

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 197

(First Reading File Bill)

AMENDMENT NO. 1

On page 2, strike beginning with “requiring” in line 1 down through “circumstances;” in line 3; in line 21, after “allowed” insert “in the State and”; in line 22, after “of” insert “racetrack locations and”; in line 29, after “certain” insert “racetrack locations and”; in the same line after “locations;” insert “requiring certain licenses for racetrack locations to be at certain locations;”; in line 30, after “counties;” insert “prohibiting the Video Lottery Facility Location Commission from issuing more than one license in a certain county; requiring the Department of Budget and Management to contract with a certain consultant;”; in line 33, after “to” insert “racetrack locations and”; strike beginning with “allowing” in line 34 down through “benefits;” in line 36 and substitute “allowing the operation of video lottery terminals in a temporary facility under certain circumstances;”; and in line 38, after “terminals;” insert “prohibiting certain games offered by the State Lottery Commission from being offered for sale in a video lottery facility;”.

On page 3, in line 11, after “that” insert “a certain percentage of”; in line 16, after “purposes;” insert “requiring the Department of Health and Mental Hygiene to establish certain regional centers and to conduct a certain prevalence study;”; and in line 23, after “terms;” insert “requiring certain application fees to accrue to a certain fund to be used for a certain purpose in a certain fiscal year; providing for the manner of calculation and distribution of certain additional State aid to education to reflect regional differences in the cost of education that are due to factors outside the control of local jurisdictions;”.

AMENDMENT NO. 2

On page 3, after line 31, insert:

“BY repealing and reenacting, with amendments,

Article - Education

Section 5-202(a) and (f)

(Over)

Annotated Code of Maryland
(2001 Replacement Volume and 2003 Supplement)

BY repealing and reenacting, without amendments,

Article - Health - General
Section 19-801 and 19-802
Annotated Code of Maryland
(2000 Replacement Volume and 2003 Supplement)

BY repealing and reenacting, with amendments,

Article - Health - General
Section 19-803 and 19-804
Annotated Code of Maryland
(2000 Replacement Volume and 2003 Supplement)".

AMENDMENT NO. 3

On page 4, after line 28, insert:

"Article - Education

5-202.

- (a) (1) In this section the following words have the meanings indicated.
- (2) "ADJUSTED FOUNDATION PROGRAM" MEANS THE SUM OF:
- (I) THE GCEI ADJUSTMENT MULTIPLIED BY:
1. 0.50 IN FISCAL YEAR 2005;
 2. 0.62 IN FISCAL YEAR 2006;
 3. 0.74 IN FISCAL YEAR 2007;
 4. 0.86 IN FISCAL YEAR 2008; AND
 5. 1.00 IN FISCAL YEAR 2009 AND EACH FISCAL YEAR
THEREAFTER; AND

(II) THE FOUNDATION PROGRAM.

[2] (3) “Annual per pupil foundation amount” means:

(i) For fiscal years 2004 through 2008, the sum, rounded to the nearest dollar, of:

and
1. The fiscal year 2002 per pupil foundation amount of \$4,124;

2. The product of the difference between the target per pupil foundation amount and \$4,124 and:

A. 0.40 in fiscal year 2004;

B. 0.52 in fiscal year 2005;

C. 0.71 in fiscal year 2006; and

D. 0.83 in fiscal year 2007; and

(ii) For fiscal year 2008 and each fiscal year thereafter, the target per pupil foundation amount.

[3] (4) “Assessed valuation of real property” means the most recent estimate made by the State Department of Assessments and Taxation before the annual State budget is submitted to the General Assembly, of the assessed value of real property for State purposes as of July 1 of the first completed fiscal year before the school year for which the calculation of State aid is made under this section.

[4] (5) “Assessed value of personal property” means the most recent estimate by the State Department of Assessments and Taxation before the annual State budget is submitted to

the General Assembly of the assessed value for county purposes of personal property as of July 1 of the first completed fiscal year before the school year for which the calculation is made under this section.

[(5)] (6) “Foundation program” means the product of the annual per pupil foundation amount and a county’s full-time equivalent enrollment.

[(6)] (7) “Full-time equivalent enrollment” means the sum of:

(i) The number of students enrolled in grades 1 through 12 or their equivalent in regular day school programs on September 30 of the previous school year;

(ii) Except as provided in item (iii) of this paragraph, the product of the number of students enrolled in kindergarten programs on September 30 of the prior school year and:

1. 0.60 in fiscal year 2004;

2. 0.70 in fiscal year 2005;

3. 0.80 in fiscal year 2006;

4. 0.90 in fiscal year 2007; and

5. 1.00 in fiscal year 2008 and each fiscal year thereafter;

(iii) In Garrett County, the number of students enrolled in kindergarten programs on September 30 of the prior school year; and

(iv) The number of full-time equivalent students, as determined by a regulation of the Department, enrolled in evening high school programs during the previous school year.

