
By: **Delegate Rawlings**

Introduced and read first time: February 11, 2000

Assigned to: Ways and Means

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 establishing certain eligibility criteria and disqualifying criteria for a video
10 lottery facility license; authorizing the State Lottery Commission to conduct
11 certain investigations and hearings; specifying limits on the numbers of video
12 lottery terminals allowed at certain facilities; authorizing the State Lottery
13 Commission to require video lottery terminal manufacturers, video lottery
14 operators, video lottery employees, and service technicians to be licensed;
15 providing for certain eligibility criteria and disqualifying criteria for certain
16 licenses; authorizing the State Lottery Commission to reprimand a licensee or
17 deny, suspend, or revoke certain licenses under certain circumstances;
18 authorizing the State Lottery Commission to collect certain fees, civil penalties,
19 and taxes; providing for the issuance of certain regulations by the State Lottery
20 Commission; providing that the State Lottery Commission shall buy or lease,
21 and shall maintain control over, the video lottery terminals, associated
22 equipment, and central computer under this Act; requiring the State Lottery
23 Commission to distribute certain moneys in specified ways; providing for certain
24 local impact grants; requiring the Maryland Stadium Authority, for capital
25 improvement projects of a certain amount or more financed directly or indirectly
26 with proceeds from video lottery terminals, to review and approve the project
27 plan and to manage the project; providing for a certain distribution from video
28 lottery proceeds to the Purse Dedication Account for horse racing; creating an
29 Education Trust Fund administered by the Education Trust Fund Board;
30 providing for the membership and duties of the Board; requiring certain
31 distributions from video lottery proceeds to the Education Trust Fund; providing
32 for certain appropriations from the Education Trust Fund for certain education
33 programs; providing for certain distributions from the Purse Dedication Account
34 for horse racing; providing for a certain distribution from certain fees to the
35 Maryland Tourism Development Board Fund; requiring the State Lottery

1 Commission to make certain accounts to the Comptroller; creating a Compulsive
2 Gambling Fund in the Department of Health and Mental Hygiene; providing for
3 certain disbursements from the Compulsive Gambling Fund for certain
4 purposes; defining certain terms; and generally relating to the operation of video
5 lottery terminals at certain horse racetracks.

6 BY adding to
7 Article - State Government
8 Section 9-1A-01 through 9-1A-14 to be under the new subtitle "Subtitle 1A.
9 Video Lottery Terminals"
10 Annotated Code of Maryland
11 (1999 Replacement Volume)

12 BY adding to
13 Article - Financial Institutions
14 Section 13-709.1
15 Annotated Code of Maryland
16 (1998 Replacement Volume and 1999 Supplement)

17 Preamble

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

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

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

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

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

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

36 WHEREAS, The General Assembly finds and declares that competition from
37 video lottery facilities in Delaware and West Virginia are resulting in increased
38 purses and economic activity in those states and will have a substantial negative

1 impact on Maryland's historic racing and breeding industries and the related
2 economy of the State; and

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

7 WHEREAS, An integral and essential element of the regulation and control of
8 video lottery terminals rests in the credibility and integrity of the regulatory process
9 and of video lottery operations; and to further public confidence and trust, the
10 regulatory provisions of this Act are designed to extend strict regulation to all
11 persons, locations, practices, and associations related to the operation of licensed
12 video lottery operations as provided under this Act; and

13 WHEREAS, The General Assembly finds and declares that it is necessary and in
14 the best interest of the economic growth of the State to make commitments to
15 educational programs in the State and to allow Maryland's horse racing and breeding
16 industries to compete with those industries in surrounding states by authorizing
17 video lottery terminals at some of Maryland's racing facilities; now, therefore,

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

20 **Article - State Government**

21 **SUBTITLE 1A. VIDEO LOTTERY TERMINALS.**

22 9-1A-01.

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

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

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

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

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

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

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

6 (1) INFORMATION RETRIEVAL; AND

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

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

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

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

16 (K) "COUNTY" INCLUDES BALTIMORE CITY.

17 (L) "FAMILY" MEANS A SPOUSE, PARENT, GRANDPARENT, CHILD,
18 GRANDCHILD, SIBLING, UNCLE, AUNT, NEPHEW, NIECE, FATHER-IN-LAW,
19 MOTHER-IN-LAW, DAUGHTER-IN-LAW, SON-IN-LAW, BROTHER-IN-LAW, AND
20 SISTER-IN-LAW, WHETHER BY WHOLE OR HALF BLOOD, BY MARRIAGE, ADOPTION,
21 OR NATURAL RELATIONSHIP.

22 (M) (1) "LICENSEE" MEANS AN APPLICANT THAT HAS BEEN ISSUED A VIDEO
23 LOTTERY FACILITY LICENSE.

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

27 (N) "MANUFACTURER" MEANS A PERSON:

28 (1) THAT HOLDS A LICENSE ISSUED BY THE COMMISSION TO ENGAGE IN
29 THE BUSINESS OF DESIGNING, BUILDING, CONSTRUCTING, ASSEMBLING,
30 MANUFACTURING, OR DISTRIBUTING A CENTRAL COMPUTER, VIDEO LOTTERY
31 TERMINALS, ASSOCIATED EQUIPMENT, THE ELECTRONIC COMPUTER COMPONENTS
32 OF VIDEO LOTTERY TERMINALS, THE RANDOM NUMBER GENERATOR OF VIDEO
33 LOTTERY TERMINALS, OR THE CABINET IN WHICH A VIDEO LOTTERY TERMINAL IS
34 HOUSED;

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

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

3 (O) "OWN" MEANS HAVING A BENEFICIAL OR PROPRIETARY INTEREST, OF AT
4 LEAST A CERTAIN PERCENTAGE ESTABLISHED BY THE COMMISSION, IN THE
5 PROPERTY OR BUSINESS OF AN APPLICANT OR LICENSEE.

