

SENATE BILL 322

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C7

2003 Regular Session
3lr0150
CF 3lr0153

By: **The President (By Request - Administration)**

Introduced and read first time: January 31, 2003

Rules suspended

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 21, 2003

CHAPTER _____

1 AN ACT concerning

2 **State Lottery and Racing Commission and Agency Public Education Bridge**
3 **to Excellence - Funding - Video Lottery Terminals**

4 ~~FOR the purpose of establishing the State Lottery and Horse Racing Agency and~~
5 ~~Commission as a unit of State government; abolishing the State Lottery Agency and~~
6 ~~and Commission and the State Racing Commission; transferring certain duties,~~
7 ~~responsibility, authority, functions, and units of the State Lottery Agency and~~
8 ~~Commission and the State Racing Commission to the State Lottery and Horse~~
9 ~~Racing Agency and Commission; creating the position of Director and providing~~
10 ~~for the Director's appointment and duties; establishing certain provisions~~
11 ~~relating to conversion of certain positions and terms of employment and the~~
12 ~~continuation of certain policies and actions; establishing the composition and~~
13 ~~duties of the Commission; establishing eligibility requirements for Commission~~
14 ~~members; providing for the construction of this Act; defining certain terms;~~
15 ~~authorizing certain horse racetracks to offer video lottery terminals for public~~
16 ~~use; establishing certain eligibility and disqualifying criteria for a video lottery~~
17 ~~operation license; providing for the application process for licenses relating to~~
18 ~~video lottery terminals; requiring certain investigations; specifying the~~
19 ~~maximum number of video lottery terminals at certain video lottery facilities;~~
20 ~~providing for the denial, suspension, and revocation of licenses relating to video~~
21 ~~lottery facilities under certain circumstances; providing for certain fees;~~
22 ~~providing for regulations; requiring the Commission to purchase or lease and~~
23 ~~maintain control over video lottery terminals, associated equipment, and a~~
24 ~~central computer; providing for the distribution of certain proceeds; creating an~~
25 ~~Education Trust Fund; requiring certain distributions from video lottery~~
26 ~~proceeds to the Education Trust Fund; authorizing the appropriation of money~~
27 ~~from the Education Trust Fund for certain educational purposes; establishing a~~

1 ~~Purse Dedication Account for horse racing; requiring the Comptroller to~~
2 ~~distribute certain proceeds in a certain manner; providing for the continuation~~
3 ~~and effectiveness of certain entities, contracts, acts, and procedures under~~
4 ~~certain circumstances; abolishing certain commissions and a certain position;~~
5 ~~making the provisions of this Act severable; and generally relating to the State~~
6 ~~Lottery and Horse Racing Agency and Commission and video lottery terminals.~~

7 FOR the purpose of requiring the State Lottery Commission to regulate the operation
8 of certain video lottery terminals; requiring the Governor to appoint a member
9 of the State Racing Commission as a liaison to the State Lottery Commission;
10 altering the membership of the State Lottery Commission; specifying certain
11 requirements for members of the State Lottery Commission; requiring the
12 Governor to appoint a member of the State Lottery Commission as a liaison to
13 the State Racing Commission; providing that members of the State Lottery
14 Commission may be compensated as provided in the State budget; authorizing
15 the operation of video lottery terminals connected to a certain central computer
16 that allows the State Lottery Commission to monitor a video lottery terminal
17 and has certain capabilities; prohibiting access to the central computer to
18 certain licensees with a certain exception; providing that only a person with a
19 certain video lottery operation license may offer a video lottery terminal for
20 public use in the State; providing that this Act is statewide and exclusive in its
21 effect and that certain laws do not apply to video lottery terminals authorized
22 under this Act; authorizing the State Lottery Commission to conduct certain
23 investigations and hearings; requiring the State Lottery Commission to adopt
24 certain regulations; authorizing the State Lottery Commission to require a
25 certain bond and collect certain fees, civil penalties, and taxes; authorizing the
26 State Lottery Commission to inspect and seize certain equipment, financial
27 information, and records without notice or warrant; authorizing the State
28 Lottery Commission to issue a certain number of video lottery operation licenses
29 to certain holders of certain licenses; requiring certain video lottery terminal
30 manufacturers, video lottery operators, video lottery employees, and other
31 individuals required by the State Lottery Commission to be licensed; providing
32 for the application and licensing process; establishing certain eligibility criteria
33 and disqualifying criteria for a video lottery operation license; requiring video
34 lottery operation licensees to maintain certain numbers of live racing days;
35 providing that the license of certain video lottery operation licensees may be
36 revoked if a certain horse racing event or trade names and other items related to
37 the event are transferred out of the State; requiring a certain licensee to conduct
38 a certain annual race with certain exceptions; requiring video lottery operating
39 licensees to submit to the State Lottery Commission a certain plan to improve
40 the quality and marketing of horse racing; requiring a video lottery operation
41 licensee to offer for sale a certain percentage of equity ownership to certain
42 individuals under certain circumstances; requiring certain applicants and
43 licensees to comply with certain provisions of law relating to minority business
44 participation; specifying that certain collective bargaining agreements do not
45 negate certain provisions of the Act; providing for the monitoring of certain
46 provisions of the Act by the Governor's Office of Minority Affairs; providing for
47 the termination of a certain provision of the Act; providing for certain eligibility
48 criteria and disqualifying criteria for certain licenses; providing for certain

1 waivers of certain licensing requirements under certain conditions; providing
2 certain license terms; stating the intent of the General Assembly relating to
3 video lottery operation licenses; prohibiting a video lottery operation license
4 from being transferred or pledged as collateral; prohibiting certain licensees
5 from selling or otherwise transferring more than a certain percent of the legal or
6 beneficial interest unless certain conditions are met; requiring that the transfer
7 of a certain interest in a person that holds a video lottery operation license be
8 approved by the State Lottery Commission; requiring the Department of State
9 Police to conduct certain background investigations in a certain manner;
10 requiring the State Lottery Commission to buy or lease the video lottery
11 terminals, associated equipment, and central computer authorized under this
12 Act; specifying limits on the number of video lottery terminals allowed at certain
13 facilities; providing the minimum payout for video lottery terminals and
14 authorizing the State Lottery Commission to adopt certain video lottery
15 terminal payouts; providing for the hours of operation of video lottery terminals;
16 prohibiting the State Lottery Commission from issuing certain licenses under
17 certain circumstances; prohibiting a video lottery operation licensee from
18 offering food or beverages at no cost with a certain exception or from offering
19 food and beverages below certain prices; requiring the State Lottery
20 Commission to adopt certain regulations to reduce or mitigate the effects of
21 problem gaming; authorizing the State Lottery Commission to reprimand a
22 licensee or deny, suspend, or revoke certain licenses under certain
23 circumstances; requiring the Comptroller to collect and distribute certain
24 moneys in specified ways; establishing an Education Trust Fund; requiring
25 certain distributions from video lottery proceeds to the Education Trust Fund to
26 be used for a certain purpose; establishing a Purse Dedication Account under the
27 authority of the State Racing Commission; providing for a certain distribution
28 from video lottery proceeds to the Purse Dedication Account for horse racing;
29 providing for certain distributions from the Purse Dedication Account for horse
30 racing in a certain manner; ~~requiring~~ authorizing the State to pay certain
31 transportation costs ~~and~~; requiring the Maryland Department of Transportation
32 to facilitate certain negotiations; requiring a certain transportation plan to be
33 developed by certain counties; providing for the creation of certain Local
34 Development Councils; providing for appointment and membership of certain
35 Local Development Councils; requiring certain counties to develop certain plans
36 to be reviewed by certain Local Development Councils; specifying that certain
37 Local Development Grants should be used for certain purposes; authorizing
38 certain fees and providing for a certain distribution from certain fees to the
39 Compulsive Gambling Fund; creating a Compulsive Gambling Fund in the
40 Department of Health and Mental Hygiene; providing for certain disbursements
41 from the Compulsive Gambling Fund for certain purposes; exempting a certain
42 procurement by the Commission from certain provisions of law; requiring the
43 Commission to make a certain annual report by a certain date; requiring the
44 Maryland Department of Transportation to conduct a certain study and make a
45 certain report by a certain date; requiring a certain certification entity to
46 conduct certain studies and make certain reports; making the provisions of this
47 Act severable; providing for the staggering of the terms of certain new members
48 of the State Lottery Commission; defining certain terms; and generally relating

1 to the operation of video lottery terminals at certain locations in the State.

2 ~~BY transferring~~

3 ~~Article—Business Regulation~~

4 ~~Section 11-101(a) through (d) and (e) through (u), 11-102, 11-103, 11-205~~

5 ~~through 11-213, and 11-301 through 11-1208, respectively, and the title~~

6 ~~"Title 11. Horse Racing"~~

7 ~~Annotated Code of Maryland~~

8 ~~(1998 Replacement Volume and 2002 Supplement)~~

9 ~~to be Article—State Government~~

10 ~~Section 9.5-101(a) through (d) and (f) through (v), 9.5-102, 9.5-103, 9.5-201~~

11 ~~through 9.5-209, and 9.5-301 through 9.5-1208, respectively, and the title~~

12 ~~"Title 9.5. Horse Racing"~~

13 ~~Annotated Code of Maryland~~

14 ~~(1999 Replacement Volume and 2002 Supplement)~~

15 ~~BY repealing~~

16 ~~Article—State Government~~

17 ~~Section 9-102 through 9-105, inclusive, and the subtitle "Subtitle 1. State~~

18 ~~Lottery Agency"~~

19 ~~Annotated Code of Maryland~~

20 ~~(1999 Replacement Volume and 2002 Supplement)~~

21 ~~BY renumbering~~

22 ~~Article—State Government~~

23 ~~Section 9-101, 9-106 through 9-108, and 9-109 through 9-125, respectively,~~

24 ~~to be Section 9.3-101, 9.3-204 through 9.3-206, and 9.3-302 through 9.3-318,~~

25 ~~respectively~~

26 ~~Annotated Code of Maryland~~

27 ~~(1999 Replacement Volume and 2002 Supplement)~~

28 ~~BY repealing and reenacting, with amendments,~~

29 ~~Article—State Government~~

30 ~~Section 9.3-101 to be under the new title "Title 9.3. State Lottery and Horse~~

31 ~~Racing Agency and Commission—State Lottery and Video Lottery~~

32 ~~Terminals" and the new subtitle "Subtitle 1. Definitions; General~~

33 ~~Provisions"; 9.3-204 through 9.3-206, inclusive, and 9.3-314~~

34 ~~Annotated Code of Maryland~~

35 ~~(1999 Replacement Volume and 2002 Supplement)~~

36 ~~(As enacted by Section 3 of this Act)~~

37 ~~BY repealing and reenacting, with amendments,~~

38 ~~Article—State Government~~

39 ~~Section 9.5-101(d); 9.5-201, 9.5-202, and 9.5-203(a) to be under the amended~~

1 subtitle "Subtitle 2. Commission Duties"; 9.5-303(a), 9.5-312(a)(7), and
2 9.5-818(b)
3 Annotated Code of Maryland
4 (1999 Replacement Volume and 2002 Supplement)
5 (As enacted by Section 1 of this Act)

6 BY adding to
7 Article State Government
8 Section 9.3-102 through 9.3-104; 9.3-201 through 9.3-203, inclusive, and
9 9.3-207 to be under the new subtitle "Subtitle 2. State Lottery and Horse
10 Racing Agency and Commission"; 9.3-301 to be under the new subtitle
11 "Subtitle 3. State Lottery"; 9.3-401 through 9.3-422, inclusive, to be under
12 the new subtitle "Subtitle 4. Video Lottery Terminals"; and 9.5-101(e)
13 Annotated Code of Maryland
14 (1999 Replacement Volume and 2002 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article State Finance and Procurement
17 Section 11-203(a)(1)(xvi) and (xvii) and (b)(2)
18 Annotated Code of Maryland
19 (2001 Replacement Volume and 2002 Supplement)

20 BY adding to
21 Article State Finance and Procurement
22 Section 11-203(a)(1)(xviii)
23 Annotated Code of Maryland
24 (2001 Replacement Volume and 2002 Supplement)

25 BY repealing and reenacting, without amendments,
26 Article State Finance and Procurement
27 Section 11-203(b)(1)
28 Annotated Code of Maryland
29 (2001 Replacement Volume and 2002 Supplement)

30 BY adding to
31 Article - Business Regulation
32 Section 11-202(g)
33 Annotated Code of Maryland
34 (1998 Replacement Volume and 2002 Supplement)

35 BY repealing and reenacting, with amendments,
36 Article - State Government
37 Section 9-105 and 9-108(d)
38 Annotated Code of Maryland

1 (1999 Replacement Volume and 2002 Supplement)

2 BY adding to

3 Article - State Government

4 Section 9-1A-01 through 9-1A-32 to be under the new subtitle "Subtitle 1A.

5 Video Lottery Terminals"

6 Annotated Code of Maryland

7 (1999 Replacement Volume and 2002 Supplement)

8 BY repealing and reenacting, with amendments,

9 Article - State Finance and Procurement

10 Section 11-203(a)(1)(xvi) and (xvii) and (b)(2)

11 Annotated Code of Maryland

12 (2001 Replacement Volume and 2002 Supplement)

13 BY adding to

14 Article - State Finance and Procurement

15 Section 11-203(a)(1)(xviii)

16 Annotated Code of Maryland

17 (2001 Replacement Volume and 2002 Supplement)

18 BY repealing and reenacting, without amendments,

19 Article - State Finance and Procurement

20 Section 11-203(b)(1)

21 Annotated Code of Maryland

22 (2001 Replacement Volume and 2002 Supplement)

23 **Preamble**

24 ~~WHEREAS, The State is currently facing a budget crisis; and~~

25 ~~WHEREAS, The State's horse racing industry reaches across the State affecting~~
26 ~~farm owners, breeders, horsemen, and track personnel from the Eastern Shore to~~
27 ~~Western Maryland; and~~

28 ~~WHEREAS, Many Maryland residents are traveling to other states to play video~~
29 ~~lottery terminals; and~~

30 ~~WHEREAS, The legalization of video lottery terminals in the State would~~
31 ~~attract residents from outside of Maryland to come to video lottery facilities in the~~
32 ~~State; and~~

33 ~~WHEREAS, Proceeds from video lottery terminals will be used to revitalize the~~
34 ~~State's horse racing industry; and~~

1 WHEREAS, Proceeds from video lottery terminals also will be used for
2 maintaining the State government; and

3 WHEREAS, Proceeds from video lottery terminals will provide vital revenues
4 that will help the State fulfill the commitment to fund the recommendations of the
5 Thornton Commission for educating the children of the State; now, therefore,

6 SECTION 1. ~~BE IT ENACTED BY THE GENERAL ASSEMBLY OF~~
7 ~~MARYLAND, That Section(s) 11-101(a) through (d) and (e) through (u), 11-102,~~
8 ~~11-103, 11-205 through 11-213, and 11-301 through 11-1208, respectively, and the~~
9 ~~title "Title 11. Horse Racing" of Article—Business Regulation of the Annotated Code~~
10 ~~of Maryland be transferred to be Section(s) 9.5-101(a) through (d) and (f) through (v),~~
11 ~~9.5-102, 9.5-103, 9.5-201 through 9.5-209, and 9.5-301 through 9.5-1208,~~
12 ~~respectively, and the title "Title 9.5. Horse Racing" of Article—State Government of~~
13 ~~the Annotated Code of Maryland.~~

14 SECTION 2. ~~AND BE IT FURTHER ENACTED, That Section(s) 9-102~~
15 ~~through 9-105, inclusive, and the subtitle "Subtitle 1. State Lottery Agency" of Article~~
16 ~~—State Government of the Annotated Code of Maryland be repealed.~~

17 SECTION 3. ~~AND BE IT FURTHER ENACTED, That Section(s) 9-101, 9-106~~
18 ~~through 9-108, and 9-109 through 9-125, respectively, of Article—State Government~~
19 ~~of the Annotated Code of Maryland be renumbered to be Section(s) 9.3-101, 9.3-204~~
20 ~~through 9.3-206, and 9.3-302 through 9.3-318, respectively.~~