(8) “GCEI ADJUSTMENT” MEANS THE FOUNDATION PROGRAM FOR EACH COUNTY MULTIPLIED BY:

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- (I) 0.000 IN ALLEGANY;
- (II) 0.018 IN ANNE ARUNDEL;
- (III) 0.042 IN BALTIMORE CITY;
- (IV) 0.008 IN BALTIMORE;
- (V) 0.021 IN CALVERT;
- (VI) 0.000 IN CAROLINE;
- (VII) 0.014 IN CARROLL;
- (VIII) 0.000 IN CECIL;
- (IX) 0.020 IN CHARLES;
- (X) 0.000 IN DORCHESTER;
- (XI) 0.024 IN FREDERICK;
- (XII) 0.000 IN GARRETT;
- (XIII) 0.000 IN HARFORD;
- (XIV) 0.015 IN HOWARD;
- (XV) 0.010 IN KENT;
- (XVI) 0.034 IN MONTGOMERY;
- (XVII) 0.048 IN PRINCE GEORGE'S;

(XVIII) 0.011 IN QUEEN ANNE'S;

(XIX) 0.002 IN ST. MARY'S;

(XX) 0.000 IN SOMERSET;

(XXI) 0.000 IN TALBOT;

(XXII) 0.000 IN WASHINGTON;

(XXIII) 0.000 IN WICOMICO; AND

(XXIV) 0.000 IN WORCESTER.

[~~(7)~~] (9) “Local contribution rate” means the figure that is calculated as follows:

(i) Multiply the statewide full-time equivalent enrollment by \$624, and multiply this product by:

1. 0.46 in fiscal year 2004;

2. 0.47 in fiscal year 2005;

3. 0.48 in fiscal year 2006;

4. 0.49 in fiscal year 2007; and

5. 0.50 in fiscal year 2008 and each fiscal year thereafter;

(ii) Multiply the statewide full-time equivalent enrollment by the amount that the annual per pupil foundation amount exceeds \$624, and multiply this product by 0.50;

(iii) Add the two products calculated in items (i) and (ii) of this paragraph, and divide the resulting sum by the sum of the wealth of all of the counties in this State; and

(iv) Round the result obtained in item (iii) of this paragraph to seven decimal places and express as a percent with five decimal places.

[(8)] (10) “Local share of the foundation program” means the product of the local contribution rate and a county’s wealth.

[(9)] (11) “Net taxable income” means the amount certified by the State Comptroller for the second completed calendar year before the school year for which the calculation of State aid under this section is made, based on tax returns filed on or before September 1 after this calendar year.

[(10)] (12) “Personal property” means all property classified as personal property under § 8-101(c) of the Tax - Property Article.

[(11)] (13) “Real property” means all property classified as real property under § 8-101(b) of the Tax - Property Article.

[(12)] (14) “State share of the foundation program” means the greater of:

(i) The difference between the ADJUSTED foundation program and the local share of the foundation program; and

(ii) The result obtained by multiplying the annual per pupil foundation amount by the county’s full-time equivalent enrollment, and multiplying this product by:

1. 0.25 in fiscal year 2004;
2. 0.24 in fiscal year 2005;
3. 0.22 in fiscal year 2006;
4. 0.19 in fiscal year 2007; and

5. 0.15 in fiscal year 2008 and each fiscal year thereafter.

~~[(13)]~~ (15) “Target per pupil foundation amount” means:

(i) In fiscal year 2004, \$5,730; and

(ii) In subsequent fiscal years:

1. The target per pupil foundation amount for the prior fiscal year increased by the same percentage as the increase in the implicit price deflator for State and local government expenditures for the second prior fiscal year; or

2. If there is no increase in the implicit price deflator for State and local government expenditures for the second prior fiscal year, the target per pupil foundation amount for the prior fiscal year.

~~[(14)]~~ (16) “Wealth” means the sum of:

(i) Net taxable income;

(ii) 100 percent of the assessed value of the operating real property of public utilities;

(iii) 40 percent of the assessed valuation of all other real property; and

(iv) 50 percent of assessed value of personal property.

(f) ~~[(1)]~~ For fiscal year 2004, the State share of the foundation program shall be adjusted to reflect regional differences in the cost of education that are due to factors outside the control of local jurisdictions, by increasing the State share of the foundation program otherwise determined for the following counties by:

~~[(i)]~~ (1) 1% for Anne Arundel County;

~~[(ii)]~~ (2) 3% for Baltimore City;

[(iii)] (3) 3% for Howard County; and

[(iv)] (4) 4% for Montgomery County.

[(2) For fiscal year 2005 and each fiscal year thereafter, the State share of the foundation program shall be adjusted to reflect regional differences in the cost of education that are due to factors outside the control of local jurisdictions.

(3) The Department shall contract with a private entity to conduct a study to:

(i) Develop a Maryland specific geographic cost of education index to be implemented no later than fiscal year 2005; and

(ii) Provide recommendations as to how the index should be used to adjust State education funding.]

Article - Health - General

19-801.

In this subtitle, “compulsive gambler” means an individual:

(1) Who is preoccupied chronically and progressively with gambling and the urge to gamble; and

(2) Whose gambling behavior compromises, disrupts, or damages the individual’s personal, family, or vocational pursuits.

19-802.

The General Assembly finds that:

(1) Compulsive gambling is a serious social problem;

(Over)

(2) There is evidence that the availability of gambling increases the risk of becoming a compulsive gambler; and

(3) This State, with its extensive legalized gambling, has an obligation to provide a program of treatment for compulsive gamblers.

19-803.

[As a pilot project, the] THE Secretary shall establish [a center for] REGIONAL CENTERS TO PROVIDE SERVICES TO compulsive gamblers [at a place that the Secretary determines to be accessible to a major population center of this State].

19-804.