6 (P) "PLAYER" MEANS A PERSON WHO PLAYS A VIDEO LOTTERY TERMINAL AT A
7 VIDEO LOTTERY FACILITY LICENSED BY THE COMMISSION.

8 (Q) "PROCEEDS" MEANS THE PART OF THE AMOUNT OF MONEY BET THROUGH
9 VIDEO LOTTERY TERMINALS THAT IS NOT RETURNED TO SUCCESSFUL PLAYERS BUT
10 IS OTHERWISE ALLOCATED UNDER THIS SUBTITLE.

11 (R) "SERVICE TECHNICIAN" MEANS A PERSON WHO IS LICENSED BY THE
12 COMMISSION AND PERFORMS SERVICE, MAINTENANCE, OR REPAIR ON LICENSED
13 VIDEO LOTTERY TERMINALS.

14 (S) "VIDEO LOTTERY" MEANS GAMING OR BETTING CONDUCTED USING A
15 VIDEO LOTTERY TERMINAL.

16 (T) "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE, OF A PERSON WHO
17 HOLDS A VIDEO LOTTERY FACILITY LICENSE, WHO PARTICIPATES IN THE VIDEO
18 LOTTERY OPERATIONS.

19 (U) (1) "VIDEO LOTTERY TERMINAL" MEANS ANY ELECTRONIC
20 CONTRIVANCE, MACHINE, OR OTHER DEVICE THAT, ON INSERTION OF A COIN,
21 TOKEN, OR SIMILAR OBJECT OR ON PAYMENT OF ANY CONSIDERATION, IS
22 AVAILABLE TO PLAY OR OPERATE, THE PLAY OR OPERATION OF WHICH, WHETHER
23 BY REASON OF THE SKILL OF THE OPERATOR OR APPLICATION OF THE ELEMENT OF
24 CHANCE, OR BOTH, MAY DELIVER OR ENTITLE THE PLAYER WHO OPERATES THE
25 DEVICE TO RECEIVE CASH, PREMIUMS, MERCHANDISE, TOKENS, OR ANYTHING OF
26 VALUE, WHETHER THE PAYOUT IS MADE AUTOMATICALLY FROM THE DEVICE OR IN
27 ANY OTHER MANNER.

28 (2) "VIDEO LOTTERY TERMINAL" DOES NOT INCLUDE AN AUTHORIZED
29 SLOT MACHINE OPERATED BY AN ELIGIBLE ORGANIZATION UNDER ARTICLE 27, §
30 264B OF THE ANNOTATED CODE OF MARYLAND.

31 9-1A-02.

32 (A) EXCEPT AS PROVIDED BY SUBSECTION (B) OF THIS SECTION, ON OR AFTER
33 JULY 1, 2000, ANY ADDITIONAL FORMS OR EXPANSION OF COMMERCIAL GAMING ARE
34 PROHIBITED, INCLUDING:

35 (1) CASINO-STYLE GAMING;

36 (2) CARD GAMES;

37 (3) DICE GAMES;

- 1 (4) ROULETTE;
- 2 (5) SLOT MACHINES; AND
- 3 (6) VIDEO LOTTERY TERMINALS.

4 (B) THIS SECTION DOES NOT APPLY TO:

5 (1) EXCEPT AS PROVIDED IN SUBSECTION (A)(5) OF THIS SECTION,
6 LOTTERIES CONDUCTED UNDER SUBTITLE 1 OF THIS TITLE;

7 (2) WAGERING ON HORSE RACING CONDUCTED UNDER TITLE 11 OF THE
8 BUSINESS REGULATION ARTICLE; OR

9 (3) GAMING CONDUCTED BY A BONA FIDE FRATERNAL, CIVIC, WAR
10 VETERANS', RELIGIOUS, OR CHARITABLE ORGANIZATION, VOLUNTEER FIRE
11 COMPANY, OR SUBSTANTIALLY SIMILAR ORGANIZATION DESCRIBED UNDER THE
12 GAMING SUBHEADING OF ARTICLE 27 OF THE CODE.

13 9-1A-03.

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

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

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

22 9-1A-04.

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

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

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

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

31 (4) A HOLDER OF A LICENSE ISSUED BY THE STATE RACING
32 COMMISSION BEFORE JULY 1, 2001, FOR A TRACK FOR MILE THOROUGHBRED RACING
33 IN ALLEGANY COUNTY .

34 (B) THE COMMISSION MAY NOT ISSUE:

1 (1) A VIDEO LOTTERY FACILITY LICENSE TO AN APPLICANT WHO IS THE
2 HOLDER OF A LICENSE FOR A TRACK DESCRIBED UNDER SUBSECTION (A) OF THIS
3 SECTION FOR A LOCATION OTHER THAN THE LOCATION OF THE TRACK FOR WHICH
4 THE APPLICANT HOLDS THE TRACK LICENSE; AND

5 (2) A VIDEO LOTTERY FACILITY LICENSE FOR ANY LOCATION ON STATE
6 PROPERTY.