21 SECTION 4. ~~AND BE IT FURTHER ENACTED, That the Laws of Maryland~~
22 ~~read as follows:~~

23 **~~Article—State Government~~**

24 **~~TITLE 9.3. STATE LOTTERY AND HORSE RACING AGENCY AND COMMISSION—STATE~~**
25 **~~LOTTERY AND VIDEO LOTTERY TERMINALS.~~**

26 **~~SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.~~**

27 ~~9.3-101.~~

28 (a) ~~In this [subtitle] TITLE the following words have the meanings indicated.~~

29 (b) ~~"Agency" means the State Lottery AND HORSE RACING Agency.~~

30 (c) ~~"Commission" means the State Lottery AND HORSE RACING Commission.~~

31 (d) ~~"Director" means the Director of the Agency.~~

32 (e) ~~"Governmental unit" means:~~

33 (1) ~~an instrumentality of the State;~~

34 (2) ~~a county or municipal corporation of the State; or~~

1 (3) ~~an instrumentality of a county or municipal corporation of the State.~~

2 ~~[(f) "License" means a license issued by the Director to act as a licensed agent.~~

3 ~~(g) "Licensed agent" means a person or governmental unit licensed by the~~
4 ~~Director to act as a State lottery sales agent.~~

5 ~~(h) "State lottery" means the lottery established and operated under this~~
6 ~~subtitle.]~~

7 ~~9.3-102.~~

8 ~~(A) THIS TITLE IS STATEWIDE AND EXCLUSIVE IN ITS EFFECT.~~

9 ~~(B) A LOCAL GOVERNMENT OF THE STATE MAY NOT:~~

10 ~~(1) MAKE OR ENFORCE A LOCAL LAW, ORDINANCE, OR REGULATION~~
11 ~~ABOUT THE STATE LOTTERY OR VIDEO LOTTERY TERMINALS; OR~~

12 ~~(2) IMPOSE OR COLLECT ANY TAX OR ADDITIONAL LICENSE FEE AS TO~~
13 ~~THE STATE LOTTERY OR VIDEO LOTTERY TERMINALS, EXCEPT THE GENERAL~~
14 ~~PROPERTY TAX.~~

15 ~~(C) ANOTHER LAW THAT PROHIBITS THE SALE OF LOTTERY TICKETS OR~~
16 ~~SHARES, SALE, USE, OR MANUFACTURE OF VIDEO LOTTERY TERMINALS, OR OTHER~~
17 ~~ACTS RELATING TO THE STATE LOTTERY OR VIDEO LOTTERY TERMINALS AS~~
18 ~~PROVIDED UNDER THIS TITLE DOES NOT APPLY TO THIS TITLE.~~

19 ~~9.3-103.~~

20 ~~THIS TITLE MAY NOT BE CONSTRUED TO AUTHORIZE ANY TYPE OF GAMBLING,~~
21 ~~INCLUDING CASINO GAMBLING, OTHER THAN AS EXPRESSLY AUTHORIZED BY THIS~~
22 ~~TITLE.~~

23 ~~9.3-104.~~

24 ~~THIS TITLE DOES NOT AFFECT GAMBLING, INCLUDING THE OPERATION OF~~
25 ~~SLOT MACHINES WHERE PERMITTED, CONDUCTED BY A BONA FIDE FRATERNAL,~~
26 ~~CIVIC, WAR VETERANS', RELIGIOUS, OR CHARITABLE ORGANIZATION, VOLUNTEER~~
27 ~~FIRE COMPANY, OR OTHER ORGANIZATION DESCRIBED UNDER TITLES 12 AND 13 OF~~
28 ~~THE CRIMINAL LAW ARTICLE.~~

29 ~~SUBTITLE 2. STATE LOTTERY AND HORSE RACING AGENCY AND COMMISSION.~~

30 ~~9.3-201.~~

31 ~~THERE IS A STATE LOTTERY AND HORSE RACING AGENCY.~~

32 ~~9.3-202.~~

33 ~~THERE IS A STATE LOTTERY AND HORSE RACING COMMISSION IN THE AGENCY.~~

1 ~~9.3-203.~~

2 ~~(A) THE COMMISSION CONSISTS OF NINE MEMBERS APPOINTED BY THE~~
3 ~~GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE.~~

4 ~~(B) (1) AT THE TIME OF APPOINTMENT AND QUALIFICATION EACH MEMBER~~
5 ~~SHALL BE:~~

6 ~~(I) AT LEAST 25 YEARS OLD;~~

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

9 ~~(III) A QUALIFIED VOTER OF THE STATE; AND~~

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

12 ~~(2) AT LEAST TWO MEMBERS OF THE COMMISSION SHALL BE~~
13 ~~KNOWLEDGEABLE OR EXPERIENCED IN AN ASPECT OF THOROUGHBRED RACING.~~

14 ~~(3) AT LEAST TWO OTHER MEMBERS SHALL BE KNOWLEDGEABLE OR~~
15 ~~EXPERIENCED IN AN ASPECT OF HARNESS RACING.~~

16 ~~(C) (1) A MEMBER OF THE COMMISSION MAY NOT HOLD AN OFFICIAL~~
17 ~~RELATION TO A PERSON WHO HOLDS A LICENSE UNDER THIS TITLE OR TITLE 9.5 OF~~
18 ~~THIS ARTICLE OR HOLD ANY STOCKS, BONDS, OR OTHER FINANCIAL INTEREST IN A~~
19 ~~PERSON HOLDING A LICENSE DESCRIBED IN THIS PARAGRAPH.~~

20 ~~(2) NOT MORE THAN FOUR MEMBERS MAY HAVE A FINANCIAL INTEREST~~
21 ~~IN RACING IN THE STATE.~~

22 ~~(3) A MEMBER MAY NOT HAVE A FINANCIAL INTEREST IN VIDEO~~
23 ~~LOTTERY TERMINALS.~~

24 ~~(4) NOT MORE THAN SIX MEMBERS MAY BE OF THE SAME POLITICAL~~
25 ~~PARTY.~~

26 ~~(D) BEFORE TAKING OFFICE, EACH APPOINTEE TO THE COMMISSION SHALL~~
27 ~~TAKE THE OATH REQUIRED BY ARTICLE I, § 9 OF THE MARYLAND CONSTITUTION.~~

28 ~~(E) (1) THE TERM OF A MEMBER OF THE COMMISSION IS 4 YEARS AND~~
29 ~~BEGINS ON JUNE 1.~~

30 ~~(2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY THE~~
31 ~~TERMS PROVIDED FOR MEMBERS OF THE COMMISSION ON JUNE 1, 2003.~~

32 ~~(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A~~
33 ~~SUCCESSOR IS APPOINTED AND QUALIFIES.~~

1 (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
2 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
3 QUALIFIES.

4 (F) (1) SUBJECT TO THE HEARING REQUIREMENTS OF THIS SUBSECTION,
5 THE GOVERNOR MAY REMOVE A MEMBER OF THE COMMISSION FOR INEFFICIENCY,
6 MISCONDUCT IN OFFICE, OR NEGLIGENCE OF DUTY.

7 (2) BEFORE THE GOVERNOR REMOVES A MEMBER, THE GOVERNOR
8 SHALL GIVE THE MEMBER AN OPPORTUNITY FOR A PUBLIC HEARING.

9 (3) AT LEAST 10 DAYS BEFORE THE HEARING, THE GOVERNOR SHALL
10 GIVE THE MEMBER:

11 (I) A COPY OF THE CHARGES; AND

12 (II) NOTICE OF THE TIME AND PLACE OF THE HEARING.

13 (4) THE MEMBER MAY BE REPRESENTED AT THE HEARING BY AN
14 ATTORNEY.

15 (5) IF THE GOVERNOR REMOVES A MEMBER, THE GOVERNOR SHALL
16 SUBMIT TO THE SECRETARY OF STATE:

17 (I) A STATEMENT OF ALL CHARGES MADE AGAINST THE MEMBER;

18 (II) THE FINDINGS OF THE GOVERNOR; AND

19 (III) A RECORD OF THE PROCEEDINGS.

20 9.3-204.

21 From among [its] THE COMMISSION members, the [Commission] GOVERNOR
22 annually shall [elect] DESIGNATE a chairman.

23 9.3-205.

24 (a) With the advice and consent of the Senate, the Governor shall appoint the
25 Director of the Agency, who is the executive officer of the Agency and secretary of the
26 Commission.

27 (b) The Director serves at the pleasure of the Governor.

28 (c) The Director must have the training and experience needed to direct the
29 work of the Agency.

30 (d) The Director shall devote full time to the duties of office and may not
31 engage in another profession or occupation.

32 (e) In addition to any duties set forth elsewhere in this subtitle, the Director
33 shall have immediate supervision and direction over the Agency.

1 (f) The Director is entitled to:

2 (1) the salary provided in the State budget; AND

3 (2) REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE
4 TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

5 ~~9.3-206.~~

6 (a) (1) A majority of the full authorized membership of the Commission is a
7 quorum.

8 (2) The Commission may not act unless at least [3] FIVE members
9 concur.

10 (b) The Commission shall determine the times and places of its meetings.

11 (c) (1) The secretary of the Commission promptly shall send the Governor a
12 certified copy of the minutes of each meeting of the Commission.

13 (2) The minutes shall include a copy of each regulation of the Agency
14 that is adopted.

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

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

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

20 (ii) \$165 per meeting attended, not to exceed \$2,000 annually for
21 the Commission chairman] PROVIDED IN THE STATE BUDGET; and

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

24 (e) (1) With the advice of the Commission, the Director may employ deputy
25 directors and other staff in accordance with the State budget.

26 (2) Except as provided in paragraph (3) of this subsection or otherwise by
27 law, the staff of the Commission is in the State Personnel Management System.

28 (3) A deputy director is in the executive service of the State Personnel
29 Management System. However, a deputy director may be removed only for cause after
30 being given notice and an opportunity for a hearing.

31 ~~9.3-207.~~

32 (A) WITH THE APPROVAL OF THE COMMISSION, THE DIRECTOR MAY ADOPT
33 REGULATIONS OF THE AGENCY.

1 ~~(B) THE REGULATIONS OF THE AGENCY MAY PROVIDE FOR ALL MATTERS
2 THAT ARE NECESSARY OR DESIRABLE FOR THE EFFICIENT AND ECONOMICAL
3 OPERATION AND ADMINISTRATION OF THE STATE LOTTERY AND VIDEO LOTTERY
4 TERMINALS.~~

5 ~~(C) WHEN ADOPTING REGULATIONS, THE DIRECTOR SHALL CONSIDER THE
6 CONVENIENCE OF BUYERS OF STATE LOTTERY TICKETS AND SHARES, THE HOLDERS
7 OF A WINNING TICKET OR SHARE, AND THE USERS OF VIDEO LOTTERY TERMINALS.~~

8 ~~SUBTITLE 3. STATE LOTTERY.~~

9 ~~9.3-301.~~

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

12 ~~(B) "LICENSE" MEANS A LICENSE ISSUED BY THE DIRECTOR TO ACT AS A
13 LICENSED AGENT.~~

14 ~~(C) "LICENSED AGENT" MEANS A PERSON OR GOVERNMENTAL UNIT
15 LICENSED BY THE DIRECTOR TO ACT AS A STATE LOTTERY SALES AGENT.~~

16 ~~(D) "STATE LOTTERY" MEANS THE LOTTERY ESTABLISHED AND OPERATED
17 UNDER THIS SUBTITLE.~~

18 ~~9.3-314.~~

19 ~~(A) THIS SECTION DOES NOT APPLY TO PROCEEDS PAID INTO THE STATE
20 LOTTERY FUND FROM VIDEO LOTTERY TERMINALS UNDER SUBTITLE 4 OF THIS
21 TITLE.~~

22 ~~[(a)] (B) The Comptroller shall distribute the State Lottery Fund to pay:~~

23 ~~(1) on a pro rata basis for the daily and nondaily State lottery games, the
24 expenses of administering and operating the State lottery, as authorized under this
25 subtitle and the State budget; and~~

26 ~~(2) then, except as provided in § 10-113.1 of the Family Law Article and
27 § 11-618 of the Criminal Procedure Article, the holder of each winning ticket or share.~~

28 ~~[(b)] (C) (1) Promptly after the 1st day of each month, the Comptroller shall
29 pay:~~

30 ~~(i) into the Maryland Stadium Facilities Fund the money that
31 remains in the State Lottery Fund from the proceeds of the sports lotteries conducted
32 for the benefit of the Maryland Stadium Authority, after the distribution under
33 subsection [(a)](B) of this section; and~~

1 (ii) into the General Fund of the State the money that remains in
 2 the State Lottery Fund from the proceeds of all other lotteries after the distribution
 3 under subsection [(a)] (B) of this section.

4 (2) The money paid into the General Fund under this subsection is
 5 available in the fiscal year in which the money accumulates in the State Lottery
 6 Fund.

7 [(c)] (D) The regulations of the Agency shall apportion the money in the State
 8 Lottery Fund.

9 SUBTITLE 4. VIDEO LOTTERY TERMINALS.
 10 ~~9-3-401.~~

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

13 **Article - Business Regulation**

14 11-202.

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

18 **Article - State Government**

19 9-105.

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

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

24 (I) AT LEAST 25 YEARS OLD;

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

27 (III) A QUALIFIED VOTER OF THE STATE; AND

28 (IV) AN INDIVIDUAL WHO HAS NOT BEEN CONVICTED OF OR
 29 GRANTED PROBATION BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT
 30 INVOLVES MORAL TURPITUDE OR GAMBLING.

31 (2) A MEMBER MAY NOT HAVE A DIRECT OR INDIRECT FINANCIAL
 32 INTEREST IN VIDEO LOTTERY TERMINALS.

- 1 (3) A MEMBER OF THE COMMISSION MAY NOT:
- 2 (I) HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO HOLDS A
3 LICENSE UNDER SUBTITLE 1A OF THIS TITLE; OR
- 4 (II) HOLD ANY STOCKS, BONDS, OR OTHER FINANCIAL INTEREST IN
5 A PERSON HOLDING A LICENSE UNDER SUBTITLE 1A OF THIS TITLE.
- 6 (4) NO MORE THAN SIX MEMBERS MAY BE OF THE SAME POLITICAL
7 PARTY.
- 8 (5) THE MEMBERS OF THE COMMISSION SHALL REFLECT THE
9 GEOGRAPHIC, RACIAL, AND GENDER MAKEUP OF THE STATE.
- 10 (C) MEMBERSHIP ON THE COMMISSION SHALL INCLUDE:
- 11 (1) ONE MEMBER WITH EXPERIENCE IN LAW ENFORCEMENT;
- 12 (2) ONE MEMBER WITH EXPERIENCE IN A FIELD RELATING TO FINANCE
13 AND INVESTMENTS;
- 14 (3) ONE MEMBER WHO IS A CERTIFIED PUBLIC ACCOUNTANT; AND
- 15 (4) ONE MEMBER WITH EXPERIENCE IN A FIELD OF INFORMATION
16 TECHNOLOGY.
- 17 [(c)] (D) (1) The term of a member is 4 years.
- 18 (2) The terms of members are staggered [as required by the terms
19 provided for members of the Commission on October 1, 1984].
- 20 (3) At the end of a term, a member continues to serve until a successor is
21 appointed and qualifies.
- 22 (4) A member who is appointed after a term has begun serves only for
23 the rest of the term and until a successor is appointed and qualifies.
- 24 [(d)] (E) (1) Subject to the hearing requirements of this subsection, the
25 Governor may remove a member for cause.
- 26 (2) Before the Governor removes a member, the Governor shall give the
27 member notice and an opportunity for a public hearing.
- 28 (F) THE GOVERNOR SHALL APPOINT ONE MEMBER OF THE COMMISSION TO
29 SERVE AS A LIAISON TO THE STATE RACING COMMISSION ESTABLISHED UNDER
30 TITLE 11 OF THE BUSINESS REGULATION ARTICLE.
- 31 9-108.
- 32 (d) As provided in the State budget, a member of the Commission:

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

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

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

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

9 SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

10 9-1A-01.

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

13 (B) "AVERAGE ANNUAL PAYOUT PERCENTAGE" MEANS THE AVERAGE
14 ANNUAL PERCENTAGE OF MONEY USED BY PLAYERS TO PLAY A VIDEO LOTTERY
15 TERMINAL THAT IS RETURNED TO PLAYERS OF THAT VIDEO LOTTERY TERMINAL.

