

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 322

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “State Lottery and Racing Commission and Agency” and substitute “Public Education Bridge to Excellence - Funding”; and strike in their entirety lines 3 through 32, inclusive, and substitute:

“FOR the purpose of requiring the State Lottery Commission to regulate the operation of certain video lottery terminals; requiring the Governor to appoint a member of the State Racing Commission as a liaison to the State Lottery Commission; altering the membership of the State Lottery Commission; specifying certain requirements for members of the State Lottery Commission; requiring the Governor to appoint a member of the State Lottery Commission as a liaison to the State Racing Commission; providing that members of the State Lottery Commission may be compensated as provided in the State budget; authorizing the operation of video lottery terminals connected to a certain central computer that allows the State Lottery Commission to monitor a video lottery terminal and has certain capabilities; prohibiting access to the central computer to certain licensees with a certain exception; providing that only a person with a certain video lottery operation license may offer a video lottery terminal for public use in the State; providing that this Act is statewide and exclusive in its effect and that certain laws do not apply to video lottery terminals authorized under this Act; authorizing the State Lottery Commission to conduct certain investigations and hearings; requiring the State Lottery Commission to adopt certain regulations; authorizing the State Lottery Commission to require a certain bond and collect certain fees, civil penalties, and taxes; authorizing the State Lottery Commission to inspect and seize certain equipment, financial information, and records without notice or warrant; authorizing the State Lottery Commission to issue a certain number of video lottery operation licenses to certain holders of certain licenses; requiring certain video lottery terminal manufacturers, video lottery operators, video lottery employees, and other individuals required by the State

(Over)

Lottery Commission to be licensed; providing for the application and licensing process; establishing certain eligibility criteria and disqualifying criteria for a video lottery operation license; requiring video lottery operation licensees to maintain certain numbers of live racing days; providing that the license of certain video lottery operation licensees may be revoked if a certain horse racing event or trade names and other items related to the event are transferred out of the State; requiring a certain licensee to conduct a certain annual race with certain exceptions; requiring video lottery operating licensees to submit to the State Lottery Commission a certain plan to improve the quality and marketing of horse racing; requiring a video lottery operation licensee to offer for sale a certain percentage of equity ownership to certain individuals under certain circumstances; requiring certain applicants and licensees to comply with certain provisions of law relating to minority business participation; specifying that certain collective bargaining agreements do not negate certain provisions of the Act; providing for the monitoring of certain provisions of the Act by the Governor's Office of Minority Affairs; providing for the termination of a certain provision of the Act; providing for certain eligibility criteria and disqualifying criteria for certain licenses; providing for certain waivers of certain licensing requirements under certain conditions; providing certain license terms; stating the intent of the General Assembly relating to video lottery operation licenses; prohibiting a video lottery operation license from being transferred or pledged as collateral; prohibiting certain licensees from selling or otherwise transferring more than a certain percent of the legal or beneficial interest unless certain conditions are met; requiring that the transfer of a certain interest in a person that holds a video lottery operation license be approved by the State Lottery Commission; requiring the Department of State Police to conduct certain background investigations in a certain manner; requiring the State Lottery Commission to buy or lease the video lottery terminals, associated equipment, and central computer authorized under this Act; specifying limits on the number of video lottery terminals allowed at certain facilities; providing the minimum payout for video lottery terminals and authorizing the State Lottery Commission to adopt certain video lottery terminal payouts; providing for the hours of operation of video lottery terminals; prohibiting the State Lottery Commission from issuing certain licenses under certain circumstances; prohibiting a video lottery operation licensee from offering food or beverages at no cost with a certain exception or from offering food and beverages below certain prices; requiring the State Lottery Commission to adopt certain regulations to reduce or mitigate the effects of problem gaming; authorizing the State Lottery Commission to reprimand a licensee or deny, suspend, or revoke certain licenses under certain circumstances; requiring the Comptroller to collect and distribute certain moneys in specified ways; establishing an Education Trust

Fund; requiring certain distributions from video lottery proceeds to the Education Trust Fund to be used for a certain purpose; establishing a Purse Dedication Account under the authority of the State Racing Commission; providing for a certain distribution from video lottery proceeds to the Purse Dedication Account for horse racing; providing for certain distributions from the Purse Dedication Account for horse racing in a certain manner; requiring the State to pay certain transportation costs and to facilitate certain negotiations; requiring a certain transportation plan to be developed by certain counties; providing for the creation of certain Local Development Councils; providing for appointment and membership of certain Local Development Councils; requiring certain counties to develop certain plans to be reviewed by certain Local Development Councils; specifying that certain Local Development Grants should be used for certain purposes; authorizing certain fees and providing for a certain distribution from certain fees to the Compulsive Gambling Fund; creating a Compulsive Gambling Fund in the Department of Health and Mental Hygiene; providing for certain disbursements from the Compulsive Gambling Fund for certain purposes; exempting a certain procurement by the Commission from certain provisions of law; requiring the Commission to make a certain annual report by a certain date; requiring the Maryland Department of Transportation to conduct a certain study and make a certain report by a certain date; requiring a certain certification entity to conduct certain studies and make certain reports; making the provisions of this Act severable; providing for the staggering of the terms of certain new members of the State Lottery Commission; defining certain terms; and generally relating to the operation of video lottery terminals at certain locations in the State.”.

On pages 1 through 3, strike in their entirety the lines beginning with line 33 on page 1 through line 26 on page 3, inclusive, and substitute:

“BY adding to

Article - Business Regulation

Section 11-202(g)

Annotated Code of Maryland

(1998 Replacement Volume and 2002 Supplement)

BY repealing and reenacting, with amendments,

(Over)

Article - State Government
Section 9-105 and 9-108(d)
Annotated Code of Maryland
(1999 Replacement Volume and 2002 Supplement)

BY adding to

Article - State Government
Section 9-1A-01 through 9-1A-32 to be under the new subtitle “Subtitle 1A.
Video Lottery Terminals”
Annotated Code of Maryland
(1999 Replacement Volume and 2002 Supplement)

BY repealing and reenacting, with amendments,

Article - State Finance and Procurement
Section 11-203(a)(1)(xvi) and (xvii) and (b)(2)
Annotated Code of Maryland
(2001 Replacement Volume and 2002 Supplement)

BY adding to

Article - State Finance and Procurement
Section 11-203(a)(1)(xviii)
Annotated Code of Maryland
(2001 Replacement Volume and 2002 Supplement)

BY repealing and reenacting, without amendments,

Article - State Finance and Procurement
Section 11-203(b)(1)
Annotated Code of Maryland
(2001 Replacement Volume and 2002 Supplement)”.

AMENDMENT NO. 2

On pages 3 through 10, strike in their entirety the lines beginning with line 27 on page 3 through line 12 on page 10, inclusive, and substitute:

“SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That

the Laws of Maryland read as follows:

Article - Business Regulation

11-202.

(G) THE GOVERNOR SHALL APPOINT ONE MEMBER OF THE COMMISSION TO SERVE AS A LIAISON TO THE STATE LOTTERY COMMISSION ESTABLISHED UNDER TITLE 9 OF THE STATE GOVERNMENT ARTICLE.

Article - State Government

9-105.

(a) The Commission consists of [5] 9 members appointed by the Governor with the advice and consent of the Senate.

(b) (1) [Each] AT THE TIME OF APPOINTMENT, EACH member of the Commission [must be a resident and citizen of the State.] SHALL BE:

(I) AT LEAST 25 YEARS OLD;

(II) A RESIDENT OF THE STATE WHO HAS RESIDED IN THE STATE FOR AT LEAST 5 YEARS;

(III) A QUALIFIED VOTER OF THE STATE; AND

(IV) AN INDIVIDUAL WHO HAS NOT BEEN CONVICTED OF A CRIME THAT INVOLVES MORAL TURPITUDE OR GAMBLING.

(2) A MEMBER MAY NOT HAVE A FINANCIAL INTEREST IN VIDEO LOTTERY TERMINALS.

(Over)

(3) A MEMBER OF THE COMMISSION MAY NOT:

(I) HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO HOLDS A LICENSE UNDER SUBTITLE 1A OF THIS TITLE; OR

(II) HOLD ANY STOCKS, BONDS, OR OTHER FINANCIAL INTEREST IN A PERSON HOLDING A LICENSE UNDER SUBTITLE 1A OF THIS TITLE.

(4) NO MORE THAN SIX MEMBERS MAY BE OF THE SAME POLITICAL PARTY.

(5) THE MEMBERS OF THE COMMISSION SHALL REFLECT THE GEOGRAPHIC, RACIAL, AND GENDER MAKEUP OF THE STATE.

(C) MEMBERSHIP ON THE COMMISSION SHALL INCLUDE:

(1) ONE MEMBER WITH EXPERIENCE IN LAW ENFORCEMENT;

(2) ONE MEMBER WITH EXPERIENCE IN A FIELD RELATING TO FINANCE AND INVESTMENTS;

(3) ONE MEMBER WHO IS A CERTIFIED PUBLIC ACCOUNTANT; AND

(4) ONE MEMBER WITH EXPERIENCE IN A FIELD OF INFORMATION TECHNOLOGY.

[(c)] (D) (1) The term of a member is 4 years.

(2) The terms of members are staggered [as required by the terms provided for members of the Commission on October 1, 1984].

