
By: **Delegates C. Davis and Rawlings**

Introduced and read first time: March 5, 2001

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 additional forms or expansion of commercial gaming,
5 including casino-style gaming, on or after a certain date; requiring the State
6 Lottery Commission to regulate the operation of certain video lottery terminals;
7 providing that only a person with a certain video lottery facility license may
8 offer a video lottery terminal for public use in the State; providing that certain
9 laws do not apply to video lottery terminals authorized under this Act;
10 establishing certain eligibility criteria and disqualifying criteria for a video
11 lottery facility license; requiring the Commission to issue a certain number of
12 video lottery facility licenses to holders of a license for a racetrack; requiring the
13 Commission to issue video lottery facility licenses in a certain number of
14 different regions of the State; prohibiting the Commission from issuing certain
15 licenses under certain circumstances; requiring the Commission to use a certain
16 competitive process to select applicants to be issued a video lottery facility
17 license; authorizing the State Lottery Commission to conduct certain
18 investigations and hearings; specifying limits on the number of video lottery
19 terminals allowed at certain facilities; requiring certain video lottery terminal
20 manufacturers, video lottery operators, video lottery employees, and service
21 technicians to be licensed; providing for certain eligibility criteria and
22 disqualifying criteria for certain licenses; requiring the State Lottery
23 Commission to buy or lease the video lottery terminals, associated equipment,
24 and central computer authorized under this Act; authorizing the State Lottery
25 Commission to reprimand a licensee or deny, suspend, or revoke certain licenses
26 under certain circumstances; authorizing the State Lottery Commission to
27 collect certain fees, civil penalties, and taxes; requiring the State Lottery
28 Commission to adopt certain regulations; requiring the State Lottery
29 Commission to distribute certain moneys in specified ways; providing for certain
30 local impact grants; requiring the Maryland Stadium Authority, for capital
31 improvement projects of a certain amount or more financed directly or indirectly
32 with proceeds from video lottery terminals, to review and approve the project
33 plan and to manage the project; creating an Education Trust Fund; requiring
34 certain distributions from video lottery proceeds to the Education Trust Fund;
35 providing for certain appropriations from the Education Trust Fund for certain

1 education programs; providing for a certain distribution from video lottery
2 proceeds to the Purse Dedication Account for horse racing; providing for certain
3 distributions from the Purse Dedication Account for horse racing; providing for a
4 certain distribution from certain fees to the Maryland Tourism Development
5 Board Fund; creating a Compulsive Gambling Fund in the Department of
6 Health and Mental Hygiene; providing for certain disbursements from the
7 Compulsive Gambling Fund for certain purposes; requiring the State Lottery
8 Commission to establish a certain electronic payment system and to account to
9 the Comptroller for certain revenue and expenditures; authorizing the State
10 Lottery Commission to consider an application for a video lottery facility license
11 for a tourist destination if, prior to the application date, the governing body of
12 the county adopts a certain resolution; requiring the Maryland Stadium
13 Authority to enter into contracts for projects for the construction, renovation,
14 remodeling, or repair of certain facilities; making this Act contingent on the
15 passage and ratification of a certain Constitutional Amendment; providing for a
16 delayed effective date; defining certain terms; and generally relating to the
17 operation of video lottery terminals at certain locations in the State.

18 BY adding to

19 Article - State Government

20 Section 9-1A-01 through 9-1A-15 to be under the new subtitle "Subtitle 1A.

21 Video Lottery Terminals"

22 Annotated Code of Maryland

23 (1999 Replacement Volume and 2000 Supplement)

24 BY adding to

25 Article - Financial Institutions

26 Section 13-709.1

27 Annotated Code of Maryland

28 (1998 Replacement Volume and 2000 Supplement)

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

31 **Article - State Government**

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

33 9-1A-01.

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

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

38 (C) "ASSOCIATED EQUIPMENT" MEANS HARDWARE LOCATED ON THE
39 LICENSEE'S PREMISES THAT IS CONNECTED TO THE VIDEO LOTTERY SYSTEM FOR

1 THE PURPOSE OF PERFORMING COMMUNICATION, VALIDATION, OR OTHER
2 FUNCTIONS, BUT NOT INCLUDING THE COMMUNICATION FACILITIES OF A
3 REGULATED UTILITY OR THE VIDEO LOTTERY TERMINALS.

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

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

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

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

16 (1) INFORMATION RETRIEVAL; AND

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

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

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

21 (J) "COSTS" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE
22 EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS
23 SUBTITLE, INCLUDING:

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

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

31 (3) THE COSTS OF TESTING AND EXAMINATION OF VIDEO LOTTERY
32 TERMINALS; AND

33 (4) THE COSTS OF PERFORMANCE OF BACKGROUND INVESTIGATIONS
34 AND OTHER RELATED ACTIVITIES.

