATH
2 BEFORE THE COMMISSION IN THE COURSE OF ANY INVESTIGATION OR HEARING
3 CONDUCTED UNDER THIS SUBTITLE;

4 (3) SERVE OR CAUSE TO BE SERVED ITS PROCESS OR NOTICES IN A
5 MANNER PROVIDED FOR SERVICE OF PROCESS IN CIVIL ACTIONS UNDER THE
6 MARYLAND RULES; AND

7 (4) SUBMIT WRITTEN INTERROGATORIES.

8 (D) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE COMMISSION
9 SHALL CONDUCT A HEARING IN THE SAME MANNER AS SPECIFIED IN TITLE 10,
10 SUBTITLE 2 OF THIS ARTICLE.

11 (E) THE COMMISSION SHALL ADOPT REGULATIONS THAT INCLUDE THE
12 FOLLOWING SPECIFIC PROVISIONS IN ACCORDANCE WITH THIS SUBTITLE:

13 (1) REQUIRING THE METHODS AND FORMS OF APPLICATION THAT AN
14 APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE SHALL FOLLOW
15 AND COMPLETE BEFORE CONSIDERATION OF THE APPLICATION BY THE
16 COMMISSION;

17 (2) REQUIRING THE METHODS, PROCEDURES, AND FORM FOR DELIVERY
18 OF INFORMATION FROM AN APPLICANT OR LICENSEE CONCERNING ANY PERSON'S
19 FAMILY, HABITS, CHARACTER, ASSOCIATES, CRIMINAL RECORD, BUSINESS
20 ACTIVITIES, AND FINANCIAL AFFAIRS;

21 (3) REQUIRING THE PROCEDURES FOR THE FINGERPRINTING OF AN
22 APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE OR OTHER
23 METHODS OF IDENTIFICATION THAT THE COMMISSION CONSIDERS NECESSARY TO
24 ACCOMPLISH EFFECTIVE ENFORCEMENT OF THE PROVISIONS OF THIS SUBTITLE;

25 (4) REQUIRING THE MANNER AND PROCEDURE OF HEARINGS
26 CONDUCTED BY THE COMMISSION;

27 (5) REQUIRING THE MANNER AND METHOD OF COLLECTION OF TAXES,
28 FEES, AND CIVIL PENALTIES;

29 (6) DEFINING AND LIMITING THE AREAS OF OPERATION FOR VIDEO
30 LOTTERY TERMINALS, RULES OF VIDEO LOTTERY TERMINALS, ODDS FOR VIDEO
31 LOTTERY TERMINALS, AND THE METHOD OF OPERATION OF THE VIDEO LOTTERY
32 TERMINALS;

33 (7) REGULATING THE PRACTICE AND PROCEDURES FOR NEGOTIABLE
34 TRANSACTIONS INVOLVING VIDEO LOTTERY TERMINAL PLAYERS, INCLUDING
35 LIMITATIONS ON THE CIRCUMSTANCES AND AMOUNTS OF NEGOTIABLE
36 TRANSACTIONS, AND THE ESTABLISHMENT OF FORMS AND PROCEDURES FOR
37 NEGOTIABLE INSTRUMENT TRANSACTIONS, REDEMPTIONS, AND CONSOLIDATIONS;

1 (8) PRESCRIBING THE GROUNDS AND PROCEDURES FOR REPRIMANDS
2 OR THE REVOCATION OR SUSPENSION OF LICENSES ISSUED UNDER THIS SUBTITLE;

3 (9) GOVERNING THE MANUFACTURE, DISTRIBUTION, SALE, AND
4 SERVICING OF VIDEO LOTTERY TERMINALS;

5 (10) REQUIRING THE PROCEDURES, FORMS, AND METHODS OF
6 MANAGEMENT CONTROLS;

7 (11) PROVIDING FOR MINIMUM UNIFORM STANDARDS OF ACCOUNTANCY
8 METHODS, PROCEDURES, AND FORMS AS ARE NECESSARY TO ASSURE CONSISTENCY,
9 COMPARABILITY, AND EFFECTIVE DISCLOSURE OF ALL FINANCIAL INFORMATION,
10 INCLUDING PERCENTAGES OF PROFIT FOR VIDEO LOTTERY TERMINALS;

11 (12) REQUIRING PERIODIC FINANCIAL REPORTS AND THE FORM OF THE
12 REPORTS, INCLUDING AN ANNUAL AUDIT PREPARED BY A CERTIFIED PUBLIC
13 ACCOUNTANT LICENSED TO DO BUSINESS IN THE STATE, DISCLOSING WHETHER
14 THE ACCOUNTS, RECORDS, AND CONTROL PROCEDURES EXAMINED ARE
15 MAINTAINED BY THE VIDEO LOTTERY FACILITY LICENSEE AS REQUIRED BY THIS
16 SUBTITLE OR ANY REGULATIONS ISSUED UNDER THIS SUBTITLE;