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

[(d)] (E) (1) Subject to the hearing requirements of this subsection, the Governor may remove a member for cause.

(2) Before the Governor removes a member, the Governor shall give the member notice and an opportunity for a public hearing.

(F) THE GOVERNOR SHALL APPOINT ONE MEMBER OF THE COMMISSION TO SERVE AS A LIAISON TO THE STATE RACING COMMISSION ESTABLISHED UNDER TITLE 11 OF THE BUSINESS REGULATION ARTICLE.

9-108.

(d) As provided in the State budget, a member of the Commission:

(1) may receive compensation [as payment for attendance at Commission meetings or other lottery functions in the amount of:

(i) \$125 per meeting attended, not to exceed \$1,500 annually for a Commission member who is not the chairman; and

(ii) \$165 per meeting attended, not to exceed \$2,000 annually for the Commission chairman]; and

(2) is entitled to reimbursement for reasonable expenses incurred in the performance of the duties as a member.

SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

9-1A-01.”.

AMENDMENT NO. 3

(Over)

On page 11, after line 2, insert:

“(I) “COMMISSION” MEANS THE STATE LOTTERY COMMISSION.”; in lines 3 and 5, strike “(I)” and “(J)”, respectively, and substitute “(J)” and “(K)”, respectively; strike beginning with “THE” in line 7 down through “ACTIVITIES” in line 9 and substitute “:

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

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

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

(4) THE COSTS OF PERFORMING BACKGROUND INVESTIGATIONS AND OTHER RELATED ACTIVITIES”;

in lines 10, 15, 17, 19, 29, 31, 33, and 36, strike “(K)”, “(L)”, “(M)”, “(N)”, “(O)”, “(P)”, “(Q)”, and “(R)”, respectively, and substitute “(L)”, “(M)”, “(N)”, “(O)”, “(P)”, “(Q)”, “(R)”, and “(U)”, respectively; in line 20, strike “WHO HOLDS A LICENSE ISSUED BY THE COMMISSION TO ENGAGE” and substitute “THAT IS ENGAGED”; in line 22, after “COMPUTER,” insert “CENTRAL COMPUTER SOFTWARE SYSTEM.”; strike beginning with “AND” in line 26 down through “COMMISSION” in line 28 and substitute:

“(2) THAT PRODUCES A PRODUCT THAT IS INTENDED FOR SALE, LEASE, OR OTHER ASSIGNMENT TO THE COMMISSION OR A LICENSEE; AND

(3) THAT CONTRACTS WITH THE COMMISSION OR A LICENSEE FOR THE SALE, LEASE, OR OTHER ASSIGNMENT”;

in line 31, strike “A PERSON” and substitute “AN INDIVIDUAL”; and after line 35, insert:

“(S) “PROGRESSIVE JACKPOT” MEANS A PRIZE THAT INCREASES AS ONE OR MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE JACKPOT SYSTEM.

“(T) “PROGRESSIVE JACKPOT SYSTEM” MEANS THE CAPABILITY OF THE CENTRAL COMPUTER TO LINK ONE OR MORE VIDEO LOTTERY TERMINALS IN ONE OR MORE LICENSED FACILITIES AND TO OFFER ONE OR MORE COMMON PROGRESSIVE JACKPOTS.”.

On page 12, in lines 1, 3, 5, and 8, strike “(S)”, “(T)”, “(U)”, and “(V)”, respectively, and substitute “(V)”, “(W)”, “(X)”, and “(Y)”, respectively; strike beginning with “MACHINE” in line 8 down through “UNNECESSARY.” in line 16 and substitute “MACHINE OR OTHER DEVICE, THAT ON INSERTION OF A BILL, COIN, TOKEN, VOUCHER, TICKET, COUPON, OR SIMILAR ITEM, OR ON PAYMENT OF ANY CONSIDERATION:

(I) IS AVAILABLE TO PLAY OR STIMULATE THE PLAY OF ANY GAME OF CHANCE IN WHICH THE RESULTS, INCLUDING THE OPTIONS AVAILABLE TO THE PLAYER ARE RANDOMLY AND IMMEDIATELY DETERMINED BY THE MACHINE OR OTHER DEVICE; AND

(II) BY THE ELEMENT OF CHANCE MAY DELIVER OR ENTITLE THE PLAYER WHO OPERATES THE MACHINE OR DEVICE TO RECEIVE CASH, PREMIUMS, MERCHANDISE, TOKENS, OR ANYTHING OF VALUE, WHETHER THE PAYOUT IS MADE AUTOMATICALLY FROM THE DEVICE OR IN ANY OTHER MANNER.

(2) “VIDEO LOTTERY TERMINAL” INCLUDES A MACHINE OR DEVICE:

(I) THAT DOES NOT DIRECTLY DISPENSE MONEY, TOKENS, OR ANYTHING OF VALUE TO WINNING PLAYERS; AND

(II) DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION THAT USES AN ELECTRONIC CREDIT SYSTEM MAKING THE DEPOSIT OF BILLS,

COINS, OR TOKENS UNNECESSARY.

(3) “VIDEO LOTTERY TERMINAL” DOES NOT INCLUDE AN AUTHORIZED SLOT MACHINE OPERATED BY AN ELIGIBLE ORGANIZATION UNDER TITLE 12, SUBTITLE 3 OF THE CRIMINAL LAW ARTICLE.”.

AMENDMENT NO. 4

On page 12, in line 17, strike “9.3-402.” and substitute “9-1A-02.”; after line 17, insert:

“(A) THIS SUBTITLE IS STATEWIDE AND EXCLUSIVE IN ITS EFFECT.”;

in lines 18 and 20, strike “(A)” and “(B)”, respectively, and substitute “(B)” and “(C)”, respectively; in line 20, before “THIS” insert “(1)”; after line 22, insert:

“(2) THE COMMISSION SHALL PROVIDE AND OPERATE A SINGLE CENTRAL COMPUTER INTO WHICH ALL LICENSED VIDEO LOTTERY TERMINALS MUST BE CONNECTED.

(3) THE CENTRAL COMPUTER SHALL BE CAPABLE OF:

(I) CONFORMING TO THE PROTOCOLS OF THE VIDEO LOTTERY TERMINALS LEASED OR PURCHASED BY THE COMMISSION UNDER THIS SUBTITLE;

(II) CONTINUOUSLY MONITORING, RETRIEVING, AND AUDITING THE OPERATIONS, FINANCIAL DATA, AND PROGRAM INFORMATION OF ALL VIDEO LOTTERY TERMINALS;

(III) ALLOWING THE COMMISSION TO ACCOUNT FOR ALL MONEY INSERTED IN AND PAYOUTS MADE FROM ANY VIDEO LOTTERY TERMINAL;

(IV) DISABLING FROM OPERATION OR PLAY ANY VIDEO LOTTERY TERMINAL AS THE COMMISSION DEEMS NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE; AND

(V) SUPPORTING A PROGRESSIVE JACKPOT SYSTEM CAPABLE

OF OPERATING ONE OR MORE PROGRESSIVE JACKPOTS.

(4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE COMMISSION MAY NOT ALLOW A VIDEO LOTTERY OPERATION LICENSEE TO HAVE ACCESS TO THE CENTRAL COMPUTER SYSTEM OR INFORMATION FROM THE CENTRAL COMPUTER SYSTEM.

(II) PROVIDED THE ACCESS DOES NOT IN ANY WAY AFFECT THE INTEGRITY OR SECURITY OF THE CENTRAL COMPUTER SYSTEM, THE COMMISSION MAY ALLOW A VIDEO LOTTERY OPERATION LICENSEE TO HAVE ACCESS TO INFORMATION FROM THE CENTRAL COMPUTER THAT ALLOWS THE LICENSEE TO OPERATE A PLAYER TRACKING SYSTEM OR OBTAIN OTHER INFORMATION PERTINENT TO THE LEGITIMATE OPERATION OF A VIDEO LOTTERY FACILITY.”; after line 25, insert:

“9-1A-03.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, NOTHING CONTAINED IN THIS SUBTITLE MAY BE CONSTRUED AS AUTHORIZING ANY ADDITIONAL FORMS OR EXPANSION OF COMMERCIAL GAMING OTHER THAN AS EXPRESSLY PROVIDED IN THIS SUBTITLE.

(B) THIS SECTION DOES NOT APPLY TO:

(1) LOTTERIES CONDUCTED UNDER SUBTITLE 1 OF THIS TITLE;

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

(3) THE OPERATION OF SLOT MACHINES AS PROVIDED UNDER TITLES 12 AND 13 OF THE CRIMINAL LAW ARTICLE; OR

(4) GAMING CONDUCTED BY A BONA FIDE FRATERNAL, CIVIC, WAR

(Over)

VETERANS', RELIGIOUS, OR CHARITABLE ORGANIZATION, VOLUNTEER FIRE COMPANY, OR SUBSTANTIALLY SIMILAR ORGANIZATION UNDER TITLES 12 AND 13 OF THE CRIMINAL LAW ARTICLE.”;

and in line 26, strike “9.3-403.” and substitute “9-1A-04.”.