(a) (1) The Secretary may make grants from or agreements for the use of State FUNDS, INCLUDING THE FUNDS PROVIDED UNDER § 9-1A-32 OF THE STATE GOVERNMENT ARTICLE, and federal funds to help public agencies or nonprofit organizations operate the [center] CENTERS for compulsive gamblers and establish and operate ADDITIONAL local programs to provide the following for compulsive gamblers:

- (i) Inpatient services.
- (ii) Outpatient services.
- (iii) Partial care services.
- (iv) Aftercare services.
- (v) Consultative services.
- (vi) Educational services.
- (vii) Other preventive or rehabilitative services or treatment.

(2) Research and training that are designed to improve or extend these services are

proper items of expense.

(B) THE SECRETARY SHALL CONDUCT A PREVALENCE STUDY AND REPLICATION PREVALENCE STUDIES TO MEASURE THE RATE OF PROBLEM AND PATHOLOGICAL GAMBLING IN MARYLAND.

(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE SECRETARY SHALL CONTRACT WITH AN INDEPENDENT RESEARCHER TO CONDUCT THE PREVALENCE STUDIES.

(2) THE SECRETARY SHALL UTILIZE THE MOST CURRENT PSYCHIATRIC OR DIAGNOSTIC CRITERIA FOR PROBLEM AND PATHOLOGICAL GAMBLING AS THE BASIS FOR THE PREVALENCE STUDIES.

(D) THE INITIAL PREVALENCE STUDY SHALL BE COMPLETED ON OR BEFORE SEPTEMBER 30, 2005.

(E) REPLICATION PREVALENCE STUDIES SHALL BE CONDUCTED NO LESS THAN EVERY 5 YEARS WITH MEASURES TAKEN TO PERMIT COMPARISONS BETWEEN THE INITIAL PREVALENCE STUDY AND SUBSEQUENT REPLICATION PREVALENCE STUDIES.

[(b)] (F) Services under this subtitle shall be provided by public agencies or, under contract, by nonprofit organizations.”.

AMENDMENT NO. 4

On page 7, in line 10, strike “AND”; after line 10, insert:

“(2) RETRIEVAL OF THE WIN AND LOSS DETERMINATION FROM VIDEO LOTTERY TERMINALS; AND”;

and in line 11, strike “(2)” and substitute “(3)”.

(Over)

On page 8, after line 31, insert:

“(V) “RACETRACK LOCATION” MEANS A LOCATION AT A RACETRACK THAT HOLDS A LICENSE FROM THE STATE RACING COMMISSION TO HOLD A RACE MEETING THAT IS ELIGIBLE FOR OR HAS BEEN AWARDED A VIDEO LOTTERY OPERATION LICENSE IN THE MANNER PROVIDED BY LAW.”;

and in lines 32, 34, and 36, strike “(V)”, “(W)”, “(X)”, respectively, and substitute “(W)”, “(X)”, and “(Y)”, respectively.

On page 9, in lines 1 and 3, strike “(Y)” and “(Z)”, respectively, and substitute “(Z)” and “(AA)”, respectively.

AMENDMENT NO. 5

On page 10, in line 28, strike “SECTION” and substitute “SUBTITLE, INCLUDING THE AUTHORITY PROVIDED TO THE COMMISSION UNDER THIS SUBTITLE,”; in line 34, after “(4)” insert “OTHER”; and strike beginning with “BY” in line 34 down through “ORGANIZATION” in line 36.

On page 14, in line 21, after “THE” insert “VIDEO LOTTERY FACILITY LOCATION”; in the same line, after “MAY” insert “NOT”; in the same line, strike “NO”; strike in their entirety lines 25 through 32, inclusive, and substitute:

“(1) AN OWNER OF A RACETRACK LOCATION DESCRIBED IN § 9-1A-34 OF THIS SUBTITLE ; AND”;

and in line 33, strike “(5)” and substitute “(2)”.

On pages 14 and 15, strike in their entirety the lines beginning with line 35 on page 14 through line 5 on page 15, inclusive, and substitute:

“(C) A LICENSE ISSUED UNDER THIS SUBTITLE IS NOT VALID AT A GEOGRAPHIC LOCATION OTHER THAN THE GEOGRAPHIC LOCATION OF THE RACETRACK LOCATION OR THE NONRACETRACK DESTINATION LOCATION AT THE TIME THE LICENSE IS ISSUED.

(D) (1) A VIDEO LOTTERY OPERATION LICENSEE AT A RACETRACK LOCATION IN THE STATE MAY NOT HOLD A VIDEO LOTTERY OPERATION LICENSE OR BE AN OWNER OF AN ENTITY THAT HOLDS A VIDEO LOTTERY OPERATION LICENSE AT A NONRACETRACK DESTINATION LOCATION IN THE STATE.

(2) A VIDEO LOTTERY OPERATION LICENSEE AT A NONRACETRACK DESTINATION LOCATION IN THE STATE MAY NOT HOLD A VIDEO LOTTERY OPERATION LICENSE OR BE AN OWNER OF AN ENTITY THAT HOLDS A VIDEO LOTTERY OPERATION LICENSE AT A RACETRACK LOCATION IN THE STATE.

(E) (1) IN THIS SUBSECTION, "BUSINESS ENTITY" INCLUDES ANY TYPE OF OWNER OR BENEFICIARY OF THE BUSINESS ENTITY INCLUDING AN OFFICER, DIRECTOR, PRINCIPAL EMPLOYEE, PARTNER, INVESTOR, STOCKHOLDER, OR BENEFICIAL OWNER OF THE BUSINESS ENTITY.