17 (13) LIMITING SIGNS AND OTHER ON-SITE ADVERTISING TO REDUCE
18 SOLICITATION FOR VIDEO LOTTERY PURPOSES FROM THE PUBLIC THOROUGHFARES
19 OR OTHERWISE DOMINATING OR DESPOILING THE ENVIRONMENT;

20 (14) PROHIBITING A LICENSEE FROM ALLOWING A MINOR TO PLAY A
21 VIDEO LOTTERY TERMINAL; AND

22 (15) ESTABLISHING PAYOUT PERCENTAGE FOR VIDEO LOTTERY
23 TERMINALS OF NOT LESS THAN 83% ON AN AVERAGE ANNUAL BASIS.

24 (F) (1) BY REGULATION, THE COMMISSION SHALL PROVIDE FOR THE
25 ESTABLISHMENT OF A LIST OF PERSONS WHO ARE TO BE EXCLUDED OR EJECTED
26 FROM ANY VIDEO LOTTERY FACILITY LICENSED UNDER THIS SUBTITLE.

27 (2) THE REGULATIONS UNDER THIS SUBSECTION SHALL DEFINE THE
28 STANDARDS FOR EXCLUSION OR EJECTION AND SHALL INCLUDE STANDARDS
29 RELATING TO PERSONS:

30 (I) WHO ARE CAREER OFFENDERS AS DEFINED BY REGULATIONS
31 THAT SHALL BE ISSUED BY THE COMMISSION;

32 (II) WHO HAVE BEEN CONVICTED OF A CRIMINAL OFFENSE UNDER
33 THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED
34 STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A
35 GAMBLING OFFENSE; OR

36 (III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A LICENSEE
37 WOULD BE ADVERSE TO THE INTEREST OF THE STATE, THE LICENSEE, OR THE
38 PERSON.

1 (3) THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN
2 ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO
3 EXCLUDE OR EJECT FROM THE PREMISES OF THE LICENSEE A PERSON PLACED BY
4 THE COMMISSION ON THE LIST OF PERSONS TO BE EXCLUDED OR EJECTED.

5 (4) AN ORDER UNDER THIS SUBSECTION SHALL BE SUBJECT TO
6 JUDICIAL REVIEW.

7 (5) RACE, COLOR, CREED, NATIONAL ORIGIN OR ANCESTRY, OR SEX MAY
8 NOT BE A REASON FOR PLACING THE NAME OF A PERSON ON THE LIST OF PERSONS
9 TO BE EXCLUDED OR EJECTED.

10 (G) (1) THE COMMISSION SHALL PROMPTLY AND IN REASONABLE ORDER
11 INVESTIGATE ALL APPLICATIONS AND ENFORCE THE PROVISIONS OF THIS SUBTITLE
12 OR ANY REGULATIONS ISSUED UNDER THIS SUBTITLE.

13 (2) THE COMMISSION AND ITS EMPLOYEES AND AGENTS HAVE THE
14 AUTHORITY, WITHOUT NOTICE AND WITHOUT WARRANT, TO:

15 (I) INSPECT AND EXAMINE ALL PREMISES IN WHICH VIDEO
16 LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE CONDUCTED OR ANY
17 AUTHORIZED VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, OR CENTRAL
18 COMPUTER ARE DESIGNED, BUILT, CONSTRUCTED, ASSEMBLED, MANUFACTURED,
19 SOLD, DISTRIBUTED, OR SERVICED, OR IN WHICH RECORDS OF THOSE ACTIVITIES
20 ARE PREPARED OR MAINTAINED;

21 (II) INSPECT ANY VIDEO LOTTERY TERMINALS, ASSOCIATED
22 EQUIPMENT, OR CENTRAL COMPUTER IN, ABOUT, ON, OR AROUND THOSE PREMISES;

23 (III) SEIZE SUMMARILY AND REMOVE FROM THOSE PREMISES AND
24 IMPOUND, OR ASSUME PHYSICAL CONTROL OF, ANY VIDEO LOTTERY TERMINALS,
25 ASSOCIATED EQUIPMENT, OR CENTRAL COMPUTER FOR THE PURPOSES OF
26 EXAMINATION AND INSPECTION;

27 (IV) INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND
28 DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY OPERATIONS; AND

29 (V) SEIZE, IMPOUND, OR ASSUME PHYSICAL CONTROL OF BOOKS,
30 RECORDS, LEDGERS, CASH BOXES AND THEIR CONTENTS, A COUNTING ROOM OR ITS
31 EQUIPMENT, OR OTHER PHYSICAL OBJECTS RELATING TO VIDEO LOTTERY
32 OPERATIONS.