AMENDMENT NO. 5

On page 13, strike in their entirety lines 2 and 3 and substitute “ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED TO LICENSING;”; in line 4, strike “APPLY” and substitute “DEPOSIT”; in the same line, after “FEES” insert “TO A BANK ACCOUNT THAT THE TREASURER DESIGNATES TO THE CREDIT OF THE STATE LOTTERY FUND”; and strike in their entirety lines 5 and 6 and substitute “ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED TO LICENSING;”.

On pages 13 and 14, strike in their entirety the lines beginning with line 34 on page 13 through line 12 on page 14, inclusive.

On page 14, in line 13, strike “(E)” and substitute “(D)”; and in the same line, strike “MAY” and substitute “SHALL”.

On page 15, in line 17, strike “AND”; strike in their entirety lines 18 and 19 and substitute:

“(13) REQUIRING LICENSEES UNDER THIS SUBTITLE TO DEMONSTRATE AND MAINTAIN FINANCIAL VIABILITY;

(14) ENSURE THAT THE OPERATION OF VIDEO LOTTERY TERMINALS AND VIDEO LOTTERY FACILITIES IS CONDUCTED LEGALLY; AND

(15) OTHERWISE CARRY OUT THE PROVISIONS OF THIS SUBTITLE.”;

and in line 20, strike “(F)” and substitute “(E)”.

On pages 15 and 16, strike in their entirety the lines beginning with line 30 on page 15 through line 13 on page 16, inclusive.

On page 16, in line 14, strike “(H)” and substitute “(F)”.

AMENDMENT NO. 6

On page 17, in line 1, strike “9.3-404.” and substitute “9-1A-05.”; in line 6, strike the third “THE”; in line 7, strike “THOROUGHBRED RACE COURSE” and substitute “PARK”; in line 13, strike “RACETRACK” and substitute “RACE COURSE”; in line 18, after the first “THE” insert “GEOGRAPHIC”; and in the same line, after “LOCATION” insert “ON JUNE 1, 2003”.

On pages 17 through 19, strike in their entirety the lines beginning with line 20 on page 17 through line 27 on page 19, inclusive.

On page 19, in line 28, strike “9.3-409.” and substitute “9-1A-06.”; in line 29, before “THE” insert “(A)”; and after line 35, insert:

“(B) THE COMMISSION MAY BY REGULATION REQUIRE A PERSON THAT CONTRACTS WITH A LICENSEE AND THE PERSON’S EMPLOYEES TO OBTAIN A LICENSE UNDER THIS SUBTITLE IF THE COMMISSION DETERMINES THAT THE LICENSING REQUIREMENTS ARE NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST AND ACCOMPLISH THE POLICIES ESTABLISHED BY THIS SUBTITLE.

“(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, UNLESS AN INDIVIDUAL HOLDS A VALID LICENSE ISSUED UNDER THIS SUBTITLE, THE INDIVIDUAL MAY NOT BE EMPLOYED BY A LICENSEE AS A VIDEO LOTTERY EMPLOYEE.

“(2) THE COMMISSION BY REGULATION MAY EXEMPT CATEGORIES OF VIDEO LOTTERY EMPLOYEES WHO ARE NOT DIRECTLY INVOLVED IN THE VIDEO LOTTERY OPERATIONS FROM THE REQUIREMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION IF THE COMMISSION DETERMINES THAT THE REQUIREMENT IS NOT NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE POLICIES ESTABLISHED UNDER THIS SUBTITLE.”.

AMENDMENT NO. 7

On page 20, in line 1, strike “9.3-410.” and substitute “9-1A-07.”.

On page 21, in line 4, strike “BELIEVES” and substitute “KNOWS OR SHOULD KNOW”; in line 16, strike the second “THE” and substitute “ANY”; in line 22, strike the semicolon and substitute a period; after line 22 insert:

“(D) ON THE FILING OF AN APPLICATION FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE AND ANY SUPPLEMENTAL INFORMATION REQUIRED BY THE COMMISSION, THE COMMISSION SHALL:

(1) REFER THE APPLICATION TO THE DEPARTMENT OF STATE POLICE TO CONDUCT A BACKGROUND INVESTIGATION UNDER § 9-1A-20 OF THIS SUBTITLE ON THE QUALIFICATIONS OF THE APPLICANT AND ANY PERSON WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE; AND

(2) IF THE APPLICANT IS APPLYING FOR A VIDEO LOTTERY OPERATION LICENSE, CONDUCT A HEARING ON THE QUALIFICATIONS OF THE APPLICANT AND ANY PERSON WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE.

(E) (1) AFTER RECEIVING THE RESULTS OF THE BACKGROUND INVESTIGATION AND CONDUCTING ANY HEARING REQUIRED UNDER THIS SUBTITLE, THE COMMISSION MAY EITHER GRANT A LICENSE TO AN APPLICANT WHOM THE COMMISSION DETERMINES TO BE QUALIFIED OR DENY THE LICENSE TO AN APPLICANT WHOM THE COMMISSION DETERMINES TO BE NOT QUALIFIED OR DISQUALIFIED.

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

(F) EXCEPT AS PROVIDED IN § 9-1A-13 OF THIS SUBTITLE, IF SATISFIED THAT AN APPLICANT IS QUALIFIED TO RECEIVE A LICENSE, AND ON TENDER OF ALL REQUIRED APPLICATION, LICENSE, AND OTHER FEES AND TAXES, AND ANY BOND REQUIRED UNDER § 9-1A-04(E) OF THIS SUBTITLE, THE COMMISSION SHALL ISSUE A

LICENSE FOR A TERM OF 1 YEAR.

9-1A-08.”;

and in line 23, strike “(8)” and substitute “(A)”; in lines 26, 28, 31, and 34, strike “(I)”, “(II)”, “(III)”, and “(IV)”, respectively, and substitute “(1)”, “(2)”, “(3)”, and “(4)”, respectively.

On page 22, in lines 1, 6, 9, 12, 15, 18, 20, 22, 23, 24, 30, 31, and 34, strike “(V)”, “(VI)”, “(VII)”, “(VIII)”, “(IX)”, “(X)”, “(XI)”, “(XII)”, “(XIII)”, “(9)”, “(I)”, “(II)”, and “(10)”, respectively, and substitute “(5)”, “(6)”, “(7)”, “(8)”, “(9)”, “(10)”, “(11)”, “(12)”, “(13)”, “(B)”, “(1)”, “(2)”, and “(C)”, respectively; in line 32, strike “IN PARAGRAPH (8) OF THIS SUBSECTION” and substitute “UNDER SUBSECTION (A) OF THIS SECTION”; in line 36, strike “PARAGRAPH (8) OF THIS SUBSECTION” and substitute “SUBSECTION (A) OF THIS SECTION”.

On page 23, in lines 1, 4, 8, 12, 15, 19, 24, 29, and 35, strike “(11)”, “(I)”, “(II)”, “(III)”, “(IV)”, “(V)”, “(VI)”, “(VII)”, and “(VIII)”, respectively, and substitute “(D)”, “(1)”, “(2)”, “(3)”, “(4)”, “(5)”, “(6)”, “(7)”, and “(8)”, respectively; and in line 26, strike “(V)” and substitute “(5)”.

On page 24, in lines 1, 6, and 13, strike “(IX)”, “(X)”, and “(XI)”, respectively, and substitute “(9)”, “(10)”, and “(11)”, respectively; in line 3, strike “(V)” and substitute “(5)”; and after line 14, insert:

“(E) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE SHALL MEET THE FOLLOWING REQUIREMENTS BY CLEAR AND CONVINCING EVIDENCE:

(1) THE CONSTRUCTION PROJECT AT THE TRACK LOCATION FOR THE APPLICANT’S VIDEO LOTTERY FACILITY SHALL COST AT LEAST \$150,000,000 IN DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS; AND

(2) (I) THE APPLICANT SHALL PROVIDE THE EQUIVALENT OF AT LEAST 500 ADDITIONAL FULL-TIME POSITIONS AT THE LOCATION OF THE VIDEO LOTTERY FACILITY; AND

(Over)

(II) THE POSITIONS CREATED UNDER THIS ITEM SHALL COMPLY WITH ANY LOCAL LAWS, ORDINANCES, OR REGULATIONS REGARDING PAYMENT OF A LIVING WAGE OR OTHER REQUIREMENTS RELATING TO EMPLOYMENT IN THE COUNTY WHERE THE VIDEO LOTTERY FACILITY WILL BE LOCATED.”.

AMENDMENT NO. 8

On page 24, before line 15, insert:

“9-1A-09.

(A) AS A CONDITION OF LICENSURE, A VIDEO LOTTERY OPERATION LICENSEE SHALL MAINTAIN AT LEAST THE FOLLOWING LIVE RACING DAYS FOR HORSE RACING:

(1) 220 DAYS FOR THE COMBINED LICENSEES AT LAUREL PARK AND PIMLICO RACE COURSE;

(2) 180 DAYS FOR A LICENSEE AT ROSECROFT RACEWAY; AND

(3) 21 DAYS FOR A LICENSEE AT A HORSE RACE COURSE IN ALLEGANY COUNTY.