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

10 (1) THE CONSTRUCTION PROJECT AT THE TRACK LOCATION FOR THE
11 APPLICANT'S VIDEO LOTTERY AND OTHER FACILITIES SHALL COST AT LEAST
12 \$100,000,000 IN DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND
13 RELATED COSTS AT THE TRACK LOCATION;

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

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

22 9-1A-05.

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

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

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

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

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

33 (3) EACH APPLICANT OR LICENSEE SHALL CONSENT TO INSPECTIONS,
34 SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR REGULATIONS
35 ISSUED UNDER THIS SUBTITLE.

36 (4) (I) EACH APPLICANT OR LICENSEE HAS THE CONTINUING DUTY
37 TO:

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

3 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR
4 HEARING CONDUCTED BY THE COMMISSION.

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

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

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

15 (II) AN APPLICANT OR LICENSEE MAY NOT DISCRIMINATE AGAINST
16 A PERSON WHO INFORMS THE COMMISSION OF AN ACT OR OMISSION THAT THE
17 PERSON BELIEVES CONSTITUTES A VIOLATION OF THIS SUBTITLE OR THE
18 REGULATIONS ISSUED UNDER THIS SUBTITLE.

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

22 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY
23 OF THE APPLICANT OR LICENSEE;

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

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

29 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE
30 APPLICANT OR LICENSEE;

31 (V) THE SUITABILITY OF THE VIDEO LOTTERY FACILITY AND ITS
32 LOCATION; AND

33 (VI) THE GOOD FAITH EFFORTS OF THE APPLICANT OR LICENSEE
34 TO PROVIDE FOR OWNERSHIP WITH INDICATION OF PERCENTAGE AND TYPE, SUCH
35 AS EQUITY PARTNER OR SPECIFIC PERCENTAGE SHAREHOLDER, BY MINORITY
36 INDIVIDUALS, WOMEN, AND BUSINESS ENTITIES OWNED BY MINORITY INDIVIDUALS
37 OR BY WOMEN.

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

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

6 (II) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL
7 HISTORIES OF OFFICERS, DIRECTORS, AND PRINCIPAL EMPLOYEES OF THE
8 CORPORATION;

9 (III) THE NAMES OF ALL HOLDING, INTERMEDIARY, AND
10 SUBSIDIARY COMPANIES OF THE CORPORATION;

11 (IV) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF
12 ALL BUSINESSES OPERATED BY THE CORPORATION'S HOLDING, INTERMEDIARY, AND
13 SUBSIDIARY COMPANIES;

14 (V) THE RIGHTS AND PRIVILEGES ACQUIRED BY THE HOLDERS OF
15 DIFFERENT CLASSES OF AUTHORIZED SECURITIES OF THE CORPORATION AND ITS
16 HOLDING, INTERMEDIARY, AND SUBSIDIARY COMPANIES;

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

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

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

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

28 (X) THE NAMES OF PERSONS WHO OWN OR CONTROL THE
29 CORPORATION;

30 (XI) A DESCRIPTION OF ALL BONUS AND PROFIT SHARING
31 ARRANGEMENTS;

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

33 (XIII) A LISTING OF STOCK OPTIONS.

34 (9) IF A CORPORATION THAT APPLIES FOR A VIDEO LOTTERY FACILITY
35 LICENSE IS, OR IF A CORPORATION HOLDING A VIDEO LOTTERY FACILITY LICENSE IS
36 TO BECOME, A SUBSIDIARY, EACH HOLDING COMPANY AND EACH INTERMEDIARY

1 COMPANY WITH RESPECT TO THE CORPORATION SHALL, AS A CONDITION OF THE
2 SUBSIDIARY ACQUIRING OR RETAINING A VIDEO LOTTERY FACILITY LICENSE:

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

4 (II) IF IT IS A CORPORATION, FURNISH THE COMMISSION WITH THE
5 INFORMATION REQUIRED OF A CORPORATE APPLICANT SPECIFIED IN PARAGRAPH (8)
6 OF THIS SUBSECTION AND OTHER INFORMATION THAT THE COMMISSION MAY
7 REQUIRE; OR

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

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

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

16 (I) FAILURE OF THE APPLICANT TO PROVE BY CLEAR AND
17 CONVINCING EVIDENCE THAT THE APPLICANT AND EACH PERSON WHO OWNS OR
18 CONTROLS THE APPLICANT ARE QUALIFIED UNDER THE PROVISIONS OF THIS
19 SUBTITLE;

20 (II) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
21 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO PROVIDE
22 INFORMATION, DOCUMENTATION, AND ASSURANCES REQUIRED BY THIS SUBTITLE
23 OR REQUESTED BY THE COMMISSION;

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

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

31 (V) THE CONVICTION OF THE APPLICANT OR OF ANY PERSON
32 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
33 OF AN OFFENSE UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION
34 WITHIN THE UNITED STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL
35 TURPITUDE OR A GAMBLING OFFENSE;

36 (VI) CURRENT PROSECUTION OF THE APPLICANT OR A PERSON
37 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
38 LICENSE FOR AN OFFENSE DESCRIBED UNDER ITEM (V) OF THIS PARAGRAPH;