33 9-1A-08.

34 (A) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE UNDER THE
35 CONTROL OF THE COMMISSION AND SHALL BE DISTRIBUTED AS PROVIDED IN THIS
36 SECTION.

1 (B) FROM THE PROCEEDS FROM VIDEO LOTTERY TERMINALS FOR ALL VIDEO
2 LOTTERY FACILITIES, THE COMMISSION SHALL PAY, BASED ON A SCHEDULE
3 DETERMINED BY THE COMMISSION:

4 (1) 22% OF THE PROCEEDS AS FOLLOWS:

5 (I) 1. SUBJECT TO THE PROVISIONS OF ITEM 2 OF THIS ITEM, AN
6 AMOUNT TO THE GENERAL FUND, SUBJECT TO APPROVAL BY THE GENERAL
7 ASSEMBLY, FOR LOCAL IMPACT GRANTS TO COUNTIES FOR INFRASTRUCTURE,
8 FACILITIES, SERVICES, REDEVELOPMENT, AND OTHER IMPROVEMENTS IN COUNTIES
9 WHERE PIMLICO RACE COURSE, LAUREL RACE COURSE, ROSECROFT RACEWAY, AND
10 VIDEO LOTTERY FACILITIES AT TOURIST DESTINATION LOCATIONS ARE LOCATED,
11 PROVIDED THE GRANTS SHALL BE:

12 A. AT LEAST \$52,198 PER DAY FOR EACH DAY OF OPERATION
13 BY A VIDEO LOTTERY FACILITY LICENSEE LOCATED AT A TRACK IN A COUNTY WITH
14 A POPULATION DENSITY OF MORE THAN 2,500 PER SQUARE MILE;

15 B. AT LEAST \$41,209 PER DAY FOR EACH DAY OF OPERATION
16 BY A VIDEO LOTTERY FACILITY LICENSEE LOCATED AT A TRACK IN A COUNTY WITH
17 A POPULATION DENSITY OF MORE THAN 1,500 PER SQUARE MILE;

18 C. AT LEAST \$31,594 PER DAY FOR EACH DAY OF OPERATION
19 BY A VIDEO LOTTERY FACILITY LICENSEE LOCATED AT A TRACK IN A COUNTY WITH
20 A POPULATION DENSITY OF MORE THAN 1,000 PER SQUARE MILE; AND

21 D. AT LEAST \$6,182 PER DAY FOR EACH DAY OF OPERATION
22 BY A VIDEO LOTTERY FACILITY LICENSEE LOCATED AT A TOURIST DESTINATION
23 LOCATION;

24 2. IF A VIDEO LOTTERY FACILITY LICENSE IS ISSUED FOR
25 THE LAUREL RACE COURSE LOCATION, THE LOCAL IMPACT GRANT FOR THAT
26 LOCATION SHALL BE DISTRIBUTED AS FOLLOWS:

27 A. 60% TO ANNE ARUNDEL COUNTY;

28 B. 20% TO HOWARD COUNTY; AND

29 C. 20% TO THE CITY OF LAUREL;

30 3. POPULATION DENSITY UNDER ITEM 1 OF THIS ITEM
31 SHALL BE DETERMINED BY THE MARYLAND OFFICE OF PLANNING BASED ON THE
32 OFFICIAL 1998 POPULATION ESTIMATE FOR THE YEAR 2000; AND

33 4. THE LOCAL IMPACT GRANTS IN ITEM 2 OF THIS ITEM
34 SHALL INCREASE 2% EACH YEAR IN WHICH THE PROCEEDS IN THE CURRENT FISCAL
35 YEAR EXCEED THE PROCEEDS IN THE PRIOR FISCAL YEAR;

1 (II) \$5 MILLION TO THE GENERAL FUND TO PROVIDE GRANTS TO
2 LOCAL GOVERNMENTS TO PURCHASE FIRE AND RESCUE APPARATUS AND
3 EQUIPMENT; AND

4 (III) THE BALANCE TO THE EDUCATION TRUST FUND ESTABLISHED
5 UNDER § 9-1A-10 OF THIS SUBTITLE;

6 (2) (I) THE COSTS OF LEASING, OR THE CAPITALIZED COST OF
7 PURCHASING, THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND
8 CENTRAL COMPUTER; AND