(B) (1) IF VIDEO LOTTERY OPERATION LICENSES HAVE BEEN ISSUED FOR THE PIMLICO RACE COURSE AND LAUREL PARK, THE VIDEO LOTTERY OPERATION LICENSES FOR EACH LOCATION SHALL BE REVOKED IF THE NAME, COMMON LAW AND STATUTORY COPYRIGHTS, SERVICE MARKS, TRADEMARKS, TRADE NAMES, OR HORSE RACING EVENTS THAT ARE ASSOCIATED WITH THE PREAKNESS STAKES OR THE WOODLAWN VASE ARE TRANSFERRED TO A LOCATION OUTSIDE OF THE STATE.

(2) AS AN ADDITIONAL CONDITION OF A VIDEO LOTTERY OPERATION LICENSE, THE LICENSEES DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION SHALL BE REQUIRED TO:

(I) PROMOTE AND CONDUCT THE PREAKNESS STAKES AT THE PIMLICO RACE COURSE EACH YEAR; OR

(II) IF THE PIMLICO RACE COURSE NO LONGER EXISTS, THE PREAKNESS STAKES RACE IS PREVENTED FROM BEING CONDUCTED AT THE PIMLICO RACE COURSE, OR THE STATE RACING COMMISSION, UNDER § 11-513 OF THE BUSINESS REGULATION ARTICLE, DEEMS AN EMERGENCY EXISTS, PROMOTE AND CONDUCT THE PREAKNESS STAKES RACE EACH YEAR AT ANOTHER TRACK LOCATED IN THE STATE THAT IS APPROVED BY THE STATE RACING COMMISSION.

(C) IF A LICENSEE HAS BEEN ISSUED A VIDEO LOTTERY LICENSE FOR LAUREL PARK, THE EVENT KNOWN AS THE MARYLAND MILLION SHALL BE RUN ANNUALLY AT LAUREL PARK UNLESS:

(1) THE LICENSEE IS PREVENTED FROM DOING SO BY WEATHER, ACTS OF GOD, OR OTHER CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE; OR

(2) THE LICENSEE AND THE MARYLAND MILLION LLC AGREE TO ANOTHER LOCATION THAT IS APPROVED BY THE STATE RACING COMMISSION.

(D) (1) AS A CONDITION OF CONTINUED LICENSURE, EACH LICENSEE SHALL DEVELOP AND SUBMIT TO THE COMMISSION A MULTIYEAR PLAN TO IMPROVE THE QUALITY AND MARKETING OF HORSE RACING AT THE LOCATION WHERE THE LICENSE IS GRANTED.

(2) EACH PLAN SHALL INCLUDE:

(I) GOALS, INDICATORS, AND TIMELINES FOR SPECIFIC ACTIONS THAT WILL BE TAKEN BY THE LICENSEE TO IMPROVE THE QUALITY AND MARKETING OF THE HORSE RACING INDUSTRY IN MARYLAND; AND

(Over)

(II) A MASTER PLAN FOR CAPITAL IMPROVEMENTS THAT REFLECTS, AT A MINIMUM:

1. COMMITMENTS THAT HAVE BEEN MADE TO THE STATE RACING COMMISSION; AND

2. AN ONGOING INVESTMENT IN CAPITAL MAINTENANCE AND IMPROVEMENTS IN THE HORSE RACING FACILITIES OF AT LEAST \$4 MILLION ANNUALLY.

(3) (I) HOLDERS OF A LICENSE ISSUED BY THE RACING COMMISSION THAT RECEIVES A SHARE OF THE PROCEEDS UNDER THIS SUBTITLE SHALL JOINTLY DEVELOP A MULTIYEAR PLAN TO IMPROVE THE QUALITY AND MARKETING OF THE HORSE RACING INDUSTRY IN MARYLAND.

(II) THE JOINT PLAN SHALL INCLUDE GOALS, INDICATORS, AND TIMELINES FOR SPECIFIC ACTIONS THAT WILL BE TAKEN BY THE THOROUGHBRED AND HARNESS RACING INDUSTRY TO IMPROVE THE QUALITY AND MARKETING OF THE HORSE RACING INDUSTRY IN MARYLAND, INCLUDING JOINT MARKETING EFFORTS.

(E) THE PLANS REQUIRED UNDER SUBSECTION (D) OF THIS SECTION SHALL ALSO BE PROVIDED TO THE STATE RACING COMMISSION AND TO THE LEGISLATIVE POLICY COMMITTEE OF THE GENERAL ASSEMBLY.

9-1A-10.

(A) IN THIS SECTION, "QUALIFIED INVESTOR" MEANS AN INDIVIDUAL WHO MEETS:

(1) THE QUALIFICATIONS AND CRITERIA ESTABLISHED BY §§ 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR A VIDEO LOTTERY OPERATION LICENSE;

(2) THE CRITERIA RELATED TO QUALIFIED INVESTORS UNDER THE SECURITIES ACT OF 1933; AND

(3) WITH THE EXCEPTION OF § 14-301(I)(3) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE FOR CERTIFICATION AS A MINORITY BUSINESS ENTERPRISE.

(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, ON OR BEFORE AUGUST 31, 2003 AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE SHALL OFFER FOR SALE TO QUALIFIED INVESTORS AT LEAST 15% OF THE EQUITY OWNERSHIP, EITHER DIRECT OR INDIRECT, OF THE ENTITY OR ENTITIES THAT HOLD OR WILL HOLD THE APPLICANT'S:

(I) MILE THOROUGHBRED OR HARNESS RACING LICENSE; AND

(II) VIDEO LOTTERY OPERATION LICENSE.

(2) IF AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE IS AN ENTITY THAT HOLDS MORE THAN ONE MILE THOROUGHBRED OR HARNESS RACING LICENSE AND IS ELIGIBLE FOR MORE THAN ONE VIDEO LOTTERY OPERATION LICENSE, THE APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE SHALL OFFER TO QUALIFIED INVESTORS AT LEAST 10% OF THE EQUITY OWNERSHIP OF THE ENTITY.

(C) IN ITS APPLICATION FOR A VIDEO LOTTERY OPERATION LICENSE, AN APPLICANT SHALL DESCRIBE THE PROCESS THE APPLICANT HAS DEVELOPED TO:

(1) MAKE THE AVAILABILITY OF THIS INVESTMENT OPPORTUNITY WIDELY KNOWN TO QUALIFIED INVESTORS;

(2) SCREEN AND SELECT THE POTENTIAL INVESTORS; AND

(3) ENSURE, CONSISTENT WITH THE EXERCISE OF SOUND BUSINESS JUDGMENT, THAT QUALIFIED INVESTORS WHO RESIDE IN MARYLAND ARE PROVIDED WITH A PREFERENCE FOR SELECTION WITH A GOAL OF AT LEAST 50% OF

(Over)

QUALIFIED INVESTORS.

(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND TO REGULATORY APPROVAL, PRIOR TO THE DATE A VIDEO LOTTERY OPERATION LICENSE IS ISSUED UNDER THIS SUBTITLE, AN APPLICANT SHALL HAVE SOLD OR HAVE EXECUTED CONTRACTS FOR THE SALE OF THE PERCENTAGE OF THE APPLICANT'S EQUITY OWNERSHIP INTEREST AS REQUIRED IN SUBSECTION (B) OF THIS SECTION.

(2) (I) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, AN APPLICANT MAY NOT BE REQUIRED TO SELL AN EQUITY OWNERSHIP INTEREST IN THE ENTITIES, DESCRIBED IN SUBSECTION (B) OF THIS SECTION FOR A PRICE THAT IS LESS THAN:

1. FAIR MARKET VALUE; OR

2. AS ADJUSTED ON A PRO RATA BASIS, THE VALUE PAID BY THE PRIMARY EQUITY HOLDER FOR ITS OWNERSHIP INTEREST AS EVIDENCED BY AMOUNT OF THE EQUITY INVESTMENT MADE OR TO BE MADE BY THE PRIMARY EQUITY HOLDER.

(II) AT THE REQUEST OF A QUALIFIED INVESTOR, THE COMMISSION SHALL REVIEW AND APPROVE THE PRICE DETERMINED BY THE APPLICANT IN SUBPARAGRAPH (I)(2) OF THIS PARAGRAPH.

(E) (1) THE COMMISSION SHALL SUBMIT TO THE LEGISLATIVE POLICY COMMITTEE OF THE GENERAL ASSEMBLY THE NAMES AND BACKGROUND INFORMATION OF THE EQUITY OWNERS, AND PROSPECTIVE EQUITY OWNERS, OF AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE.

(2) THE REPORT REQUIRED UNDER THIS SUBSECTION SHALL BE PROVIDED TO THE LEGISLATIVE POLICY COMMITTEE OF THE GENERAL ASSEMBLY AT LEAST 30 DAYS PRIOR TO AWARD OF A VIDEO LOTTERY OPERATION LICENSE.

(F) (1) FOR THE CONSTRUCTION OF FACILITIES AND PROCUREMENT

RELATED TO THE OPERATION OF VIDEO LOTTERY TERMINALS, THE APPLICANT OR LICENSEE SHALL AT A MINIMUM MEET THE SAME REQUIREMENTS OF A DESIGNATED UNIT FOR MINORITY BUSINESS PARTICIPATION AS DESCRIBED UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) IF THE COUNTY IN WHICH A VIDEO LOTTERY FACILITY WILL BE LOCATED HAS HIGHER MINORITY BUSINESS PARTICIPATION REQUIREMENTS THAN THE STATE AS DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, THE APPLICANT SHALL MEET THE COUNTY'S MINORITY BUSINESS PARTICIPATION REQUIREMENTS TO THE EXTENT POSSIBLE.