35 (K) "COUNTY" INCLUDES BALTIMORE CITY.

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

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

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

11 (N) "MANUFACTURER" MEANS A PERSON:

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

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

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

23 (O) "NET PROCEEDS" MEANS THE PROCEEDS LESS THE COSTS INCURRED BY
24 THE COMMISSION IN ADMINISTERING THIS SUBTITLE.

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 AN INDIVIDUAL WHO PLAYS A VIDEO LOTTERY
29 TERMINAL AT A 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 APPROVED BY THE COMMISSION UNDER THIS SUBTITLE.

1 (U) "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE, OF A PERSON THAT
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 SIMULATE THE PLAY OF A VIDEO GAME, LIMITED TO A VIDEO
8 SLOT MACHINE GAME ONLY, AUTHORIZED BY THE COMMISSION WHICH, BY
9 APPLICATION OF THE ELEMENT OF CHANCE MAY DELIVER OR ENTITLE THE PLAYER
10 WHO OPERATES THE DEVICE TO RECEIVE CASH, PREMIUMS, MERCHANDISE,
11 TOKENS, OR ANYTHING OF VALUE, WHETHER THE PAYOUT IS MADE
12 AUTOMATICALLY FROM THE DEVICE OR IN 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 9-1A-02.

17 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ON OR AFTER
18 JANUARY 1, 2003, ANY ADDITIONAL FORMS OR EXPANSION OF COMMERCIAL GAMING
19 ARE PROHIBITED, INCLUDING:

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

26 (B) THIS SECTION DOES NOT APPLY TO:

- 27 (1) EXCEPT AS PROVIDED IN SUBSECTION (A)(6) OF THIS SECTION,
28 LOTTERIES CONDUCTED UNDER SUBTITLE 1 OF THIS TITLE;
- 29 (2) WAGERING ON HORSE RACING CONDUCTED UNDER TITLE 11 OF THE
30 BUSINESS REGULATION ARTICLE; OR
- 31 (3) GAMING CONDUCTED BY A BONA FIDE FRATERNAL, CIVIC, WAR
32 VETERANS', RELIGIOUS, OR CHARITABLE ORGANIZATION, VOLUNTEER FIRE
33 COMPANY, OR SUBSTANTIALLY SIMILAR ORGANIZATION DESCRIBED UNDER THE
34 GAMING SUBHEADING OF ARTICLE 27 OF THE CODE.

1 9-1A-03.

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

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

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

10 9-1A-04.

11 (A) IN ADDITION TO ANY OTHER REQUIREMENTS OF THIS SUBTITLE, TO
12 QUALIFY FOR A VIDEO LOTTERY FACILITY LICENSE, AN APPLICANT MUST BE:

13 (1) A HOLDER OF A LICENSE ISSUED BY THE STATE RACING
14 COMMISSION FOR A TRACK FOR MILE THOROUGHBRED RACING OR HARNESS
15 RACING; OR

16 (2) AN OPERATOR OF A TOURIST DESTINATION LOCATION IN THE STATE,
17 AS DEFINED BY THE COMMISSION.

18 (B) THE COMMISSION SHALL ISSUE:

19 (1) AT LEAST TWO VIDEO LOTTERY FACILITY LICENSES TO HOLDERS OF
20 A LICENSE FOR A RACETRACK ISSUED BY THE STATE RACING COMMISSION; AND

21 (2) VIDEO LOTTERY FACILITY LICENSES TO OPERATE VIDEO LOTTERY
22 TERMINALS IN FOUR DIFFERENT REGIONS OF THE STATE.

23 (C) THE COMMISSION MAY NOT ISSUE:

24 (1) MORE THAN FOUR VIDEO LOTTERY FACILITY LICENSES FOR USE
25 CONCURRENTLY;

26 (2) MORE THAN ONE VIDEO LOTTERY FACILITY LICENSE TO AN
27 APPLICANT TO OPERATE IN THE SAME REGION OF THE STATE;

28 (3) A VIDEO LOTTERY FACILITY LICENSE TO AN APPLICANT TO OPERATE
29 IN WORCESTER COUNTY; OR

30 (4) A VIDEO LOTTERY FACILITY LICENSE FOR ANY LOCATION ON STATE
31 PROPERTY.