9 (II) THE COSTS TO REPAIR AND MAINTAIN THE VIDEO LOTTERY
10 TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER TO THE EXTENT
11 THESE COSTS ARE NOT INCLUDED IN THE COSTS OF LEASING OR PURCHASING THE
12 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER;

13 (3) 10% OF THE REMAINDER OF THE PROCEEDS TO THE PURSE
14 DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-11 OF THIS SUBTITLE; AND

15 (4) AS APPROVED BY THE COMMISSION, AND SUBJECT TO THE
16 PROVISIONS OF § 9-1A-09 OF THIS SUBTITLE, THE BALANCE OF THE PROCEEDS TO
17 THE VIDEO LOTTERY FACILITY LICENSEES.

18 9-1A-09.

19 (A) FOR CAPITAL IMPROVEMENT PROJECTS OF \$1 MILLION OR MORE AT
20 HORSE RACING TRACKS AND RELATED FACILITIES FINANCED DIRECTLY OR
21 INDIRECTLY WITH PROCEEDS FROM VIDEO LOTTERY TERMINALS, THE MARYLAND
22 STADIUM AUTHORITY SHALL REVIEW AND APPROVE THE PROJECT PLAN AND
23 MANAGE THE PROJECT.

24 (B) (1) THE MARYLAND STADIUM AUTHORITY SHALL NOTIFY THE
25 LEGISLATIVE POLICY COMMITTEE IN WRITING OF ANY PROPOSED PROJECT THAT IS
26 SUBJECT TO THE AUTHORITY'S REVIEW AND MANAGEMENT UNDER SUBSECTION (A)
27 OF THIS SECTION.

28 (2) THE COMMITTEE SHALL HAVE 45 DAYS TO REVIEW AND COMMENT
29 ON THE PROPOSED PROJECT.

30 (3) THE AUTHORITY MAY NOT ENTER INTO ANY CONTRACT FOR A
31 PROJECT UNTIL AFTER THE 45-DAY REVIEW AND COMMENT PERIOD OR THE
32 AUTHORITY RECEIVES THE COMMITTEE'S COMMENTS, WHICHEVER IS SOONER.

33 (C) THE MARYLAND STADIUM AUTHORITY SHALL USE FUNDS PROVIDED BY
34 THE VIDEO LOTTERY FACILITY LICENSEES OR OTHERWISE APPROPRIATED FOR A
35 PROJECT THE AUTHORITY HAS REVIEWED AND APPROVED.

1 9-1A-10.

2 (A) AS USED IN THIS SECTION, "BOARD" MEANS THE BOARD OF THE
3 EDUCATION TRUST FUND.

4 (B) THERE IS AN EDUCATION TRUST FUND WHICH IS A SPECIAL CONTINUING,
5 NONLAPSING FUND.

6 (C) THERE SHALL BE CREDITED TO THE EDUCATION TRUST FUND ALL TAXES,
7 FEES, CHARGES, AND REVENUES COLLECTED OR RECEIVED BY OR PAID,
8 APPROPRIATED, OR CREDITED, UNDER THIS ARTICLE OR ANY OTHER PROVISION OF
9 LAW, TO THE ACCOUNT OF THE EDUCATION TRUST FUND.

10 (D) THERE IS A BOARD OF THE EDUCATION TRUST FUND THAT SHALL
11 OVERSEE THE ALLOCATION AND EXPENDITURE OF FUNDS FROM THE EDUCATION
12 TRUST FUND.

13 (E) THE BOARD SHALL CONSIST OF THE FOLLOWING NINE MEMBERS:

14 (1) THE SECRETARY OF BUDGET AND MANAGEMENT;

15 (2) THE SECRETARY OF THE MARYLAND HIGHER EDUCATION
16 COMMISSION;

17 (3) THE STATE SUPERINTENDENT OF SCHOOLS;

18 (4) THE CHANCELLOR OF THE UNIVERSITY SYSTEM OF MARYLAND;

19 (5) THE PRESIDENT OF MORGAN STATE UNIVERSITY;

20 (6) A MEMBER OF THE HOUSE OF DELEGATES APPOINTED BY THE
21 SPEAKER OF THE HOUSE OF DELEGATES;

22 (7) A MEMBER OF THE SENATE APPOINTED BY THE PRESIDENT OF THE
23 SENATE; AND

24 (8) TWO MEMBERS OF THE PUBLIC APPOINTED BY THE GOVERNOR TO A
25 TERM OF 4 YEARS BEGINNING JANUARY 1, 2000, WHO ARE ELIGIBLE FOR
26 REAPPOINTMENT.