(3) A COLLECTIVE BARGAINING AGREEMENT OR AGREEMENTS, INCLUDING A PROJECT LABOR AGREEMENT OR A NEUTRALITY AGREEMENT, ENTERED INTO BY AN APPLICANT OR LICENSEE MAY NOT NEGATE THE REQUIREMENTS OF THIS SUBSECTION.

(4) NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR AGREEMENTS, AN APPLICANT OR LICENSEE SHALL GIVE A PREFERENCE TO HIRING QUALIFIED EMPLOYEES FROM THE COMMUNITIES IN CLOSE PROXIMITY TO THE VIDEO LOTTERY FACILITY.

(G) (1) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY OPERATION LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A CONDITION OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

(2) THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS SHALL MONITOR A LICENSEE'S COMPLIANCE WITH THIS SECTION.

(3) THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS SHALL REPORT TO THE COMMISSION AT LEAST EVERY 6 MONTHS ON THE COMPLIANCE OF LICENSEES WITH THIS SECTION.

(4) IF THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS REPORTS

(Over)

THAT A LICENSEE IS NOT IN COMPLIANCE WITH THIS SECTION, THE COMMISSION SHALL TAKE IMMEDIATE ACTION TO ENSURE THE COMPLIANCE OF THE LICENSEE.

(H) THE PROVISIONS OF THIS SECTION AND ANY REGULATIONS ADOPTED UNDER THIS SECTION SHALL BE OF NO EFFECT AND MAY NOT BE ENFORCED ON OR AFTER JULY 1, 2006.

9-1A-11.

(A) (1) ON OR BEFORE OCTOBER 1, 2003, AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE, OTHER THAN A HORSE RACE COURSE IN ALLEGANY COUNTY, SHALL SUBMIT TO THE COMMISSION AN APPLICATION AS PROVIDED IN THIS SUBTITLE AND A \$5,000,000 APPLICATION FEE.

(2) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE COMMISSION MAY NOT ACCEPT ANY APPLICATIONS FOR VIDEO LOTTERY OPERATION LICENSES OR APPLICATION FEES AFTER OCTOBER 1, 2003.

(B) (1) ON OR BEFORE OCTOBER 1, 2005, AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE THAT IS A HORSE RACE COURSE IN ALLEGANY COUNTY SHALL SUBMIT TO THE COMMISSION AN APPLICATION AS PROVIDED IN THIS SUBTITLE AND A \$5,000,000 APPLICATION FEE.

(2) THE COMMISSION MAY NOT ACCEPT AN APPLICATION FOR A VIDEO LOTTERY OPERATIONS LICENSE OR AN APPLICATION FEE FROM A HORSE RACE COURSE IN ALLEGANY COUNTY AFTER OCTOBER 1, 2005.

(C) ANY VIDEO LOTTERY OPERATION LICENSES NOT ISSUED FOR A LOCATION AUTHORIZED UNDER THIS SUBTITLE SHALL AUTOMATICALLY REVERT TO THE STATE.

9-1A-12.

IF A VIDEO LOTTERY OPERATION LICENSEE CONTRACTS WITH ANOTHER PERSON OTHER THAN AN EMPLOYEE OF THE VIDEO LOTTERY OPERATION LICENSEE TO PROVIDE ANY OF THE SERVICES RELATED TO OPERATING A VIDEO LOTTERY

FACILITY, EACH PERSON AND EACH OTHER PERSON WHO OWNS OR CONTROLS THE PERSON OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER PRINCIPAL EMPLOYEES OF THE PERSON SHALL QUALIFY UNDER THE STANDARDS AND PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO LOTTERY OPERATION LICENSEES.

9-1A-13.

(A) THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE IS 15 YEARS.

(B) DURING THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE, THE LICENSEE SHALL PROVIDE THE COMMISSION AN ANNUAL UPDATE OF THE INFORMATION REQUIRED UNDER THIS SUBTITLE FOR THE ISSUANCE OF A LICENSE BY THE DATE SET BY THE COMMISSION IN REGULATIONS AND ON THE FORM REQUIRED BY THE COMMISSION.

(C) AT THE END OF THE INITIAL 15-YEAR LICENSE TERM, A VIDEO LOTTERY OPERATION LICENSEE MAY REAPPLY FOR A LICENSE THAT HAS A LICENSE TERM OF 10 YEARS AND LICENSE FEE TO BE ESTABLISHED BY STATUTE.

(D) IF A LICENSEE HAS ITS LICENSE REVOKED OR OTHERWISE SURRENDERS THE LICENSE, THE VIDEO LOTTERY OPERATION LICENSE REVERTS TO THE STATE.”.

AMENDMENT NO. 9

On pages 24 and 25, strike in their entirety the lines beginning with line 15 on page 24 through line 14 on page 25, inclusive, and substitute:

“9-1A-14.

(A) UNLESS AN INDIVIDUAL HOLDS A VALID VIDEO LOTTERY EMPLOYEE LICENSE ISSUED BY THE COMMISSION, THE INDIVIDUAL MAY NOT BE EMPLOYED BY A VIDEO LOTTERY OPERATION LICENSEE AS A VIDEO LOTTERY EMPLOYEE.

(Over)

(B) BEFORE ISSUANCE OF A VIDEO LOTTERY EMPLOYEE LICENSE, AN APPLICANT SHALL PROVIDE SUFFICIENT INFORMATION, DOCUMENTATION, AND ASSURANCES THAT THE COMMISSION MAY REQUIRE.

(C) THE COMMISSION SHALL DENY A VIDEO LOTTERY EMPLOYEE LICENSE TO AN APPLICANT WHO IS DISQUALIFIED DUE TO:

(1) THE APPLICANT'S FAILURE TO PROVE THE APPLICANT'S GOOD CHARACTER, HONESTY, AND INTEGRITY;

(2) THE APPLICANT'S LACK OF EXPERTISE OR TRAINING TO BE A VIDEO LOTTERY EMPLOYEE;

(3) THE APPLICANT'S CONVICTION FOR ANY CRIME INVOLVING MORAL TURPITUDE OR GAMBLING UNDER THE LAWS OF THE UNITED STATES OR ANY STATE;

(4) THE APPLICANT'S CURRENT PROSECUTION FOR ANY CRIME INVOLVING MORAL TURPITUDE OR GAMBLING UNDER THE LAWS OF THE UNITED STATES OR ANY STATE, BUT, AT THE REQUEST OF THE APPLICANT THE COMMISSION MAY DEFER A DECISION ON THE APPLICATION DURING THE PENDENCY OF THE CHARGE;

(5) PURSUIT BY THE APPLICANT OF ECONOMIC GAIN IN AN OCCUPATIONAL MANNER OR CONTEXT THAT IS IN VIOLATION OF THE LAWS OF THE STATE, IF THE PURSUIT CREATES A REASONABLE BELIEF THAT PARTICIPATION OF THE APPLICANT IN VIDEO LOTTERY OPERATIONS WOULD BE INIMICAL TO THE POLICIES OF THIS SUBTITLE;

(6) IDENTIFICATION OF THE APPLICANT AS A CAREER OFFENDER OR A MEMBER OF A CAREER OFFENDER CARTEL OR AN ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER THAT CREATES A REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS TO BE INIMICAL TO THE POLICIES OF THIS SUBTITLE;

(7) COMMISSION OF AN ACT BY THE APPLICANT THAT WOULD CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (3) OF THIS SUBSECTION, EVEN IF THE ACT HAS NOT OR MAY NOT BE PROSECUTED UNDER THE CRIMINAL LAWS OF THE STATE;

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

(9) ANY OTHER REASON ESTABLISHED IN THE REGULATIONS OF THE COMMISSION AS A REASON FOR DENYING A LICENSE.

9-1A-15.

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

(B) EACH MANUFACTURER, AND EACH PERSON WHO OWNS OR CONTROLS THE MANUFACTURER OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER PRINCIPAL EMPLOYEES OF THE MANUFACTURER SHALL QUALIFY UNDER THE STANDARDS AND PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO LOTTERY OPERATION LICENSEES.

(C) EXCEPT AS PROVIDED IN § 9-1A-16(A) OF THIS SUBTITLE, THE

(Over)

COMMISSION MAY NOT GRANT AN EXEMPTION OR WAIVER OF ANY LICENSING REQUIREMENT TO AN APPLICANT FOR OR HOLDER OF A MANUFACTURER LICENSE.

(D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR DISTRIBUTE THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER THAT MEET SPECIFICATIONS AND PROCEDURES ESTABLISHED BY THE COMMISSION.

9-1A-16.

(A) FOR ALL LICENSES REQUIRED UNDER THIS SUBTITLE OTHER THAN A VIDEO LOTTERY OPERATION LICENSE, IF AN APPLICANT OR LICENSEE HOLDS A VALID LICENSE IN ANOTHER STATE AND THE COMMISSION DETERMINES THAT THE LICENSING STANDARDS OF THE OTHER STATE ARE COMPREHENSIVE, THOROUGH, AND PROVIDE SIMILAR ADEQUATE SAFEGUARDS TO THOSE PROVIDED IN THIS SUBTITLE, THE COMMISSION MAY:

(1) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS SUBTITLE;

AND

(2) ISSUE A LICENSE TO A PERSON HAVING A SIMILAR LICENSE IN ANOTHER STATE.