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

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

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

26 (F) "CAREER OFFENDER" MEANS A PERSON WHOSE BEHAVIOR IS PURSUED IN
27 AN OCCUPATIONAL MANNER OR CONTEXT FOR THE PURPOSE OF ECONOMIC GAIN
28 THAT UTILIZES METHODS THAT ARE DEEMED BY THE COMMISSION AS CRIMINAL
29 VIOLATIONS INIMICAL TO THE INTEREST OF THE STATE.

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

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

35 (1) INFORMATION RETRIEVAL; AND

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

2 (I) "COMMISSION" MEANS THE STATE LOTTERY COMMISSION.

3 ~~(H)~~ (J) "CONTROL" MEANS THE AUTHORITY TO DIRECT THE MANAGEMENT
4 AND POLICIES OF AN APPLICANT OR LICENSEE.

5 ~~(H)~~ (K) "COSTS" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE
6 EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS
7 SUBTITLE, INCLUDING ~~THE TESTING AND EXAMINATION OF VIDEO LOTTERY~~
8 ~~TERMINALS AND THE PERFORMANCE OF BACKGROUND INVESTIGATIONS AND~~
9 ~~OTHER RELATED ACTIVITIES;~~

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

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

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

19 (4) THE COSTS OF PERFORMING BACKGROUND INVESTIGATIONS AND
20 OTHER RELATED ACTIVITIES.

21 ~~(K)~~ (L) "FAMILY" MEANS SPOUSE, PARENTS, GRANDPARENTS, CHILDREN,
22 GRANDCHILDREN, SIBLINGS, UNCLES, AUNTS, NEPHEWS, NIECES, FATHERS-IN-LAW,
23 MOTHERS-IN-LAW, DAUGHTERS-IN-LAW, SONS-IN-LAW, BROTHERS-IN-LAW, AND
24 SISTERS-IN-LAW, WHETHER BY WHOLE BLOOD OR HALF BLOOD, BY MARRIAGE,
25 ADOPTION, OR NATURAL RELATIONSHIP.

26 ~~(H)~~ (M) "LICENSE" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, A
27 LICENSE REQUIRED UNDER THIS SUBTITLE.

28 ~~(M)~~ (N) "LICENSEE" MEANS AN APPLICANT WHO HAS BEEN ISSUED A
29 LICENSE REQUIRED UNDER THIS SUBTITLE.

30 ~~(N)~~ (O) "MANUFACTURER" MEANS A PERSON:

31 (1) ~~WHO HOLDS A LICENSE ISSUED BY THE COMMISSION TO ENGAGE~~
32 ~~THAT IS ENGAGED~~ IN THE BUSINESS OF DESIGNING, BUILDING, CONSTRUCTING,
33 ASSEMBLING, MANUFACTURING, OR DISTRIBUTING A CENTRAL COMPUTER,
34 CENTRAL COMPUTER SOFTWARE SYSTEM, VIDEO LOTTERY TERMINALS, ASSOCIATED
35 EQUIPMENT, THE ELECTRONIC COMPUTER COMPONENTS OF VIDEO LOTTERY
36 TERMINALS, THE RANDOM NUMBER GENERATOR OF VIDEO LOTTERY TERMINALS, OR
37 THE CABINET IN WHICH A VIDEO LOTTERY TERMINAL IS HOUSED; ~~AND~~

1 ~~(2)~~ (2) ~~WHOSE PRODUCT IS INTENDED FOR SALE, LEASE, OR OTHER~~
2 ~~ASSIGNMENT TO THE COMMISSION~~

3 ~~(2)~~ (2) ~~THAT PRODUCES A PRODUCT THAT IS INTENDED FOR SALE, LEASE,~~
4 ~~OR OTHER ASSIGNMENT TO THE COMMISSION OR A LICENSEE; AND~~

5 ~~(3)~~ (3) ~~THAT CONTRACTS WITH THE COMMISSION OR A LICENSEE FOR THE~~
6 ~~SALE, LEASE, OR OTHER ASSIGNMENT.~~

7 ~~(P)~~ (P) "OWN" MEANS HAVING A BENEFICIAL OR PROPRIETARY INTEREST
8 OF AT LEAST 10% IN THE PROPERTY OR BUSINESS OF AN APPLICANT OR LICENSEE.

9 ~~(Q)~~ (Q) "PLAYER" MEANS ~~A PERSON~~ AN INDIVIDUAL WHO PLAYS A VIDEO
10 LOTTERY TERMINAL AT A VIDEO LOTTERY FACILITY LICENSED BY THE COMMISSION.

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

14 ~~(S)~~ (S) "PROGRESSIVE JACKPOT" MEANS A PRIZE THAT INCREASES AS ONE OR
15 MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE JACKPOT
16 SYSTEM.

17 ~~(T)~~ (T) "PROGRESSIVE JACKPOT SYSTEM" MEANS THE CAPABILITY OF THE
18 CENTRAL COMPUTER TO LINK ONE OR MORE VIDEO LOTTERY TERMINALS IN ONE OR
19 MORE LICENSED FACILITIES AND TO OFFER ONE OR MORE COMMON PROGRESSIVE
20 JACKPOTS.

21 ~~(U)~~ (U) "VIDEO LOTTERY" MEANS GAMING OR BETTING CONDUCTED USING
22 A VIDEO LOTTERY TERMINAL.

23 ~~(V)~~ (V) "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE OF A PERSON
24 WHO HOLDS A LICENSE.

25 ~~(W)~~ (W) "VIDEO LOTTERY FACILITY" MEANS A FACILITY AT WHICH PLAYERS
26 PLAY VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.

27 ~~(X)~~ (X) "VIDEO LOTTERY OPERATION LICENSE" MEANS A LICENSE ISSUED
28 TO A HORSE RACETRACK THAT ALLOWS PLAYERS TO OPERATE VIDEO LOTTERY
29 TERMINALS.

30 ~~(Y)~~ (Y) (1) "VIDEO LOTTERY TERMINAL" MEANS ANY ~~MACHINE IN WHICH~~
31 ~~BILLS, COINS, OR TOKENS ARE DEPOSITED IN ORDER TO PLAY IN A GAME OF CHANCE~~
32 ~~IN WHICH THE RESULTS, INCLUDING OPTIONS AVAILABLE TO THE PLAYER, ARE~~
33 ~~RANDOMLY AND IMMEDIATELY DETERMINED BY THE MACHINE. A MACHINE MAY~~
34 ~~USE SPINNING WHEELS, VIDEO DISPLAYS, OR BOTH AND EITHER DOES OR DOES NOT~~
35 ~~DISPENSE MONEY OR TOKENS DIRECTLY TO WINNING PLAYERS.~~

36 ~~(Z)~~ (Z) "VIDEO LOTTERY TERMINAL" INCLUDES A MACHINE OTHERWISE
37 DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION THAT USES AN ELECTRONIC

1 ~~CREDIT SYSTEM MAKING THE DEPOSIT OF BILLS, COINS, OR TOKENS UNNECESSARY.~~
2 MACHINE OR OTHER DEVICE, THAT ON INSERTION OF A BILL, COIN, TOKEN,
3 VOUCHER, TICKET, COUPON, OR SIMILAR ITEM, OR ON PAYMENT OF ANY
4 CONSIDERATION:

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

9 (II) BY THE ELEMENT OF CHANCE MAY DELIVER OR ENTITLE THE
10 PLAYER WHO OPERATES THE MACHINE OR DEVICE TO RECEIVE CASH, PREMIUMS,
11 MERCHANDISE, 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" INCLUDES A MACHINE OR DEVICE:

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

16 (II) DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION THAT
17 USES AN ELECTRONIC CREDIT SYSTEM MAKING THE DEPOSIT OF BILLS, COINS, OR
18 TOKENS UNNECESSARY.

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

22 ~~9.3 402. 9-1A-02.~~

23 (A) THIS SUBTITLE IS STATEWIDE AND EXCLUSIVE IN ITS EFFECT.

24 ~~(A)~~ (B) THE COMMISSION SHALL REGULATE THE OPERATION OF VIDEO
25 LOTTERY TERMINALS IN ACCORDANCE WITH THIS SUBTITLE.

26 ~~(B)~~ (C) (1) THIS SUBTITLE AUTHORIZES THE OPERATION OF VIDEO
27 LOTTERY TERMINALS CONNECTED TO A CENTRAL COMPUTER THAT ALLOWS THE
28 COMMISSION TO MONITOR A VIDEO LOTTERY TERMINAL.

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

32 (3) THE CENTRAL COMPUTER SHALL BE CAPABLE OF:

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

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

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

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

9 (V) SUPPORTING A PROGRESSIVE JACKPOT SYSTEM CAPABLE OF
10 OPERATING ONE OR MORE PROGRESSIVE JACKPOTS.

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

15 (II) PROVIDED THE ACCESS DOES NOT IN ANY WAY AFFECT THE
16 INTEGRITY OR SECURITY OF THE CENTRAL COMPUTER SYSTEM, THE COMMISSION
17 MAY ALLOW A VIDEO LOTTERY OPERATION LICENSEE TO HAVE ACCESS TO
18 INFORMATION FROM THE CENTRAL COMPUTER THAT ALLOWS THE LICENSEE TO
19 OPERATE A PLAYER TRACKING SYSTEM OR OBTAIN OTHER INFORMATION
20 PERTINENT TO THE LEGITIMATE OPERATION OF A VIDEO LOTTERY FACILITY.

21 (C) ONLY A PERSON WITH A VIDEO LOTTERY OPERATION LICENSE ISSUED BY
22 THE COMMISSION MAY OFFER A VIDEO LOTTERY TERMINAL FOR PUBLIC USE IN THE
23 STATE UNDER THIS SUBTITLE.

24 9-1A-03.

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

29 (B) THIS SECTION DOES NOT APPLY TO:

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

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

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

35 (4) GAMING CONDUCTED BY A BONA FIDE FRATERNAL, CIVIC, WAR
36 VETERANS', RELIGIOUS, OR CHARITABLE ORGANIZATION, VOLUNTEER FIRE

1 COMPANY, OR SUBSTANTIALLY SIMILAR ORGANIZATION UNDER TITLES 12 AND 13 OF
2 THE CRIMINAL LAW ARTICLE.

3 ~~9.3-403; 9-1A-04.~~

4 (A) THE COMMISSION SHALL:

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

8 (2) AFTER A HEARING, SUSPEND OR REVOKE AS APPLICABLE THE
9 LICENSE OF A LICENSEE WHO HAS A LICENSE SUSPENDED OR REVOKED IN
10 ANOTHER STATE;

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

13 (4) COLLECT APPLICATION, LICENSE, AND OTHER FEES TO COVER THE
14 ~~COSTS OF ADMINISTERING THIS SUBTITLE, EXCEPT THE COSTS DESCRIBED UNDER §~~
15 ~~9.3-419(C) OF THIS SUBTITLE;~~ ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED
16 TO LICENSING;

17 (5) APPLY DEPOSIT APPLICATION, LICENSE, AND OTHER FEES TO A
18 BANK ACCOUNT THAT THE TREASURER DESIGNATES TO THE CREDIT OF THE STATE
19 LOTTERY FUND TO COVER THE COSTS OF ADMINISTERING THIS SUBTITLE, EXCEPT
20 THE COSTS DESCRIBED UNDER § 9.3-419(C) OF THIS SUBTITLE; ADMINISTRATIVE
21 COSTS OF THIS SUBTITLE RELATED TO LICENSING;

22 (6) LEVY AND COLLECT CIVIL PENALTIES FOR CIVIL VIOLATIONS OF
23 THE PROVISIONS OF THIS SUBTITLE OR REGULATIONS ISSUED UNDER THIS
24 SUBTITLE;

25 (7) BE PRESENT AT A VIDEO LOTTERY OPERATION THROUGH ITS
26 EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO
27 LOTTERY TERMINAL FOR THE PURPOSE OF CERTIFYING REVENUE FROM THE VIDEO
28 LOTTERY TERMINALS, RECEIVING COMPLAINTS FROM THE PUBLIC, AND
29 CONDUCTING ANY OTHER INVESTIGATION INTO THE OPERATION OF THE VIDEO
30 LOTTERY TERMINALS AND THE MAINTENANCE OF THE VIDEO LOTTERY TERMINALS
31 AND ASSOCIATED EQUIPMENT AS THE COMMISSION MAY DEEM NECESSARY AND
32 PROPER; AND

33 (8) REVIEW AND RULE ON ANY COMPLAINT BY A LICENSEE REGARDING
34 ANY INVESTIGATIVE PROCEDURES OF THE COMMISSION THAT ARE UNNECESSARILY
35 DISRUPTIVE OF VIDEO LOTTERY OPERATIONS.

36 (B) THE COMMISSION MAY:

37 (1) ISSUE SUBPOENAS TO COMPEL THE ATTENDANCE OF WITNESSES AT
38 ANY PLACE WITHIN THE STATE;

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

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

7 (4) PROPOUND WRITTEN INTERROGATORIES.

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

11 ~~(D) (1) (I) THE COMMISSION SHALL ENSURE THAT IN THE MANNER
12 PROVIDED IN TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT
13 ARTICLE THAT AN OVERALL MINIMUM OF 25% OF THE UNIT'S TOTAL DOLLAR VALUE
14 OF CONTRACTS SHALL BE MADE DIRECTLY OR INDIRECTLY FROM CERTIFIED
15 MINORITY BUSINESS ENTERPRISES, IN ADDITION TO COMPLYING WITH THE OTHER
16 REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND
17 PROCUREMENT ARTICLE RELATING TO MINORITY BUSINESS PARTICIPATION WHEN
18 AWARDING LICENSES UNDER THIS SUBTITLE.~~

19 ~~(H) FOR THE CONSTRUCTION OF FACILITIES AND PROCUREMENT
20 RELATED TO THE OPERATION OF VIDEO LOTTERY TERMINALS, AN APPLICANT OR A
21 LICENSEE SHALL MEET OR EXCEED THE REQUIREMENTS OF SUBPARAGRAPH (I) OF
22 THIS PARAGRAPH RELATING TO MINORITY BUSINESS PARTICIPATION.~~

23 ~~(2) IF THE COUNTY IN WHICH A VIDEO LOTTERY FACILITY WILL BE
24 LOCATED HAS HIGHER MINORITY BUSINESS PARTICIPATION REQUIREMENTS THAN
25 THE STATE AS DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, THE
26 COMMISSION, AN APPLICANT, OR A LICENSEE SHALL TO THE EXTENT POSSIBLE
27 MEET OR EXCEED THE COUNTY'S MINORITY BUSINESS PARTICIPATION
28 REQUIREMENTS.~~

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

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

35 (2) ESTABLISHING THE METHODS, PROCEDURES, AND FORM FOR
36 DELIVERY OF INFORMATION FROM AN APPLICANT OR LICENSEE CONCERNING ANY
37 PERSON'S FAMILY, HABITS, CHARACTER, ASSOCIATES, CRIMINAL RECORD, BUSINESS
38 ACTIVITIES, AND FINANCIAL AFFAIRS;

39 (3) ESTABLISHING THE PROCEDURES FOR THE FINGERPRINTING OF AN
40 APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE OR OTHER

1 METHODS OF IDENTIFICATION THAT MAY BE NECESSARY IN THE JUDGMENT OF THE
2 COMMISSION TO ACCOMPLISH EFFECTIVE ENFORCEMENT OF THE PROVISIONS OF
3 THIS SUBTITLE;

4 (4) ESTABLISHING THE MANNER AND PROCEDURE OF HEARINGS
5 CONDUCTED BY THE COMMISSION;

6 (5) ESTABLISHING THE MANNER AND METHOD OF COLLECTION OF
7 TAXES, FEES, AND CIVIL PENALTIES;

8 (6) DEFINING AND LIMITING THE AREAS OF OPERATION FOR VIDEO
9 LOTTERY TERMINALS, RULES OF VIDEO LOTTERY TERMINALS, ODDS FOR VIDEO
10 LOTTERY TERMINALS, AND THE METHOD OF OPERATION OF THE VIDEO LOTTERY
11 TERMINALS;

12 (7) REGULATING THE PRACTICE AND PROCEDURES FOR NEGOTIABLE
13 TRANSACTIONS INVOLVING PLAYERS, INCLUDING LIMITATIONS ON THE
14 CIRCUMSTANCES AND AMOUNTS OF NEGOTIABLE TRANSACTIONS, AND THE
15 ESTABLISHMENT OF FORMS AND PROCEDURES FOR NEGOTIABLE INSTRUMENT
16 TRANSACTIONS, REDEMPTIONS, AND CONSOLIDATIONS;

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

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

21 (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF
22 MANAGEMENT CONTROLS;

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

27 (12) ESTABLISHING PERIODIC FINANCIAL REPORTS AND THE FORM OF
28 THE REPORTS, INCLUDING AN ANNUAL AUDIT PREPARED BY A CERTIFIED PUBLIC
29 ACCOUNTANT LICENSED TO DO BUSINESS IN THE STATE, DISCLOSING WHETHER
30 THE ACCOUNTS, RECORDS, AND CONTROL PROCEDURES EXAMINED ARE
31 MAINTAINED BY THE VIDEO LOTTERY OPERATION LICENSEE AS REQUIRED BY THIS
32 SUBTITLE AND THE REGULATIONS THAT SHALL BE ISSUED UNDER THIS SUBTITLE;
33 ~~AND~~

34 ~~(13) PROHIBITING A LICENSEE FROM ALLOWING A MINOR TO PLAY A~~
35 ~~VIDEO LOTTERY TERMINAL.~~

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

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

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

4 ~~(F)~~ (E) (1) THE COMMISSION MAY BY REGULATION REQUIRE AN
5 APPLICANT OR LICENSEE TO FILE A BOND FOR THE BENEFIT OF THE STATE FOR THE
6 FAITHFUL PERFORMANCE OF THE REQUIREMENTS IMPOSED BY THIS SUBTITLE AND
7 ANY REGULATIONS ISSUED UNDER THIS SUBTITLE.