32 (D) AN APPLICANT FOR A VIDEO LOTTERY FACILITY LICENSE FOR A TRACK
33 LOCATION DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION SHALL MEET THE
34 FOLLOWING ELIGIBILITY REQUIREMENTS:

1 (1) THE CONSTRUCTION PROJECT AT THE TRACK LOCATION FOR THE
2 APPLICANT'S VIDEO LOTTERY AND OTHER FACILITIES SHALL COST AT LEAST
3 \$100,000,000 IN DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND
4 RELATED COSTS AT THE TRACK LOCATION;

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

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

13 (E) AN APPLICANT FOR A VIDEO LOTTERY FACILITY LICENSE FOR A TOURIST
14 DESTINATION LOCATION DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION
15 SHALL MEET THE FOLLOWING ELIGIBILITY REQUIREMENTS:

16 (1) THE CONSTRUCTION PROJECT AT THE TOURIST DESTINATION
17 LOCATION FOR THE APPLICANT'S VIDEO LOTTERY AND OTHER FACILITIES SHALL
18 COST AT LEAST \$100,000,000 IN DIRECT INVESTMENT BY THE APPLICANT IN
19 CONSTRUCTION AND RELATED COSTS AT THE TRACK LOCATION;

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

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

28 9-1A-05.

29 (A) THE COMMISSION SHALL SELECT APPLICANTS TO BE ISSUED A VIDEO
30 LOTTERY FACILITY LICENSE USING A COMPETITIVE PROCESS IN ACCORDANCE WITH
31 ARTICLE XIX, SECTION 3 OF THE MARYLAND CONSTITUTION.

32 (B) EACH APPLICANT FOR A LICENSE SHALL SUBMIT TO THE CHAIRMAN OF
33 THE COMMISSION AN APPLICATION:

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

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

36 (C) (1) EACH APPLICANT OR LICENSEE HAS THE AFFIRMATIVE
37 RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE
38 APPLICANT'S OR LICENSEE'S QUALIFICATIONS.

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

4 (3) EACH APPLICANT OR LICENSEE SHALL CONSENT TO INSPECTIONS,
5 SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR REGULATIONS
6 ISSUED UNDER THIS SUBTITLE.

7 (4) (I) EACH APPLICANT OR LICENSEE HAS THE CONTINUING DUTY
8 TO:

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

11 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR
12 HEARING CONDUCTED BY THE COMMISSION.

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

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

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

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

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

30 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY
31 OF THE APPLICANT OR LICENSEE;

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

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

1 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE
2 APPLICANT OR LICENSEE;

3 (V) THE SUITABILITY OF THE VIDEO LOTTERY FACILITY AND ITS
4 LOCATION; AND

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

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

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

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

18 (III) THE NAMES OF ALL HOLDING, INTERMEDIARY, AND
19 SUBSIDIARY COMPANIES OF THE CORPORATION;

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

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

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

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

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

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

1 (X) THE NAMES OF PERSONS WHO OWN OR CONTROL THE
2 CORPORATION;

3 (XI) A DESCRIPTION OF ALL BONUS AND PROFIT SHARING
4 ARRANGEMENTS;

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

6 (XIII) A LISTING OF STOCK OPTIONS.

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

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

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

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

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

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

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

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

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

36 (IV) SUPPLYING, BY THE APPLICANT OR ANY PERSON REQUIRED TO
37 BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE, OF

1 INFORMATION THAT IS UNTRUE OR MISLEADING AS TO A MATERIAL FACT
2 CONCERNING THE QUALIFICATION CRITERIA;

3 (V) THE CONVICTION OF THE APPLICANT OR OF ANY PERSON
4 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
5 OF AN OFFENSE UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION
6 WITHIN THE UNITED STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL
7 TURPITUDE OR A GAMBLING OFFENSE;

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

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

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

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

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

37 (D) (1) ON THE FILING OF AN APPLICATION FOR ANY LICENSE REQUIRED
38 UNDER THIS SUBTITLE AND ANY SUPPLEMENTAL INFORMATION REQUIRED BY THE
39 COMMISSION, THE COMMISSION SHALL CONDUCT A BACKGROUND INVESTIGATION
40 AND A HEARING ON THE QUALIFICATIONS OF THE APPLICANT AND ANY PERSON
41 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
42 LICENSE.

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

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

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

10 (II) DENY A LICENSE TO ANY OTHER APPLICANT FOR THAT
11 LICENSE.

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

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

21 (6) (I) BY REGULATION, THE COMMISSION SHALL SET THE AMOUNT
22 OF THE BOND REQUIRED UNDER THIS SUBSECTION IN THE AMOUNT THE
23 COMMISSION CONSIDERS APPROPRIATE.