(2) AN INDIVIDUAL OR BUSINESS ENTITY MAY NOT OWN AN INTEREST IN MORE THAN TWO VIDEO LOTTERY FACILITIES AT RACETRACK LOCATIONS.

(3) AN INDIVIDUAL OR BUSINESS ENTITY MAY NOT OWN AN INTEREST IN MORE THAN TWO VIDEO LOTTERY FACILITIES AT NONRACETRACK DESTINATION LOCATIONS."

AMENDMENT NO. 6

On pages 20 and 21, strike in their entirety the lines beginning with line 28 on page 20 through line 18 on page 21, inclusive.

On page 21, in line 22, after "(B)" insert "A RACETRACK LOCATION SHALL MAINTAIN,"; strike beginning with "A VIDEO" in line 22 down through "RACING:" in line 23 and substitute "AT LEAST THE SAME NUMBER OF LIVE RACING DAYS AS WERE AUTHORIZED BY THE STATE RACING COMMISSION FOR THAT LOCATION IN 2004 UNLESS THE LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR OTHER

CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE.”; strike in their entirety lines 24 through 28, inclusive; in line 30, strike the first “THE” and substitute “A RACETRACK LOCATION AT THE”; in the same line, strike “AND” and substitute “OR”; and in line 36, strike “THE LICENSEES” and substitute “A LICENSEE”.

On page 22, in line 9, after “FOR” insert “A RACETRACK LOCATION AT”; in line 10, after “PARK,” insert “THE LICENSEE SHALL PERMIT”; in the same line, strike “SHALL” and substitute “TO”; in line 30, strike “\$4,000,000” and substitute “\$1,500,000”; and in line 33, strike “\$1,150,000” and substitute “\$750,000”.

On page 23, after line 5, insert:

“(F) AS A PART OF THE CAPITAL MAINTENANCE AND IMPROVEMENT ITEMS IN THE PLAN SUBMITTED UNDER SUBSECTION (E) OF THIS SECTION BY A LICENSEE, THE LICENSEE SHALL INCLUDE ANY IMPROVEMENTS NECESSARY TO ENSURE THAT THE CONDITION OF ANY PART OF THE RACETRACK FACILITY WHERE INDIVIDUALS RESIDE IS SATISFACTORY FOR HUMAN HABITATION AND MEETS MINIMUM HOUSING AND SANITATION STANDARDS IN THE COUNTY WHERE THE FACILITY IS LOCATED.

“(G) IF A VIDEO LOTTERY OPERATION LICENSE HAS BEEN ISSUED FOR A RACETRACK LOCATION AT THE PIMLICO RACE COURSE, IN THE PLAN SUBMITTED BY A LICENSEE AT THE PIMLICO RACE COURSE UNDER SUBSECTION (E) OF THIS SECTION, ONE OF THE CAPITAL MAINTENANCE AND IMPROVEMENT ITEMS IN THE PLAN SHALL BE THE CREATION OF A PREMIER CLASSIC RACETRACK AND MUSEUM AS A PART OF THE PIMLICO RACE COURSE.”;

and in line 6, strike “(F)” and substitute “(H)”.

AMENDMENT NO. 7

On pages 23 through 25, strike in their entirety the lines beginning with line 10 on page 23 through line 3 on page 25, inclusive.

On page 25, in lines 4, 22, and 33, strike “(G)”, “(H)”, and “(I)”, respectively, and substitute “(A)”, “(B)”, and “(C)”, respectively.

On pages 25 and 26, strike in their entirety the lines beginning with line 37 on page 25 through line 14 on page 26, inclusive.

On page 26, in line 15, strike “(D)” and substitute “(A)”; and after line 17, insert:

“(B) (1) ALL INITIAL LICENSE FEES SUBMITTED UNDER THIS SUBTITLE SHALL ACCRUE TO THE EDUCATION TRUST FUND UNDER § 9-1A-29 OF THIS SUBTITLE AND SHALL BE USED TO FUND THE FISCAL YEAR 2005 GEOGRAPHIC COST OF EDUCATION INDEX UNDER THE BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS, FIRST ENACTED BY CHAPTER 288 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2002.

(2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE FUNDS ALLOCATED TO BALTIMORE CITY UNDER THE GEOGRAPHIC COST OF EDUCATION INDEX IN FISCAL YEAR 2005 MAY BE USED TO OFFSET ANY DEFICIT THAT EXISTS IN THE BALTIMORE CITY PUBLIC SCHOOLS.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A LICENSEE SHALL COMMENCE OPERATION OF VIDEO LOTTERY TERMINALS AT THE LOCATION FOR WHICH THE VIDEO LOTTERY FACILITY LICENSE HAS BEEN ISSUED WITHIN 18 MONTHS AFTER THE LICENSE IS ISSUED.

(2) (I) UPON A DETERMINATION BY THE COMMISSION THAT EXTENUATING CIRCUMSTANCES EXIST WHICH ARE BEYOND THE CONTROL OF A LICENSEE AND HAVE PREVENTED THE LICENSEE FROM COMPLYING WITH THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION MAY ALLOW THE LICENSEE AN EXTENSION OF 6 MONTHS TO COMPLY WITH THE REQUIREMENTS.

(II) THE COMMISSION MAY NOT GRANT MORE THAN TWO EXTENSIONS TO A LICENSEE UNDER THIS PARAGRAPH.