27 (F) THE STATE SUPERINTENDENT OF SCHOOLS SHALL SERVE AS THE
28 CHAIRMAN OF THE BOARD.

29 (G) (1) THE BOARD SHALL PERIODICALLY REVIEW THE ALLOCATION AND
30 EXPENDITURE OF FUNDS FROM THE EDUCATION TRUST FUND.

31 (2) THE BOARD SHALL SUBMIT A REPORT ANNUALLY TO THE GOVERNOR
32 AND THE GENERAL ASSEMBLY BY NOVEMBER 1 OF EACH YEAR.

33 (3) THE REPORT SHALL INCLUDE THE EDUCATION TRUST FUND'S:

1 (I) BEGINNING BALANCE;

2 (II) PROJECTED REVENUES;

3 (III) PROPOSED OVERALL BUDGET AND ALLOCATION OF FUNDS IN
4 THE UPCOMING FISCAL YEAR; AND

5 (IV) IDENTIFICATION OF MULTIYEAR COMMITMENTS FOR
6 OPERATING OR CAPITAL PURPOSES.

7 (4) (I) THE GOVERNOR SHALL CONSIDER THE BOARD'S
8 RECOMMENDATIONS WHEN DEVELOPING THE STATE BUDGET FOR THE UPCOMING
9 FISCAL YEAR.

10 (II) THE GOVERNOR MAY ADJUST THE BOARD'S PROPOSED
11 ALLOCATION OF FUNDS WITHIN THE EDUCATION TRUST FUND'S OVERALL BUDGET
12 AND EDUCATION PURPOSES RECOMMENDED BY THE BOARD.

13 (5) EXPENDITURES FROM THE EDUCATION TRUST FUND SHALL BE
14 MADE IN ACCORDANCE WITH THE STATE BUDGET.

15 (H) (1) FOR EACH FISCAL YEAR BEGINNING ON OR AFTER JULY 1, 1999, THE
16 BOARD SHALL USE THE FUNDS IN THE EDUCATION TRUST FUND FOR ANY LAWFUL
17 OPERATING OR PAY-AS-YOU-GO CAPITAL PURPOSE RELATED TO:

18 (I) THE EXTENDED ELEMENTARY EDUCATION PROGRAM;

19 (II) FULL-DAY KINDERGARTEN WITH BEFORE- AND
20 AFTER-KINDERGARTEN CARE FOR "AT RISK" CHILDREN ELIGIBLE FOR FREE AND
21 REDUCED PRICE MEALS;

22 (III) TECHNOLOGY IN EDUCATION, TO BE USED TO IMPLEMENT AND
23 ADMINISTER THE MARYLAND PLAN FOR TECHNOLOGY IN EDUCATION DEVELOPED
24 FOR THE STATE BOARD OF EDUCATION WITH THE GOAL TO PROVIDE ACCESS AND
25 USE OF INFORMATION AND COMMUNICATION RESOURCES FOR EVERY CLASSROOM
26 IN THE STATE;

27 (IV) THE STATE LIBRARY RESOURCE CENTER AND REGIONAL
28 RESOURCE CENTERS IN SOUTHERN MARYLAND, WESTERN MARYLAND, AND THE
29 EASTERN SHORE FOR IMPROVED LIBRARY SERVICES AND TECHNOLOGY
30 ENHANCEMENTS;

31 (V) THE HOPE SCHOLARSHIP FUND THROUGH WHICH
32 SCHOLARSHIPS:

33 1. ARE PROVIDED TO MARYLAND HIGH SCHOOL GRADUATES
34 WITH A CUMULATIVE HIGH SCHOOL GRADE POINT AVERAGE OF B OR HIGHER IN
35 COLLEGE PREPARATORY COURSES AND A FAMILY INCOME OF NOT MORE THAN
36 \$80,000;

1 2. MAY BE USED TO ATTEND ANY COMMUNITY COLLEGE OR
2 4-YEAR COLLEGE IN THIS STATE THAT HAS RECEIVED A CERTIFICATE OF APPROVAL
3 FROM THE MARYLAND HIGHER EDUCATION COMMISSION;

4 3. MAY PAY UP TO THE FULL COST OF TUITION CHARGED AT
5 THE UNIVERSITY OF MARYLAND, COLLEGE PARK FOR 1 YEAR; AND

6 4. MAY BE RENEWED FOR A MAXIMUM OF 3 ADDITIONAL
7 YEARS FOR STUDENTS WHO CONTINUE TO MAINTAIN A B AVERAGE IN EACH
8 COLLEGE ACADEMIC YEAR;