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

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

29 (I) PROPER APPLICATION FOR RENEWAL; AND

30 (II) PAYMENT OF ALL REQUIRED APPLICATION, LICENSE, AND
31 OTHER FEES AND TAXES.

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

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

4 (I) MAY LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR
5 WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;
6 AND

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

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

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

23 (I) PRECLUDE:

24 1. THE CREATION OF ANY PROPERTY RIGHT IN ANY LICENSE
25 REQUIRED UNDER THIS SUBTITLE;

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

28 3. THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS
29 SUBTITLE; AND

30 (II) REQUIRE THAT PARTICIPATION IN VIDEO LOTTERY
31 OPERATIONS BE CONDITIONED SOLELY ON THE INDIVIDUAL QUALIFICATIONS OF
32 THE PERSON WHO SEEKS THE PRIVILEGE.

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

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

36 (II) UNDER THE CONTROL OF THE COMMISSION.

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

3 (H) (1) UNLESS A PERSON HOLDS A VALID VIDEO LOTTERY OPERATOR
4 LICENSE ISSUED BY THE COMMISSION, THE PERSON MAY NOT ENTER INTO A
5 MANAGEMENT AGREEMENT, OR ANY OTHER BUSINESS RELATIONSHIP, WITH A
6 VIDEO LOTTERY FACILITY LICENSEE OR APPLICANT FOR THE OPERATION OR THE
7 MANAGEMENT OF THE LICENSEE'S OR APPLICANT'S VIDEO LOTTERY FACILITY OR TO
8 SHARE IN THE PROCEEDS FROM THE LICENSEE'S OR APPLICANT'S VIDEO LOTTERY
9 FACILITY.

10 (2) EACH VIDEO LOTTERY OPERATOR AND EACH OTHER PERSON WHO
11 OWNS OR CONTROLS THE VIDEO LOTTERY OPERATOR, MANAGEMENT AND
12 SUPERVISORY PERSONNEL, AND OTHER PRINCIPAL EMPLOYEES SHALL QUALIFY
13 UNDER THE STANDARDS AND PROVISIONS SET FORTH IN SUBSECTIONS (B) AND (C)
14 OF THIS SECTION FOR LICENSEES.

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

18 (4) A VIDEO LOTTERY FACILITY LICENSEE OR APPLICANT SHALL FILE
19 WITH THE COMMISSION ANY CURRENT OR PROPOSED OPERATION OR MANAGEMENT
20 AGREEMENT WITH ANY PERSON, WHICH AGREEMENT SHALL BE SUBJECT TO
21 APPROVAL BY THE COMMISSION.

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

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

28 (2) UNLESS A PERSON HOLDS A VALID SERVICE TECHNICIAN LICENSE
29 ISSUED BY THE COMMISSION, THE PERSON MAY NOT PROVIDE SERVICE AS A
30 SERVICE TECHNICIAN.

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

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

1 (J) (1) UNLESS A MANUFACTURER HOLDS A VALID MANUFACTURER
2 LICENSE ISSUED BY THE COMMISSION BEFORE CONDUCTING BUSINESS WITH A
3 LICENSEE OR THE STATE, THE MANUFACTURER MAY NOT OFFER ANY VIDEO
4 LOTTERY TERMINAL, ASSOCIATED EQUIPMENT, CENTRAL COMPUTER, OR GOODS OR
5 SERVICES THAT DIRECTLY RELATE TO THE OPERATION OF VIDEO LOTTERY
6 TERMINALS.

7 (2) EACH MANUFACTURER AND EACH PERSON WHO OWNS OR
8 CONTROLS THE MANUFACTURER, MANAGEMENT AND SUPERVISORY PERSONNEL,
9 AND OTHER PRINCIPAL EMPLOYEES SHALL QUALIFY UNDER THE STANDARDS AND
10 PROVISIONS SET FORTH IN SUBSECTIONS (B) AND (C) OF THIS SECTION FOR
11 LICENSEES.

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

15 (4) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS,
16 ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR
17 DISTRIBUTE THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND
18 CENTRAL COMPUTER THAT MEET SPECIFICATIONS AND PROCEDURES CONTAINED
19 IN REGULATIONS ISSUED BY THE COMMISSION.

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

24 (2) THE COMMISSION SHALL COMPLY WITH THE REQUIREMENTS OF
25 THE STATE FINANCE AND PROCUREMENT ARTICLE, INCLUDING REQUIREMENTS FOR
26 COMPETITIVE BIDS FOR PROCUREMENT CONTRACTS.

27 9-1A-06.