(B) (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, ON THE REQUEST OF AN APPLICANT, THE COMMISSION MAY GRANT AN EXEMPTION OR WAIVER OF A LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE IF THE COMMISSION DETERMINES THAT THE REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE AS APPLIED TO THE APPLICANT ARE NOT NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE POLICIES ESTABLISHED BY THIS SUBTITLE.

(2) ON GRANTING TO AN APPLICANT AN EXEMPTION OR WAIVER OF A LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE, OR AT ANY TIME AFTER A WAIVER OR EXEMPTION HAS BEEN GRANTED, THE COMMISSION MAY:

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

(II) REQUIRE THE PERSON WHO IS GRANTED THE EXEMPTION OR WAIVER TO COOPERATE WITH THE COMMISSION AND TO PROVIDE THE COMMISSION WITH ANY ADDITIONAL INFORMATION REQUIRED BY THE COMMISSION AS A CONDITION OF THE WAIVER OR EXEMPTION.

(C) THE COMMISSION MAY NOT WAIVE ANY OF THE REQUIREMENTS OF THIS SUBTITLE FOR ISSUANCE OF A VIDEO LOTTERY OPERATION LICENSE.

9-1A-17.

SUBJECT TO THE POWER OF THE COMMISSION TO DENY, REVOKE, OR SUSPEND A LICENSE, A LICENSE IN FORCE MAY BE RENEWED BY THE COMMISSION FOR THE NEXT SUCCEEDING LICENSE PERIOD ON:

(1) PROPER APPLICATION FOR RENEWAL; AND

(2) PAYMENT OF ALL REQUIRED APPLICATION, LICENSE, AND OTHER FEES AND TAXES.”.

AMENDMENT NO. 10

On page 25, in line 15, strike “9.3-411.” and substitute “9-1A-18.”.

On page 26, in lines 1 and 17, strike “9.3-412.” and “9.3-413.”, respectively, and substitute “9-1A-19.” and “9-1A-20.”, respectively; in line 6, strike “20%” and substitute “5%”; and in line 19, after “APPLICANT” insert “IN A TIMELY MANNER”.

On page 27, in line 18, after “SHALL” insert “PROMPTLY”; in line 20, strike “9.3-414.” and substitute “9-1A-21.”; strike in their entirety lines 25 through 30, inclusive; in line 31, strike “(C)” and substitute “(B)”; in the same line, after “(1)” insert “SUBJECT TO THE”.

(Over)

COMMISSION'S ABILITY TO CANCEL OR ALTER THE CONTRACT IN THE EVENT ONE OR MORE ELIGIBLE APPLICANTS FOR A VIDEO LOTTERY FACILITY FAILS TO OBTAIN A LICENSE."; and in line 35, after "(I)" insert "PROVIDED THE VIDEO LOTTERY TERMINALS MEET COMMISSION SPECIFICATIONS.".

On page 28, after line 3, insert:

"9-1A-22.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE COMMISSION MAY AUTHORIZE 3,500 VIDEO LOTTERY TERMINALS FOR OPERATION UNDER A VIDEO LOTTERY OPERATION LICENSE.

(B) IF A VIDEO LOTTERY OPERATION LICENSE IS AUTHORIZED AT A HORSE RACE COURSE IN ALLEGANY COUNTY, THE COMMISSION MAY NOT AUTHORIZE MORE THAN 1,000 VIDEO LOTTERY TERMINALS FOR OPERATION UNDER A VIDEO LOTTERY OPERATION LICENSE ISSUED FOR A LOCATION AT A HORSE RACE COURSE IN ALLEGANY COUNTY.";

strike in their entirety lines 4 through 19, inclusive; after line 19, insert:

"9-1A-23.";

in lines 20, 29, and 30, strike "(F)", "(G)", and "(H)", respectively, and substitute "(A)", "(B)", and "(C)", respectively; and after line 31, insert:

"9-1A-24.

(A) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY OPERATION LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A CONDITION OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, A VIDEO LOTTERY OPERATION LICENSEE MAY NOT PROVIDE FOOD OR BEVERAGES, INCLUDING ALCOHOLIC BEVERAGES, TO INDIVIDUALS AT NO COST.

(2) ANY FOOD OR BEVERAGES, INCLUDING ALCOHOLIC BEVERAGES, OFFERED BY A VIDEO LOTTERY OPERATION LICENSE FOR SALE TO INDIVIDUALS MAY ONLY BE OFFERED AT PRICES THAT ARE DETERMINED BY THE COMMISSION TO BE COMMENSURATE WITH THE PRICE OF SIMILAR TYPES OF FOOD AND BEVERAGES AT RESTAURANTS IN THE COUNTY IN WHICH THE VIDEO LOTTERY FACILITY IS LOCATED.

(3) A VIDEO LOTTERY OPERATION LICENSEE MAY PROVIDE FOOD AT NO COST TO INDIVIDUALS TO THE SAME EXTENT ALLOWED UNDER ARTICLE 2B, § 12-106 OF THE CODE FOR A PERSON ENGAGED IN THE SALE OR BARTER OF SPIRITUOUS, MALT, OR INTOXICATING LIQUORS AND LICENSED UNDER THE LAWS OF MARYLAND.

(C) A VIDEO LOTTERY OPERATION LICENSEE SHALL ENSURE THAT INTOXICATED INDIVIDUALS AND INDIVIDUALS UNDER THE AGE OF 21 YEARS ARE NOT PERMITTED TO PLAY VIDEO LOTTERY TERMINALS AND ARE NOT PERMITTED IN AREAS OF THE VIDEO LOTTERY FACILITY LOCATION WHERE VIDEO LOTTERY TERMINALS ARE LOCATED.

(D) (1) BY REGULATION, THE COMMISSION SHALL PROVIDE FOR THE ESTABLISHMENT OF A LIST OF INDIVIDUALS WHO ARE TO BE MANDATORILY EXCLUDED OR EJECTED BY A VIDEO LOTTERY OPERATION LICENSEE FROM ANY VIDEO LOTTERY OPERATION LICENSED UNDER THIS SUBTITLE.

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

(I) WHO ARE CAREER OFFENDERS AS DEFINED BY REGULATIONS ADOPTED BY THE COMMISSION;

(II) WHO HAVE BEEN CONVICTED OF A CRIMINAL OFFENSE

(Over)

UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A GAMBLING OFFENSE; OR

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

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

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

(5) RACE, COLOR, CREED, NATIONAL ORIGIN OR ANCESTRY, OR GENDER MAY NOT BE A REASON FOR PLACING THE NAME OF AN INDIVIDUAL ON THE LIST OF INDIVIDUALS TO BE EXCLUDED OR EJECTED.

(E) (1) BY REGULATION, THE COMMISSION SHALL ADOPT MEASURES THAT ARE INTENDED TO REDUCE OR MITIGATE THE EFFECTS OF PROBLEM GAMING.

(2) (I) THE REGULATIONS SHALL INCLUDE ESTABLISHMENT OF A VOLUNTARY EXCLUSION LIST OF INDIVIDUALS WITH GAMING PROBLEMS WHO HAVE REQUESTED TO BE EXCLUDED FROM ANY VIDEO LOTTERY OPERATION LICENSED UNDER THIS SUBTITLE.

(II) THE REGULATIONS UNDER THIS PARAGRAPH SHALL PROVIDE A SIMPLE MECHANISM FOR AN INDIVIDUAL WHO IS SOBER AND INFORMED TO REQUEST PLACEMENT ON THE VOLUNTARY EXCLUSION LIST FOR A SPECIFIED PERIOD OF TIME.

(III) A VIDEO LOTTERY OPERATION LICENSEE MAY NOT PERMIT AN INDIVIDUAL ON THE VOLUNTARY EXCLUSION LIST TO ENTER INTO THE VIDEO

LOTTERY FACILITY OR TO PLAY A VIDEO LOTTERY TERMINAL.

(IV) THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO EXCLUDE FROM THE PREMISES OF THE LICENSEE AN INDIVIDUAL ON THE VOLUNTARY EXCLUSION LIST.

(3) IN ORDER TO PROTECT THE PUBLIC INTEREST, THE REGULATIONS SHALL INCLUDE PROVISIONS THAT:

(I) LIMIT THE NUMBER, LOCATION, AND MAXIMUM WITHDRAWAL AMOUNTS FOR AUTOMATED TELLER MACHINES;

(II) REQUIRE PAYOUTS ABOVE AN AMOUNT ADOPTED BY THE COMMISSION TO BE MADE BY CHECK;

(III) REQUIRE CONSPICUOUS DISCLOSURES RELATED TO THE ODDS AND PAYOUT OF VIDEO LOTTERY TERMINALS;

(IV) LIMIT THE DOLLAR AMOUNT THAT VIDEO LOTTERY TERMINALS WILL ACCEPT;

(V) PROHIBIT THE USE OF SPECIFIED NEGOTIABLE INSTRUMENTS AT VIDEO LOTTERY FACILITIES;

(VI) PROVIDE CONSUMERS WITH A RECORD OF VIDEO LOTTERY TERMINAL SPENDING LEVELS IF MARKETING MEASURES ARE UTILIZED THAT TRACK CONSUMER SPENDING AT VIDEO LOTTERY FACILITIES; AND

(VII) PROHIBIT VIDEO LOTTERY OPERATION LICENSES FROM ENGAGING IN OR CONTRACTING WITH ANOTHER TO ENGAGE IN PREDATORY MARKETING PRACTICES.”.