9 (VI) THE STATE'S STUDENT FINANCIAL ASSISTANCE PROGRAMS,
10 UNDER TITLE 18 OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF
11 MARYLAND, TO REDUCE WAITING LISTS FOR FINANCIAL ASSISTANCE WITH THE
12 GOAL OF MEETING 40% OF THE DEMONSTRATED FINANCIAL NEED OF ELIGIBLE
13 STUDENTS IN THE EDUCATIONAL ASSISTANCE GRANT PROGRAM;

14 (VII) PROVIDING AND MAINTAINING INFORMATION TECHNOLOGY
15 INFRASTRUCTURE AT PUBLIC INSTITUTIONS OF HIGHER EDUCATION, INCLUDING:

16 1. BUILDING MODERN TELECOMMUNICATIONS SYSTEMS,
17 CLASSROOMS, AND LABORATORIES;

18 2. CREATING DIGITAL LIBRARIES;

19 3. PROVIDING AMPLE COMPUTER WORKSTATIONS FOR
20 STUDENTS; AND

21 4. ENHANCING DISTANCE LEARNING TECHNOLOGIES; AND

22 (VIII) ANY OTHER EDUCATION RELATED PURPOSE APPROVED BY THE
23 BOARD.

24 (2) FOR EACH FISCAL YEAR, IN ADDITION TO THE FUNDS DEDICATED
25 UNDER THIS SECTION TO THE EDUCATION TRUST FUND, THE GOVERNOR SHALL
26 INCLUDE IN THE ANNUAL BUDGET BILL SUBMITTED TO THE GENERAL ASSEMBLY A
27 GENERAL FUND APPROPRIATION FOR THE PURPOSES DESCRIBED UNDER
28 PARAGRAPH (1) OF THIS SUBSECTION IN AN AMOUNT NOT LESS THAN THE AMOUNT
29 OF FUNDS APPROPRIATED IN THE PRIOR FISCAL YEAR FOR THOSE PURPOSES.

30 (3) AN APPROPRIATION FROM THE EDUCATION TRUST FUND PROPOSED
31 TO BE MADE TO ANY UNIT IN THE DEPARTMENT OR PROPOSED TO BE MADE FOR ANY
32 DESIGNATED EDUCATION ACTIVITY, FUNCTION, OR UNDERTAKING THAT HAS BEEN
33 REDUCED BY THE GENERAL ASSEMBLY MAY NOT BE RESTORED, FOR THE SAME
34 PURPOSE AS ORIGINALLY PROPOSED, EXCEPT IN AN EMERGENCY, BY THE BUDGET
35 AMENDMENT PROCEDURE OF § 7-209 OF THE STATE FINANCE AND PROCUREMENT
36 ARTICLE OR OTHERWISE IF THE GENERAL ASSEMBLY IN STRIKING OR REDUCING
37 THE APPROPRIATION, PROHIBITED ITS RESTORATION.

1 (4) EXCEPT FOR AN EMERGENCY CAPITAL PROJECT FOR EDUCATION, IF
2 THE GENERAL ASSEMBLY EXPLICITLY REDUCES IN THE BUDGET BILL AN
3 APPROPRIATION FROM THE EDUCATION TRUST FUND PROPOSED FOR A MAJOR
4 CAPITAL PROJECT OR CAPITAL GRANT FOR EDUCATION, THE APPROPRIATION MAY
5 NOT BE RESTORED FOR THE SAME PURPOSE AS ORIGINALLY PROPOSED BY THE
6 BUDGET AMENDMENT PROCEDURE OF § 7-209 OF THE STATE FINANCE AND
7 PROCUREMENT ARTICLE OR OTHERWISE UNLESS THE GENERAL ASSEMBLY, IN
8 STRIKING OR REDUCING THE APPROPRIATION, EXPRESSLY AUTHORIZED ITS
9 RESTORATION.

10 9-1A-11.

11 (A) THERE IS A PURSE DEDICATION ACCOUNT UNDER THE AUTHORITY OF
12 THE COMMISSION.

13 (B) (1) THE ACCOUNT SHALL RECEIVE MONEYS AS REQUIRED UNDER §
14 9-1A-08(B)(3) OF THIS SUBTITLE.

15 (2) MONEYS IN THE ACCOUNT SHALL BE INVESTED AND REINVESTED BY
16 THE TREASURER AND INTEREST AND EARNINGS SHALL ACCRUE TO THE ACCOUNT.

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

19 (4) EXPENDITURES FROM THE ACCOUNT SHALL ONLY BE MADE:

20 (I) AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION; AND

21 (II) IN ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE
22 GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY THE BUDGET
23 AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND
24 PROCUREMENT ARTICLE.