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

30 (1) THIS SUBTITLE;

31 (2) A REGULATION ADOPTED UNDER THIS SUBTITLE;

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

33 (4) A CONDITION THAT THE COMMISSION SETS.

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

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

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

5 (I) THE SERIOUSNESS OF THE VIOLATION;

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

7 (III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON
8 WHO COMMITTED THE VIOLATION.

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

13 9-1A-07.

14 (A) THE COMMISSION SHALL:

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

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

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

22 (4) ESTABLISH AND COLLECT APPLICATION, LICENSE, AND OTHER FEES
23 TO COVER THE COSTS OF ADMINISTERING THIS SUBTITLE, EXCEPT THE COSTS
24 DESCRIBED UNDER § 9-1A-01(J)(2) OF THIS SUBTITLE;

25 (5) APPLY APPLICATION, LICENSE, AND OTHER FEES TO COVER THE
26 COSTS OF ADMINISTERING THIS SUBTITLE, EXCEPT THE COSTS DESCRIBED UNDER §
27 9-1A-01(J)(2) OF THIS SUBTITLE;

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

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

34 1. 50% TO THE COMPULSIVE GAMBLING FUND ESTABLISHED
35 IN § 9-1A-13 OF THIS SUBTITLE; AND

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

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

6 (1) REQUIRING THE METHODS AND FORMS OF APPLICATION THAT AN
7 APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE SHALL FOLLOW
8 AND COMPLETE BEFORE CONSIDERATION OF THE APPLICATION BY THE
9 COMMISSION;

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

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

18 (4) REQUIRING THE MANNER AND PROCEDURE OF HEARINGS
19 CONDUCTED BY THE COMMISSION;

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

22 (6) DEFINING AND LIMITING THE AREAS OF OPERATION FOR VIDEO
23 LOTTERY TERMINALS, RULES OF VIDEO LOTTERY TERMINALS, ODDS FOR VIDEO
24 LOTTERY TERMINALS, AND THE METHOD OF OPERATION OF THE VIDEO LOTTERY
25 TERMINALS;

26 (7) REGULATING THE PRACTICE AND PROCEDURES FOR NEGOTIABLE
27 TRANSACTIONS INVOLVING VIDEO LOTTERY TERMINAL PLAYERS, INCLUDING
28 LIMITATIONS ON THE CIRCUMSTANCES AND AMOUNTS OF NEGOTIABLE
29 TRANSACTIONS, AND THE ESTABLISHMENT OF FORMS AND PROCEDURES FOR
30 NEGOTIABLE INSTRUMENT TRANSACTIONS, REDEMPTIONS, AND CONSOLIDATIONS;

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

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

35 (10) REQUIRING THE PROCEDURES, FORMS, AND METHODS OF
36 MANAGEMENT CONTROLS;

37 (11) PROVIDING FOR MINIMUM UNIFORM STANDARDS OF ACCOUNTANCY
38 METHODS, PROCEDURES, AND FORMS AS ARE NECESSARY TO ASSURE CONSISTENCY,

1 COMPARABILITY, AND EFFECTIVE DISCLOSURE OF ALL FINANCIAL INFORMATION,
2 INCLUDING PERCENTAGES OF PROFIT FOR VIDEO LOTTERY TERMINALS;

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

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

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

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

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

19 (2) THE REGULATIONS UNDER THIS SUBSECTION SHALL DEFINE THE
20 STANDARDS FOR EXCLUSION OR EJECTION AND SHALL INCLUDE STANDARDS
21 RELATING TO PERSONS:

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

24 (II) WHO HAVE BEEN CONVICTED OF A CRIMINAL OFFENSE UNDER
25 THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED
26 STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A
27 GAMBLING OFFENSE; OR

28 (III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A LICENSEE
29 WOULD BE ADVERSE TO THE INTEREST OF THE STATE, THE LICENSEE, OR THE
30 PERSON.

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

35 (4) AN ORDER UNDER THIS SUBSECTION SHALL BE SUBJECT TO
36 JUDICIAL REVIEW.

1 (5) RACE, COLOR, CREED, NATIONAL ORIGIN OR ANCESTRY, OR GENDER
2 MAY NOT BE A REASON FOR PLACING THE NAME OF A PERSON ON THE LIST OF
3 PERSONS TO BE EXCLUDED OR EJECTED.