(Over)

AMENDMENT NO. 11

On pages 28 through 30, strike in their entirety the lines beginning with line 32 on page 28 through line 26 on page 30, inclusive.

On page 30, in line 27, strike “9.3-418.” and substitute “9-1A-25.”.

On page 31, in line 12, strike “9.3-419.” and substitute “9-1A-26.”.

On pages 31 through 33, strike in their entirety the lines beginning with line 22 on page 31 through line 6 on page 33, inclusive, and substitute:

“(C) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS:

(1) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION, 5% TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED IN § 9-1A-01 OF THIS SUBTITLE;

(2) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION AND EACH YEAR THEREAFTER, 4.3% TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED IN § 9-1A-01 OF THIS SUBTITLE;

(3) 46% TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE;

(4) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, 39% TO VIDEO LOTTERY OPERATION LICENSEES TO BE DISTRIBUTED IN THE FOLLOWING MANNER:

(I) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE PIMLICO RACE COURSE, 39% TO THE HOLDER OF THE VIDEO LOTTERY OPERATION LICENSE AT THE PIMLICO RACE COURSE;

(II) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT LAUREL PARK, 39% TO THE HOLDER OF THE VIDEO LOTTERY OPERATION LICENSE

AT LAUREL PARK;

(III) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE ROSECROFT RACEWAY, 39% TO THE HOLDER OF THE VIDEO LOTTERY OPERATION LICENSE AT THE ROSECROFT RACEWAY; AND

(IV) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE RACE COURSE IN ALLEGANY COUNTY, 39% TO THE HOLDER OF THE VIDEO LOTTERY OPERATION LICENSE AT THE RACE COURSE IN ALLEGANY COUNTY;

(5) (I) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE PIMLICO RACE COURSE, LAUREL PARK, AND ROSECROFT RACEWAY, 4.75% IN LOCAL DEVELOPMENT GRANTS TO BE DISTRIBUTED IN THE FOLLOWING MANNER:

1. 1.78% TO BALTIMORE CITY;
2. 1.78% TO PRINCE GEORGE'S COUNTY;
3. 0.7% TO ANNE ARUNDEL COUNTY;
4. 0.33% TO HOWARD COUNTY; AND
5. 0.43% TO THE CITY OF LAUREL; AND

(II) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE RACE COURSE IN ALLEGANY COUNTY, 4.75% TO ALLEGANY COUNTY;

(6) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE PIMLICO RACE COURSE AND LAUREL PARK, 5.25% TO THE PURSE DEDICATION

(Over)

ACCOUNT ESTABLISHED UNDER § 9-1A-27 OF THIS SUBTITLE FOR MILE THOROUGHBRED PURSES AND THE MARYLAND-BRED RACE FUND; AND

(II) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE PIMLICO RACE COURSE AND LAUREL PARK, 5.95% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-27 OF THIS SUBTITLE FOR MILE THOROUGHBRED PURSES AND THE MARYLAND-BRED RACE FUND;

(7) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE ROSECROFT RACEWAY, 5.25% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-27 OF THIS SUBTITLE FOR STANDARD BRED PURSES AND THE STANDARD BRED RACE FUND; AND

(II) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE ROSECROFT RACEWAY, 5.95% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-27 OF THIS SUBTITLE FOR STANDARD BRED PURSES AND THE STANDARD BRED RACE FUND; AND

(8) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE RACE COURSE IN ALLEGANY COUNTY, 5.25% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-27 OF THIS SUBTITLE TO BE DIVIDED BETWEEN STANDARD BRED AND THOROUGHBRED PURSES AND THE MARYLAND-BRED RACE FUND AND THE STANDARD BRED RACE FUND IN PROPORTION TO THE NUMBER OF THOROUGHBRED RACING DAYS AND STANDARD BRED RACING DAYS CONDUCTED; AND

(II) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL

OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE RACE COURSE IN ALLEGANY COUNTY, 5.95% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-27 OF THIS SUBTITLE TO BE DIVIDED BETWEEN STANDARD BRED AND THOROUGHBRED PURSES AND THE MARYLAND-BRED RACE FUND AND THE STANDARD BRED RACE FUND IN PROPORTION TO THE NUMBER OF THOROUGHBRED RACING DAYS AND STANDARD BRED RACING DAYS CONDUCTED.

(D) IF THE COSTS OF THE STATE LOTTERY AGENCY ARE LESS THAN 5% IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION OR LESS THAN 4.3% IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION AND EACH YEAR THEREAFTER, ANY AMOUNT NOT DISTRIBUTED TO THE STATE LOTTERY AGENCY, SHALL BE DIVIDED AND PAID AN EQUAL AMOUNT TO:

(1) THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE; AND

(2) THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-27 OF THIS SUBTITLE.”.

AMENDMENT NO. 12

On page 33, in line 7, strike “9.3-420.” and substitute “9-1A-27.”; in line 9, after “THE” insert “STATE RACING”; in line 11, strike “9.3-419” and substitute “9-1A-26”; in line 16, after “(II)” insert “ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE STATE RACING COMMISSION, ISSUE A WARRANT TO”; in line 20, strike the colon and substitute “ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE STATE RACING COMMISSION”; in line 21, strike “(I)”; and in the same line strike “; AND” and substitute a period.

On pages 33 and 34, strike in their entirety the lines beginning with line 22 on page 33 through line 25 on page 34, inclusive, and substitute:

“(C) SUBJECT TO THE PROVISIONS OF SUBSECTION (E) OF THIS SECTION, THE

(Over)

STATE RACING COMMISSION SHALL ALLOCATE THE FUNDS FROM THE PIMLICO RACE COURSE, LAUREL PARK, AND THE RACE COURSE IN ALLEGANY COUNTY THAT ARE ATTRIBUTABLE TO THE MILE THOROUGHBRED INDUSTRY UNDER § 9-1A-26 OF THIS SUBTITLE TO:

(1) MILE THOROUGHBRED PURSES AT THE PIMLICO RACE COURSE, LAUREL PARK, THE RACE COURSE IN ALLEGANY COUNTY AND THE RACE COURSE IN TIMONIUM; AND

(2) THE MARYLAND-BRED RACE FUND.

(D) SUBJECT TO THE PROVISIONS OF SUBSECTION (F) OF THIS SECTION, THE STATE RACING COMMISSION SHALL ALLOCATE THE FUNDS FROM THE ROSECROFT RACEWAY AND THE RACE COURSE IN ALLEGANY COUNTY THAT ARE ATTRIBUTABLE TO THE STANDARD BRED INDUSTRY UNDER § 9-1A-26 OF THIS SUBTITLE TO:

(1) STANDARD BRED PURSES AT THE ROSECROFT RACEWAY, THE RACE COURSE IN ALLEGANY COUNTY, AND THE OCEAN DOWNS RACE COURSE; AND

(2) THE STANDARD BRED RACE FUND.

(E) THE AMOUNT OF FUNDS ALLOCATED TO MILE THOROUGHBRED PURSES AND THE MARYLAND-BRED RACE FUND SHALL BE ALLOCATED AS FOLLOWS:

(1) 89% TO MILE THOROUGHBRED PURSES; AND

(2) 11% TO THE MARYLAND-BRED RACE FUND.

(F) THE AMOUNT OF FUNDS ALLOCATED TO STANDARD BRED PURSES AND THE STANDARD BRED RACE FUND SHALL BE ALLOCATED AS FOLLOWS:

(1) 89% TO STANDARD BRED PURSES; AND

(2) 11% TO THE STANDARD BRED RACE FUND.

(G) THE PROVISIONS OF THIS SECTION MAY NOT BE CONSTRUED TO APPLY TO THE RACE COURSE IN ALLEGANY COUNTY UNTIL HORSE RACING BEGINS AT THAT RACE COURSE.”;

in line 26, strike “9.3-421.” and substitute “9-1A-28.”; and in line 31, strike “UNDER § 9.3-419(F)” and substitute “ALLOCATED TO THE FUND UNDER § 9-1A-26”.

On page 35, in line 1, after “TO” insert “OFFSET THE TOTAL FUNDING REQUIRED TO”.

AMENDMENT NO. 13

On page 35, after line 8, insert:

“9-1A-29.

(A) LOCAL DEVELOPMENT GRANTS PROVIDED UNDER § 9-1A-26 OF THIS SUBTITLE SHOULD BE USED FOR IMPROVEMENTS IN THE COMMUNITIES IN IMMEDIATE PROXIMITY TO WHERE THE VIDEO LOTTERY OPERATION FACILITIES ARE LOCATED AND MAY BE UTILIZED FOR THE FOLLOWING PURPOSES:

(1) INFRASTRUCTURE IMPROVEMENTS;

(2) FACILITIES;

(3) PUBLIC SAFETY;

(4) SANITATION;

(5) ECONOMIC AND COMMUNITY DEVELOPMENT, INCLUDING HOUSING; AND

(Over)

(6) OTHER PUBLIC SERVICES AND IMPROVEMENTS TO BENEFIT THE COMMUNITIES IN IMMEDIATE PROXIMITY TO WHERE THE VIDEO LOTTERY FACILITIES ARE LOCATED.