25 (C) FUNDS CREDITED TO THE PURSE DEDICATION ACCOUNT UNDER §
26 9-1A-08(B)(3) OF THIS SUBTITLE SHALL BE ALLOCATED BY THE COMMISSION AND
27 PAID FROM THE ACCOUNT IN THE FOLLOWING MANNER:

28 (1) 62.3% TO MILE THOROUGHBRED PURSES;

29 (2) 7.7% TO THE MARYLAND-BRED RACE FUND;

30 (3) 26.67% TO STANDARD BRED PURSES; AND

31 (4) 3.33% TO THE STANDARD BRED RACE FUND.

32 (D) (1) THE ORGANIZATION REPRESENTING A MAJORITY OF THE
33 THOROUGHBRED BREEDERS LICENSED IN THE STATE MAY USE UP TO 5% OF THE
34 MONEY ALLOCATED TO THE MARYLAND-BRED RACE FUND UNDER SUBSECTION
35 (C)(2) OF THIS SECTION FOR ACTIVITIES RELATED TO THE MARKETING, PROMOTION,

1 AND ENHANCEMENT OF THE THOROUGHbred RACING AND BREEDING INDUSTRY IN
2 THE STATE.

3 (2) THE STATE RACING COMMISSION SHALL USE THE REMAINING 95%
4 OF THE MONEY ALLOCATED TO THE MARYLAND-BRED RACE FUND UNDER
5 SUBSECTION (C)(2) OF THIS SECTION FOR MARYLAND-BRED FUND RACES AS
6 DESCRIBED UNDER TITLE 11, SUBTITLE 5 OF THE BUSINESS REGULATION ARTICLE
7 OF THE ANNOTATED CODE OF MARYLAND.

8 (E) THE GROUP THAT REPRESENTS A MAJORITY OF THE APPLICABLE OWNERS
9 AND TRAINERS LICENSED IN THE STATE MAY ALLOCATE REVENUES OUT OF THE
10 APPLICABLE PURSE SHARE.

11 (F) THE GROUP THAT REPRESENTS A MAJORITY OF THE APPLICABLE
12 BREEDERS IN THE STATE MAY ALLOCATE REVENUES OUT OF THE APPLICABLE BRED
13 FUND SHARE.

14 9-1A-12.

15 (A) THE MARYLAND TOURISM DEVELOPMENT BOARD SHALL RECEIVE
16 MONEYS AS REQUIRED UNDER § 9-1A-07(A)(6) OF THIS SUBTITLE.

17 (B) IN ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE GENERAL
18 ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY THE BUDGET AMENDMENT
19 PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND PROCUREMENT
20 ARTICLE, THE MARYLAND TOURISM DEVELOPMENT BOARD SHALL EXPEND MONEYS
21 IT RECEIVES UNDER § 9-1A-07 OF THIS SUBTITLE FOR STATEWIDE TOURISM
22 PROMOTION, INCLUDING HERITAGE AND OTHER TOURISM AREAS.

23 9-1A-13.

24 (A) THERE IS A COMPULSIVE GAMBLING FUND IN THE DEPARTMENT OF
25 HEALTH AND MENTAL HYGIENE.

26 (B) (1) THERE SHALL BE CREDITED TO THE COMPULSIVE GAMBLING FUND
27 ALL FEES COLLECTED BY THE COMMISSION UNDER § 9-1A-07 OF THIS SUBTITLE.

28 (2) MONEYS IN THE COMPULSIVE GAMBLING FUND SHALL BE INVESTED
29 AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL
30 ACCRUE TO THE FUND.

31 (3) THE COMPULSIVE GAMBLING FUND IS A SPECIAL CONTINUING,
32 NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
33 PROCUREMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND.

34 (C) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL ONLY
35 BE MADE:

1 (1) BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE TO
2 ESTABLISH A 24-HOUR HOTLINE FOR COMPULSIVE GAMBLERS AND TO PROVIDE
3 COUNSELING AND OTHER SUPPORT SERVICES FOR COMPULSIVE GAMBLERS; AND

4 (2) IN ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE
5 GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY THE BUDGET
6 AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND
7 PROCUREMENT ARTICLE.

8 9-1A-14.

9 (A) THE COMMISSION SHALL ESTABLISH AN ELECTRONIC PAYMENT SYSTEM
10 FOR THE PAYMENT OF THE AMOUNTS REQUIRED UNDER § 9-1A-08 OF THIS
11 SUBTITLE.

12 (B) THE COMMISSION SHALL ACCOUNT TO THE COMPTROLLER FOR ALL OF
13 THE REVENUE AND EXPENDITURES UNDER THIS SUBTITLE.