1 HOWEVER, AT THE REQUEST OF THE APPLICANT, THE COMMISSION SHALL DEFER
2 DECISION ON THE APPLICATION DURING THE PENDENCY OF THE CHARGE;

3 (VII) THE PURSUIT BY THE APPLICANT OR A PERSON WHO IS
4 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
5 OF ECONOMIC GAIN IN AN OCCUPATIONAL MANNER OR CONTEXT THAT IS IN
6 VIOLATION OF THE CRIMINAL OR CIVIL PUBLIC POLICIES OF THE STATE, IF THE
7 PURSUIT CREATES A REASONABLE BELIEF THAT PARTICIPATION OF THE APPLICANT
8 IN VIDEO LOTTERY OPERATIONS WOULD BE ADVERSE TO THE POLICIES OF THIS
9 SUBTITLE;

10 (VIII) THE IDENTIFICATION OF THE APPLICANT OR A PERSON WHO IS
11 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
12 AS A CAREER OFFENDER OR A MEMBER OF A CAREER OFFENDER CARTEL OR AN
13 ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER
14 THAT CREATES A REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS
15 TO BE INIMICAL TO THE POLICIES OF THIS SUBTITLE;

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

21 (X) CONTUMACIOUS DEFIANCE BY THE APPLICANT OR A PERSON
22 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
23 LICENSE OF A LEGISLATIVE INVESTIGATORY BODY OR OTHER OFFICIAL
24 INVESTIGATORY BODY OF THE UNITED STATES OR A JURISDICTION WITHIN THE
25 UNITED STATES WHEN THE BODY IS ENGAGED IN THE INVESTIGATION OF CRIMES
26 RELATING TO GAMBLING, OFFICIAL CORRUPTION, OR ORGANIZED CRIME ACTIVITY.

27 (C) (1) ON THE FILING OF AN APPLICATION FOR ANY LICENSE REQUIRED
28 UNDER THIS SUBTITLE AND ANY SUPPLEMENTAL INFORMATION REQUIRED BY THE
29 COMMISSION, THE COMMISSION SHALL CONDUCT A BACKGROUND INVESTIGATION
30 AND A HEARING ON THE QUALIFICATIONS OF THE APPLICANT AND ANY PERSON
31 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
32 LICENSE.

33 (2) AFTER THE INVESTIGATION AND HEARING, THE COMMISSION MAY
34 EITHER GRANT A LICENSE TO AN APPLICANT WHOM THE COMMISSION DETERMINES
35 TO BE QUALIFIED OR DENY THE APPLICATION TO AN APPLICANT WHOM THE
36 COMMISSION DETERMINES TO BE NOT QUALIFIED OR DISQUALIFIED.

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

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

1 (II) DENY A LICENSE TO ANY OTHER APPLICANT FOR THAT
2 LICENSE.

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

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

12 (6) (I) BY REGULATION, THE COMMISSION SHALL SET THE AMOUNT
13 OF THE BOND REQUIRED UNDER THIS SUBSECTION IN THE AMOUNT THE
14 COMMISSION CONSIDERS APPROPRIATE.

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

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

20 (I) PROPER APPLICATION FOR RENEWAL; AND

21 (II) PAYMENT OF ALL REQUIRED APPLICATION, LICENSE, AND
22 OTHER FEES AND TAXES.

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

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

31 (I) MAY LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR
32 WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;
33 AND

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

1 (E) (1) BECAUSE THE STATE HAS A VITAL INTEREST IN VIDEO LOTTERY
2 OPERATIONS AND HAS ESTABLISHED A LIMITED EXCEPTION TO THE POLICY OF THE
3 STATE CONCERNING GAMING FOR PRIVATE GAIN, PARTICIPATION IN VIDEO LOTTERY
4 OPERATIONS BY A LICENSEE UNDER THIS SUBTITLE SHALL BE DEEMED A
5 REVOCABLE PRIVILEGE CONDITIONED ON THE PROPER AND CONTINUED
6 QUALIFICATION OF THE LICENSEE AND ON THE DISCHARGE OF THE AFFIRMATIVE
7 RESPONSIBILITY OF EACH LICENSEE TO PROVIDE TO THE REGULATORY AND
8 INVESTIGATORY AUTHORITIES UNDER THIS SUBTITLE OR ANY OTHER PROVISION OF
9 LAW, ANY ASSISTANCE AND INFORMATION NECESSARY TO ASSURE THAT THE
10 POLICIES DECLARED BY THIS SUBTITLE ARE ACHIEVED.

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

13 (I) PRECLUDE:

14 1. THE CREATION OF ANY PROPERTY RIGHT IN ANY LICENSE
15 REQUIRED UNDER THIS SUBTITLE;

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

18 3. THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS
19 SUBTITLE; AND

20 (II) REQUIRE THAT PARTICIPATION IN VIDEO LOTTERY
21 OPERATIONS BE CONDITIONED SOLELY ON THE INDIVIDUAL QUALIFICATIONS OF
22 THE PERSON WHO SEEKS THE PRIVILEGE.

23 (F) (1) EACH VIDEO LOTTERY TERMINAL DEVICE, ASSOCIATED EQUIPMENT,
24 AND THE CENTRAL COMPUTER SHALL BE:

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

26 (II) UNDER THE CONTROL OF THE COMMISSION.