(3) IF A VIDEO LOTTERY OPERATION LICENSEE FAILS TO COMPLY WITH THE REQUIREMENTS OF THIS SUBSECTION, THE LICENSE ISSUED TO THE

(Over)

LICENSEE SHALL BE REVOKED AND SHALL AUTOMATICALLY REVERT TO THE STATE.”;

after line 34, insert:

“(C) ONE YEAR BEFORE THE EXPIRATION OF THE TERM OF A VIDEO LOTTERY OPERATION LICENSE, THE LICENSEE SHALL FILE WITH THE COMMISSION A NOTICE OF INTENT TO REAPPLY FOR THE LICENSE UNDER THIS SUBTITLE.”;

and in lines 35 and 38, strike “(C)” and “(D)”, respectively, and substitute “(D)” and “(E)”, respectively.

AMENDMENT NO. 8

On page 31, in line 31, strike “(1)”.

On page 32, strike in their entirety lines 1 through 8, inclusive, and substitute:

“(C) THE COMMISSION SHALL DEVELOP REGULATIONS GOVERNING THE SALE OR LEASE OF VIDEO LOTTERY TERMINALS BY THE COMMISSION UNDER THIS SUBTITLE IN A MANNER THAT PROVIDES A COMPETITIVE PROCESS AMONG LICENSED MANUFACTURERS WITH INCENTIVES TO LICENSED MANUFACTURERS BASED ON THE PERFORMANCE OF THE MANUFACTURER’S VIDEO LOTTERY TERMINALS.”;

strike in their entirety lines 10 through 19, inclusive, and substitute:

“(A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED UNDER § 9-1A-34 OF THIS SUBTITLE MAY AWARD UP TO 15,500 VIDEO LOTTERY TERMINALS FOR OPERATION AT VIDEO LOTTERY FACILITIES IN THE STATE.

(B) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD UP TO 9,000 VIDEO LOTTERY TERMINALS FOR OPERATION AT RACETRACK LOCATIONS IN THE STATE.

(2) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY

INITIALLY AWARD UP TO 3,000 VIDEO LOTTERY TERMINALS AT A RACETRACK LOCATION.

(3) IF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION DOES NOT AWARD THE TOTAL NUMBER OF VIDEO LOTTERY TERMINALS AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION, WITHIN 2 YEARS AFTER OPERATION OF VIDEO LOTTERY TERMINALS AT RACETRACK LOCATIONS BEGINS, THE STATE LOTTERY COMMISSION MAY ALLOCATE THE REMAINING VIDEO LOTTERY TERMINALS AT THE LICENSED RACETRACK LOCATIONS USING A COMPETITIVE BID PROCESS.

(4) AS PART OF THE COMPETITIVE BID PROCESS, THE COMMISSION SHALL DETERMINE THE HIGHEST POTENTIAL REVENUE TO BE ACHIEVED AT EACH LOCATION BY CONSIDERING:

(I) THE POTENTIAL VIDEO LOTTERY REVENUES FROM ADDITIONAL VIDEO LOTTERY TERMINALS AT EACH LOCATION BASED ON THE MARKET PERFORMANCE OF THE EXISTING VIDEO LOTTERY TERMINALS; AND

(II) THE PROXIMITY OF EACH LOCATION TO NONRACETRACK DESTINATION LOCATIONS.

(C) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD UP TO 6,500 VIDEO LOTTERY TERMINALS FOR OPERATION AT NONRACETRACK DESTINATION LOCATIONS IN THE STATE.

(2) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY INITIALLY AWARD UP TO 2,500 VIDEO LOTTERY TERMINALS AT A NONRACETRACK DESTINATION LOCATION.

(3) IF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION DOES NOT AWARD THE TOTAL NUMBER OF VIDEO LOTTERY TERMINALS AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION, WITHIN 2 YEARS AFTER THE

OPERATION OF VIDEO LOTTERY TERMINALS AT NONRACETRACK DESTINATION LOCATIONS BEGINS, THE STATE LOTTERY COMMISSION MAY ALLOCATE THE REMAINING VIDEO LOTTERY TERMINALS AT THE LICENSED NONRACETRACK DESTINATION LOCATIONS USING A COMPETITIVE BID PROCESS.

(4) AS PART OF THE COMPETITIVE BID PROCESS, THE COMMISSION SHALL DETERMINE THE HIGHEST POTENTIAL REVENUE TO BE ACHIEVED AT EACH LOCATION BY CONSIDERING:

(I) THE POTENTIAL VIDEO LOTTERY REVENUES FROM ADDITIONAL VIDEO LOTTERY TERMINALS AT EACH LOCATION BASED ON THE MARKET PERFORMANCE OF THE EXISTING VIDEO LOTTERY TERMINALS; AND

(II) THE PROXIMITY OF EACH LOCATION TO RACETRACK LOCATIONS.”;

in line 25, strike “87%” and substitute “90%”; and after line 32, insert:

“(D) ANY STATE LOTTERY GAMES THAT ARE OFFERED BY OR THROUGH THE COMMISSION MAY NOT BE OFFERED FOR SALE AT A VIDEO LOTTERY FACILITY IN THE STATE.”.

AMENDMENT NO. 9

On page 36, in lines 10 and 11, strike “HORSE RACE TRACK” and substitute “RACETRACK LOCATION”.

