

SENATE BILL 708

Unofficial Copy
C8

2003 Regular Session
3lr2555

By: **Senator Gladden**

Introduced and read first time: February 21, 2003

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Video Lottery Terminals - Distribution of Proceeds - Nonprofit**
3 **Organizations**

4 FOR the purpose of requiring a county or city that receives certain proceeds from the
5 operation of video lottery terminals to distribute a certain percentage of the
6 proceeds to a certain nonprofit organization; requiring the State Lottery and
7 Horse Racing Commission to select the nonprofit organizations that shall
8 receive the proceeds distributed under this Act; requiring the Commission to
9 consider certain criteria in choosing the nonprofit organizations; requiring a
10 nonprofit organization that receives proceeds under this Act to distribute the
11 proceeds for certain purposes; requiring a nonprofit organization that receives
12 proceeds under this Act to distribute at least a certain percentage of the
13 proceeds to other nonprofit organizations that are located within a certain
14 target zone; defining a certain term; making this Act contingent on the taking
15 effect of another Act; and generally relating to the distribution of proceeds from
16 the operation of video lottery terminals to nonprofit organizations.

17 BY repealing and reenacting, without amendments,
18 Article - State Government
19 Section 9.3-419(e)
20 Annotated Code of Maryland
21 (1998 Replacement Volume and 2002 Supplement)
22 (As enacted by Chapter _____ (H.B. 359/S.B. 322) of the Acts of the General
23 Assembly of 2003)

24 BY adding to
25 Article - State Government
26 Section 9.3-419.1
27 Annotated Code of Maryland
28 (1998 Replacement Volume and 2002 Supplement)

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

1 **Article - State Government**

2 9.3-419.

3 (e) In order to compensate the counties and localities in or near where a video
4 lottery facility is located for infrastructure, facilities, services, and other
5 improvements, the Comptroller shall pay:

6 (1) from the video lottery facility at the Laurel Race Course, 2.2% of the
7 proceeds to Anne Arundel County, 0.5% to Howard County, and 0.3% to the City of
8 Laurel;

9 (2) from the video lottery facility at the Pimlico Race Course, 3% of the
10 proceeds to Baltimore City;

11 (3) from the video lottery facility at the Rosecroft Raceway, 3% of the
12 proceeds to Prince George's County; and

13 (4) from the video lottery facility at the horse racetrack in Allegany
14 County, 3% of the proceeds to Allegany County.

15 9.3-419.1.

16 (A) IN THIS SECTION, "TARGET ZONE" MEANS THE AREA WITHIN 1 MILE OF A
17 VIDEO LOTTERY FACILITY.

18 (B) A COUNTY OR CITY THAT RECEIVES PROCEEDS FROM THE OPERATION OF
19 A VIDEO LOTTERY TERMINAL UNDER § 9.3-419(E) OF THIS SUBTITLE SHALL
20 DISTRIBUTE 50% OF THE PROCEEDS TO A NONPROFIT ORGANIZATION LOCATED
21 WITHIN THE RESPECTIVE TARGET ZONE.

22 (C) (1) THE COMMISSION SHALL SELECT THE NONPROFIT ORGANIZATIONS
23 THAT SHALL RECEIVE THE FUNDS DISTRIBUTED UNDER SUBSECTION (B) OF THIS
24 SECTION.

25 (2) IN SELECTING A NONPROFIT ORGANIZATION UNDER PARAGRAPH (1)
26 OF THIS SUBSECTION, THE COMMISSION SHALL CONSIDER THE FOLLOWING
27 CRITERIA:

28 (I) THE NUMBER OF YEARS THAT THE NONPROFIT ORGANIZATION
29 HAS BEEN IN EXISTENCE;

30 (II) THE NUMBER OF INDIVIDUALS WHO RECEIVE SERVICES FROM
31 THE NONPROFIT ORGANIZATION;

32 (III) THE PERCENTAGE OF INDIVIDUALS RECEIVING SERVICES
33 FROM THE NONPROFIT ORGANIZATION WHO RESIDE WITHIN THE TARGET ZONE IN
34 WHICH THE NONPROFIT ORGANIZATION IS LOCATED;

1 (IV) THE PERCENTAGE OF EMPLOYEES OF THE NONPROFIT
2 ORGANIZATION WHO LIVE WITHIN THE TARGET ZONE IN WHICH THE NONPROFIT
3 ORGANIZATION IS LOCATED;

4 (V) THE DEGREE TO WHICH THE NONPROFIT ORGANIZATION HAS
5 DEMONSTRATED POSITIVE OUTCOMES IN THE COMMUNITY AND A COMMITMENT TO
6 SERVING THE COMMUNITY; AND

7 (VI) THE PERCENTAGE OF THE LEADERSHIP AND MEMBERSHIP OF
8 THE NONPROFIT ORGANIZATION WHO RESIDE WITHIN THE TARGET ZONE IN WHICH
9 THE NONPROFIT ORGANIZATION IS LOCATED.

10 (D) A NONPROFIT ORGANIZATION THAT RECEIVES PROCEEDS UNDER
11 SUBSECTION (B) OF THIS SECTION SHALL:

12 (1) DISTRIBUTE THE PROCEEDS FOR THE FOLLOWING PURPOSES:

13 (I) ADDRESSING PUBLIC SAFETY EFFORTS WITHIN THE TARGET
14 ZONE IN WHICH THE NONPROFIT ORGANIZATION IS LOCATED, INCLUDING LAW
15 ENFORCEMENT STAFFING, PARKING, AND SANITATION;

16 (II) MEETING THE INCREASE IN CLIENT ENCOUNTERS THAT
17 RESULTS FROM THE OPERATION OF VIDEO LOTTERY TERMINALS AT THE VIDEO
18 LOTTERY FACILITIES; AND

19 (III) FUNDING PROGRAMS RELATED TO THE INCREASE IN SOCIAL
20 AND HEALTH PROBLEMS THAT RESULTS FROM THE OPERATION OF VIDEO LOTTERY
21 TERMINALS AT THE VIDEO LOTTERY FACILITIES, INCLUDING GAMBLING ADDICTION,
22 SUBSTANCE ABUSE, PROSTITUTION, DOMESTIC VIOLENCE, AND STREET VIOLENCE,
23 WITH SPECIAL ATTENTION GIVEN TO YOUTH-RELATED PROGRAMS; AND

24 (2) DISTRIBUTE AT LEAST 20% OF THE PROCEEDS TO OTHER NONPROFIT
25 ORGANIZATIONS LOCATED IN THE TARGET ZONE IN WHICH THE NONPROFIT
26 ORGANIZATION IS LOCATED.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
28 effect October 1, 2003, contingent on the taking effect of Chapter ____ (H.B. 359/S.B.
29 322) of the Acts of the General Assembly of 2003, and if Chapter ____ does not become
30 effective, this Act shall be null and void without the necessity of further action by the
31 General Assembly.