27 (2) A VIDEO LOTTERY FACILITY LICENSEE MAY NOT OPERATE MORE
28 THAN 2,500 VIDEO LOTTERY TERMINALS.

29 (G) (1) UNLESS A PERSON HOLDS A VALID VIDEO LOTTERY OPERATOR
30 LICENSE ISSUED BY THE COMMISSION, THE PERSON MAY NOT ENTER INTO A
31 MANAGEMENT AGREEMENT, OR ANY OTHER BUSINESS RELATIONSHIP, WITH A
32 VIDEO LOTTERY FACILITY LICENSEE OR APPLICANT FOR THE OPERATION OR THE
33 MANAGEMENT OF THE LICENSEE'S OR APPLICANT'S VIDEO LOTTERY FACILITY OR TO
34 SHARE IN THE PROCEEDS FROM THE LICENSEE'S OR APPLICANT'S VIDEO LOTTERY
35 FACILITY.

36 (2) EACH VIDEO LOTTERY OPERATOR AND EACH OTHER PERSON WHO
37 OWNS OR CONTROLS THE VIDEO LOTTERY OPERATOR, MANAGEMENT AND
38 SUPERVISORY PERSONNEL, AND OTHER PRINCIPAL EMPLOYEES SHALL QUALIFY

1 UNDER THE STANDARDS AND PROVISIONS SET FORTH IN SUBSECTIONS (B) AND (C)
2 OF THIS SECTION FOR LICENSEES.

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

6 (4) A VIDEO LOTTERY FACILITY LICENSEE OR APPLICANT SHALL FILE
7 WITH THE COMMISSION ANY CURRENT OR PROPOSED OPERATION OR MANAGEMENT
8 AGREEMENT WITH ANY PERSON, WHICH AGREEMENT SHALL BE SUBJECT TO
9 APPROVAL BY THE COMMISSION.

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

13 (H) (1) UNLESS A PERSON HOLDS A VALID VIDEO LOTTERY EMPLOYEE
14 LICENSE ISSUED BY THE COMMISSION, THE PERSON MAY NOT BE EMPLOYED BY A
15 LICENSEE AS A VIDEO LOTTERY EMPLOYEE.

16 (2) UNLESS A PERSON HOLDS A VALID SERVICE TECHNICIAN LICENSE
17 ISSUED BY THE COMMISSION, THE PERSON MAY NOT PROVIDE SERVICE AS A
18 SERVICE TECHNICIAN.

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

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

28 (I) (1) UNLESS A MANUFACTURER HOLDS A VALID MANUFACTURER
29 LICENSE ISSUED BY THE COMMISSION BEFORE CONDUCTING BUSINESS WITH A
30 LICENSEE OR THE STATE, THE MANUFACTURER MAY NOT OFFER ANY VIDEO
31 LOTTERY TERMINAL, ASSOCIATED EQUIPMENT, CENTRAL COMPUTER, OR GOODS OR
32 SERVICES THAT DIRECTLY RELATE TO THE OPERATION OF VIDEO LOTTERY
33 TERMINALS.

34 (2) EACH MANUFACTURER AND EACH PERSON WHO OWNS OR
35 CONTROLS THE MANUFACTURER, MANAGEMENT AND SUPERVISORY PERSONNEL,
36 AND OTHER PRINCIPAL EMPLOYEES SHALL QUALIFY UNDER THE STANDARDS AND
37 PROVISIONS SET FORTH IN SUBSECTIONS (B) AND (C) OF THIS SECTION FOR
38 LICENSEES.

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

4 (4) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS,
5 ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR
6 DISTRIBUTE THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND
7 CENTRAL COMPUTER THAT MEET SPECIFICATIONS AND PROCEDURES CONTAINED
8 IN REGULATIONS ISSUED BY THE COMMISSION.

9 (J) (1) THE COMMISSION SHALL CONTRACT WITH ONE OR MORE LICENSED
10 MANUFACTURERS FOR THE LEASE OR PURCHASE OF THE VIDEO LOTTERY
11 TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER AUTHORIZED
12 UNDER THIS SUBTITLE.

13 (2) THE COMMISSION SHALL COMPLY WITH THE REQUIREMENTS OF
14 THE STATE FINANCE AND PROCUREMENT ARTICLE, INCLUDING REQUIREMENTS FOR
15 COMPETITIVE BIDS FOR PROCUREMENT CONTRACTS.

16 9-1A-06.

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

19 (1) THIS SUBTITLE;

20 (2) A REGULATION ADOPTED UNDER THIS SUBTITLE;

21 (3) A STATUTE ENACTED IN ACCORDANCE WITH THIS SUBTITLE; OR

22 (4) A CONDITION THAT THE COMMISSION SETS.

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

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

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

31 (I) THE SERIOUSNESS OF THE VIOLATION;

32 (II) THE HARM CAUSED BY THE VIOLATION; AND

33 (III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON
34 WHO COMMITTED THE VIOLATION.

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

5 9-1A-07.