14 (C) THE COMPTROLLER SHALL CREDIT THE REVENUES AS REQUIRED BY §
15 9-1A-08 OF THIS SUBTITLE.

16 9-1A-15.

17 (A) NOTWITHSTANDING ANY PROVISION OF THIS SUBTITLE, THE
18 COMMISSION MAY CONSIDER AN APPLICATION FOR A VIDEO LOTTERY FACILITY
19 LICENSE FOR A TOURIST DESTINATION IF, PRIOR TO THE APPLICATION DATE:

20 (1) THE GOVERNING BODY OF THE COUNTY ADOPTS A RESOLUTION IN
21 ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION IN SUPPORT OF THE
22 ESTABLISHMENT AND LOCATION OF A VIDEO LOTTERY FACILITY IN THE COUNTY;
23 AND

24 (2) A MAJORITY OF REGISTERED VOTERS OF THE COUNTY VOTING ON
25 THE RESOLUTION ENDORSE THE RESOLUTION OF THE GOVERNING BODY IN
26 ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION AT THE NEXT REGULAR
27 CONGRESSIONAL ELECTION HELD NOT LESS THAN 30 DAYS FOLLOWING ADOPTION
28 OF THE RESOLUTION UNDER ITEM (1) OF THIS SUBSECTION.

29 (B) (1) PRIOR TO THE ADOPTION OF A RESOLUTION, THE GOVERNING BODY
30 OF A COUNTY SHALL CONDUCT A PUBLIC HEARING ON THE PROPOSED RESOLUTION.

31 (2) THE GOVERNING BODY OF THE COUNTY SHALL PUBLISH NOTICE OF
32 THE HEARING ON THE PROPOSED RESOLUTION AT LEAST ONCE A WEEK FOR 2
33 CONSECUTIVE WEEKS PRIOR TO THE HEARING IN A NEWSPAPER OF GENERAL
34 CIRCULATION IN THE COUNTY.

35 (C) (1) THE BOARD OF SUPERVISORS OF ELECTIONS OF THE COUNTY,
36 WORKING IN CONJUNCTION WITH THE COUNTY GOVERNING BODY, SHALL PLACE ON
37 THE BALLOT AT THE ELECTION HELD IN ACCORDANCE WITH SUBSECTION (A)(2) OF
38 THIS SECTION THE TITLE "ESTABLISHMENT AND LOCATION OF VIDEO LOTTERY

1 FACILITY IN THE COUNTY" AND UNDERNEATH THE TITLE, ON SEPARATE LINES,
2 OPTIONS FOR THE VOTER TO SELECT "FOR THE VIDEO LOTTERY FACILITY" OR
3 "AGAINST THE VIDEO LOTTERY FACILITY".

4 (2) PRIOR TO THE ELECTION, THE BOARD OF SUPERVISORS OF THE
5 COUNTY SHALL PUBLISH IN AT LEAST TWO NEWSPAPERS OF GENERAL CIRCULATION
6 IN THE COUNTY, AT LEAST ONCE A WEEK FOR 3 CONSECUTIVE WEEKS, NOTICE OF
7 THE REFERENDUM AND A COPY OF THE RESOLUTION ADOPTED BY THE COUNTY
8 GOVERNING BODY.

9 (3) IF THE MAJORITY OF THE VOTERS VOTING ON THE RESOLUTION OF
10 THE COUNTY GOVERNING BODY VOTE FOR THE VIDEO LOTTERY FACILITY, THE
11 RESOLUTION OF THE GOVERNING BODY AND THE VOTER REFERENDUM MAY BE
12 CONSIDERED BY THE COMMISSION AS EVIDENCE IN SUPPORT OF THE
13 ESTABLISHMENT OF A VIDEO LOTTERY FACILITY AT A TOURIST DESTINATION
14 LOCATED IN THE COUNTY.

15 (4) IF THE MAJORITY OF THE VOTERS VOTING ON THE RESOLUTION OF
16 THE COUNTY GOVERNING BODY VOTE AGAINST THE VIDEO LOTTERY FACILITY, THE
17 RESOLUTION OF THE GOVERNING BODY SHALL BE NULL AND VOID.

18 **Article - Financial Institutions**

19 13-709.1.

20 THE AUTHORITY SHALL ENTER INTO CONTRACTS FOR PROJECTS FOR THE
21 CONSTRUCTION, RENOVATION, REMODELING, OR REPAIR OF HORSE RACING TRACKS
22 AND RELATED FACILITIES AS DESCRIBED IN § 9-1A-09(A) OF THE STATE
23 GOVERNMENT ARTICLE.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
25 effect July 1, 1999.