On pages 36 through 38, strike in their entirety the lines beginning with line 13 on page 36 through line 4 on page 38, inclusive, and substitute:

“(1) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, TO THE LICENSEE AT A RACETRACK LOCATION, THE PERCENTAGE STATED IN THE ACCEPTED BID FOR THE RACETRACK LOCATION;

(2) (I) SUBJECT TO THE PROVISIONS OF ITEM (II) OF THIS ITEM, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, 5% IN A

LOCAL DEVELOPMENT GRANT TO THE COUNTY IN WHICH A VIDEO LOTTERY FACILITY AT A RACETRACK LOCATION IS LOCATED; AND

(II) IF A VIDEO LOTTERY FACILITY OPERATION LICENSE IS ISSUED TO A RACETRACK LOCATION AT LAUREL PARK, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT LAUREL PARK, 5% IN A LOCAL DEVELOPMENT GRANT TO BE DISTRIBUTED IN THE FOLLOWING MANNER:

1. 73% TO ANNE ARUNDEL COUNTY;
2. 17% TO HOWARD COUNTY; AND
3. 10% TO THE CITY OF LAUREL;

(3) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION, 9.3% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-27 OF THIS SUBTITLE; AND

(II) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, 10% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-27 OF THIS SUBTITLE; AND

(4) THE REMAINDER TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-29 OF THIS SUBTITLE.”.

On page 38, in line 12, strike “4.75%” and substitute “5%”; and in line 16, strike “THAT IS A HORSE RACECOURSE” and substitute “AT A RACETRACK LOCATION”.

AMENDMENT NO. 10

On page 39, strike in their entirety lines 13 through 28, inclusive, and substitute:

(Over)

“(C) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (D) AND (E) OF THIS SECTION, THE STATE RACING COMMISSION SHALL ALLOCATE A PERCENTAGE OF THE FUNDS IN THE ACCOUNT EACH YEAR TO THE THOROUGHBRED INDUSTRY AND TO THE STANDARD BRED INDUSTRY BASED ON THE PERCENTAGE OF THE TOTAL WAGERING ON LIVE RACING AT RACETRACKS IN THE STATE THAT CAN BE ATTRIBUTED TO EACH INDUSTRY DURING THE PRIOR CALENDAR YEAR.”;

in line 29, strike “(E)” and substitute “(D)”; in line 31, strike “MILE”; in the same line, after “PURSES” insert “AT THE PIMLICO RACECOURSE, LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE RACECOURSE IN TIMONIUM”; in line 33, strike “(F)” and substitute “(E)”; and in the same line, after “PURSES” insert “AT THE ROSECROFT RACEWAY, OCEAN DOWNS RACE COURSE, AND THE RACECOURSE IN ALLEGANY COUNTY”.

On page 40, in line 2, strike “(G)” and substitute “(F)”; and strike in their entirety lines 5 through 8, inclusive.

AMENDMENT NO. 11

On page 42, after line 9, insert:

“(E) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, A COUNTY THAT RECEIVES A LOCAL DEVELOPMENT GRANT UNDER THIS SUBTITLE SHALL ALLOCATE AT LEAST 10% OF THE LOCAL DEVELOPMENT GRANT FUNDS EACH YEAR TO THE COUNTY’S ECONOMIC DEVELOPMENT OFFICE TO PROVIDE GRANTS TO SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE COUNTY.

(2) THE GRANTS PROVIDED UNDER THIS SUBSECTION SHALL PROVIDE INVESTMENT CAPITAL AND LOANS TO SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE COUNTY WITH SPECIFIC FOCUS ON ECONOMICALLY DISTRESSED COMMUNITIES IN THE COUNTY AND COMMUNITIES SURROUNDING THE VIDEO LOTTERY FACILITY.”;

and in line 22, strike “AND MASS TRANSIT” and substitute “AND PROVISIONS REGARDING MASS TRANSIT IF MASS TRANSIT IS A SUBSTANTIAL MANNER OF TRANSPORTATION IN THE COUNTY WHERE THE VIDEO LOTTERY TERMINAL FACILITY IS LOCATED”.

AMENDMENT NO. 12

On page 43, in line 13, strike “A”; and in line 14, strike “PROGRAM” and substitute “PROGRAMS, INCLUDING THE PROGRAMS ESTABLISHED UNDER TITLE 19, SUBTITLE 8 OF THE HEALTH - GENERAL ARTICLE”.

AMENDMENT NO. 13

On page 44, in line 7, after “TERMINALS” insert “EXCEPT THAT THE REQUIREMENTS FOR MINORITY BUSINESS PARTICIPATION UNDER TITLE 14, SUBTITLE 3 OF THIS ARTICLE SHALL CONTINUE TO APPLY”.

AMENDMENT NO. 14

On page 44, in line 32, strike “TWO” and substitute “THREE”.