6 (A) THE COMMISSION SHALL:

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

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

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

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

17 (5) APPLY APPLICATION, LICENSE, AND OTHER FEES TO COVER THE
18 COSTS OF ADMINISTERING THIS SUBTITLE, EXCEPT THE COSTS DESCRIBED UNDER §
19 9-1A-08(B)(2) OF THIS SUBTITLE;

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

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

26 1. 50% TO THE COMPULSIVE GAMBLING FUND ESTABLISHED
27 IN § 9-1A-13 OF THIS SUBTITLE; AND

28 2. 50% TO THE MARYLAND TOURISM DEVELOPMENT BOARD
29 FUND ESTABLISHED UNDER ARTICLE 83A, TITLE 4, SUBTITLE 2 OF THE CODE;

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

34 (8) BE PRESENT AT A VIDEO LOTTERY FACILITY THROUGH ITS
35 EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO
36 LOTTERY TERMINAL FOR THE PURPOSE OF CERTIFYING REVENUE FROM THE VIDEO
37 LOTTERY TERMINALS, RECEIVING COMPLAINTS FROM THE PUBLIC, AND

1 CONDUCTING ANY OTHER INVESTIGATION INTO THE OPERATION OF THE VIDEO
2 LOTTERY TERMINALS AND THE MAINTENANCE OF THE VIDEO LOTTERY TERMINALS
3 AND ASSOCIATED EQUIPMENT THE COMMISSION CONSIDERS NECESSARY AND
4 PROPER; AND

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

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

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

12 (I) THE PROCEDURES HAD NO REASONABLE LAW ENFORCEMENT
13 PURPOSE; AND

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

16 (C) THE COMMISSION HAS THE AUTHORITY TO:

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

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

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

25 (4) SUBMIT WRITTEN INTERROGATORIES.

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

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

31 (1) REQUIRING THE METHODS AND FORMS OF APPLICATION THAT AN
32 APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE SHALL FOLLOW
33 AND COMPLETE BEFORE CONSIDERATION OF THE APPLICATION BY THE
34 COMMISSION;

35 (2) REQUIRING THE METHODS, PROCEDURES, AND FORM FOR DELIVERY
36 OF INFORMATION FROM AN APPLICANT OR LICENSEE CONCERNING ANY PERSON'S

1 FAMILY, HABITS, CHARACTER, ASSOCIATES, CRIMINAL RECORD, BUSINESS
2 ACTIVITIES, AND FINANCIAL AFFAIRS;

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

7 (4) REQUIRING THE MANNER AND PROCEDURE OF HEARINGS
8 CONDUCTED BY THE COMMISSION;

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

11 (6) DEFINING AND LIMITING THE AREAS OF OPERATION FOR VIDEO
12 LOTTERY TERMINALS, RULES OF VIDEO LOTTERY TERMINALS, ODDS FOR VIDEO
13 LOTTERY TERMINALS, AND THE METHOD OF OPERATION OF THE VIDEO LOTTERY
14 TERMINALS;

15 (7) REGULATING THE PRACTICE AND PROCEDURES FOR NEGOTIABLE
16 TRANSACTIONS INVOLVING VIDEO LOTTERY TERMINAL PLAYERS, INCLUDING
17 LIMITATIONS ON THE CIRCUMSTANCES AND AMOUNTS OF NEGOTIABLE
18 TRANSACTIONS, AND THE ESTABLISHMENT OF FORMS AND PROCEDURES FOR
19 NEGOTIABLE INSTRUMENT TRANSACTIONS, REDEMPTIONS, AND CONSOLIDATIONS;

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

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

24 (10) REQUIRING THE PROCEDURES, FORMS, AND METHODS OF
25 MANAGEMENT CONTROLS;

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

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

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

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

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

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

8 (2) THE REGULATIONS UNDER THIS SUBSECTION SHALL DEFINE THE
9 STANDARDS FOR EXCLUSION OR EJECTION AND SHALL INCLUDE STANDARDS
10 RELATING TO PERSONS:

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

13 (II) WHO HAVE BEEN CONVICTED OF A CRIMINAL OFFENSE UNDER
14 THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED
15 STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A
16 GAMBLING OFFENSE; OR

17 (III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A LICENSEE
18 WOULD BE ADVERSE TO THE INTEREST OF THE STATE, THE LICENSEE, OR THE
19 PERSON.

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

24 (4) AN ORDER UNDER THIS SUBSECTION SHALL BE SUBJECT TO
25 JUDICIAL REVIEW.

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

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

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

34 (I) INSPECT AND EXAMINE ALL PREMISES IN WHICH VIDEO
35 LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE CONDUCTED OR ANY
36 AUTHORIZED VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, OR CENTRAL
37 COMPUTER ARE DESIGNED, BUILT, CONSTRUCTED, ASSEMBLED, MANUFACTURED,

1 SOLD, DISTRIBUTED, OR SERVICED, OR IN WHICH RECORDS OF THOSE ACTIVITIES
2 ARE PREPARED OR MAINTAINED;

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

5 (III) SEIZE SUMMARILY AND REMOVE FROM THOSE PREMISES AND
6 IMPOUND, OR ASSUME PHYSICAL CONTROL OF, ANY VIDEO LOTTERY TERMINALS,
7 ASSOCIATED EQUIPMENT, OR CENTRAL COMPUTER FOR THE PURPOSES OF
8 EXAMINATION AND INSPECTION;

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

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

15 9-1A-08.

16 (A) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE UNDER THE
17 CONTROL OF THE COMMISSION AND SHALL BE DISTRIBUTED AS PROVIDED IN THIS
18 SECTION.