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

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

9 (I) INSPECT AND EXAMINE ALL PREMISES IN WHICH VIDEO
10 LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE CONDUCTED OR ANY
11 AUTHORIZED VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, OR CENTRAL
12 COMPUTER ARE DESIGNED, BUILT, CONSTRUCTED, ASSEMBLED, MANUFACTURED,
13 SOLD, DISTRIBUTED, OR SERVICED, OR IN WHICH RECORDS OF THOSE ACTIVITIES
14 ARE PREPARED OR MAINTAINED;

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

17 (III) SEIZE SUMMARILY AND REMOVE FROM THOSE PREMISES AND
18 IMPOUND, OR ASSUME PHYSICAL CONTROL OF, ANY VIDEO LOTTERY TERMINALS,
19 ASSOCIATED EQUIPMENT, OR CENTRAL COMPUTER FOR THE PURPOSES OF
20 EXAMINATION AND INSPECTION;

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

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

27 9-1A-08.

28 (A) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE UNDER THE
29 CONTROL OF THE COMMISSION AND SHALL BE DISTRIBUTED AS PROVIDED IN THIS
30 SECTION.

31 (B) FROM THE PROCEEDS FROM VIDEO LOTTERY TERMINALS FOR ALL VIDEO
32 LOTTERY FACILITIES, THE COMMISSION SHALL FIRST PAY THE COSTS INCURRED BY
33 THE COMMISSION IN ADMINISTERING THIS SUBTITLE BASED ON A SCHEDULE
34 DETERMINED BY THE COMMISSION.

35 (C) FROM THE NET PROCEEDS FROM VIDEO LOTTERY TERMINALS FOR ALL
36 VIDEO LOTTERY FACILITIES, AFTER PAYING THE COSTS INCURRED BY THE
37 COMMISSION IN ADMINISTERING THIS SUBTITLE, THE COMMISSION SHALL
38 DISTRIBUTE AT LEAST ONE-HALF OF THE NET PROCEEDS TO THE EDUCATION TRUST
39 FUND ESTABLISHED UNDER § 9-1A-10 OF THIS SUBTITLE.

1 (D) FROM THE NET PROCEEDS FROM THE VIDEO LOTTERY TERMINALS AFTER
2 THE DEDUCTIONS FROM THE PROCEEDS OF THE AMOUNTS DESCRIBED UNDER
3 SUBSECTION (B) AND (C) OF THIS SECTION, THE COMMISSION SHALL DISTRIBUTE,
4 BASED ON A SCHEDULE DETERMINED BY THE COMMISSION:

5 (1) (I) SUBJECT TO THE PROVISIONS OF ITEM (IV) 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 VIDEO LOTTERY FACILITY LICENSES ARE ISSUED, PROVIDED THE GRANTS
10 SHALL BE:

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

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

17 3. AT LEAST \$31,594 PER DAY FOR EACH DAY OF OPERATION
18 BY A VIDEO LOTTERY FACILITY LICENSEE LOCATED IN A COUNTY WITH A
19 POPULATION DENSITY OF MORE THAN 100 PER SQUARE MILE;

20 (II) IF A VIDEO LOTTERY FACILITY LICENSE IS ISSUED FOR THE
21 LAUREL RACE COURSE LOCATION, THE LOCAL IMPACT GRANT FOR THAT LOCATION
22 SHALL BE DISTRIBUTED AS FOLLOWS:

23 1. 60% TO ANNE ARUNDEL COUNTY;

24 2. 20% TO HOWARD COUNTY; AND

25 3. 20% TO THE CITY OF LAUREL;

26 (III) POPULATION DENSITY UNDER ITEM (I) OF THIS ITEM SHALL BE
27 DETERMINED BY THE MARYLAND OFFICE OF PLANNING; AND

28 (IV) THE LOCAL IMPACT GRANTS IN ITEM (I) OF THIS ITEM SHALL
29 INCREASE 2% EACH YEAR IN WHICH THE PROCEEDS IN THE CURRENT FISCAL YEAR
30 EXCEED THE PROCEEDS IN THE PRIOR FISCAL YEAR; AND

31 (2) \$5,000,000 TO THE GENERAL FUND TO PROVIDE GRANTS TO LOCAL
32 GOVERNMENTS TO PURCHASE FIRE AND RESCUE APPARATUS AND EQUIPMENT.