8 (2) IF THE COMMISSION REQUIRES A BOND UNDER PARAGRAPH (1) OF
9 THIS SUBSECTION, AN APPLICANT OR LICENSEE SHALL OBTAIN AND SUBMIT
10 SATISFACTORY PROOF OF THE BOND TO THE COMMISSION BEFORE A LICENSE IS
11 ISSUED OR REISSUED.

12 (3) THE BONDS FURNISHED MAY BE APPLIED BY THE COMMISSION TO
13 THE PAYMENT OF AN UNPAID LIABILITY OF THE LICENSEE.

14 ~~(G) (1) THE COMMISSION, BY REGULATION, MAY PROVIDE FOR THE~~
15 ~~ESTABLISHMENT OF PROCEDURES RELATING TO INDIVIDUALS WHO ARE TO BE~~
16 ~~EXCLUDED OR EJECTED FROM ANY VIDEO LOTTERY OPERATION LICENSED UNDER~~
17 ~~THIS SUBTITLE.~~

18 ~~(2) IF THE COMMISSION ADOPTS REGULATIONS UNDER THIS~~
19 ~~SUBSECTION, THE REGULATIONS SHALL DEFINE THE STANDARDS FOR EXCLUSION~~
20 ~~OR EJECTION AND SHALL INCLUDE STANDARDS RELATING TO INDIVIDUALS:~~

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

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

27 ~~(III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A LICENSEE~~
28 ~~WOULD BE, IN THE OPINION OF THE COMMISSION, INIMICAL TO THE INTEREST OF~~
29 ~~THE STATE, THE LICENSEE, OR THE INDIVIDUAL.~~

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

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

36 ~~(H)~~ (F) (1) THE COMMISSION SHALL PROMPTLY AND THOROUGHLY
37 INVESTIGATE ALL APPLICATIONS AND ENFORCE THIS SUBTITLE AND REGULATIONS
38 THAT ARE ADOPTED UNDER THIS SUBTITLE.

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

3 (I) INSPECT AND EXAMINE ALL PREMISES IN WHICH VIDEO
4 LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE CONDUCTED OR ANY
5 AUTHORIZED VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, OR CENTRAL
6 COMPUTER ARE DESIGNED, BUILT, CONSTRUCTED, ASSEMBLED, MANUFACTURED,
7 SOLD, DISTRIBUTED, OR SERVICED, OR IN WHICH RECORDS OF THOSE ACTIVITIES
8 ARE PREPARED OR MAINTAINED;

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

11 (III) SEIZE SUMMARILY AND REMOVE FROM THOSE PREMISES AND
12 IMPOUND, OR ASSUME PHYSICAL CONTROL OF, ANY VIDEO LOTTERY TERMINALS,
13 ASSOCIATED EQUIPMENT, OR CENTRAL COMPUTER FOR THE PURPOSES OF
14 EXAMINATION AND INSPECTION;

15 (IV) INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND
16 DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY OPERATIONS, INCLUDING
17 THE FINANCIAL RECORDS OF A PARENT CORPORATION, SUBSIDIARY CORPORATION,
18 OR SIMILAR BUSINESS ENTITY. A LICENSEE SHALL AUTHORIZE ANY OTHER PERSON
19 HAVING FINANCIAL RECORDS RELATING TO THE LICENSEE TO PROVIDE THOSE
20 RECORDS TO THE COMMISSION; AND

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

25 ~~9-3-404.~~ 9-1A-05.

26 (A) THE COMMISSION MAY ISSUE NO MORE THAN FOUR VIDEO LOTTERY
27 OPERATION LICENSES.

28 (B) THE FOLLOWING PERSONS MAY SUBMIT AN APPLICATION FOR A VIDEO
29 LOTTERY OPERATION LICENSE:

30 (1) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT ~~THE~~
31 ~~LAUREL THOROUGHBRED RACE COURSE~~ PARK IN ANNE ARUNDEL COUNTY;

32 (2) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING FOR THE
33 PIMLICO RACE COURSE IN BALTIMORE CITY;

34 (3) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING FOR THE
35 ROSECROFT RACEWAY IN PRINCE GEORGE'S COUNTY; AND

36 (4) THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT THE
37 ~~HORSE RACETRACK~~ RACE COURSE IN ALLEGANY COUNTY.

1 (C) THE COMMISSION MAY ONLY ISSUE A VIDEO LOTTERY OPERATION
2 LICENSE:

3 (1) TO AN APPLICANT WHO IS THE HOLDER OF A LICENSE TO HOLD A
4 RACE MEETING DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION; AND

5 (2) FOR A GEOGRAPHIC LOCATION IN ALLEGANY COUNTY OR FOR THE
6 GEOGRAPHIC LOCATION ON JUNE 1, 2003 OF THE HORSE RACETRACK FOR WHICH
7 THE APPLICANT HOLDS THE LICENSE TO HOLD A RACE MEETING.

8 ~~9.3-405.~~

9 (A) ~~ON OR BEFORE MARCH 31, 2004, AN APPLICANT FOR A VIDEO LOTTERY~~
10 ~~OPERATION LICENSE DESCRIBED IN § 9.3-404 OF THIS SUBTITLE SHALL SUBMIT THE~~
11 ~~FOLLOWING APPLICATION FEE:~~

12 (1) ~~EXCEPT AS PROVIDED IN ITEM (2) OF THIS SUBSECTION, \$100,000,000;~~
13 ~~OR~~

14 (2) ~~FOR THE APPLICANT FOR THE LOCATION IN ALLEGANY COUNTY,~~
15 ~~\$50,000,000.~~

16 (B) ~~ON OR BEFORE MARCH 31, 2004, IF THE HOLDER OF A LICENSE FOR~~
17 ~~RACING HAS MADE GOOD FAITH EFFORTS TO OBTAIN AND PAY THE LICENSE FEE~~
18 ~~REQUIRED UNDER THIS SECTION BUT HAS BEEN UNABLE TO DO SO, IF THE OTHER~~
19 ~~REQUIREMENTS OF THIS SUBTITLE ARE MET, THE COMMISSION MAY GRANT A~~
20 ~~WAIVER TO ALLOW THE PERSON ADDITIONAL TIME NOT TO EXCEED 3 MONTHS TO~~
21 ~~OBTAIN THE REQUIRED AMOUNT.~~

22 (C) ~~IF THE APPLICANT DOES NOT PAY THE REQUIRED FEE IN THE TIME~~
23 ~~REQUIRED UNDER THIS SECTION, THE LICENSE REVERTS TO THE STATE AS~~
24 ~~PROVIDED IN § 9.3-407 OF THIS SUBTITLE.~~

25 ~~9.3-406.~~

26 (A) (1) ~~THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE IS 20~~
27 ~~YEARS.~~

28 (2) ~~DURING THE INITIAL TERM OF A VIDEO LOTTERY OPERATION~~
29 ~~LICENSE, THE LICENSEE SHALL PROVIDE THE COMMISSION AN UPDATE ANNUALLY~~
30 ~~ON THE INFORMATION REQUIRED UNDER THIS SUBTITLE FOR ISSUANCE OF THE~~
31 ~~LICENSE.~~

32 (B) ~~AT THE END OF 20 YEARS A VIDEO LOTTERY OPERATION LICENSE IS~~
33 ~~RENEWABLE ANNUALLY FOR A FEE TO BE ESTABLISHED BY STATUTE.~~

34 (C) (1) ~~IN THIS SUBSECTION, "ANNUALIZED COST OF THE LICENSE" MEANS:~~

1 (4) ~~IF THE VIDEO LOTTERY OPERATION LICENSEE WAS THE~~
2 ~~ORIGINAL LICENSEE, THE AMOUNT OF THE INITIAL APPLICATION FEE UNDER §~~
3 ~~9.3 405 OF THIS SUBTITLE DIVIDED BY 20; OR~~

4 (H) ~~IF THE VIDEO LOTTERY OPERATION LICENSEE WAS AWARDED~~
5 ~~THE LICENSE AFTER THE REVOCATION OR SURRENDER OF A LICENSE BY ANOTHER~~
6 ~~PERSON, THE AMOUNT OF THE APPLICATION FEE DIVIDED BY THE NUMBER OF~~
7 ~~YEARS OF THE TERM OF THE LICENSE.~~

8 (2) ~~IF A VIDEO LOTTERY OPERATION LICENSE IS REVOKED OR~~
9 ~~SURRENDERED BEFORE THE EXPIRATION OF THE INITIAL TERM, THE STATE SHALL~~
10 ~~REIMBURSE THE LICENSEE PRO RATA FOR THE PORTION OF THE APPLICATION FEE~~
11 ~~BASED ON THE ANNUALIZED COST OF THE INITIAL LICENSE TIMES THE NUMBER OF~~
12 ~~YEARS REMAINING ON THE LICENSE, NOT INCLUDING THE YEAR IN WHICH THE~~
13 ~~LICENSE WAS REVOKED OR SURRENDERED, LESS THE REASONABLE AMOUNT OF~~
14 ~~EXPENSES INCURRED BY THE STATE IN REVOKING THE LICENSE OR OBTAINING THE~~
15 ~~SURRENDERED LICENSE.~~

16 (3) ~~THE STATE MAY EITHER PAY THE AMOUNT REQUIRED UNDER~~
17 ~~PARAGRAPH (2) OF THIS SUBSECTION IN ONE LUMP SUM OR ANNUALLY OVER THE~~
18 ~~TIME REMAINING ON THE TERM OF THE LICENSE.~~

19 9.3 407.

20 ~~IF A PERSON DESCRIBED IN § 9.3 404 OF THIS SUBTITLE FAILS TO SUBMIT A~~
21 ~~COMPLETE OR TIMELY APPLICATION, HAS ITS APPLICATION REJECTED BY THE~~
22 ~~COMMISSION, HAS ITS LICENSE REVOKED, OR OTHERWISE SURRENDERS THE~~
23 ~~LICENSE, THE VIDEO LOTTERY OPERATION LICENSE REVERTS TO THE STATE.~~

24 9.3 408.

25 (A) ~~IF A VIDEO LOTTERY OPERATION LICENSEE MADE CAPITAL~~
26 ~~IMPROVEMENTS OR RENOVATIONS TO THE RACETRACK USED FOR VIDEO LOTTERY~~
27 ~~OPERATIONS THAT ARE REASONABLY RELATED TO THE VIDEO LOTTERY OPERATION~~
28 ~~AND THE LICENSE OF THE VIDEO LOTTERY OPERATOR IS REVOKED OR OTHERWISE~~
29 ~~SURRENDERED WITHIN 10 YEARS OF THE COMPLETION OF THE IMPROVEMENTS OR~~
30 ~~RENOVATIONS, THE LICENSEE SHALL BE ENTITLED TO REIMBURSEMENT BY THE~~
31 ~~STATE FOR THE REASONABLE COSTS OF THE IMPROVEMENTS OR RENOVATIONS AS~~
32 ~~PROVIDED IN THIS SECTION.~~

33 (B) ~~THE LICENSEE SHALL BE REIMBURSED ON A PRO RATA BASIS IN THE~~
34 ~~FOLLOWING MANNER:~~

35 (1) ~~FIRST, THE TOTAL COST OF THE IMPROVEMENTS OR RENOVATIONS~~
36 ~~SHALL BE DIVIDED BY 10;~~

37 (2) ~~SECOND, SUBTRACT FROM 10 THE NUMBER OF YEARS THE FACILITY~~
38 ~~HAS BEEN USED SINCE COMPLETION OF THE IMPROVEMENTS OR RENOVATIONS,~~
39 ~~INCLUDING THE YEAR IN WHICH THE LICENSE WAS REVOKED OR SURRENDERED;~~
40 ~~AND~~

1 (3) ~~LASTLY, MULTIPLY THE NUMBER DETERMINED IN ITEM (1) OF THIS~~
2 ~~SUBSECTION BY THE NUMBER DETERMINED IN ITEM (2) OF THIS SUBSECTION.~~

3 ~~(C) THE VIDEO LOTTERY OPERATION LICENSEE SHALL HAVE THE BURDEN OF~~
4 ~~PROVING THAT:~~

5 ~~(1) THE IMPROVEMENTS OR RENOVATIONS WERE REASONABLY~~
6 ~~RELATED TO THE VIDEO LOTTERY OPERATION; AND~~

7 ~~(2) THE REASONABLENESS OF THE COSTS INCURRED.~~

8 ~~(D) (1) UNLESS THE STATE INTENDS TO ASSUME THE VIDEO LOTTERY~~
9 ~~OPERATION LICENSE AND OPERATE THE VIDEO LOTTERY FACILITY, THE STATE IS~~
10 ~~NOT RESPONSIBLE FOR MAKING ANY PAYMENTS UNDER THIS SECTION UNTIL THE~~
11 ~~COMMISSION HAS AWARDED ANOTHER VIDEO LOTTERY OPERATOR LICENSE FOR~~
12 ~~THE RACETRACK WHERE THE IMPROVEMENTS OR RENOVATIONS WERE MADE.~~

13 ~~(2) THE STATE MAY PAY ANY AMOUNT OWED IN THIS SECTION AS A~~
14 ~~LUMP SUM OR IN EQUAL AMOUNTS OVER THE NUMBER OF YEARS DETERMINED IN~~
15 ~~THE CALCULATION UNDER SUBSECTION (B)(2) OF THIS SECTION.~~

16 ~~9-3-409; 9-1A-06.~~

17 ~~(A) THE FOLLOWING PERSONS SHALL BE LICENSED UNDER THIS SUBTITLE:~~

18 ~~(1) A VIDEO LOTTERY OPERATOR;~~

19 ~~(2) A MANUFACTURER;~~

20 ~~(3) A PERSON NOT LICENSED UNDER ITEMS (1) OR (2) OF THIS SECTION~~
21 ~~WHO MANAGES, OPERATES, SUPPLIES, PROVIDES SECURITY FOR, OR PROVIDES~~
22 ~~SERVICE, MAINTENANCE, OR REPAIRS FOR VIDEO LOTTERY TERMINALS; AND~~

23 ~~(4) A VIDEO LOTTERY EMPLOYEE.~~

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

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

33 ~~(2) THE COMMISSION BY REGULATION MAY EXEMPT CATEGORIES OF~~
34 ~~VIDEO LOTTERY EMPLOYEES WHO ARE NOT DIRECTLY INVOLVED IN THE VIDEO~~
35 ~~LOTTERY OPERATIONS FROM THE REQUIREMENT UNDER PARAGRAPH (1) OF THIS~~
36 ~~SUBSECTION IF THE COMMISSION DETERMINES THAT THE REQUIREMENT IS NOT~~

1 NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE
2 POLICIES ESTABLISHED UNDER THIS SUBTITLE.

3 ~~9-3-410. 9-1A-07.~~

4 (A) AN APPLICANT FOR A LICENSE SHALL SUBMIT TO THE COMMISSION AN
5 APPLICATION:

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

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

8 (B) (1) THIS SUBSECTION DOES NOT APPLY TO LICENSE FEES FOR A VIDEO
9 LOTTERY OPERATION LICENSE.