19 (B) FROM THE PROCEEDS FROM VIDEO LOTTERY TERMINALS FOR ALL VIDEO
20 LOTTERY FACILITIES, THE COMMISSION SHALL PAY, BASED ON A SCHEDULE
21 DETERMINED BY THE COMMISSION:

22 (1) (I) THE COSTS OF LEASING, OR THE CAPITALIZED COST OF
23 PURCHASING, THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND
24 CENTRAL COMPUTER; AND

25 (II) THE COSTS TO REPAIR AND MAINTAIN THE VIDEO LOTTERY
26 TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER TO THE EXTENT
27 THESE COSTS ARE NOT INCLUDED IN THE COSTS OF LEASING OR PURCHASING THE
28 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER;

29 (2) (I) SUBJECT TO THE PROVISIONS OF ITEM (IV) OF THIS ITEM, AN
30 AMOUNT TO THE GENERAL FUND, SUBJECT TO APPROVAL BY THE GENERAL
31 ASSEMBLY, FOR LOCAL IMPACT GRANTS TO COUNTIES FOR INFRASTRUCTURE,
32 FACILITIES, SERVICES, REDEVELOPMENT, AND OTHER IMPROVEMENTS IN COUNTIES
33 WHERE PIMLICO RACE COURSE, LAUREL RACE COURSE, AND ROSECROFT RACEWAY
34 ARE LOCATED, AND A LICENSED TRACK IN ALLEGANY COUNTY, PROVIDED THE
35 GRANTS SHALL BE:

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

1 AUTHORITY SHALL REVIEW AND APPROVE THE PROJECT PLAN AND MANAGE THE
2 PROJECT.

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

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

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

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

15 9-1A-10.

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

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

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

24 (D) THERE IS A BOARD OF THE EDUCATION TRUST FUND THAT SHALL
25 OVERSEE THE ALLOCATION AND EXPENDITURE OF FUNDS FROM THE EDUCATION
26 TRUST FUND.

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

28 (1) THE SECRETARY OF BUDGET AND MANAGEMENT;

29 (2) THE SECRETARY OF THE MARYLAND HIGHER EDUCATION
30 COMMISSION;

31 (3) THE STATE SUPERINTENDENT OF SCHOOLS;

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

33 (5) THE PRESIDENT OF MORGAN STATE UNIVERSITY;

34 (6) A MEMBER OF THE HOUSE OF DELEGATES APPOINTED BY THE
35 SPEAKER OF THE HOUSE OF DELEGATES;

1 (7) A MEMBER OF THE SENATE APPOINTED BY THE PRESIDENT OF THE
2 SENATE; AND

3 (8) TWO MEMBERS OF THE PUBLIC APPOINTED BY THE GOVERNOR TO A
4 TERM OF 4 YEARS BEGINNING JANUARY 1, 2001, WHO ARE ELIGIBLE FOR
5 REAPPOINTMENT.

6 (F) THE STATE SUPERINTENDENT OF SCHOOLS SHALL SERVE AS THE
7 CHAIRMAN OF THE BOARD.

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

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

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

13 (I) BEGINNING BALANCE;

14 (II) PROJECTED REVENUES;

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

17 (IV) IDENTIFICATION OF MULTIYEAR COMMITMENTS FOR
18 OPERATING OR CAPITAL PURPOSES.

19 (4) (I) THE GOVERNOR SHALL CONSIDER THE BOARD'S
20 RECOMMENDATIONS WHEN DEVELOPING THE STATE BUDGET FOR THE UPCOMING
21 FISCAL YEAR.

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

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

27 (H) (1) FOR EACH FISCAL YEAR BEGINNING ON OR AFTER JULY 1, 2000, THE
28 BOARD SHALL USE THE FUNDS IN THE EDUCATION TRUST FUND FOR ANY LAWFUL
29 OPERATING OR PAY-AS-YOU-GO CAPITAL PURPOSE RELATED TO:

30 (I) THE EXTENDED ELEMENTARY EDUCATION PROGRAM;

31 (II) FULL-DAY KINDERGARTEN WITH BEFORE- AND
32 AFTER-KINDERGARTEN CARE FOR "AT RISK" CHILDREN ELIGIBLE FOR FREE AND
33 REDUCED PRICE MEALS;

34 (III) TECHNOLOGY IN EDUCATION, TO BE USED TO IMPLEMENT AND
35 ADMINISTER THE MARYLAND PLAN FOR TECHNOLOGY IN EDUCATION DEVELOPED

1 FOR THE STATE BOARD OF EDUCATION WITH THE GOAL TO BRIDGE THE DIGITAL
2 DIVIDE BY PROVIDING ACCESS AND USE OF INFORMATION AND COMMUNICATION
3 RESOURCES FOR EVERY CLASSROOM IN THE STATE;

4 (IV) THE STATE LIBRARY RESOURCE CENTER AND REGIONAL
5 RESOURCE CENTERS IN SOUTHERN MARYLAND, WESTERN MARYLAND, AND THE
6 EASTERN SHORE FOR IMPROVED LIBRARY SERVICES AND TECHNOLOGY
7 ENHANCEMENTS;