33 (E) FROM THE NET PROCEEDS FROM THE VIDEO LOTTERY TERMINALS AFTER
34 THE DEDUCTIONS FROM THE PROCEEDS OF THE AMOUNTS DESCRIBED UNDER
35 SUBSECTION (C) AND (D) OF THIS SECTION, THE COMMISSION SHALL PAY, BASED ON
36 A SCHEDULE DETERMINED BY THE COMMISSION:

1 (1) 20% OF THE REMAINDER OF THE NET PROCEEDS TO THE PURSE
2 DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-11 OF THIS SUBTITLE; AND

3 (2) AS APPROVED BY THE COMMISSION, AND SUBJECT TO THE
4 PROVISIONS OF § 9-1A-09 OF THIS SUBTITLE, AN AMOUNT NOT TO EXCEED 80% OF
5 THE REMAINDER OF THE NET PROCEEDS FOR THE OPERATING COSTS AND RELATED
6 CAPITAL COSTS OF, AND A REASONABLE RETURN FOR, THE VIDEO LOTTERY FACILITY
7 LICENSEES.

8 9-1A-09.

9 (A) FOR CAPITAL IMPROVEMENT PROJECTS OF \$1,000,000 OR MORE AT HORSE
10 RACING TRACKS AND RELATED FACILITIES FINANCED DIRECTLY OR INDIRECTLY
11 WITH PROCEEDS FROM VIDEO LOTTERY TERMINALS, THE MARYLAND STADIUM
12 AUTHORITY SHALL REVIEW AND APPROVE THE PROJECT PLAN AND MANAGE THE
13 PROJECT.

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

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

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

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

26 9-1A-10.

27 (A) THERE IS AN EDUCATION TRUST FUND WHICH IS A SPECIAL CONTINUING,
28 NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
29 PROCUREMENT ARTICLE.

30 (B) THERE SHALL BE CREDITED TO THE EDUCATION TRUST FUND ALL TAXES,
31 FEES, CHARGES, AND REVENUES COLLECTED OR RECEIVED BY OR PAID,
32 APPROPRIATED, OR CREDITED, UNDER THIS SUBTITLE OR ANY OTHER PROVISION OF
33 LAW, TO THE ACCOUNT OF THE EDUCATION TRUST FUND.

34 (C) MONEYS IN THE EDUCATION TRUST FUND SHALL BE USED TO SUPPORT:

35 (1) AN ADEQUATE EDUCATION FOR THE CHILDREN OF MARYLAND IN
36 THE PUBLIC SCHOOLS, PRE-KINDERGARTEN THROUGH GRADE 12; AND

37 (2) PUBLIC LIBRARIES.

1 (D) (1) SUBJECT TO SUBSECTION (C) OF THIS SECTION, EXPENDITURES
2 FROM THE EDUCATION TRUST FUND SHALL BE MADE EACH FISCAL YEAR IN
3 ACCORDANCE WITH THE STATE BUDGET.

4 (2) FOR EACH FISCAL YEAR, IN ADDITION TO THE FUNDS DEDICATED
5 UNDER THIS SECTION TO THE EDUCATION TRUST FUND, THE GOVERNOR SHALL
6 INCLUDE IN THE ANNUAL BUDGET BILL SUBMITTED TO THE GENERAL ASSEMBLY A
7 GENERAL FUND APPROPRIATION FOR THE PURPOSES DESCRIBED UNDER
8 SUBSECTION (C) OF THIS SECTION IN AN AMOUNT NOT LESS THAN THE AMOUNT OF
9 FUNDS APPROPRIATED IN THE PRIOR FISCAL YEAR FOR THOSE PURPOSES.

10 (3) AN APPROPRIATION FROM THE EDUCATION TRUST FUND PROPOSED
11 TO BE MADE FOR ANY DESIGNATED EDUCATIONAL ACTIVITY, FUNCTION, OR
12 UNDERTAKING THAT HAS BEEN REDUCED BY THE GENERAL ASSEMBLY MAY NOT BE
13 RESTORED, FOR THE SAME PURPOSE AS ORIGINALLY PROPOSED, EXCEPT IN AN
14 EMERGENCY, BY THE BUDGET AMENDMENT PROCEDURE OF § 7-209 OF THE STATE
15 FINANCE AND PROCUREMENT ARTICLE OR OTHERWISE IF THE GENERAL ASSEMBLY
16 IN STRIKING OR REDUCING THE APPROPRIATION, PROHIBITED ITS RESTORATION.

17 (E) IN DEVELOPING THE STATE BUDGET, THE GOVERNOR SHALL CONSULT
18 WITH THE STATE BOARD OF EDUCATION ON THE EXPENDITURE OF FUNDS FROM
19 THE EDUCATION TRUST FUND.

20 (F) THE GOVERNOR SHALL SUBMIT WITH THE ANNUAL STATE BUDGET THE
21 EDUCATION TRUST FUND'S:

22 (1) BEGINNING BALANCE;

23 (2) PROJECTED REVENUES;

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

26 (4) IDENTIFICATION OF MULTIYEAR COMMITMENTS FOR
27 PROGRAMS.