10 (2) THE COMMISSION MAY BY REGULATION ESTABLISH A FEE FOR A
11 LICENSE UNDER THIS SUBTITLE.

12 (3) IF THE COMMISSION ESTABLISHES A FEE FOR A LICENSE, AN
13 APPLICANT SHALL SUBMIT THE FEE WITH THE APPLICATION.

14 (C) (1) AN APPLICANT OR LICENSEE SHALL HAVE THE AFFIRMATIVE
15 RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE
16 PERSON'S QUALIFICATIONS.

17 (2) AN APPLICANT OR LICENSEE SHALL PROVIDE INFORMATION
18 REQUIRED BY THIS SUBTITLE AND SATISFY REQUESTS FOR INFORMATION RELATING
19 TO QUALIFICATIONS IN THE FORM SPECIFIED BY THE COMMISSION.

20 (3) AN APPLICANT OR LICENSEE SHALL CONSENT TO INSPECTIONS,
21 SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR REGULATIONS
22 ISSUED UNDER THIS SUBTITLE.

23 (4) (I) AN APPLICANT OR LICENSEE SHALL HAVE THE CONTINUING
24 DUTY TO:

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

27 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR
28 HEARING CONDUCTED BY THE COMMISSION.

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

33 (5) (I) IF THE APPLICANT IS AN INDIVIDUAL, THE APPLICANT SHALL
34 BE PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND
35 INVESTIGATION PURPOSES.

1 (II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE COMMISSION
 2 BY REGULATION MAY ESTABLISH THE CATEGORIES OF INDIVIDUALS WHO SHALL BE
 3 PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND INVESTIGATION
 4 PURPOSES.

5 (6) (I) AN APPLICANT OR LICENSEE SHALL HAVE A DUTY TO INFORM
 6 THE COMMISSION OF AN ACT OR OMISSION THAT THE PERSON ~~BELIEVES~~ KNOWS OR
 7 SHOULD KNOW CONSTITUTES A VIOLATION OF THIS SUBTITLE OR THE
 8 REGULATIONS ISSUED UNDER THIS SUBTITLE.

9 (II) AN APPLICANT OR LICENSEE MAY NOT DISCRIMINATE AGAINST
 10 A PERSON WHO IN GOOD FAITH INFORMS THE COMMISSION OF AN ACT OR OMISSION
 11 THAT THE PERSON BELIEVES CONSTITUTES A VIOLATION OF THIS SUBTITLE OR THE
 12 REGULATIONS ISSUED UNDER THIS SUBTITLE.

13 (7) AN APPLICANT OR LICENSEE SHALL PRODUCE INFORMATION,
 14 DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING
 15 QUALIFICATION CRITERIA BY CLEAR AND CONVINCING EVIDENCE:

16 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY
 17 OF THE APPLICANT OR LICENSEE;

18 (II) THE INTEGRITY OF ~~THE~~ ANY FINANCIAL BACKERS, INVESTORS,
 19 MORTGAGEES, BONDHOLDERS, AND HOLDERS OF OTHER EVIDENCES OF
 20 INDEBTEDNESS THAT BEAR A RELATION TO THE APPLICATION;

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

23 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE
 24 APPLICANT OR LICENSEE;

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

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

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

36 (E) (1) AFTER RECEIVING THE RESULTS OF THE BACKGROUND
 37 INVESTIGATION AND CONDUCTING ANY HEARING REQUIRED UNDER THIS SUBTITLE,
 38 THE COMMISSION MAY EITHER GRANT A LICENSE TO AN APPLICANT WHOM THE
 39 COMMISSION DETERMINES TO BE QUALIFIED OR DENY THE LICENSE TO AN

1 APPLICANT WHOM THE COMMISSION DETERMINES TO BE NOT QUALIFIED OR
 2 DISQUALIFIED.

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

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

11 9-1A-08.

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

15 ~~(I)~~ (1) THE ORGANIZATION, FINANCIAL STRUCTURE, AND
 16 NATURE OF ALL BUSINESSES OPERATED BY THE BUSINESS ENTITY;

17 ~~(II)~~ (2) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL
 18 HISTORIES OF OFFICERS, DIRECTORS, PARTNERS, AND PRINCIPAL EMPLOYEES OF
 19 THE BUSINESS ENTITY;

20 ~~(III)~~ (3) THE NAMES OF ALL HOLDING, INTERMEDIARY, AND
 21 SUBSIDIARY COMPANIES OR OTHER SIMILAR BUSINESS ENTITIES OF THE BUSINESS
 22 ENTITY;

23 ~~(IV)~~ (4) THE ORGANIZATION, FINANCIAL STRUCTURE, AND
 24 NATURE OF ALL BUSINESSES OPERATED BY THE BUSINESS ENTITY'S HOLDING,
 25 INTERMEDIARY, AND SUBSIDIARY COMPANIES OR OTHER SIMILAR BUSINESS
 26 ENTITIES;

27 ~~(V)~~ (5) THE RIGHTS AND PRIVILEGES ACQUIRED BY THE
 28 HOLDERS OF DIFFERENT CLASSES OF AUTHORIZED SECURITIES, PARTNERSHIP
 29 INTERESTS, OR OTHER SIMILAR OWNERSHIP INTERESTS OF THE BUSINESS ENTITY
 30 AND ITS HOLDING, INTERMEDIARY, AND SUBSIDIARY COMPANIES OR OTHER SIMILAR
 31 BUSINESS ENTITIES;

32 ~~(VI)~~ (6) THE TERMS ON WHICH THE SECURITIES, PARTNERSHIP
 33 INTERESTS, OR OTHER SIMILAR OWNERSHIP INTERESTS HAVE BEEN OR ARE TO BE
 34 OFFERED;

35 ~~(VII)~~ (7) THE TERMS AND CONDITIONS OF ALL OUTSTANDING
 36 LOANS, MORTGAGES, TRUST DEEDS, PLEDGES, OR OTHER INDEBTEDNESS OR
 37 SECURITY DEVICES UTILIZED BY THE BUSINESS ENTITY;

1 ~~(VIII)~~ (8) THE EXTENT OF THE EQUITY SECURITY HOLDING IN THE
2 BUSINESS ENTITY OF THE OFFICERS, DIRECTORS, PARTNERS, AND UNDERWRITERS
3 AND THEIR REMUNERATION IN THE FORM OF SALARY, WAGES, FEES, OR OTHERWISE;

4 ~~(IX)~~ (9) THE NAMES OF PERSONS OTHER THAN DIRECTORS AND
5 OFFICERS WHO OCCUPY POSITIONS SPECIFIED BY THE COMMISSION OR WHOSE
6 COMPENSATION EXCEEDS AN AMOUNT DETERMINED BY THE COMMISSION;

7 ~~(X)~~ (10) THE NAMES OF PERSONS WHO OWN OR CONTROL THE
8 BUSINESS ENTITY;

9 ~~(XI)~~ (11) A DESCRIPTION OF ALL BONUS AND PROFIT-SHARING
10 ARRANGEMENTS;

11 ~~(XII)~~ (12) COPIES OF MANAGEMENT AND SERVICE CONTRACTS;
12 AND

13 ~~(XIII)~~ (13) A LISTING OF STOCK OPTIONS.

14 ~~(9)~~ (B) IF A BUSINESS ENTITY THAT APPLIES FOR A VIDEO LOTTERY
15 OPERATION LICENSE IS A SUBSIDIARY OR IF A BUSINESS ENTITY HOLDING A VIDEO
16 LOTTERY OPERATION LICENSE IS TO BECOME A SUBSIDIARY, EACH HOLDING
17 COMPANY AND EACH INTERMEDIARY COMPANY WITH RESPECT TO THE BUSINESS
18 ENTITY SHALL, AS A CONDITION OF THE SUBSIDIARY ACQUIRING OR RETAINING A
19 VIDEO LOTTERY OPERATION LICENSE SHALL:

20 ~~(+)~~ (1) QUALIFY TO DO BUSINESS IN THE STATE; OR

21 ~~(+)~~ (2) FURNISH THE COMMISSION WITH THE INFORMATION
22 ~~REQUIRED IN PARAGRAPH (8) OF THIS SUBSECTION UNDER SUBSECTION (A) OF THIS~~
23 ~~SECTION~~ AND OTHER INFORMATION THAT THE COMMISSION MAY REQUIRE.

24 ~~(+)~~ (C) AN INDIVIDUAL APPLYING FOR A VIDEO LOTTERY OPERATION
25 LICENSE SHALL PROVIDE TO THE EXTENT APPLICABLE TO AN INDIVIDUAL THE
26 INFORMATION REQUIRED UNDER ~~PARAGRAPH (8) OF THIS SUBSECTION~~ SUBSECTION
27 (A) OF THIS SECTION IN THE FORM REQUIRED BY THE COMMISSION.

28 ~~(+)~~ (D) THE COMMISSION SHALL DENY A VIDEO LOTTERY OPERATION
29 LICENSE TO AN APPLICANT WHO IS DISQUALIFIED ON THE BASIS OF ANY OF THE
30 FOLLOWING CRITERIA:

31 ~~(+)~~ (1) FAILURE OF THE APPLICANT TO PROVE BY CLEAR AND
32 CONVINCING EVIDENCE THAT THE APPLICANT AND EACH PERSON WHO OWNS OR
33 CONTROLS THE APPLICANT ARE QUALIFIED UNDER THE PROVISIONS OF THIS
34 SUBTITLE;

35 ~~(+)~~ (2) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED
36 TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO
37 PROVIDE INFORMATION, DOCUMENTATION, AND ASSURANCES REQUIRED BY THIS
38 SUBTITLE OR REQUESTED BY THE COMMISSION;

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

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

8 ~~(V)~~ (5) THE CONVICTION OF THE APPLICANT OR OF ANY PERSON
9 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
10 OF AN OFFENSE UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION
11 WITHIN THE UNITED STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL
12 TURPITUDE OR A GAMBLING OFFENSE;

13 ~~(VI)~~ (6) CURRENT PROSECUTION OF THE APPLICANT OR A
14 PERSON WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A
15 CONDITION OF A LICENSE FOR AN OFFENSE DESCRIBED UNDER ITEM ~~(V)~~ (5) OF THIS
16 PARAGRAPH; HOWEVER, AT THE REQUEST OF THE APPLICANT, THE COMMISSION
17 MAY DEFER DECISION ON THE APPLICATION DURING THE PENDENCY OF THE
18 CHARGE;

19 ~~(VII)~~ (7) THE PURSUIT BY THE APPLICANT OR A PERSON WHO IS
20 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
21 OF ECONOMIC GAIN IN AN OCCUPATIONAL MANNER OR CONTEXT THAT IS IN
22 VIOLATION OF THE LAWS OF THE STATE, IF THE PURSUIT CREATES A REASONABLE
23 BELIEF THAT PARTICIPATION OF THE APPLICANT IN VIDEO LOTTERY OPERATIONS
24 WOULD BE INIMICAL TO THE POLICIES OF THIS SUBTITLE;

25 ~~(VIII)~~ (8) THE IDENTIFICATION OF THE APPLICANT OR A PERSON
26 WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
27 LICENSE AS A CAREER OFFENDER OR A MEMBER OF A CAREER OFFENDER CARTEL
28 OR AN ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER CARTEL IN A
29 MANNER THAT CREATES A REASONABLE BELIEF THAT THE ASSOCIATION IS OF A
30 NATURE AS TO BE INIMICAL TO THE POLICIES OF THIS SUBTITLE;

31 ~~(IX)~~ (9) THE COMMITTING OF AN ACT BY THE APPLICANT OR A
32 PERSON WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A
33 CONDITION OF A LICENSE THAT WOULD CONSTITUTE AN OFFENSE DESCRIBED
34 UNDER ITEM ~~(V)~~ (5) OF THIS PARAGRAPH, EVEN IF THE ACT HAS NOT OR MAY NOT BE
35 PROSECUTED UNDER THE CRIMINAL LAWS OF THE STATE;

36 ~~(X)~~ (10) CONTUMACIOUS DEFIANCE BY THE APPLICANT OR A
37 PERSON WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A
38 CONDITION OF A LICENSE OF A LEGISLATIVE INVESTIGATORY BODY OR OTHER
39 OFFICIAL INVESTIGATORY BODY OF THE UNITED STATES OR A JURISDICTION
40 WITHIN THE UNITED STATES WHEN THE BODY IS ENGAGED IN THE INVESTIGATION
41 OF CRIMES RELATING TO GAMBLING, OFFICIAL CORRUPTION, OR ORGANIZED CRIME
42 ACTIVITY; AND

1 ~~(X1)~~ (11) ANY OTHER REASON ESTABLISHED IN REGULATIONS OF
2 THE COMMISSION AS A REASON FOR DENYING A LICENSE.

3 (E) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE, OTHER THAN
4 A HORSE RACE COURSE IN ALLEGANY COUNTY, SHALL MEET THE FOLLOWING
5 REQUIREMENTS BY CLEAR AND CONVINCING EVIDENCE:

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

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

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

16 (F) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE THAT IS A
17 HORSE RACE COURSE IN ALLEGANY COUNTY SHALL MEET THE FOLLOWING
18 REQUIREMENTS BY CLEAR AND CONVINCING EVIDENCE:

19 (1) THE CONSTRUCTION PROJECT AT THE TRACK LOCATION FOR THE
20 APPLICANT'S VIDEO LOTTERY FACILITY SHALL COST AT LEAST \$43,000,000 IN DIRECT
21 INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS; AND

22 (2) (I) THE APPLICANT SHALL PROVIDE THE EQUIVALENT OF AT
23 LEAST 150 ADDITIONAL FULL-TIME POSITIONS AT THE LOCATION OF THE VIDEO
24 LOTTERY FACILITY; AND

25 (II) THE POSITIONS CREATED UNDER THIS ITEM SHALL COMPLY
26 WITH ANY LOCAL LAWS, ORDINANCES, OR REGULATIONS REGARDING PAYMENT OF A
27 LIVING WAGE OR OTHER REQUIREMENTS RELATING TO EMPLOYMENT IN ALLEGANY
28 COUNTY.

29 9-1A-09.

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

32 (1) 220 DAYS FOR THE COMBINED LICENSEES AT LAUREL PARK AND
33 PIMLICO RACE COURSE;

34 (2) 180 DAYS FOR A LICENSEE AT ROSECROFT RACEWAY; AND

35 (3) 21 DAYS FOR A LICENSEE AT A HORSE RACE COURSE IN ALLEGANY
36 COUNTY.

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

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

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

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

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

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

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

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

29 (2) EACH PLAN SHALL INCLUDE:

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

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

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

1 2. AN ONGOING INVESTMENT IN CAPITAL MAINTENANCE
 2 AND IMPROVEMENTS IN THE HORSE RACING FACILITIES THAT ARE NOT IN
 3 ALLEGANY COUNTY OF AT LEAST \$4 MILLION ANNUALLY; AND

4 3. AN ONGOING INVESTMENT IN CAPITAL MAINTENANCE
 5 AND IMPROVEMENTS IN THE HORSE RACING FACILITIES IN ALLEGANY COUNTY OF
 6 AT LEAST \$1.15 MILLION ANNUALLY.

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

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

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

19 9-1A-10.

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

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

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

26 (3) WITH THE EXCEPTION OF § 14-301 (1)(3) OF THE STATE FINANCE AND
 27 PROCUREMENT ARTICLE, THE REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE
 28 STATE FINANCE AND PROCUREMENT ARTICLE FOR CERTIFICATION AS A MINORITY
 29 BUSINESS ENTERPRISE.