8 (V) THE STATE'S STUDENT FINANCIAL ASSISTANCE PROGRAMS,
9 UNDER TITLE 18 OF THE EDUCATION ARTICLE OF THE ANNOTATED CODE OF
10 MARYLAND, TO REDUCE WAITING LISTS FOR FINANCIAL ASSISTANCE, WITH THE
11 GOAL FOR THE EDUCATIONAL ASSISTANCE GRANT PROGRAM OF MEETING 50% OF
12 THE DEMONSTRATED FINANCIAL NEED OF ELIGIBLE STUDENTS WITH AN EXPECTED
13 FAMILY CONTRIBUTION OF \$4,000 OR LESS AND 40% OF THE DEMONSTRATED
14 FINANCIAL NEED OF ELIGIBLE STUDENTS WITH EXPECTED FAMILY CONTRIBUTION
15 OVER \$4,000;

16 (VI) THE PRE-K-12 ACADEMIC INTERVENTION INITIATIVE OF THE
17 STATE BOARD OF EDUCATION TO ENSURE THAT STUDENTS WHO ARE NOT
18 SUCCEEDING IN ACHIEVING STATE PERFORMANCE STANDARDS RECEIVE THE
19 EDUCATIONAL ASSISTANCE NECESSARY TO PREPARE THEM TO PASS THE NEW HIGH
20 SCHOOL ASSESSMENTS;

21 (VII) TEACHER QUALITY INITIATIVES TO IMPROVE THE QUALITY OF
22 INSTRUCTION PROVIDED TO STUDENTS, INCLUDING EFFORTS TO LINK STUDENT
23 PERFORMANCE TO TEACHER EVALUATIONS;

24 (VIII) K-16 INITIATIVES OF THE K-16 PARTNERSHIP FOR TEACHING
25 AND LEARNING ALLIANCE OF THE MARYLAND STATE DEPARTMENT OF EDUCATION,
26 MARYLAND HIGHER EDUCATION COMMISSION, AND UNIVERSITY SYSTEM OF
27 MARYLAND TO IMPROVE STUDENT READINESS FOR POSTSECONDARY EDUCATION;
28 AND

29 (IX) ANY OTHER EDUCATION RELATED PURPOSE APPROVED BY THE
30 BOARD.

31 (2) FOR EACH FISCAL YEAR, IN ADDITION TO THE FUNDS DEDICATED
32 UNDER THIS SECTION TO THE EDUCATION TRUST FUND, THE GOVERNOR SHALL
33 INCLUDE IN THE ANNUAL BUDGET BILL SUBMITTED TO THE GENERAL ASSEMBLY A
34 GENERAL FUND APPROPRIATION FOR THE PURPOSES DESCRIBED UNDER
35 PARAGRAPH (1) OF THIS SUBSECTION IN AN AMOUNT NOT LESS THAN THE AMOUNT
36 OF FUNDS APPROPRIATED IN THE PRIOR FISCAL YEAR FOR THOSE PURPOSES.

37 (3) AN APPROPRIATION FROM THE EDUCATION TRUST FUND PROPOSED
38 TO BE MADE TO ANY UNIT IN THE DEPARTMENT OR PROPOSED TO BE MADE FOR ANY
39 DESIGNATED EDUCATION ACTIVITY, FUNCTION, OR UNDERTAKING THAT HAS BEEN
40 REDUCED BY THE GENERAL ASSEMBLY MAY NOT BE RESTORED, FOR THE SAME
41 PURPOSE AS ORIGINALLY PROPOSED, EXCEPT IN AN EMERGENCY, BY THE BUDGET
42 AMENDMENT PROCEDURE OF § 7-209 OF THE STATE FINANCE AND PROCUREMENT

1 ARTICLE OR OTHERWISE IF THE GENERAL ASSEMBLY IN STRIKING OR REDUCING
2 THE APPROPRIATION, PROHIBITED ITS RESTORATION.

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

12 9-1A-11.

13 (A) THERE IS A PURSE DEDICATION ACCOUNT UNDER THE AUTHORITY OF
14 THE COMMISSION.

15 (B) (1) THE ACCOUNT SHALL RECEIVE MONEYS AS REQUIRED UNDER §
16 9-1A-08(B)(3) OF THIS SUBTITLE.

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

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

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

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

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

27 (C) FUNDS CREDITED TO THE PURSE DEDICATION ACCOUNT UNDER §
28 9-1A-08(B)(3) OF THIS SUBTITLE SHALL BE ALLOCATED BY THE COMMISSION AND
29 PAID FROM THE ACCOUNT IN THE FOLLOWING MANNER:

30 (1) 62.3% TO MILE THOROUGHBRED PURSES;

31 (2) 7.7% TO THE MARYLAND-BRED RACE FUND;

32 (3) 26.67% TO STANDARD BRED PURSES; AND

33 (4) 3.33% TO THE STANDARD BRED RACE FUND.

34 (D) (1) THE ORGANIZATION REPRESENTING A MAJORITY OF THE
35 THOROUGHBRED BREEDERS LICENSED IN THE STATE MAY USE UP TO 5% OF THE
36 MONEY ALLOCATED TO THE MARYLAND-BRED RACE FUND UNDER SUBSECTION

1 (C)(2) OF THIS SECTION FOR ACTIVITIES RELATED TO THE MARKETING, PROMOTION,
2 AND ENHANCEMENT OF THE THOROUGHBRED RACING AND BREEDING INDUSTRY IN
3 THE STATE.

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

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

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

15 9-1A-12.

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

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

24 9-1A-13.

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

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

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

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

35 (C) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL ONLY
36 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

Article - Financial Institutions

17 13-709.1.

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

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 2000.