28 (G) THE STATE BOARD OF EDUCATION SHALL SUBMIT AN ANNUAL REPORT TO
29 THE GOVERNOR AND GENERAL ASSEMBLY BY JANUARY 1 EACH YEAR ADDRESSING
30 HOW THE MONEYS FROM THE EDUCATION TRUST FUND ARE BEING USED TO
31 PROMOTE THE ADEQUACY OF PUBLIC EDUCATION CLASSROOM INSTRUCTION FOR
32 MARYLAND'S STUDENTS AND TO IMPROVE PUBLIC LIBRARIES.

33 9-1A-11.

34 (A) THERE IS A PURSE DEDICATION ACCOUNT UNDER THE AUTHORITY OF
35 THE COMMISSION.

36 (B) (1) THE ACCOUNT SHALL RECEIVE MONEYS AS REQUIRED UNDER §
37 9-1A-08(B) OF THIS SUBTITLE.

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

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

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

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

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

11 (C) FUNDS CREDITED TO THE PURSE DEDICATION ACCOUNT UNDER §
12 9-1A-08(E)(1) OF THIS SUBTITLE SHALL BE ALLOCATED BY THE COMMISSION AND
13 PAID FROM THE ACCOUNT IN THE FOLLOWING MANNER:

14 (1) 62.3% TO MILE THOROUGHBRED PURSES;

15 (2) 7.7% TO THE MARYLAND-BRED RACE FUND;

16 (3) 26.67% TO STANDARD BRED PURSES; AND

17 (4) 3.33% TO THE STANDARD BRED RACE FUND.

18 (D) (1) THE ORGANIZATION REPRESENTING A MAJORITY OF THE
19 THOROUGHBRED BREEDERS LICENSED IN THE STATE MAY USE UP TO 5% OF THE
20 MONEY ALLOCATED TO THE MARYLAND-BRED RACE FUND UNDER SUBSECTION
21 (C)(2) OF THIS SECTION FOR ACTIVITIES RELATED TO THE MARKETING, PROMOTION,
22 AND ENHANCEMENT OF THE THOROUGHBRED RACING AND BREEDING INDUSTRY IN
23 THE STATE.

24 (2) THE STATE RACING COMMISSION SHALL USE THE REMAINING 95%
25 OF THE MONEY ALLOCATED TO THE MARYLAND-BRED RACE FUND UNDER
26 SUBSECTION (C)(2) OF THIS SECTION FOR MARYLAND-BRED FUND RACES AS
27 DESCRIBED UNDER TITLE 11, SUBTITLE 5 OF THE BUSINESS REGULATION ARTICLE.

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

31 (F) THE GROUP THAT REPRESENTS A MAJORITY OF THE APPLICABLE
32 BREEDERS IN THE STATE MAY ALLOCATE REVENUES OUT OF THE APPLICABLE BRED
33 FUND SHARE.

34 9-1A-12.

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

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

7 9-1A-13.

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

10 (B) (1) THERE SHALL BE CREDITED TO THE COMPULSIVE GAMBLING FUND
11 FEES COLLECTED BY THE COMMISSION AS PROVIDED UNDER § 9-1A-07 OF THIS
12 SUBTITLE.

13 (2) MONEYS IN THE COMPULSIVE GAMBLING FUND SHALL BE INVESTED
14 AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL
15 ACCRUE TO THE FUND.

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

19 (C) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL ONLY
20 BE MADE:

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

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

28 9-1A-14.

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

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

34 (C) THE COMPTROLLER SHALL CREDIT THE REVENUES AS REQUIRED BY §
35 9-1A-08 OF THIS SUBTITLE.

1 9-1A-15.

2 NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS SUBTITLE, THE
3 COMMISSION MAY CONSIDER AN APPLICATION FOR A VIDEO LOTTERY FACILITY
4 LICENSE FOR A TOURIST DESTINATION IF, PRIOR TO THE APPLICATION DATE, THE
5 GOVERNING BODY OF THE COUNTY ADOPTS A RESOLUTION IN SUPPORT OF THE
6 ESTABLISHMENT AND LOCATION OF A VIDEO LOTTERY FACILITY IN THE COUNTY.

7

Article - Financial Institutions

8 13-709.1.

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

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is contingent on
14 the passage of Chapter___ (H.B. 1170) of the Acts of the General Assembly of 2001, a
15 Constitutional Amendment, and its ratification by the voters of the State.

16 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to the provisions
17 of Section 2 of this Act, this Act shall take effect January 1, 2003.