On page 45, in lines 1 and 3, strike “TWO” and “FIVE”, respectively, and substitute “THREE” and “THREE”, respectively; after line 4, insert:

“(3) THE MEMBERSHIP OF THE COMMISSION APPOINTED UNDER THIS SUBSECTION SHOULD REFLECT THE RACE, GENDER, AND GEOGRAPHIC DIVERSITY OF THE POPULATION OF THE STATE.”;

in lines 5 and 8, strike “(3)” and “(4)”, respectively, and substitute “(4)” and “(5)”, respectively; strike beginning with “MEMBERS” in line 8 down through “CHOOSE” in line 9 and substitute “GOVERNOR SHALL APPOINT”; strike beginning with “AT” in line 13 down through “APPOINTMENT” in line 14; after line 14, insert:

“(4) SHALL BE KNOWLEDGEABLE AND EXPERIENCED IN FISCAL MATTERS AND SHALL HAVE AT LEAST 10 YEARS SUBSTANTIAL EXPERIENCE:

(I) AS AN EXECUTIVE WITH FIDUCIARY RESPONSIBILITIES IN CHARGE OF A LARGE ORGANIZATION OR FOUNDATION;

(II) IN AN ACADEMIC FIELD RELATING TO FINANCE OR

ECONOMICS; OR

(III) AS AN ECONOMIST, FINANCIAL ANALYST, ACCOUNTANT, OR AS A PROFESSIONAL IN A SIMILAR PROFESSION RELATING TO FISCAL MATTERS OR ECONOMICS;”;

and in lines 15, 18, 20, 24, and 27, strike “(4)”, “(5)”, “(6)”, “(7)”, and “(8)”, respectively, and substitute “(5)”, “(6)”, “(7)”, “(8)”, and “(9)”, respectively.

On page 46, in line 1, after “(E)” insert “(1)”; in the same line, after “COMMISSION” insert “, THE DEPARTMENT OF BUDGET AND MANAGEMENT, AND THE DEPARTMENT OF LEGISLATIVE SERVICES”; after line 2, insert:

“(2) THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL CONTRACT WITH AN INDEPENDENT CONSULTANT THAT HAS AT LEAST 10 YEARS SUBSTANTIAL EXPERIENCE IN CONSULTING ON MATTERS RELATING TO THE GAMING INDUSTRY TO ASSIST AND ADVISE THE VIDEO LOTTERY FACILITY LOCATION COMMISSION IN THE REVIEW AND ANALYSIS OF BIDS SUBMITTED UNDER THIS SECTION.”;

in line 4, strike “TWO” and substitute “SIX”; in line 5, after “FOR” insert “RACETRACK LOCATIONS AND”; in line 7, after “THROUGH” insert “A COMPETITIVE PROCESS CONSISTENT WITH THE PROCESS ESTABLISHED FOR”; after line 8, insert:

“(G) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD MORE THAN:

(1) THREE LICENSES TO RACETRACK LOCATIONS; AND

(2) THREE LICENSES TO NONRACETRACK LOCATIONS.”;

in line 9, strike “(G)” and substitute “(H)”; in the same line, strike “FACILITY LICENSE” and substitute “OPERATION LICENSE AT A NONRACETRACK DESTINATION LOCATION”; strike beginning with “HOWARD” in line 13 down through “(III)” in line 14; strike in their entirety lines 15 and 16 and substitute:

“(III) DORCHESTER COUNTY; OR”;

in line 17, strike “(VI)” and substitute “(IV)”;

“(I) (1) IN ORDER TO QUALIFY FOR A VIDEO LOTTERY OPERATION LICENSE AT A RACETRACK LOCATION UNDER THIS SECTION, THE VIDEO LOTTERY FACILITY SHALL BE LOCATED AT:

(I) LAUREL PARK IN ANNE ARUNDEL COUNTY;

(II) PIMLICO RACE COURSE IN BALTIMORE CITY;

(III) ROSECROFT RACEWAY IN PRINCE GEORGE’S COUNTY; OR

(IV) A HORSE RACECOURSE IN ALLEGANY COUNTY.

(2) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE AT A RACETRACK LOCATION SHALL HOLD A LICENSE TO HOLD A RACE MEETING FOR THE RACETRACK LOCATION THAT IS STATED IN THE APPLICATION.

(J) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT ISSUE A VIDEO LOTTERY OPERATION LICENSE WITHIN A 2-MILE RADIUS OF ANOTHER VIDEO LOTTERY OPERATION LICENSE.

(K) (1) A BID SUBMITTED FOR A RACETRACK LOCATION UNDER THIS SUBSECTION:

(I) SHALL BE SUBMITTED BY OCTOBER 1, 2004 AND SHALL INCLUDE AN INITIAL LICENSE FEE IN THE BID OF AT LEAST \$10 MILLION;

(II) MAY NOT OFFER A PERCENTAGE SHARE FOR THE APPLICANT THAT EXCEEDS 36% OF THE GROSS PROCEEDS FROM VIDEO LOTTERY TERMINALS; AND

(Over)

(III) SHALL PROVIDE FOR AT LEAST \$35 MILLION IN DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS FOR EACH 1,000 VIDEO LOTTERY TERMINALS CONTAINED IN THE PROPOSED BID THAT SHALL BE PRORATED BASED ON THE EXACT NUMBER OF VIDEO LOTTERY TERMINALS CONTAINED IN THE BID.

(2) A BID SUBMITTED FOR A NONRACETRACK DESTINATION LOCATION UNDER THIS SUBSECTION:

(I) SHALL BE SUBMITTED BY OCTOBER 1, 2004 AND SHALL INCLUDE AN INITIAL LICENSE FEE IN THE BID OF AT LEAST \$10 MILLION;

(II) MAY NOT OFFER A PERCENTAGE SHARE FOR THE APPLICANT THAT EXCEEDS 30% OF THE GROSS PROCEEDS FROM VIDEO LOTTERY TERMINALS; AND

(III) SHALL PROVIDE FOR AT LEAST \$35 MILLION IN DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS FOR EACH 1,000 VIDEO LOTTERY TERMINALS CONTAINED IN THE PROPOSED BID THAT SHALL BE PRORATED BASED ON THE EXACT NUMBER OF VIDEO LOTTERY TERMINALS CONTAINED IN THE BID.