30 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2)(3) OF THIS SUBSECTION,
 31 ON OR BEFORE AUGUST 31, 2003 AN APPLICANT FOR A VIDEO LOTTERY OPERATION
 32 LICENSE, OTHER THAN A HORSE RACE COURSE IN ALLEGANY COUNTY, SHALL OFFER
 33 FOR SALE TO QUALIFIED INVESTORS AT LEAST 15% OF THE EQUITY OWNERSHIP,
 34 EITHER DIRECT OR INDIRECT, OF THE ENTITY OR ENTITIES THAT HOLD OR WILL
 35 HOLD THE APPLICANT'S:

36 (I) MILE THOROUGHBRED OR HARNESS RACING LICENSE; AND

37 (II) VIDEO LOTTERY OPERATION LICENSE.

1 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, ON
2 OR BEFORE AUGUST 31, 2005 AN APPLICANT FOR A VIDEO LOTTERY OPERATION
3 LICENSE THAT IS A HORSE RACE COURSE IN ALLEGANY COUNTY SHALL OFFER FOR
4 SALE TO QUALIFIED INVESTORS AT LEAST 15% OF THE EQUITY OWNERSHIP, EITHER
5 DIRECT OR INDIRECT, OF THE ENTITY OR ENTITIES THAT HOLD OR WILL HOLD THE
6 APPLICANT'S:

7 (I) MILE THOROUGHBRED OR HARNESS RACING LICENSE; AND

8 (II) VIDEO LOTTERY OPERATION LICENSE.

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

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

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

19 (2) SCREEN AND SELECT THE POTENTIAL INVESTORS; AND

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

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

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

34 1. FAIR MARKET VALUE; OR

35 2. AS ADJUSTED ON A PRO RATA BASIS, THE VALUE

36 PAID BY THE PRIMARY EQUITY HOLDER FOR ITS OWNERSHIP INTEREST AS
37 EVIDENCED BY AMOUNT OF THE EQUITY INVESTMENT MADE OR TO BE MADE BY THE
38 PRIMARY EQUITY HOLDER.

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

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

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

11 (F) (1) FOR THE CONSTRUCTION OF FACILITIES AND PROCUREMENT
12 RELATED TO THE OPERATION OF VIDEO LOTTERY TERMINALS, THE APPLICANT OR
13 LICENSEE SHALL AT A MINIMUM MEET THE SAME REQUIREMENTS OF A
14 DESIGNATED UNIT FOR MINORITY BUSINESS PARTICIPATION AS DESCRIBED UNDER
15 TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

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

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

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

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

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

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

37 (4) IF THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS REPORTS THAT A
38 LICENSEE IS NOT IN COMPLIANCE WITH THIS SECTION, THE COMMISSION SHALL
39 TAKE IMMEDIATE ACTION TO ENSURE THE COMPLIANCE OF THE LICENSEE.

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

4 9-1A-11.

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

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

12 (B) (1) ON OR BEFORE OCTOBER 1, 2005, AN APPLICANT FOR A VIDEO
13 LOTTERY OPERATION LICENSE THAT IS A HORSE RACE COURSE IN ALLEGANY
14 COUNTY SHALL SUBMIT TO THE COMMISSION AN APPLICATION AS PROVIDED IN THIS
15 SUBTITLE AND A ~~\$5,000,000~~ \$1,500,000 APPLICATION FEE.

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

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

22 9-1A-12.

23 IF A VIDEO LOTTERY OPERATION LICENSEE CONTRACTS WITH ANOTHER
24 PERSON OTHER THAN AN EMPLOYEE OF THE VIDEO LOTTERY OPERATION LICENSEE
25 TO PROVIDE ANY OF THE SERVICES RELATED TO OPERATING A VIDEO LOTTERY
26 FACILITY, EACH PERSON AND EACH OTHER PERSON WHO OWNS OR CONTROLS THE
27 PERSON OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER PRINCIPAL
28 EMPLOYEES OF THE PERSON SHALL QUALIFY UNDER THE STANDARDS AND
29 PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO
30 LOTTERY OPERATION LICENSEES.

31 9-1A-13.

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

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

1 (C) AT THE END OF THE INITIAL 15-YEAR LICENSE TERM, A VIDEO LOTTERY
2 OPERATION LICENSEE MAY REAPPLY FOR A LICENSE THAT HAS A LICENSE TERM OF
3 10 YEARS AND LICENSE FEE TO BE ESTABLISHED BY STATUTE.

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

6 ~~(D) (1) ON THE FILING OF AN APPLICATION FOR ANY LICENSE REQUIRED~~
7 ~~UNDER THIS SUBTITLE AND ANY SUPPLEMENTAL INFORMATION REQUIRED BY THE~~
8 ~~COMMISSION, THE COMMISSION SHALL REFER THE APPLICATION TO THE~~
9 ~~DEPARTMENT OF STATE POLICE TO CONDUCT A BACKGROUND INVESTIGATION~~
10 ~~UNDER § 9.3 413 OF THIS SUBTITLE ON THE QUALIFICATIONS OF THE APPLICANT~~
11 ~~AND ANY PERSON WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A~~
12 ~~CONDITION OF A LICENSE.~~

13 (2) ~~AFTER RECEIVING THE RESULTS OF THE BACKGROUND~~
14 ~~INVESTIGATION, THE COMMISSION MAY EITHER GRANT A LICENSE TO AN~~
15 ~~APPLICANT WHOM THE COMMISSION DETERMINES TO BE QUALIFIED OR DENY THE~~
16 ~~APPLICATION TO AN APPLICANT WHOM THE COMMISSION DETERMINES TO BE NOT~~
17 ~~QUALIFIED OR DISQUALIFIED.~~

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

21 (4) ~~EXCEPT AS PROVIDED IN § 9.3 406 OF THIS SUBTITLE, IF SATISFIED~~
22 ~~THAT AN APPLICANT IS QUALIFIED TO RECEIVE A LICENSE, AND ON TENDER OF ALL~~
23 ~~REQUIRED APPLICATION, LICENSE, AND OTHER FEES AND TAXES, AND THE BOND~~
24 ~~REQUIRED UNDER § 9.3 403 OF THIS SUBTITLE, THE COMMISSION SHALL ISSUE A~~
25 ~~LICENSE FOR A TERM OF 1 YEAR.~~

26 (5) ~~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 (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.~~

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

1 (4) MAY LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR
2 WAIVER AS THE COMMISSION DEEMS NECESSARY IN THE PUBLIC INTEREST; AND

3 (II) SHALL REQUIRE THE PERSON WHO IS GRANTED THE
4 EXEMPTION OR WAIVER TO COOPERATE WITH THE COMMISSION AND, ON REQUEST,
5 TO PROVIDE INFORMATION IN THE SAME MANNER AS REQUIRED OF OTHER
6 LICENSEES UNDER THIS SUBTITLE.

7 9-1A-14.

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

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

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

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

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

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

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

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

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

37 (7) COMMISSION OF AN ACT BY THE APPLICANT THAT WOULD
38 CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (3) OF THIS SUBSECTION, EVEN

1 IF THE ACT HAS NOT OR MAY NOT BE PROSECUTED UNDER THE CRIMINAL LAWS OF
2 THE STATE;

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

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

11 9-1A-15.

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

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

23 (C) EXCEPT AS PROVIDED IN § 9-1A-16(A) OF THIS SUBTITLE, THE
24 COMMISSION MAY NOT GRANT AN EXEMPTION OR WAIVER OF ANY LICENSING
25 REQUIREMENT TO AN APPLICANT FOR OR HOLDER OF A MANUFACTURER LICENSE.

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

30 9-1A-16.

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

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

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

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

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

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

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

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

22 9-1A-17.

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

26 (1) PROPER APPLICATION FOR RENEWAL; AND

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

29 ~~9-3-411.~~ 9-1A-18.

30 (A) BECAUSE THE PUBLIC HAS A VITAL INTEREST IN VIDEO LOTTERY
31 OPERATIONS AND HAS ESTABLISHED A LIMITED EXCEPTION TO THE POLICY OF THE
32 STATE CONCERNING GAMBLING FOR PRIVATE GAIN, PARTICIPATION IN VIDEO
33 LOTTERY OPERATIONS BY A LICENSEE UNDER THIS SUBTITLE SHALL BE DEEMED A
34 REVOCABLE PRIVILEGE CONDITIONED ON THE PROPER AND CONTINUED
35 QUALIFICATION OF THE LICENSEE AND ON THE DISCHARGE OF THE AFFIRMATIVE
36 RESPONSIBILITY OF EACH LICENSEE TO PROVIDE TO THE REGULATORY AND
37 INVESTIGATORY AUTHORITIES UNDER THIS SUBTITLE OR ANY OTHER PROVISION OF
38 LAW, ANY ASSISTANCE AND INFORMATION NECESSARY TO ASSURE THAT THE
39 POLICIES DECLARED BY THIS SUBTITLE ARE ACHIEVED.

1 (B) CONSISTENT WITH THE POLICY DESCRIBED IN SUBSECTION (A) OF THIS
2 SECTION, IT IS THE INTENT OF THIS SECTION TO:

3 (1) PRECLUDE:

4 (I) THE CREATION OF ANY PROPERTY RIGHT IN ANY LICENSE
5 REQUIRED UNDER THIS SUBTITLE;

6 (II) THE ACCRUAL OF ANY VALUE TO THE PRIVILEGE OF
7 PARTICIPATION IN VIDEO LOTTERY OPERATIONS; AND

8 (III) THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS
9 SUBTITLE; AND

10 (2) REQUIRE THAT PARTICIPATION IN VIDEO LOTTERY OPERATIONS BE
11 CONDITIONED SOLELY ON THE CONTINUING INDIVIDUAL QUALIFICATIONS OF THE
12 PERSON WHO SEEKS THE PRIVILEGE.

13 ~~9.3-412~~; 9-1A-19.

14 (A) A LICENSE ISSUED UNDER THIS SUBTITLE MAY NOT BE:

15 (1) TRANSFERRED OR ASSIGNED TO ANOTHER PERSON; OR

16 (2) PLEDGED AS COLLATERAL.

17 (B) (1) A LICENSEE MAY NOT SELL OR OTHERWISE TRANSFER MORE THAN
18 ~~20%~~ 5% OF THE LEGAL OR BENEFICIAL INTERESTS OF THE PERSON UNLESS THE
19 PERSON:

20 (I) NOTIFIES THE COMMISSION OF THE PROPOSED SALE OR
21 TRANSFER; AND

22 (II) THE COMMISSION DETERMINES THAT THE PROPOSED BUYER
23 OR TRANSFEREE MEETS THE REQUIREMENTS OF THIS SUBTITLE.

24 (2) UNLESS THE COMMISSION NEEDS A LONGER TIME TO DETERMINE
25 WHETHER THE PROPOSED BUYER OR TRANSFEREE MEETS THE REQUIREMENTS OF
26 THIS SUBTITLE, IF THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION ARE
27 NOT SATISFIED, A LICENSE ISSUED UNDER THIS SUBTITLE IS AUTOMATICALLY
28 REVOKED 90 DAYS AFTER THE SALE OR TRANSFER.

29 ~~9.3-413~~; 9-1A-20.

30 (A) THE DEPARTMENT OF STATE POLICE SHALL:

31 (1) CONDUCT A BACKGROUND INVESTIGATION OF EACH APPLICANT IN
32 A TIMELY MANNER; AND

33 (2) COOPERATE WITH THE COMMISSION IN OBTAINING AND PROVIDING
34 THE NECESSARY BACKGROUND INVESTIGATION INFORMATION.

1 (B) (1) AN APPLICANT SHALL PROVIDE THE DEPARTMENT OF STATE POLICE
2 WITH ALL INFORMATION THE DEPARTMENT REQUIRES IN ORDER TO CONDUCT A
3 BACKGROUND INVESTIGATION.

4 (2) FAILURE TO PROVIDE TIMELY OR ACCURATE INFORMATION IS
5 GROUNDS FOR THE COMMISSION TO DENY AN APPLICATION.

6 (C) (1) THE DEPARTMENT OF STATE POLICE SHALL APPLY TO THE CENTRAL
7 REPOSITORY FOR A STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK FOR
8 EACH APPLICANT.

9 (2) AS PART OF THE APPLICATION FOR A CRIMINAL HISTORY RECORDS
10 CHECK, THE DEPARTMENT OF STATE POLICE SHALL SUBMIT TO THE CENTRAL
11 REPOSITORY:

12 (I) TWO COMPLETE SETS OF THE APPLICANT'S LEGIBLE
13 FINGERPRINTS TAKEN ON FORMS APPROVED BY THE DIRECTOR OF THE CENTRAL
14 REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION;

15 (II) THE FEE AUTHORIZED UNDER § 10-221(B)(7) OF THE CRIMINAL
16 PROCEDURE ARTICLE FOR ACCESS TO MARYLAND CRIMINAL HISTORY RECORDS; AND

17 (III) THE MANDATORY PROCESSING FEE REQUIRED BY THE
18 FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY
19 RECORDS CHECK.

20 (3) IN ACCORDANCE WITH §§ 10-201 THROUGH 10-234 OF THE CRIMINAL
21 PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD TO THE
22 APPLICANT AND THE DEPARTMENT OF STATE POLICE A PRINTED STATEMENT OF
23 THE APPLICANT'S CRIMINAL HISTORY RECORD INFORMATION.

24 (4) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER
25 THIS SECTION MAY CONTEST THE CONTENTS OF THE PRINTED STATEMENT ISSUED
26 BY THE CENTRAL REPOSITORY AS PROVIDED IN § 10-223 OF THE CRIMINAL
27 PROCEDURE ARTICLE.

28 (D) AFTER COMPLETION OF THE BACKGROUND INVESTIGATION OF AN
29 APPLICANT, THE DEPARTMENT OF STATE POLICE SHALL PROMPTLY FORWARD THE
30 RESULTS OF THE INVESTIGATION TO THE COMMISSION.

31 ~~9-3-414.~~ 9-1A-21.

32 (A) EACH VIDEO LOTTERY TERMINAL DEVICE, ASSOCIATED EQUIPMENT, AND
33 THE CENTRAL COMPUTER SHALL BE:

34 (1) OWNED OR LEASED BY THE COMMISSION; AND

35 (2) UNDER THE CONTROL OF THE COMMISSION.

1 ~~(B)~~ (1) ~~EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A~~
 2 ~~VIDEO LOTTERY OPERATION LICENSEE MAY NOT OPERATE MORE THAN 3,000 VIDEO~~
 3 ~~LOTTERY TERMINALS.~~

4 ~~(2)~~ ~~THE VIDEO LOTTERY OPERATION LOCATED AT THE HORSE~~
 5 ~~RACETRACK IN ALLEGANY COUNTY MAY NOT OPERATE MORE THAN 1,500 VIDEO~~
 6 ~~LOTTERY TERMINALS.~~

7 ~~(C)~~ (B) (1) SUBJECT TO THE COMMISSION'S ABILITY TO CANCEL OR ALTER
 8 THE CONTRACT IN THE EVENT ONE OR MORE ELIGIBLE APPLICANTS FOR A VIDEO
 9 LOTTERY FACILITY FAILS TO OBTAIN A LICENSE, THE COMMISSION SHALL
 10 CONTRACT WITH ONE OR MORE LICENSED MANUFACTURERS FOR THE LEASE OR
 11 PURCHASE OF THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND
 12 CENTRAL COMPUTER AUTHORIZED UNDER THIS SUBTITLE.

13 (2) (I) PROVIDED THE VIDEO LOTTERY TERMINALS MEET
 14 COMMISSION SPECIFICATIONS, A VIDEO LOTTERY OPERATION LICENSEE MAY
 15 SELECT FROM A MANUFACTURER LICENSED UNDER THIS SUBTITLE THE TYPES OF
 16 VIDEO LOTTERY TERMINALS THAT THE LICENSEE DESIRES TO INSTALL ON THE
 17 FACILITY.

18 (II) UNLESS THE REQUEST OF THE VIDEO LOTTERY OPERATION
 19 LICENSEE IS UNREASONABLE, THE COMMISSION SHALL PURCHASE OR LEASE THE
 20 VIDEO LOTTERY TERMINALS SELECTED BY THE LICENSEE.