(B) (1) A LOCAL DEVELOPMENT COUNCIL SHALL BE ESTABLISHED IN EACH GEOGRAPHIC AREA IN WHICH A VIDEO LOTTERY FACILITY IS LOCATED.

(2) A LOCAL DEVELOPMENT COUNCIL SHALL CONSIST OF THE FOLLOWING 15 MEMBERS APPOINTED BY THE CHIEF EXECUTIVE OF THE COUNTY IN WHICH THE LOCAL DEVELOPMENT COUNCIL IS LOCATED, IN CONSULTATION WITH THE SENATORS AND DELEGATES WHO REPRESENT THE COMMUNITIES SURROUNDING THE FACILITY, AND THE RESPECTIVE COUNTY COUNCILS, CITY COUNCILS, OR COUNTY COMMISSIONERS:

(I) A SENATOR WHO REPRESENTS THE DISTRICT IN WHICH THE FACILITY IS LOCATED;

(II) 2 DELEGATES WHO REPRESENT THE DISTRICTS WHERE THE COMMUNITIES SURROUNDING THE FACILITY ARE LOCATED;

(III) A REPRESENTATIVE OF THE VIDEO LOTTERY OPERATION LICENSEE;

(IV) 7 RESIDENTS OF THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE FACILITY; AND

(V) 4 REPRESENTATIVES OF BUSINESSES OR INSTITUTIONS LOCATED IN IMMEDIATE PROXIMITY TO THE FACILITY.

(C) (1) PRIOR TO ANY EXPENDITURE OF LOCAL DEVELOPMENT GRANT FUNDS PROVIDED UNDER § 9-1A-26 OF THIS SUBTITLE, A COUNTY SHALL DEVELOP A MULTIYEAR PLAN FOR THE EXPENDITURE OF THE LOCAL DEVELOPMENT GRANT FUNDS FOR SERVICES AND IMPROVEMENTS CONSISTENT WITH SUBSECTION (A) OF THIS SUBSECTION.

(2) A COUNTY SHALL CONSULT WITH THE LOCAL DEVELOPMENT

COUNCIL ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION IN DEVELOPING THE PLAN REQUIRED UNDER THIS SUBSECTION.

(3) A COUNTY SHALL SUBMIT THE PLAN TO THE LOCAL DEVELOPMENT COUNCIL FOR REVIEW AND COMMENT BEFORE ADOPTING THE PLAN OR EXPENDING ANY GRANT FUNDS.

(4) THE LOCAL DEVELOPMENT COUNCIL SHALL ADVISE THE COUNTY ON THE IMPACT OF THE FACILITY ON THE COMMUNITIES AND THE NEEDS AND PRIORITIES OF THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE FACILITY.

(5) (I) A LOCAL DEVELOPMENT COUNCIL SHALL HAVE 45 DAYS TO REVIEW, COMMENT, AND MAKE RECOMMENDATIONS ON THE PLAN REQUIRED UNDER THIS SUBSECTION.

(II) UPON THE REQUEST OF A LOCAL DEVELOPMENT COUNCIL, THE COUNTY SHALL HOLD A PUBLIC HEARING ON THE PLAN.

(6) A COUNTY SHALL MAKE BEST EFFORTS TO ACCOMMODATE THE COMMENTS OF THE LOCAL DEVELOPMENT COUNCIL AND ANY TESTIMONY PRESENTED AT THE HEARING BEFORE ADOPTING THE PLAN REQUIRED UNDER THIS SUBSECTION.

(D) A VIDEO LOTTERY OPERATION LICENSEE SHALL PROVIDE TO THE LOCAL DEVELOPMENT COUNCIL A MASTER PLAN FOR THE DEVELOPMENT OF THE SITE ON WHICH THE VIDEO LOTTERY FACILITY WILL BE LOCATED.

9-1A-30.

(A) (1) THE STATE SHALL PAY FOR THE REASONABLE TRANSPORTATION COSTS TO:

(I) MITIGATE THE IMPACT ON THE COMMUNITIES IN THE

(Over)

IMMEDIATE PROXIMITY TO THE FACILITY; AND

(II) MAKE EACH VIDEO LOTTERY FACILITY ACCESSIBLE TO THE PUBLIC.

(B) (1) A COMPREHENSIVE TRANSPORTATION PLAN SHALL BE:

(I) DEVELOPED BY EACH COUNTY IN WHICH A FACILITY IS LOCATED, IN CONSULTATION WITH THE LOCAL DEVELOPMENT COUNCIL CREATED UNDER § 9-1A-29 OF THIS SUBTITLE; AND

(II) APPROVED BY THE MARYLAND DEPARTMENT OF TRANSPORTATION.

(2) THE COMPREHENSIVE TRANSPORTATION PLAN SHALL INCLUDE ROADS AND MASS TRANSIT.

(C) THE MARYLAND DEPARTMENT OF TRANSPORTATION SHALL FACILITATE NEGOTIATIONS WITH AFFECTED COMMUNITIES TO ENSURE THE MOST PRACTICAL INGRESS AND EGRESS TO THE VIDEO LOTTERY FACILITY.

9-1A-31.

(A) THE COMMISSION SHALL:

(1) ESTABLISH AN ANNUAL FEE OF \$390, TO BE PAID BY EACH VIDEO LOTTERY OPERATION LICENSEE, FOR EACH VIDEO LOTTERY TERMINAL OPERATED BY THE LICENSEE DURING THE YEAR; AND

(2) DISTRIBUTE THE FEES COLLECTED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO THE COMPULSIVE GAMBLING FUND ESTABLISHED IN SUBSECTION (B) OF THIS SECTION.

(B) (1) THERE IS A COMPULSIVE GAMBLING FUND IN THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE.

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

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

(4) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL ONLY BE MADE:

(I) BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE
TO:

1. ESTABLISH A 24-HOUR HOTLINE FOR COMPULSIVE AND PROBLEM GAMBLERS AND TO PROVIDE COUNSELING AND OTHER SUPPORT SERVICES FOR COMPULSIVE AND PROBLEM GAMBLERS; AND

2. DEVELOP AND IMPLEMENT A PROBLEM GAMBLING PREVENTION PROGRAM; AND

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

and in line 9, strike “9.3-422.” and substitute “9-1A-32.”.

AMENDMENT NO. 14

On page 35, in line 10, strike “(A)”.

On pages 35 through 37, strike in their entirety the lines beginning with line 16 on page 35 through line 19 on page 37, inclusive.

(Over)

On page 37, in line 25, strike “AND HORSE RACING”.

On page 38, in line 5, strike “AND HORSE RACING”; and in line 25, strike “5.” and substitute “2.”.

On pages 38 through 40, strike in their entirety the lines beginning with line 31 on page 38 through line 13 on page 40, inclusive.

On page 40, after line 13, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That the intent of this Act, and its various integrated provisions, is to provide for the authorization and regulation of certain gaming devices for the purpose of generating State revenues and other funds for specified purposes, including funding public education and assisting the State’s racing industry. This Section is not intended to detract from the application of the severability provision contained in Section 2 of this Act or from the ability of a court of competent jurisdiction to consider and apply appropriate severability principles in the event of a judicial challenge to the validity of a specific portion or portions of the bill.

SECTION 4. AND BE IT FURTHER ENACTED, That the agency designated by the Board of Public Works under § 14-303(b) of the State Finance and Procurement Article, in consultation with the General Assembly and the Office of the Attorney General, shall initiate two studies of the requirements of § 9-1A-09 of the State Government Article that evaluate the continued compliance of the requirement with any federal and constitutional requirements. In preparation for the studies, the State Lottery Commission shall require video lottery operation license applicants and licensees to provide any information necessary to perform the study. The studies shall also evaluate race neutral programs or other methods that can be used to address the needs of minority investors and minority businesses. A final report of the first study shall be submitted to the Legislative Policy Committee by December 1, 2003 so that the General Assembly may review the report prior to the 2004 Session. A final report of the second study shall be submitted to the Legislative Policy Committee on or before September 30, 2005 so that the General Assembly may review the report in conjunction with the report of the study on the Minority Business Enterprise Program prior to the 2006 Session.

SECTION 5. AND BE IT FURTHER ENACTED, That the Maryland Department of

Transportation shall study the impact of the increased traffic resulting from any proposed operation of video lottery terminals at Pimlico Race Course, including the need for an interchange on Jones Falls Expressway between Northern Parkway and Interstate 695. The Maryland Department of Transportation shall provide a final report on the study required under this Section to the General Assembly on or before December 1, 2003, in accordance with § 2-1246 of the State Government Article.

SECTION 6. AND BE IT FURTHER ENACTED, That this Act may not be construed to affect the terms of the members of the State Lottery Commission appointed before the effective date of this Act. The terms of the four new members of the State Lottery Commission appointed under this Act shall expire as follows:

- (1) one member in 2005;
- (2) one member in 2006; and
- (3) two members in 2007.”; and in line 14, strike “15.” and substitute “7.”.