(3) A BID SUBMITTED FOR A NONRACETRACK DESTINATION LOCATION:

(I) SHALL INCLUDE A BID PROPOSAL BASED ON THE AWARD OF 2,000 VIDEO LOTTERY TERMINALS AT THE LOCATION; AND

(II) MAY INCLUDE A SECOND BID PROPOSAL BASED ON THE AWARD OF 2,500 VIDEO LOTTERY TERMINALS AT THE LOCATION.”;

in line 21, strike “(H)” and substitute “(L) (1)”; in line 22, strike “ FOLLOWING”; and in line 23, strike the colon and substitute “UNDER THIS SUBSECTION IN THE MANNER SPECIFIED.”.

On pages 46 and 47, strike in their entirety the lines beginning with line 24 on page 46 through line 8 on page 47, inclusive, and substitute:

“(2) THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 70% BASED ON BUSINESS AND MARKET FACTORS INCLUDING:

(I) THE HIGHEST POTENTIAL BENEFIT AND HIGHEST PROSPECTIVE TOTAL REVENUE TO BE DERIVED BY THE STATE;

(II) THE POTENTIAL REVENUE FROM A PROPOSED LOCATION BASED ON A MARKET ANALYSIS;

(III) THE ABILITY TO ATTRACT OUT-OF-STATE GAMING PARTICIPANTS;

(IV) THE EXTENT TO WHICH THE PROPOSED LOCATION DEMONSTRATES THAT THE FACILITY WILL BE A SUBSTANTIAL REGIONAL AND NATIONAL TOURIST DESTINATION;

(V) THE PROPOSED FACILITY CAPITAL CONSTRUCTION PLANS AND COMPETITIVENESS OF THE PROPOSED FACILITY;

(VI) THE AMOUNT OF GROSS REVENUES TO BE ALLOCATED TO THE OPERATOR OVER THE TERM OF THE LICENSE;

(VII) THE AMOUNT OF THE INITIAL LICENSE FEE TO BE PAID;
AND

(VIII) THE PERCENTAGE OF OWNERSHIP BY ENTITIES MEETING THE DEFINITION OF MINORITY BUSINESS ENTERPRISE UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(Over)

(3) THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 15% BASED ON ECONOMIC DEVELOPMENT FACTORS INCLUDING:

(I) THE NUMBER OF NEW JOBS TO BE CREATED; AND

(II) ANY ADDITIONAL ECONOMIC DEVELOPMENT PLANNED IN THE AREA OF THE PROPOSED FACILITY.

(4) THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 15% BASED ON LOCATION SITING FACTORS INCLUDING:

(I) THE EXISTING TRANSPORTATION INFRASTRUCTURE SURROUNDING THE PROPOSED FACILITY LOCATION;

(II) EXCEPT FOR A RACETRACK LOCATION, THE PROXIMITY OF THE PROPOSED FACILITY LOCATION TO INTERSTATE 95, U.S. ROUTE 50, AND OTHER PARTS OF THE INTERSTATE HIGHWAY SYSTEM; AND

(III) THE NEED FOR ADDITIONAL PUBLIC INFRASTRUCTURE EXPENDITURES AT THE PROPOSED FACILITY.”.

On page 47, in lines 9, 12, and 27, strike “(I)”, “(J)”, and “(L)”, respectively, and substitute “(M)”, “(N)”, and “(O)”, respectively; strike in their entirety lines 23 through 26, inclusive; and after line 29, insert:

“(P) (1) NOTHING IN THIS SECTION MAY BE CONSTRUED TO PROHIBIT A VIDEO LOTTERY OPERATION LICENSEE THAT IS AWARDED A LICENSE AT A RACETRACK LOCATION FROM BEGINNING VIDEO LOTTERY TERMINAL OPERATIONS IN A TEMPORARY FACILITY THAT MEETS THE MINIMUM REQUIREMENTS ESTABLISHED IN REGULATIONS ADOPTED BY THE STATE LOTTERY COMMISSION.

(2) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OF THIS SUBSECTION, A VIDEO LOTTERY OPERATION LICENSEE AT A RACETRACK LOCATION

SHALL BE FULLY OPERATIONAL IN A PERMANENT FACILITY NO LATER THAN 2 YEARS AFTER THE ISSUANCE OF THE VIDEO LOTTERY OPERATION LICENSE.

(Q) (1) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE THE VIDEO LOTTERY FACILITY LOCATION COMMISSION TO ISSUE ALL SIX VIDEO LOTTERY OPERATION LICENSES AUTHORIZED UNDER THIS SUBTITLE.

(2) NOTWITHSTANDING ANY OF THE PROVISIONS OF THIS SUBTITLE, THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD A VIDEO LOTTERY OPERATION LICENSE UNDER THIS SUBTITLE UNLESS THE VIDEO LOTTERY FACILITY LOCATION COMMISSION DETERMINES AND DECLARES THAT A BID SELECTED FOR AWARD OF THE LICENSE IS IN THE PUBLIC INTEREST AND IS CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE.”.

On page 49, in line 13, strike “1 year” and substitute “2 years”; in line 14, strike “second” and substitute “sixth”; and strike beginning with “for” in line 14 down through “location” in line 15.