21 9-1A-22.

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

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

30 ~~(D)~~ (1) ~~IF THE VIDEO LOTTERY OPERATOR LICENSEE CONTRACTS WITH~~
 31 ~~ANOTHER PERSON OTHER THAN AN EMPLOYEE OF THE VIDEO LOTTERY OPERATOR~~
 32 ~~TO PROVIDE ANY OF THE SERVICES RELATED TO OPERATING A VIDEO LOTTERY~~
 33 ~~FACILITY, EACH PERSON AND EACH OTHER PERSON WHO OWNS OR CONTROLS THE~~
 34 ~~PERSON, MANAGEMENT AND SUPERVISORY PERSONNEL, AND OTHER PRINCIPAL~~
 35 ~~EMPLOYEES SHALL QUALIFY UNDER THE STANDARDS AND PROVISIONS SET FORTH~~
 36 ~~IN § 9.3 410 OF THIS SUBTITLE FOR LICENSEES.~~

37 (2) ~~EXCEPT AS AUTHORIZED IN THIS SUBTITLE, THE COMMISSION MAY~~
 38 ~~NOT GRANT AN EXEMPTION OR WAIVER OF ANY LICENSING REQUIREMENT TO AN~~
 39 ~~APPLICANT FOR OR HOLDER OF A VIDEO LOTTERY OPERATOR LICENSE.~~

1 ~~(E)~~ TO THE EXTENT THAT ANY SERVICES, MATERIALS, OR LABOR NECESSARY
2 FOR THE OPERATION OF VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, OR
3 CENTRAL COMPUTER ARE NOT INCLUDED IN A CONTRACT WITH A VIDEO LOTTERY
4 OPERATION LICENSEE OR LICENSED MANUFACTURER, THE COMMISSION SHALL
5 CONTRACT WITH A PERSON QUALIFIED UNDER THIS SUBTITLE TO PROVIDE THE
6 SERVICES, MATERIALS, OR LABOR.

7 9-1A-23.

8 ~~(F)~~ (A) (1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS
9 SUBSECTION, A VIDEO LOTTERY TERMINAL SHALL HAVE AN AVERAGE ANNUAL
10 PAYOUT PERCENTAGE OF 87%.

11 (2) THE COMMISSION MAY BY REGULATION ESTABLISH AN AVERAGE
12 ANNUAL PAYOUT PERCENTAGE OF MORE THAN 87% BUT NOT MORE THAN 95% FOR
13 VIDEO LOTTERY TERMINALS.

14 (3) THE COMMISSION MAY APPROVE AN AVERAGE ANNUAL PAYOUT
15 PERCENTAGE OF MORE THAN 95% FOR THE VIDEO LOTTERY TERMINALS AT A VIDEO
16 LOTTERY FACILITY.

17 ~~(G)~~ (B) A VIDEO LOTTERY FACILITY MAY OPERATE DAILY FROM 8 A.M. TO 2
18 A.M.

19 ~~(H)~~ (C) A VIDEO LOTTERY OPERATOR LICENSEE SHALL BE RESPONSIBLE
20 FOR ALL MARKETING, ADVERTISING, AND PROMOTION FOR ITS VIDEO LOTTERY
21 OPERATION.

22 9-1A-24.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 (II) THE REGULATIONS UNDER THIS PARAGRAPH SHALL PROVIDE A
38 SIMPLE MECHANISM FOR AN INDIVIDUAL WHO IS SOBER AND INFORMED TO

1 REQUEST PLACEMENT ON THE VOLUNTARY EXCLUSION LIST FOR A SPECIFIED
2 PERIOD OF TIME.

3 (III) A VIDEO LOTTERY OPERATION LICENSEE MAY NOT PERMIT AN
4 INDIVIDUAL ON THE VOLUNTARY EXCLUSION LIST TO ENTER INTO THE VIDEO
5 LOTTERY FACILITY OR TO PLAY A VIDEO LOTTERY TERMINAL.

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

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

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

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

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

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

20 (V) PROHIBIT THE USE OF SPECIFIED NEGOTIABLE INSTRUMENTS
21 AT VIDEO LOTTERY FACILITIES AND THE USE OF CREDIT CARDS, DEBIT CARDS, AND
22 SIMILAR DEVICES IN VIDEO LOTTERY TERMINALS;

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

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

29 9.3-415.

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

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

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

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

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

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

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

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

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

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

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

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

35 9.3-416.

36 (A) UNLESS A MANUFACTURER HOLDS A VALID MANUFACTURER LICENSE
37 ISSUED BY THE COMMISSION BEFORE CONDUCTING BUSINESS WITH A LICENSEE OR
38 THE STATE, THE MANUFACTURER MAY NOT OFFER ANY VIDEO LOTTERY TERMINAL,
39 ASSOCIATED EQUIPMENT, CENTRAL COMPUTER, OR GOODS OR SERVICES THAT

~~1 DIRECTLY RELATE TO THE OPERATION OF VIDEO LOTTERY TERMINALS UNDER THIS
2 SUBTITLE.~~

~~3 (B) EACH MANUFACTURER, AND EACH PERSON WHO OWNS OR CONTROLS
4 THE MANUFACTURER, MANAGEMENT AND SUPERVISORY PERSONNEL, AND OTHER
5 PRINCIPAL EMPLOYEES SHALL QUALIFY UNDER THE STANDARDS AND PROVISIONS
6 SET FORTH IN § 9.3 410 OF THIS SUBTITLE FOR LICENSEES.~~

~~7 (C) EXCEPT AS PROVIDED IN § 9.3 417 OF THIS SUBTITLE, THE COMMISSION
8 MAY NOT GRANT AN EXEMPTION OR WAIVER OF ANY LICENSING REQUIREMENT TO
9 AN APPLICANT FOR OR HOLDER OF A MANUFACTURER LICENSE.~~

~~10 (D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS, ASSOCIATED
11 EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR DISTRIBUTE THE
12 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER
13 THAT MEET SPECIFICATIONS AND PROCEDURES ESTABLISHED BY THE COMMISSION.~~

~~14 9.3 417.~~

~~15 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, FOR ALL
16 LICENSES REQUIRED UNDER THIS SUBTITLE, IF AN APPLICANT OR LICENSEE IS
17 LICENSED IN ANOTHER STATE AND THE COMMISSION DETERMINES THAT THE
18 LICENSING STANDARDS OF THE OTHER STATE ARE COMPREHENSIVE, THOROUGH,
19 AND PROVIDE SIMILAR ADEQUATE SAFEGUARDS TO THOSE PROVIDED IN THIS
20 SUBTITLE, THE COMMISSION MAY:~~

~~21 (1) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS SUBTITLE;
22 AND~~

~~23 (2) ISSUE A LICENSE TO A PERSON HAVING A SIMILAR LICENSE IN
24 ANOTHER STATE.~~

~~25 (B) THE COMMISSION MAY NOT WAIVE ANY OF THE REQUIREMENTS OF THIS
26 SUBTITLE FOR ISSUANCE OF A VIDEO LOTTERY OPERATION LICENSE.~~

~~27 9.3 418: 9-1A-25.~~

~~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; OR~~

~~32 (3) A CONDITION THAT THE COMMISSION SETS.~~

~~33 (B) (1) FOR EACH VIOLATION SPECIFIED IN SUBSECTION (A) OF THIS
34 SECTION, THE COMMISSION MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000.~~

~~35 (2) EACH DAY THAT A PERSON IS IN VIOLATION UNDER THIS SECTION
36 SHALL BE CONSIDERED A SEPARATE VIOLATION.~~

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

3 (I) THE SERIOUSNESS OF THE VIOLATION;

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

5 (III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON
6 WHO COMMITTED THE VIOLATION.

7 (C) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SUBTITLE,
8 NOTHING CONTAINED IN THIS SUBTITLE ABROGATES OR LIMITS THE CRIMINAL
9 LAWS OF THE STATE OR LIMITS THE AUTHORITY OF THE GENERAL ASSEMBLY TO
10 ENACT STATUTES ESTABLISHING CRIMINAL OFFENSES AND PENALTIES RELATING
11 TO VIDEO LOTTERY OPERATIONS.

12 ~~9.3-419. 9-1A-26.~~

13 (A) ALL PROCEEDS FROM THE OPERATION OF A VIDEO LOTTERY SHALL BE
14 ELECTRONICALLY TRANSFERRED DAILY INTO THE STATE LOTTERY FUND
15 ESTABLISHED UNDER SUBTITLE 3 OF THIS TITLE AND DISTRIBUTED AS PROVIDED IN
16 THIS SECTION.

17 (B) (1) THE COMMISSION SHALL ACCOUNT TO THE COMPTROLLER FOR ALL
18 OF THE REVENUE UNDER THIS SUBTITLE.

19 (2) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE UNDER
20 THE CONTROL OF THE COMPTROLLER AND SHALL BE DISTRIBUTED AS PROVIDED IN
21 THIS SECTION.

22 ~~(C) THE COMPTROLLER SHALL FIRST DEDUCT AND PAY TO THE STATE
23 GENERAL FUND THE ACTUAL COSTS INCURRED BY THE COMMISSION, INCLUDING
24 COSTS:~~

25 ~~(1) TO PURCHASE OR LEASE THE VIDEO LOTTERY TERMINALS,
26 ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER; AND~~

27 ~~(2) TO REPAIR, MAINTAIN, AND SERVICE THE VIDEO LOTTERY
28 TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER TO THE EXTENT
29 THESE COSTS ARE NOT INCLUDED IN THE PURCHASE OR LEASE AGREEMENTS FOR
30 THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL
31 COMPUTER, OR THE CONTRACT WITH A VIDEO LOTTERY OPERATION LICENSEE.~~

32 ~~(D) FROM THE PROCEEDS REMAINING AFTER THE DEDUCTION IN
33 SUBSECTION (C) OF THIS SECTION, THE COMPTROLLER SHALL PAY:~~

34 ~~(1) EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, 24.8% TO
35 VIDEO LOTTERY OPERATION LICENSEES;~~

1 (2) (I) ~~FROM THE PROCEEDS FROM THE LAUREL RACE COURSE AND~~
2 ~~PIMLICO RACE COURSE, 1.4% TO THE MARYLAND-BRED RACE FUND ESTABLISHED~~
3 ~~UNDER TITLE 9.5, SUBTITLE 5 OF THIS ARTICLE;~~

4 (H) ~~FROM THE PROCEEDS FROM THE ROSECROFT RACEWAY, 1.4%~~
5 ~~TO THE MARYLAND STANDARDBRED RACE FUND ESTABLISHED UNDER TITLE 9.5,~~
6 ~~SUBTITLE 6, PART III OF THIS ARTICLE; AND~~

7 (HH) ~~FROM THE PROCEEDS FROM THE HORSE RACETRACK IN~~
8 ~~ALLEGANY COUNTY, 1.4% TO THE MARYLAND-BRED RACE FUND ESTABLISHED~~
9 ~~UNDER TITLE 9.5, SUBTITLE 5 OF THIS ARTICLE AND THE MARYLAND~~
10 ~~STANDARDBRED RACE FUND ESTABLISHED UNDER TITLE 9.5, SUBTITLE 6, PART III~~
11 ~~OF THIS ARTICLE, TO BE DIVIDED IN PROPORTION TO THE NUMBER OF RACE DAYS~~
12 ~~HELD FOR THOROUGHBRED AND STANDARDBRED RACING AT THE TRACK;~~

13 (3) ~~EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, 5.8% TO~~
14 ~~THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9.3-420 OF THIS~~
15 ~~SUBTITLE;~~

16 (4) ~~0.3% TO THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT~~
17 ~~THE OCEAN DOWNS RACE TRACK IN WORCESTER COUNTY, PROVIDED THE PERSON~~
18 ~~CONTINUES TO HOLD A RACE MEETING FOR AT LEAST THE NUMBER OF DAYS~~
19 ~~AUTHORIZED IN CALENDAR 2002. IF THE PERSON DOES NOT HOLD A RACE MEETING~~
20 ~~FOR AT LEAST THE NUMBER OF DAYS AUTHORIZED IN CALENDAR 2002, THE~~
21 ~~PERSON'S SHARE UNDER THIS ITEM SHALL BE REDUCED PROPORTIONATELY TO THE~~
22 ~~NUMBER OF DAYS OF THE RACE MEETING IN A YEAR COMPARED TO THE NUMBER OF~~
23 ~~DAYS OF THE RACE MEETING IN CALENDAR 2002, WITH THE EXCESS AMOUNT GOING~~
24 ~~TO THE STATE GENERAL FUND;~~

25 (5) ~~0.8% TO THE MARYLAND STATE FAIR AND AGRICULTURAL SOCIETY,~~
26 ~~INC.; AND~~

27 (6) ~~\$500,000 ANNUALLY TO THE DEPARTMENT OF HEALTH AND MENTAL~~
28 ~~HYGIENE TO BE USED TO PROVIDE COUNSELING AND OTHER SUPPORT SERVICES~~
29 ~~FOR COMPULSIVE GAMBLERS. THE MONEY ALLOCATED UNDER THIS ITEM SHALL BE~~
30 ~~USED TO SUPPLEMENT AND NOT SUBSTITUTE FOR ANY OTHER MONEY IN THE STATE~~
31 ~~BUDGET FOR ASSISTANCE TO COMPULSIVE GAMBLERS.~~

32 (E) ~~IN ORDER TO COMPENSATE THE COUNTIES AND LOCALITIES IN OR NEAR~~
33 ~~WHERE A VIDEO LOTTERY FACILITY IS LOCATED FOR INFRASTRUCTURE, FACILITIES,~~
34 ~~SERVICES, AND OTHER IMPROVEMENTS, THE COMPTROLLER SHALL PAY:~~

35 (1) ~~FROM THE VIDEO LOTTERY FACILITY AT THE LAUREL RACE COURSE,~~
36 ~~2.2% OF THE PROCEEDS TO ANNE ARUNDEL COUNTY, 0.5% TO HOWARD COUNTY, AND~~
37 ~~0.3% TO THE CITY OF LAUREL;~~

38 (2) ~~FROM THE VIDEO LOTTERY FACILITY AT THE PIMLICO RACE~~
39 ~~COURSE, 3% OF THE PROCEEDS TO BALTIMORE CITY;~~

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

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

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

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

19 ~~9-3-420; 9-1A-27.~~

20 (A) THERE IS A PURSE DEDICATION ACCOUNT UNDER THE AUTHORITY OF
21 THE STATE RACING COMMISSION.

22 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER §
23 ~~9-3-419~~ 9-1A-26 OF THIS SUBTITLE.

24 (2) MONEY IN THE ACCOUNT SHALL BE INVESTED AND REINVESTED BY
25 THE TREASURER AND INTEREST AND EARNINGS SHALL ACCRUE TO THE ACCOUNT.

26 (3) THE COMPTROLLER SHALL:

27 (I) ACCOUNT FOR THE FUND; AND

28 (II) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
29 STATE RACING COMMISSION, ISSUE A WARRANT TO PAY OUT MONEY FROM THE
30 FUND IN THE MANNER PROVIDED UNDER THIS SECTION.

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

33 (5) EXPENDITURES FROM THE ACCOUNT SHALL ONLY BE MADE: ON A
34 PROPERLY APPROVED TRANSMITTAL PREPARED BY THE STATE RACING COMMISSION

35 (Ⓣ) AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION; ~~AND.~~

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

5 (C) THE COMMISSION MAY ALLOCATE NOT MORE THAN 1% OF THE FUNDS
6 CREDITED TO THE PURSE DEDICATION ACCOUNT UNDER § 9.3-419 OF THIS SUBTITLE
7 TO THE MARYLAND HORSE INDUSTRY BOARD, THE UNIVERSITY OF MARYLAND
8 ANIMAL SCIENCE DEPARTMENT, AND THE MARYLAND AGRICULTURAL FAIR BOARD
9 FOR EQUINE STUDIES.

10 (D) AFTER ANY ALLOCATION MADE UNDER SUBSECTION (C) OF THIS SECTION,
11 FUNDS CREDITED TO THE PURSE DEDICATION ACCOUNT UNDER § 9.3-419 OF THIS
12 SUBTITLE SHALL BE ALLOCATED BY THE COMMISSION AND PAID FROM THE
13 ACCOUNT IN THE FOLLOWING MANNER:

14 (1) 70% TO MILE THOROUGHBRED PURSES; AND

15 (2) 30% TO STANDARD BRED PURSES.

16 (E) FROM THE 70% ALLOCATED TO MILE THOROUGHBRED PURSES, THE
17 FOLLOWING ALLOCATIONS SHALL BE MADE ANNUALLY:

18 (1) \$140,000 TO THE CECIL COUNTY BREEDER'S FAIR, INC., FOR PURSES
19 AT FAIR HILL'S STEEPLECHASE MEET;

20 (2) \$55,000 FOR THE DOWNS AT SHAWAN FOR ITS STEEPLECHASE MEET;
21 AND

22 (3) THE REMAINDER TO THE HOLDERS OF THE FOLLOWING LICENSES
23 TO HOLD A RACE MEETING IN PROPORTION TO THE NUMBER OF THOROUGHBRED
24 RACE DAYS HELD AT THE RESPECTIVE TRACKS TO BE USED TO SUPPLEMENT PURSES
25 AT THE TRACK:

26 (I) THE HOLDERS OF THE LICENSES FOR LAUREL RACE COURSE
27 AND PIMLICO RACE COURSE;

28 (II) THE HOLDER OF THE LICENSE FOR TIMONIUM RACE TRACK;
29 AND

30 (III) THE HOLDER OF THE LICENSE FOR THE HORSE RACETRACK IN
31 ALLEGANY COUNTY.

32 (F) THE 30% ALLOCATED TO STANDARD BRED PURSES SHALL BE ALLOCATED
33 TO THE HOLDERS OF THE FOLLOWING LICENSES TO HOLD A RACE MEETING IN
34 PROPORTION TO THE NUMBER OF STANDARD BRED RACE DAYS HELD AT THE
35 RESPECTIVE TRACKS TO BE USED TO SUPPLEMENT PURSES AT THE TRACK:

36 (1) THE HOLDER OF THE LICENSE FOR THE ROSECROFT RACEWAY;

1 (2) ~~THE HOLDER OF THE LICENSE FOR OCEAN DOWNS RACE TRACK; AND~~

2 (3) ~~THE HOLDER OF THE LICENSE FOR THE HORSE RACETRACK IN~~
3 ~~ALLEGANY COUNTY.~~

4 (C) SUBJECT TO THE PROVISIONS OF SUBSECTION (E) OF THIS SECTION, THE
5 STATE RACING COMMISSION SHALL ALLOCATE THE FUNDS FROM THE PIMLICO RACE
6 COURSE, LAUREL PARK, AND THE RACE COURSE IN ALLEGANY COUNTY THAT ARE
7 ATTRIBUTABLE TO THE MILE THOROUGHBRED INDUSTRY UNDER § 9-1A-26 OF THIS
8 SUBTITLE TO:

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

12 (2) THE MARYLAND-BRED RACE FUND.

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

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

19 (2) THE STANDARD BRED RACE FUND.

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

22 (1) 89% TO MILE THOROUGHBRED PURSES; AND

23 (2) 11% TO THE MARYLAND-BRED RACE FUND.

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

26 (1) 89% TO STANDARD BRED PURSES; AND

27 (2) 11% TO THE STANDARD BRED RACE FUND.

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

31 ~~9-3-421; 9-1A-28.~~

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

1 (B) (1) THERE SHALL BE CREDITED TO THE EDUCATION TRUST FUND ALL
2 PROCEEDS ~~UNDER § 9-3-419(F)~~ ALLOCATED TO THE FUND UNDER § 9-1A-26 OF THIS
3 SUBTITLE.

4 (2) MONEY IN THE EDUCATION TRUST FUND SHALL BE INVESTED AND
5 REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL ACCRUE TO
6 THE FUND.

7 (C) THE MONEY IN THE EDUCATION TRUST FUND SHALL BE USED TO OFFSET
8 THE TOTAL FUNDING REQUIRED TO PROVIDE AN ADEQUATE EDUCATION FOR
9 CHILDREN ATTENDING PUBLIC SCHOOLS IN THE STATE IN PREKINDERGARTEN
10 THROUGH GRADE 12, THROUGH IMPLEMENTATION OF THE PROGRAMS COMMONLY
11 KNOWN AS THE BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS, FIRST ENACTED BY
12 CHAPTER 288 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2002.

13 (D) EXPENDITURES FROM THE EDUCATION TRUST FUND SHALL BE MADE
14 EACH FISCAL YEAR IN ACCORDANCE WITH THE STATE BUDGET.

15 9-1A-29.

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

20 (1) INFRASTRUCTURE IMPROVEMENTS;

21 (2) FACILITIES;

22 (3) PUBLIC SAFETY;

23 (4) SANITATION;

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

25 AND

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

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

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

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

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

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

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

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

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

16 (2) A COUNTY SHALL CONSULT WITH THE LOCAL DEVELOPMENT
17 COUNCIL ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION IN DEVELOPING
18 THE PLAN REQUIRED UNDER THIS SUBSECTION.

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

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

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

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

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

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

1 9-1A-30.

2 (A) THE STATE ~~SHALL~~ MAY PAY FOR THE REASONABLE TRANSPORTATION
3 COSTS TO:

4 (1) MITIGATE THE IMPACT ON THE COMMUNITIES IN THE IMMEDIATE
5 PROXIMITY TO THE FACILITY; AND

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

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

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

11 (II) APPROVED BY THE MARYLAND DEPARTMENT OF
12 TRANSPORTATION.

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

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

18 9-1A-31.

19 (A) THE COMMISSION SHALL:

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

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

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

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

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

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

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

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

5 2. DEVELOP AND IMPLEMENT A PROBLEM GAMBLING
 6 PREVENTION PROGRAM; 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 ~~9-3-422; 9-1A-32.~~

12 (A) THE COMMISSION SHALL MAKE AN ANNUAL REPORT TO THE GOVERNOR
 13 AND, SUBJECT TO § 2-1246 OF THIS ARTICLE, TO THE GENERAL ASSEMBLY:

14 (1) ON THE OPERATION AND FINANCES OF THE VIDEO LOTTERY; AND

15 (2) WITH THE ASSISTANCE OF LOCAL POLICE DEPARTMENTS AND THE
 16 DEPARTMENT OF STATE POLICE, DETAILING THE CRIMES THAT OCCUR WITHIN THE
 17 COMMUNITIES SURROUNDING A VIDEO LOTTERY FACILITY.

18 ~~TITLE 9.5. STATE LOTTERY AND HORSE RACING AGENCY AND COMMISSION – Horse~~
 19 ~~Racing.~~

20 ~~9.5-101.~~

21 (d) ~~"Commission" means the State LOTTERY AND HORSE Racing Commission.~~

22 (E) ~~"DIRECTOR" MEANS THE DIRECTOR OF THE STATE LOTTERY AND HORSE~~
 23 ~~RACING COMMISSION.~~

24 ~~Subtitle 2. [State Racing] Commission DUTIES.~~

25 ~~9.5-201.~~

26 (a) (1) ~~With the approval of the Governor, the Secretary shall appoint an~~
 27 ~~executive director for the Commission from a list of at least 3 nominees submitted by~~
 28 ~~the Commission.~~

29 (2) ~~The executive director is in the executive service in the State~~
 30 ~~Personnel Management System and serves at the pleasure of the Secretary.]~~

31 (b) (A) ~~The [executive] director shall:~~

32 (1) ~~collect the taxes and fees imposed under this title or regulations~~
 33 ~~adopted by the Commission;~~

- 1 (2) keep the records and papers of the Commission, including a record of
2 each proceeding;
- 3 (3) administer the licensing of individuals who work in connection with
4 racing;
- 5 (4) prepare, issue, and submit reports of the Commission;
- 6 (5) administer the daily operation of the office of the Commission; and
- 7 (6) perform any other duty that the Commission directs.
- 8 ~~[(c)]~~ ~~(B)~~ With the approval of the Commission, the ~~[executive]~~ director shall
9 set the conditions under which a licensee must add to, change, make a reasonable
10 improvement to, or repair property that a licensee owns or leases for racing.

11 ~~[(d)]~~ The executive director is entitled to:

- 12 (1) compensation in accordance with the State budget; and
- 13 (2) reimbursement for expenses under the Standard State Travel
14 Regulations, as provided in the State budget.]

15 9.5-202.

16 ~~[(a)]~~ With the approval of the Commission and, except as otherwise provided by
17 law, subject to the provisions of the State Personnel and Pensions Article, the
18 executive director shall appoint a staff of the Commission.]

19 ~~[(b)]~~ (A) (1) The Commission may employ 4 stewards and 4 harness judges.

20 (2) The stewards and harness judges shall be recommended by the
21 ~~[executive]~~ director.

22 (3) Each licensee and organization that represents owners and trainers
23 may recommend individuals to the Commission and ~~[executive]~~ director for
24 appointment as stewards or harness judges.

25 (4) The stewards and harness judges are special appointments of the
26 skilled service or the professional service in the State Personnel Management
27 System.

28 ~~[(c)]~~ ~~(B)~~ Each member of the staff of the Commission, steward, and harness
29 judge is entitled to:

- 30 (1) compensation in accordance with the State budget; and
- 31 (2) reimbursement for expenses under the Standard State Travel
32 Regulations, as provided in the State budget.

1 ~~[(d)] (C)~~ An individual who holds a position under the Commission may not
 2 hold an official relation to a licensee or hold any stocks, bonds, or other financial
 3 interest in a licensee.

4 ~~9.5-203.~~

5 (a) ~~On the recommendation of the [executive] director, the Commission may~~
 6 ~~employ additional employees or agents, including auditors, experts, guards,~~
 7 ~~inspectors, a breathalyzer operator at each harness racing track, scientists,~~
 8 ~~Commission secretaries, specimen collectors, veterinarians, and others whom the~~
 9 ~~Commission considers to be essential at or in connection with a race meeting in the~~
 10 ~~best interests of racing.~~

11 ~~9.5-303.~~

12 (a) An applicant for a license shall submit to the [executive] director of the
 13 Commission an application:

14 (1) ~~in the form that the Commission requires; and~~

15 (2) ~~on or before a day that the Commission sets.~~

16 ~~9.5-312.~~

17 (a) ~~On request of the Commission, the following individuals shall give the~~
 18 ~~Commission their fingerprints:~~

19 (7) ~~the [Executive] Director of the Commission;~~

20 ~~9.5-818.~~

21 (b) ~~An applicant for a permit shall submit to the [executive] director of the~~
 22 ~~Commission an application in the form that the Commission requires.~~

23 **Article - State Finance and Procurement**

24 ~~11-203.~~

25 (a) Except as provided in subsection (b) of this section, this Division II does
 26 not apply to:

27 (1) procurement by:

28 (xvi) the Maryland State Lottery ~~AND HORSE RACING~~ Agency, for
 29 negotiating and entering into private sector cooperative marketing projects that
 30 directly enhance promotion of the Maryland State Lottery and its products, if the
 31 cooperative marketing project:

32 1. provides a substantive promotional or marketing value
 33 that the lottery determines acceptable in exchange for advertising or other
 34 promotional activities provided by the lottery;

1 ~~SECTION 7. AND BE IT FURTHER ENACTED, That the position of~~
2 ~~Executive Director of the State Racing Commission is abolished.~~

3 ~~SECTION 8. AND BE IT FURTHER ENACTED, That the terms of the initial~~
4 ~~members of the State Lottery and Horse Racing Commission shall expire as follows:~~

- 5 ~~(a) Two members in 2004;~~
- 6 ~~(b) Two members in 2005;~~
- 7 ~~(c) Two members in 2006; and~~
- 8 ~~(d) Three members in 2007.~~

9 ~~SECTION 9. AND BE IT FURTHER ENACTED, That the State Lottery and~~
10 ~~Horse Racing Agency is the successor of the State Lottery Agency and the State~~
11 ~~Racing Commission, the Director of the State Lottery and Horse Racing Agency is the~~
12 ~~successor of the Director of the State Lottery Agency and the Executive Director of the~~
13 ~~State Racing Commission, and in every law, executive order, rule, regulation, policy,~~
14 ~~or document created by any official, agency, or unit of the State; (1) the terms "State~~
15 ~~Lottery Commission and Agency" and "State Racing Commission" and every variation~~
16 ~~of those terms means the State Lottery and Horse Racing Agency and Commission~~
17 ~~and (2) the terms "Director of the State Lottery Agency" and "Executive Director of~~
18 ~~the State Racing Commission" and every variation of those terms means Director of~~
19 ~~the State Lottery and Horse Racing Agency.~~

20 ~~SECTION 10. AND BE IT FURTHER ENACTED, That every person who, as~~
21 ~~of May 31, 2003, is employed by the State Lottery Agency or the State Racing~~
22 ~~Commission in a position authorized by the State budget and not abolished by this~~
23 ~~Act is hereby transferred to the State Lottery and Horse Racing Agency effective June~~
24 ~~1, 2003, without any change or loss of rights, benefits, entitlements, or status,~~
25 ~~including, if any, merit system and retirement status, except as otherwise specifically~~
26 ~~provided in this Act.~~

27 ~~SECTION 11. AND BE IT FURTHER ENACTED, That, except as otherwise~~
28 ~~expressly provided in this Act, nothing in this Act affects the term of office of an~~
29 ~~appointed member of any board, commission, committee, or other agency or unit, and~~
30 ~~a person who is a member of such a unit on the effective date of this Act shall remain~~
31 ~~a member of that unit or, as the case may be, shall become a member of any successor~~
32 ~~unit for the balance of the term to which the person was appointed, unless the person~~
33 ~~sooner dies, resigns, or is removed pursuant to law.~~

34 ~~SECTION 12. AND BE IT FURTHER ENACTED, That, except as expressly~~
35 ~~provided to the contrary in this Act, any transaction affected by or flowing from any~~
36 ~~statute here amended, repealed, or transferred, and validly entered into before the~~
37 ~~effective date of this Act and every right, duty, or interest flowing from it remains~~
38 ~~valid after the effective date of this Act and may be terminated, completed,~~
39 ~~consummated, or enforced pursuant to law.~~

1 ~~SECTION 13. AND BE IT FURTHER ENACTED, That, except as otherwise~~
2 ~~provided in this Act, all permits and licenses, applications for permits and licenses,~~
3 ~~rules and regulations, proposed rules and regulations, standards and guidelines,~~
4 ~~orders and other directives, forms, plans, memberships, special funds, appropriations,~~
5 ~~grants, applications for grants, contracts, property, investigations, administrative and~~
6 ~~judicial proceedings, and all other duties and responsibilities associated with those~~
7 ~~functions transferred by this Act shall continue in effect under the Director of the~~
8 ~~State Lottery and Horse Racing Agency or the appropriate board, council, or other~~
9 ~~unit within the Agency, until completed, withdrawn, canceled, modified, or otherwise~~
10 ~~changed pursuant to law.~~

11 ~~SECTION 14. AND BE IT FURTHER ENACTED, That, pursuant to the plan~~
12 ~~of reorganization that is proposed by this Act, the publishers of the Annotated Code of~~
13 ~~Maryland, subject to the approval of the Executive Director of the Department of~~
14 ~~Legislative Services, shall propose the correction of any agency names and titles that~~
15 ~~are rendered incorrect by this Act and the correction of numerical and similar~~
16 ~~nonnumerical cross references throughout the Annotated Code of Maryland that~~
17 ~~refer to the provisions found in this Act.~~

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

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

43 ~~SECTION 5. AND BE IT FURTHER ENACTED, That the Maryland~~
44 ~~Department of Transportation shall study the impact of the increased traffic resulting~~
45 ~~from any proposed operation of video lottery terminals at Pimlico Race Course,~~

1 including the need for an interchange on Jones Falls Expressway between Northern
2 Parkway and Interstate 695. The Maryland Department of Transportation shall
3 provide a final report on the study required under this Section to the General
4 Assembly on or before December 1, 2003, in accordance with § 2-1246 of the State
5 Government Article.

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

10 (1) one member in 2005;

11 (2) one member in 2006; and

12 (3) two members in 2007.

13 SECTION ~~15. 7.~~ AND BE IT FURTHER ENACTED, That this Act shall take
14 effect June 1, 2003.